2025

WELCOME

2025 Annual Report

Who we are

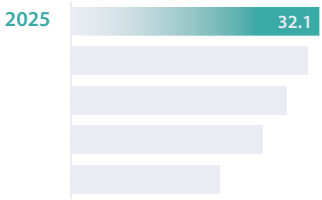
We specialise in designing and manufacturing professional lighting systems. We currently employ over 900 people and although each company works autonomously, our skills and markets are complementary.

Revenue (£m)

-0.3%

Operating profit (£m)

+4.7%

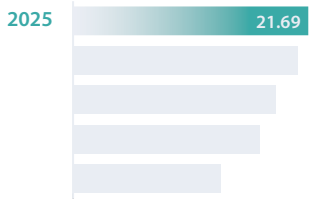


Dividend per share (pence)

+5.0%

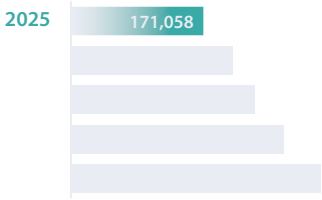
Basic earnings per share (pence)

+4.6%



CO_2 emissions (tCO_2e)
(Scopes 1, 2 and 3, market-based)

-18.1%



Operational highlights

- Stand out performances from Thorlux and Zemper
- Disappointing results at Lightronics and Schahl ~ opportunity for future growth
- Majority of other businesses delivered an improved performance

1 2024, 2022 and 2021 dividends exclude special dividends

2 2021 excludes the exceptional items in respect of Lightronics fire £1.6m

3 Restated to reflect updated information previously unavailable

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www.fwthorpe.co.uk

AIM
LONDON STOCK EXCHANGE

GREEN ECONOMY MARK
LONDON STOCK EXCHANGE

Image: Sheffield Hallam University, UK

FW THORPE AT A GLANCE

Our investment case

Product Innovation

Product design and development is fundamental to our operations.

- We maintain a competitive advantage with market-leading products, utilising technology to attract new customers and retain them.
- We engage in continuous product development – products, software/controls, and lighting design. We have also focused on the further development of our SmartScan wireless system.
- In addition, our diversified product portfolio gives us the ability to supply a complete project – from "boiler room to boardroom, and beyond".

Group spend on capitalised R&D

01

Where Innovation

Meets Responsibility.

02

ip

Environmental issues are a significant focus for us.

- We have family principles and a supportive culture.
- Our employees are fundamental to our success.
- We support local communities by giving to charities – this year we gave £33,000.
- We carry the LSE Green Mark.
- We continue to plant trees as part of our carbon offsetting programme.

Tonnes of CO_2e offset from solar panels

03

Sustained Value

Strong Financials

We achieved an improved profitability this year despite challenging economic conditions with revenue of £175.2m and operating profit of £32.1m. In addition, we had net cash generated from operating activities of £33.2m.

- We continue to explore further mergers and acquisitions, driven by strategic opportunities in new territories or technologies.
- Profitable growth at Thorlux, Zemper and the majority of UK companies.

Net cash generated from operating activities

£33.2m
(2024: £41.4m)

Sustainable Future.

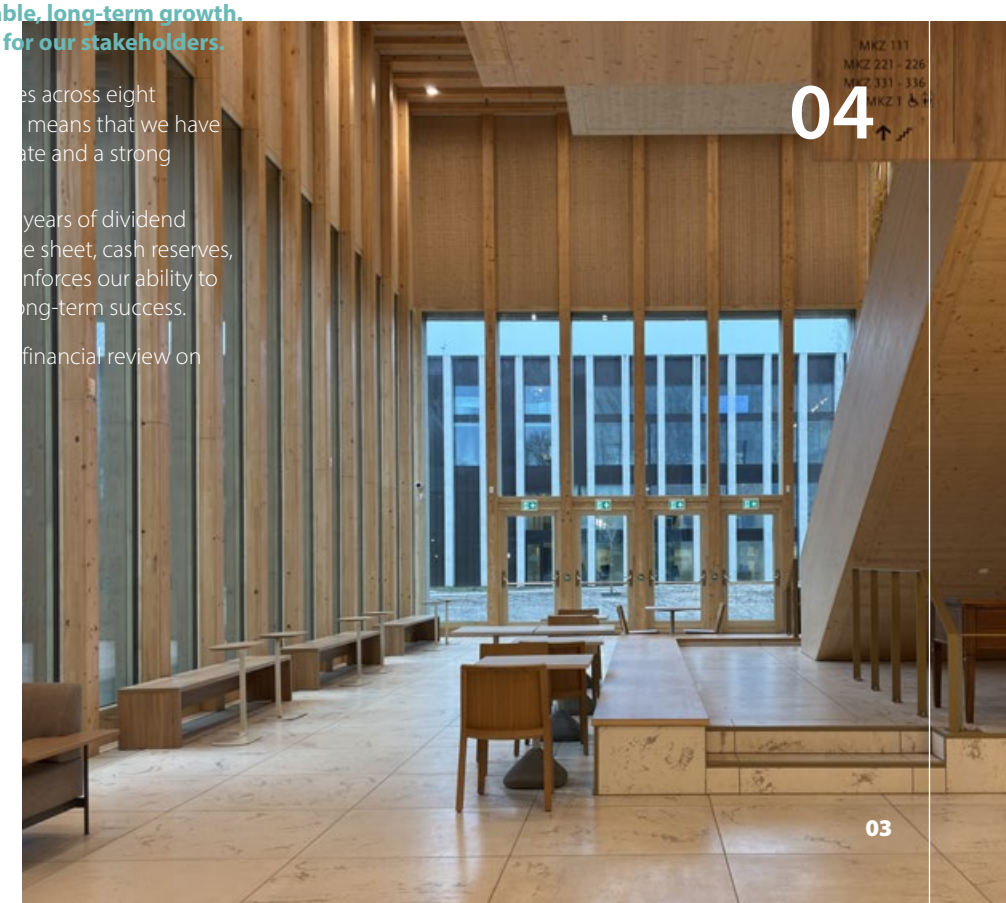
Means we are positioned for sustainable, long-term growth. Providing long-term value for us and for our stakeholders.

es across eight
means that we have
ate and a strong

years of dividend
e sheet, cash reserves,
nforces our ability to
ong-term success.

financial review on

Dividend per share



04

Beyond the expected

At FW Thorpe, we don't just make lighting - we lead with purpose, scale with confidence and build enduring value across every cycle.

Our Growth Mindset

The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With the energy and ability of our staff we look forward to the future with enthusiasm.

Our aim is to create shareholder value through market leadership in the design, manufacture and supply of professional lighting systems.

We focus on long-term growth and stability, achieved by delivering market-leading products, backed by excellent customer service.

Our Purpose

Provide technically advanced lighting solutions that deliver long-term lowest cost of ownership.

Our Vision

Maintain a consistently respected and profitable organisation with an environmental conscience.

Our Growth Mindset

People, **product** and **purpose** form the engine of our strategic mindset - enabling us to deliver long-term value, earn trust and lead with clarity in a changing market.

People

Our people are the drivers of long-term value. We cultivate deep expertise and long-term commitment across our teams - enabling resilience, innovation, and sustainable growth through a culture of accountability, collaboration and strategic continuity.

Product

Our products embody precision, performance and progress.
Our portfolio evolves through continuous innovation - delivering high-performance, connected and efficient lighting solutions that meet changing customer needs, regulatory expectations and sustainability imperatives.

Purpose

Purpose guides our strategic direction and investment decisions. We scale responsibly – aligning growth with environmental progress, customer impact and long-term value creation.

Powered by Our People

Innovation begins with talent – our people make the future possible.

Product Leadership

Leading through innovation, delivering lighting solutions that shape smarter, safer and greener spaces.

Our Purpose

Family-founded. People-driven. Purpose-led. We build more than lighting – we build lasting relationships, grounded in longevity, integrity, and honesty.

Our Values

Longevity

We have a long history and we genuinely care about our people, their professional development and work-life balance. Our employees are our most important assets.

Integrity

Striving to make the right decisions for all of our stakeholders and our planet.

Honesty

We honour our commitments and aim to deliver them in a dedicated and respectful manner.

What we do

The Complete Service Offering We Provide

Design and development

We allocate resources and human capital to the continuous development of lighting products such as software, controls and design, ensuring we meet evolving market demands and requirements.

Group spend on capitalised R&D

£2.6m

(2024: £2.0m)

Manufacturing

We operate multiple manufacturing sites across the UK, and our factories in the Netherlands and Spain enable us to meet European demand. We continue to invest in our manufacturing facilities.

Investment in plant & machinery

£1.8m

(2024: £1.0m)

Services

Our services range from surveying, lighting design through to commissioning and after-sales service. We support our customers throughout the product lifecycle.

Revenue from lighting services

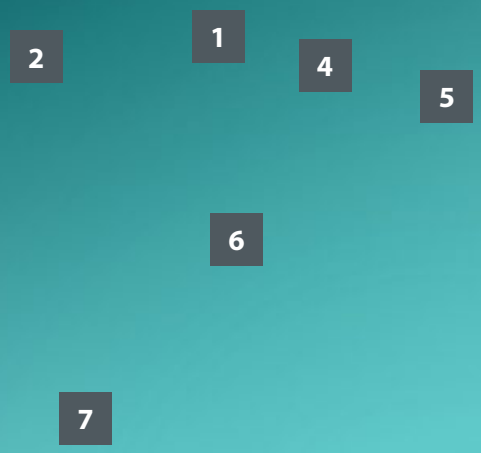
£8.2m

(2024: £6.1m)

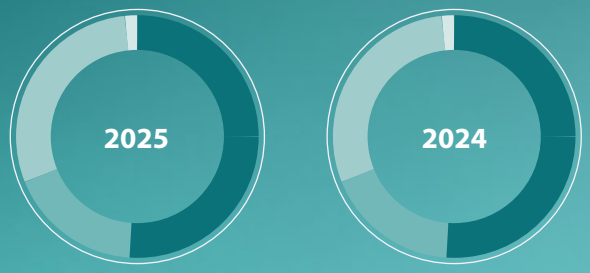
Our strategic pillars

- **Focus on high-quality products and good leadership in technology**
- **Focus on manufacturing excellence**
- **Continue to grow the customer base for Group companies**
- **Continue to develop high-quality people**

Our global footprint



Revenue by region



	2025	2024
UK	£96.7m	£90.3m
Netherlands	£32.5m	£36.2m
Rest of Europe	£41.8m	£45.2m
Other countries	£4.2m	£4.1m

1 United Kingdom
Thorlux Lighting
Philip Payne
Solite Europe
Portland Lighting
TRT Lighting
Ratio EV

2 Ireland
Thorlux Lighting

3 Australia
Thorlux Lighting Australasia

4 Netherlands
Lightronics
Famostar
Ratio Electric

5 Germany
SchahlLED

6 France
Zemper

7 Spain
Zemper

Key

Sales office
Manufacturing facility

Our timeline

1936

Established by Frederick William Thorpe and his son Ernest Thorpe. Spinning circular reflectors

1940–1960

Moved to larger premises twice to cope with the expansion into linear fluorescent luminaires, and to enter the exterior and hazardous markets

1965

Floated on the London Stock Exchange

2016

Minority investment in Spain

Targeted Spanish market and acquired lens specialism

2017

Acquired remaining share capital in Thorlux Australasia

Targeted Australian market, improved performance

2018

Acquired Famostar – Netherlands

Improved emergency lighting product offering

2019

Compact Lighting business successfully merged with Thorlux Lighting

Portsmouth facility sold

2020

All operating businesses housed in Group-owned property

Maintained operations during COVID-19 pandemic

2021

Lightronics recovers from factory fire with improved results

Sustainability focus

2022

Acquired Electrozemper – Spain

Joint venture investment with Ratio Electric – electric vehicle charging products

1989

- Moved to our Redditch headquarters

1990–1996

- First acquisition – Mackwell Electronics
- Start-up in retail and display lighting
- Acquired Philip Payne emergency exit signs

2005

- Transferred to AIM

2009–2011

- Acquired Solite Europe – lighting for clean rooms
- Acquired Portland Lighting – LED sign lighting
- Mackwell Electronics disposal

2013

- Start-up company TRT Lighting entered the street lighting market

2014

- Creation of an in-house LED printed circuit board production line

2015

- Acquisition of Lightronics – Netherlands
- Developed European market
- Sugg Lighting disposal

2023

- Acquired SchahlLED – Germany
- Global revenues exceed £176m

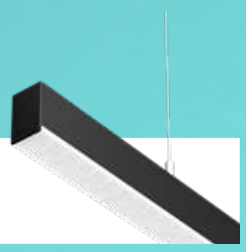
2024

- Further investment in sustainability
- Net-zero targets validated by SBTi

2025

- UK revenue approaches £100m
- Continued progress against net-zero targets

Our businesses



Thorlux Lighting

Description

Thorlux luminaires have been manufactured continuously since 1936, the year Frederick William Thorpe founded the Company.

The Company now operates from the Group's modern 16,882m² self-contained factory in Redditch, Worcestershire, central England.

Thorlux is well known throughout the world and provides a comprehensive range of professional lighting and control systems for a wide variety of applications.

Key products

- Recessed, surface and suspended luminaires
- Emergency lighting systems
- Hazardous area lighting
- High and low bay luminaires
- Lighting controls
- Exterior lighting

Market sectors

- Commercial
- Industrial
- Education
- Healthcare
- Manufacturing
- Retail, display and hospitality

SchahlLED

Description

SchahlLED Lighting is a turnkey provider of intelligent LED solutions for the industrial and logistics sectors with more than 50 years of lighting and 20 years of LED experience.

The company is based in Unterschleißheim near Munich and has sales representatives across Germany. As both a manufacturer and full-service provider, SchahlLED plans lighting concepts and supplies intelligent LED lighting systems.

Key products

- Recessed, surface and suspended luminaires
- Hazardous area lighting
- High and low bay luminaires
- Lighting controls
- Exterior lighting

Market sectors

- Manufacturing
- Industrial
- Logistics

TRT Lighting

Road, tunnel and exterior lighting.

Key products

- Road and tunnel lighting
- Amenity lighting

Market sectors

- Infrastructure
- Facilities

Solite

Cleanroom, custodial and healthcare lighting

Key products

- Cleanroom luminaires

Market sectors

- Pharmaceutical
- Education
- Healthcare
- Research and development

Portland Lighting

Hospitality, retail and sign lighting

Key products

- Lighting for signs
- Road safety lighting

Market sectors

- Retail
- Advertising
- Hospitality
- Infrastructure

Philip Payne

Emergency lighting and signage solutions

Key products

- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Hospitality
- Healthcare

LIGHTRONICS

Description

Based in Waalwijk, Netherlands, Lightronics specialises in the development, manufacture and supply of external and impact resistant lighting, which includes street lighting, outdoor wall and ceiling luminaires as well as control systems. The majority of its revenue is derived from the Netherlands, but there is also an export presence in other European locations.

Lightronics was originally established in 1946 and has a strong tradition of solid, reliable products as well as being known for its innovation.

Products are environmentally friendly in terms of energy use as well as in the prevention of light pollution.

Key products

- Road lighting
- Amenity lighting
- Exterior lighting
- Lighting controls

Market sectors

- Infrastructure
- Housing
- Facilities

Famostar

Description

Based in Velp, Netherlands, Famostar specialises in the development, manufacture and supply of emergency lighting products. Revenue is derived from the Netherlands, where it is considered one of the foremost brands in the market.

Famostar was originally established in 1947, with each product being designed and manufactured at its own production facility.

Famostar has a reputation for designing and manufacturing reliable luminaires offering solutions for sectors including commercial, industrial, education and retail applications.

Key products

- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Education
- Industrial
- Retail, display and hospitality

ZEMPER

Description

Zemper was established in 1967 and is a leading independent producer of emergency lighting. It uses highly automated manufacturing processes and, through high levels of research and development and extensive in-house and third-party testing, supplies market-leading products, including wired and wireless self-testing systems.

Based in Ciudad Real, Spain, and with an additional sales and distribution facility in France, Zemper derives revenue from Spain, France and Belgium as well as other overseas territories.

Key products

- Emergency general illumination
- Emergency exit signage
- Emergency lighting systems

Market sectors

- Commercial
- Education
- Infrastructure
- Industrial
- Healthcare
- Retail, display and hospitality

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Brayford Wharf North, Lincoln, UK

TRT Lighting

TRT Lighting is proud to have supported Lincolnshire County Council in their ambitious drive to upgrade their public lighting to LED technology. As part of this initiative, the existing ceramic metal halide lamps along Brayford Wharf North have been replaced with TRT's Luz lantern.

Chairman's statement

"I am pleased to report that all Group companies have innovation as a key pillar of their business operations, with new Group-wide innovation teamwork supporting this strategy."

Financial year 2024/25 saw consolidated revenues at similar levels to last year and profit before tax increase by 5.9%, primarily as a result of material cost reductions and lower administrative expenses.

The largest contributions arose from Thorlux Lighting's UK operations and Zemper in Spain and Belgium. Whilst Thorlux and Zemper made notable and excellent contributions, unfortunately Lightronics in the Netherlands was unable to replicate its stellar performance of last year, business at Famostar in the Netherlands slowed slightly, and performance at Thorlux's sister company in Germany, SchahlLED, was lower due the country's economic downturn, especially hitting its industrial sector. I am pleased to say that changes made in the Group's smaller UK subsidiaries paid off, with them all showing excellent levels of growth; TRT Lighting is showing some improvements, with reduced losses, and at the time of writing has made a profit in the last five consecutive months. Market conditions, with the Group being so diverse and geographically spread, are naturally variable, but the overall undertone is one of conditions becoming harder, requiring Group companies to be ready to adapt as required by their individual circumstances. Every year, I wish for a period when all companies move forward in unison; it seems, however, that whilst we continue trying, some ups and downs across the Group are always unavoidable.

Overall, operating profit performance grew marginally to £33m, before acquisition adjustments (amortisation of intangible assets established at purchase and changes in fair value of redemption liabilities), and therefore a 19% return on sales is a creditable achievement.

The Group's people costs continue to rise – especially in the UK, driven by changes to National Insurance contributions and the minimum wage – which has a knock-on effect through to higher pay grades as the margin between minimum pay and those grades is expected to be maintained. I am pleased to report that all Group companies have innovation as a key pillar of their business operations, with new Group-wide innovation teamwork supporting this strategy. It is inevitable that, with the Group's companies being highly technology focussed, its indirect costs continue to rise – these include not only those for technical engineers, but also for associated specialist sales and after-sales activities. The Board supports such continued investments in order to make products as attractive as possible to potential customers compared with foreign-made equipment, which is often more focussed on price than service, quality and performance benefits. Despite ongoing people cost inflation, reductions in material costs and careful control of expenses have enabled the Group to slightly improve its profit margins.

Cash reserves, including short-term financial assets, despite some share buy-backs of the Company's own shares, reached £61.8m (2024: £52.9m) at the end of the financial year. Throughout the year various acquisition opportunities were investigated, with none being deemed suitable for Group integration. The Group will continue to buy back shares when considered appropriate.

On the compliance front, the newly formed audit and remuneration committees met during the period. Thorlux Lighting obtained independent certification to ISO 27001 – the internationally recognised standard for information security management, which is particularly relevant and topical – to support various protections in place for the company's cyber security. I am also proud that all Group manufacturing companies have certification to EN 450001, independently verifying procedures to ensure employee safety, and to ISO 14001, ensuring compliant environmental management practices. These certifications reinforce the Board's policy of ensuring that FW Thorpe Plc operates in a professional and correct manner; external independent auditing provides it with assurance of that. These certifications also provide the Group's customers with similar assurance, which I am certain is a key selection factor for discerning customers who increasingly look to source locally and in an environmentally conscious way.

Group results

Group revenue was in line with last year's, at £175.2m (2024: £175.8m), whilst operating profit grew to £32.1m (2024: £30.6m).

An overview of each company's performance is given below, and the Annual Report and Accounts contains a more detailed appraisal of each company's individual achievements and challenges.

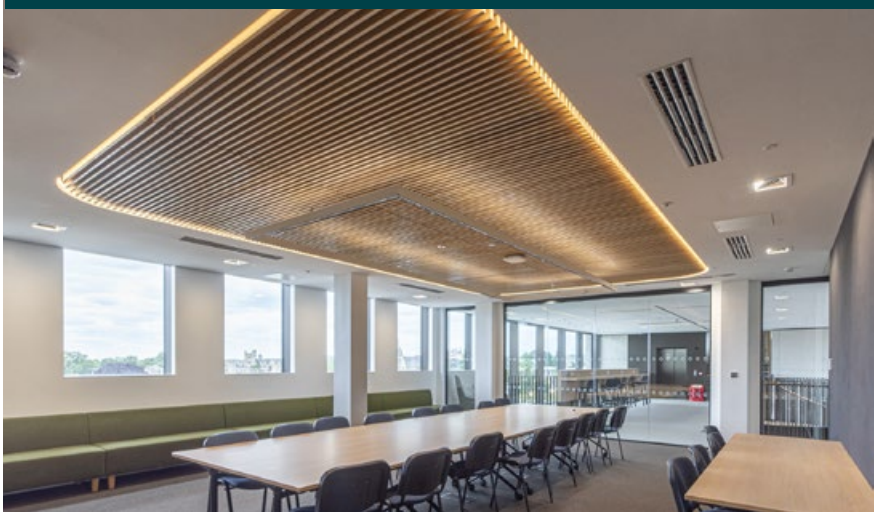
In the year, Thorlux Lighting achieved a good increase in profitability through a combination of revenue growth and efficiency improvements. Thorlux is focussed on providing an all-round proposition from initial survey to design, supply, possible installation, commissioning and after-sales service; customers are prepared to pay for the whole package, understanding that a successful project is far more than supply of luminaires alone. Thorlux is targeting growth again in this current financial year; however, there are signs of a slowdown in the UK market, and hence the company needs to be on top of its game to continue a trajectory of growth. I regularly visit Thorlux's head office, and I see a company focussed on its market segment, aiming for efficiency improvements through better manufacturing, and generally a company in good shape. However, Thorlux is, of course, subject to some degree of uncertainty due to the condition of the UK economy and the added weight of government-mandated operating cost increases offsetting some of its improvements.

Portland Lighting's performance increased markedly this year, with its new traffic division more than compensating for a downturn in its traditional sign lighting market, which has been subject to a general malaise seen by many in the high street retail market. Portland continues to regularly develop new products to extend its traffic ranges, and whilst profits are not yet at the highs ultimately expected, I see achieving this as a matter of time now that momentum is gathering pace.

TRT Lighting was loss-making again this financial year at an operating level. As mentioned earlier, the company's performance, however, is showing definite signs of revival, the first months of the new financial year returning a profit, and the local board is forecasting this coming year to be profitable overall. A whole new sales team has started to bed in, and once again regular sales visits are being made countrywide; it would be great to see the team's efforts duly rewarded.

Solite and Philip Payne have both undergone changes in recent years. This financial year has seen operating profits increase 67% and 46% respectively. The Board is pleased and hopeful that this

Life and Mind Building, University of Oxford, UK



Chairman's statement continued

Road Tunnel, Bunnik, Netherlands

growth will be sustained for the long term. However, both companies are, of course, subject to various UK economic factors.

Zemper had an excellent year, raising both its revenue and profits significantly. Projects for new products developed in recent years have been numerous, especially the company's latest wireless technology, Smart Z, and its dynamic emergency evacuation signage system, ALIOTH. The pictogram on ALIOTH's illuminated exit signs can adapt to alter evacuation routes to suit prevailing local conditions; for example, a "turn left" arrow symbol can be changed to "turn right". ALIOTH is particularly suitable for large managed complexes such as airports, exhibition centres, tunnels and sports stadiums. Zemper grew significantly in Spain and Belgium; however, market conditions in France resulted in a slowdown there.

Thorlux and Philip Payne have worked with Zemper to pool their emergency lighting know-how, jointly developing the next generation of the Group's very successful Firefly luminaire. Such cooperation has resulted in the new product having a period between battery changes in excess of 10 years and being available for sale in three companies and across multiple territories, all with slight local deviations.

SchahlLED's main market, Germany, remained in recession, and over the financial year its revenue decreased from £15m to £11m, a significant drop. Nevertheless, the company remained profitable before acquisition costs and has doubled down its effort to rekindle its order book with a range of sales focussed measures, although it may take a couple of years to rebuild to previous order levels.

Turning to the Dutch, Famostar's year was steady, as usual, but the company saw a small reduction in its profits. Lightronics' year was a little more notable, with a £2.2m reduction in profit – a significant drop in its valuable Group contribution. Clearly, the previous financial year's performance represented an exceptional high for Lightronics, and thus this year's figure is considered more normal, albeit disappointing having experienced the high. Management is working hard to improve orders, with additional selling resources, renewed focus on street lighting rollout projects, and some new product introductions.

The Group's joint venture with Ratio continues to struggle to make decent profit contributions. On a positive note, however, it has launched a range of smart EV chargers, either the wall mounted io6 or the UK manufactured io7 in-ground pillar style. These chargers contain the necessary electronics to comply with UK wiring regulations, in power ratings up to twin 22kW.

The Brook Woodland, Herefordshire, UK

Sustainability

Planting commenced for the first phase of the newly acquired Brook Woodland carbon offsetting site: 82,000 trees were planted in spring 2025. Group Marketing Manager, Kate Thorpe, managed the project. At the time of writing, surprisingly, 75% of the saplings have survived the UK's exceptionally dry summer and should now be safe through to next spring; any that have not survived will be replanted. On behalf of the Board, I would like to thank the Department for Farming and Rural Affairs for its generous England Woodland Creation Offer grant, via The Forestry Commission, of up to £1.3m, which has been gratefully accepted and demonstrates the Forestry Commission's support of the company for its serious intentions to go the extra mile, beyond its internal carbon reductions alone, offsetting only when everything else practicable at the time has been completed.

The Board is proud of the Group's sustainability journey, which not only gives real environmental benefits but also reduces the Group's costs by improving efficiency and, further, makes it more attractive to potential customers. The Group's general rule for investment for sustainability is that environmental benefits also need to generate business cost savings with a sensible payback. A slight deviation to that was to invest in new lorries (£408k) which can run from standard diesel or HVO biofuel derived from vegetable oils and waste biomass, which offers a lower-carbon alternative to conventional diesel. Unlike fossil fuels, which release carbon that was stored underground, HVO's carbon emissions are effectively balanced by the carbon absorbed during the growth of the biomass used in its production. This makes it a renewable and more sustainable fuel choice. Whilst HVO still produces exhaust fumes, its overall impact on global carbon levels is significantly lower than that of traditional diesel. Based on figures from the UK Government, switching to HVO will yield a reduction in carbon of as much as 90% compared with previous diesel vehicles. I am pleased to say that the company will also benefit from the new vehicles, when running on either fuel, being 15% more fuel efficient than previous models, offering a cost reduction throughout their lifetime.

In addition, Thorlux, TRT, Zemper and Lightronics are taking advantage of improved technologies, and now each runs at least one fully battery electric zero tailpipe emissions delivery van, charged from its factory roof mounted solar PV wherever practicable; in Thorlux's case, 78% of its company car fleet is fully electric or hybrid.

Personnel

I would like to thank all Group employees for their dedication and commitment throughout the financial year; they should be proud of their achievements.

Dividend

Performance as a whole for the financial year to 30 June 2025 allows the Board to recommend an increased final dividend of 5.36p per share (2024: 5.08p), which gives a total for the year of 7.12p (2024: 6.78p).

Outlook

The diversity of the Group's territorial sales gives its companies resilience to individual market conditions and government interventions. The Group has started the 2025/26 financial year with similar revenues and a similar order book to last year; however, management teams are targeted with finding growth.

The Group's focus is switching from the smaller UK companies to Lightronics and SchahlLED; plans are in place to improve or restore these businesses to the profit levels expected. This will take time and some investment, particularly in sales related activities.

The Board remains acquisitive, albeit on a selective basis, to support modest growth if the right opportunities are forthcoming.

Mike Allcock
Chairman

3 October 2025

Marketplace

The Group services a diverse range of clients across a variety of different sectors. These sectors are targeted by our sales teams, sector specialists and product experts as well as dedicated company specialisms in areas such as lighting controls, emergency and outdoor lighting. The product portfolio across the Group gives the ability to deliver a complete project, from [illegible] room to boardroom and beyond.

Market overview

Whilst the overall figures showed improvement, there were some mixed results across the Group with outperformance by Thorlux in the UK and Zemper, offsetting subdued performance in the Netherlands and Germany. Supply chains stabilised, although some disruption remains to shipping routes and an improvement to material costs achieved by most companies across the Group.

The Group has diverse coverage from both a territory and sector perspective. The UK market continued to secure orders from target sectors, however there was lower revenue in the Netherlands driven by Lightronics. While Zemper improved revenue, the rest of Europe was subdued with investment delayed in Germany given economic conditions. Australia solidified the growth of the previous year.

Product development remains a key pillar to success, differentiating the Group from its competitors with innovative products and systems. SmartScan continues to evolve, adding further features and benefits to keep us ahead of our competitors.

Competition is in a variety of forms, from private businesses to listed multinationals and from the information available, financial performance has been muted given that the last few years were supported by sales price increases. The Group continues to invest in business development and selling resources, supporting the peaks and troughs of demand across various sectors.

The Group continually assesses how to deploy its selling capabilities and routes to market in order to target specific sectors and territories. The product and technology portfolio continues to evolve, enabling us to compete across different sectors and geographies. We continue to focus on certain sectors and territories where we have a specific selling presence.

UK +7.0%

- Continued to secure orders from target sectors with opportunities to improve in some target areas
- Services revenues higher with solid gross contribution
- Street lighting lower, positive performance from all other UK companies

Netherlands -10.2%

- Steady Famostar business, supported by growth in sales of Thorlux products into specific projects
- Step backwards at Lightronics, no significant rollout projects for either segment

Rest of Europe -7.5%

- Growth in Spain, driven by Zemper's technology offering
- Positive growth in Belgium via Zemper
- Germany lower, investment delayed by SchahlLED industrial customers in challenging economic conditions

Other countries +3.5%

- Australia solidified demand during the year, similar results to 2023/24
- UAE business closed during the year

Demand for Technology

What this means

Evolution of controls technology – wireless

Connectivity with the internet and other devices – the Internet of Things

Ability to offer customers additional functionality by adding different sensor technology and presenting data

The Group's shift to LED sales now representing over 90% of total revenue

Opportunities

Improves ability to hold specification business with our own controls offering

Potential to supply retrofit projects with wireless controls where wired controls are cost prohibitive

Offer solutions to provide additional data specific to the market sector

How we are responding

SmartScan continues to evolve since launching in 2016, the latest generation successfully launched

Further development of the SmartScan platform, bringing other non-lighting devices into the web portal

Occupancy profiling, air quality sensing, and the ability to change colour temperature are all features

All new product developments are LED based

Continual review of LED technology offerings to take advantage of the latest advances and ensure we are offering the best solutions to our customers

Economic Climate

What this means

Infrastructure investment increase expected, especially in UK and Germany

Certain sectors could slow investment given concerns over future economic conditions and uncertainty around tariffs

Pressure on wages and salaries due to inflationary and government interventions such as minimum wage and national insurance increases in the UK

Minimal direct tariff risk. Potential for indirect risk, slowing of projects during any uncertainty

Opportunities

Diversified product and sector portfolio

Energy costs remain at levels where payback periods are still interesting for energy-saving lighting projects

Carbon reporting and reduction requirements can drive system investment

Re-shoring with the Group's manufacturing capabilities gives the ability to bring certain components in house

How we are responding

Ensuring our companies are not reliant on one particular sector

Continue to develop innovative products and solutions across the Group

Working with global customers across different territories

Target sectors where demand is stable or increasing

Redirect or invest in selling resources where appropriate

Energy Efficiency and Carbon Reduction

What this means

Global emissions targets

High energy costs in certain European countries

Opportunities

Increased demand for sustainable, energy-efficient lighting solutions

Demand for retrofit lighting solutions driving energy savings using both LED and wireless controls technology

Ability to harvest data to satisfy ongoing reporting requirements

How we are responding

Continue to offer energy-saving technology and the ability to report on energy usage with the SmartScan platform

Financing options with partners to make solutions more affordable to customers to match the savings achieved

Offering turnkey packages to customers to enable change

Investment in electric vehicle charging products with Ratio

Marketplace continued

44%

of sales from safety products (emergency lighting systems)

(2024: 38%)

Market sectors

- Pharmaceutical
- Hospitality
- Display
- Housing
- Advertising
- Research and development
- Commercial
- Facilities
- Retail
- Education
- Industrial
- Infrastructure
- Healthcare
- Manufacturing

99%

of sales from LED technology, energy-saving controls and related services

(2024: 97%)

Business model

Customers come to us for peace of mind. They want the correct technical solution, professional service, sustainability of products/services and the ability to support the customer during a product's warrantable life and beyond.

The key resources we utilise

Design and Innovation

Continuous product development – products, software/controls, lighting design

Our Talent

Continued development of our people

Our Manufacturing Capability

The Group's manufacturing capabilities span metalwork, plastics and electronics, providing the flexibility to bring third-party components in-house

UK – multiple sites

Europe – Netherlands, Spain

Continued investment

Our Financial and Sustainability Credentials

Financial stability, robust balance sheet

SBTi commitment, carbon offset scheme

and harness our "growth mindset" embedded within our operations to

Design & development

Manufacturing

Services

How we are having an impact on our people, stakeholders and the world

Group spend on capitalised R&D

£2.6m

(2024: £2.0m)

Design and development

Designing and developing in line with customer specifications, market demands and sustainability requirements

Investment in plant & machinery

£1.8m

(2024: £1.0m)

Manufacturing

Investment including new sheet metal capability, new delivery fleet - both delivering lower carbon emissions

Revenue from services

£8.2m

(2024: £6.1m)

Services

Our services range from site surveys, installation and commissioning through to monitoring the performance of products. We support our customers throughout the product lifecycle

Our business model is focused on the needs of our customers and the marketplace, with a robust capital structure that underpins our ability to deliver sustainable growth, innovative products and excellent customer service.

distinct advantages

Product innovation

- Diversified product portfolio gives the ability to supply a complete solution – "boiler room to boardroom and beyond"

Solutions

- Renovations, new build, energy saving, compliance, data, reporting
- Intelligent lighting systems with integrated controls, including supply, installation and commissioning
- Designed for energy efficiency, low maintenance, rapid installation, longevity of products = lower cost of ownership

Decentralised manufacturing

- Multiple sites within the UK and Europe
- Re-shoring of supply chains where practical, utilising in-house capabilities such as metal work, injection moulding and electronics

Sustainability leadership

- Group-wide initiatives and support in delivering sustainability targets
- SBTi commitment, various third-party accreditations across the Group

Cross-selling opportunities

- Ability to offer other Group company products to complete a solution for a wide variety of sectors

The value generated for stakeholders

Customers

Short term

Replacement of ageing technology with improved lighting systems

Long term

Innovative lighting that delivers cost savings and additional benefits, such as data capture and presentation

Shareholders

Short term

Opportunity to invest in a company that pays a progressive dividend and with a robust balance sheet

Long term

Sustainable profit growth drives future shareholder returns

Communities

Short term

Employment opportunities and supporting local charities

Long term

Providing sustainable employment in the areas where our businesses are located

Employees

Short term

Opportunity to work with an innovative market leading company within the lighting industry

Long term

Continual development with a variety of Group companies in a number of different territories

Environment

Short term

Build on the work of many years, delivering energy-saving products and continuing our carbon offset programme

Long term

Develop and implement our sustainability strategy as we drive towards net zero

Our strategy

Our products are sold throughout the world. The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With the energy and ability of our staff we look forward to the future with enthusiasm. Our aim is to create shareholder value through market leadership in the design, manufacture and supply of professional lighting systems.

Our focus is for long-term growth and stability, achieved through the following priorities:

Overview of strategy

- Strategy was designed to build on the values that have been at the core of the Company since its inception. FW Thorpe has been built on product innovation – design and product development is fundamental.
- The Group is product led. This enables us to maintain competitive advantage with market leading products, utilising technology to retain and attract new customers.
- Sustainable growth is key to our stakeholders – targeting new customers in existing or new territories, using our product portfolio to drive into new sectors.
- Control of the manufacturing processes is of utmost importance – key processes are kept in-house with targeted investment in new machinery as required.
- Family principles and how we treat our people is fundamental to our success. The Group prides itself on the development of people from within the organisation, providing training and experience as well as maintaining our core values.

1 Focus on high quality products and good leadership in technology

Customers continually require new and innovative ways in which to reduce the operating costs of their lighting installations. There is also the requirement to reduce their environmental impacts.

Progress to date

- Continued enhancement of features for the SmartScan wireless system
- Shared product development between certain companies within the Group
- Electric vehicle charging and road safety products now being sold in the UK

Future opportunities

- Further development of SmartScan
- Continuous research and development
- Targeted acquisition

Associated risks F

- Product acceptance
- Initial product introduction

→ Read more in Strategy in action on **pages 26 to 29**

2 Continue to grow the customer base for Group companies

With the continued investment in the product portfolio and the broad range of sectors we can service, the focus will be on expanding our customer base in new markets and territories.

Progress to date

- Targeted approach in the Netherlands, Norway and France with Thorlux product and controls portfolio
- Introduce Famostar product portfolio to territories where the Group has a presence
- Introduce Zemper product portfolio to territories where the Group has a presence

Future opportunities

- Consider further sales offices overseas
- Potential business development investment
- Investment in sales personnel in the UK and Europe
- Targeted acquisition

Associated risks A C E F I

- Short-term cost increase without immediate return
- Prolonged time required to establish FW Thorpe brands

→ Read more in Strategy in action on **pages 32 to 40**

3 Focus on manufacturing excellence

Along with continued product development, the need to innovate the production process is essential.

Progress to date

- New punch press at Thorlux
- New commercial fleet at Thorlux
- Insourced a number of components this year including injection mouldings and electronics, predominantly to help secure our supply chain

Future opportunities

- Continued development of manufacturing facilities and processes across the wider Group
- Potential paint plant upgrades across the UK
- Potential of additional injection moulding capability at Zemper to support Group insourcing
- Additional solar at Thorlux with the potential for battery storage

Associated risks B F

- Reduced productivity whilst changes are implemented
- Learning curve on introduction of new products and processes

→ Read more in Strategy in Action on **pages 28 to 29**

4 Continue to develop high-quality people

As one of our main sources of competitive advantage, it is imperative we continually develop and retain talent within the business.

Progress to date

- Apprentice scheme continues
- Investment in management training
- Training and development

Future opportunities

- Continued investment in training and personnel development
- Inter-company collaboration teams to develop a broader understanding of the whole business

Associated risks D F

- Ability to retain staff in competitive local job markets
- Potential loss of UK personnel from the EU
- Ability to sponsor non-UK staff and associated increased costs

→ Read more in Sustainability on **page 48**

Risk key

- A Adverse economic conditions
- B Business continuity
- C Price changes
- D Changes in government legislation or policy
- E Impact of conflict on domestic and global economies
- F Competitive environment
- G Sustainability and climate-related risk
- H Cybersecurity
- I Tariffs and trade barriers
- J Credit risk
- K Movements in currency exchange

Strategy in action

ALIOTH

Redefining building safety through smart evacuation technology

Zemper continues to demonstrate its commitment to innovation and safety with the development of ALIOTH, an adaptive evacuation system designed to revolutionise how buildings respond to emergencies. ALIOTH offers a transformative approach to evacuation management by using real-time data to optimise escape routes and reduce response times. Unlike traditional static emergency signage, ALIOTH adapts to the evolving conditions within a building during an emergency. It dynamically directs occupants to the safest available exits, even when original routes become blocked or compromised.

Addressing a critical market need

Across the built environment, particularly in large and complex structures, there is growing recognition of the need for smarter emergency response systems. Emergencies such as fires, gas leaks or security threats can escalate quickly, and the unpredictability of human behaviour under stress poses a unique challenge.

ALIOTH meets this challenge by offering intelligent, real-time evacuation guidance. It combines data from multiple building systems - including fire protection, environmental sensors and surveillance - with adaptive signage to deliver clear, actionable instructions.

Validated through research and real-world testing

Zemper has backed the development of ALIOTH with robust research and field testing. Simulated evacuations conducted with diverse population samples have consistently demonstrated improved reaction and travel times when compared with static systems. The system's ability to redirect foot traffic and draw attention through visual and auditory cues has proven particularly effective in optimising flow and minimising bottlenecks. Importantly, the ALIOTH system also instils a sense of confidence among occupants, which is critical during high-stress scenarios.

Intelligent

Controllable

Adaptive

Wireless

Without ALIOTH
Occupants may be directed towards danger instead of safety.

With ALIOTH
ALIOTH ensures that occupants are always directed to the safest available exit.

ALIOTH in action

ALIOTH has been installed at Brussels Airport, where its exceptional 40-metre visibility range was a decisive factor in its selection - no other product on the market offers this level of visibility. Zemper is also running pilot projects at other airports across Europe, further validating the system's performance and adaptability.

Smart technology meets robust engineering

ALIOTH is a smart evacuation system comprised of four types of emergency luminaire in two sizes, including a double-sided version. The larger models provide a 40-metre visibility range, whilst the smaller models offer up to 20 metres; both are designed to ensure guidance is clear and visible even in large or complex spaces.

Despite being constructed with metal housings, ALIOTH's wireless communication system performs flawlessly. Its adaptive self-healing mesh network, intelligent channel detection, and real-time responsiveness to environmental changes ensure robust, uninterrupted operation, even in the most challenging architectural settings.

Compliant, scalable and future-ready

Designed to align with modern regulations, ALIOTH complies with EN 60598-2-22, EN 50172 and CENELEC Technical Specification CEET/TS 17951. Its full compatibility with existing fire alarm systems further simplifies integration into new and retrofit projects alike.

Moreover, ALIOTH supports the shift towards performance-based safety solutions. As regulatory bodies increasingly call for systems tailored to the specific risks of each building, ALIOTH's flexibility and IoT connectivity position it as a scalable solution with wide potential across sectors such as commercial real estate, healthcare, transportation and education.

This achievement reflects both the unwavering dedication of the technical and manufacturing teams at Zemper - who continue to push the boundaries of adaptive safety - and the strength of a clearly defined long-term strategy, the Products towards Systems, Solutions and Service (PaSSS) strategy, initiated eight years ago with the launch of the ALIOTH development project.

Strategy in action continued

TRT Lighting

Aspect Gen2

Developed after 12 years of success with Aspect Gen1, the Aspect Gen2 represents a new standard in street lighting.

Embracing industry, market and technology advancements over the past decade, this family provides versatility and greater efficiency.

Available in four sizes – 32, 64, 96 and 128 LEDs – the Aspect Gen2 range is adaptable to various lighting requirements. The two larger models are particularly suited for highways, providing robust and reliable illumination.

With correlated colour temperatures (CCTs) ranging from PC-Amber to 5700K, the Aspect Gen2 provides lighting solutions for various applications, from dark sky environments to high-visibility areas such as zebra crossings.

The lantern's innovative design incorporates a high-transmission flat glass cover, which improves LED efficiency and optimises light emissions, achieving up to 204 luminaire lumens per circuit watt.

Aspect Gen2 features a universal mounting system and pull-down latches for tool-free access, streamlining installation and maintenance. Interchangeable heads, designed to seamlessly hinge into place, ensure effortless replacements and upgrades.

Thorlux Lighting

Realta

The Thorlux Realta is a wall-mounted bulkhead luminaire designed to illuminate pathways and open areas around buildings. Originally launched in 2008, Realta has been a huge success in part due to its superb light distribution and reduced upward light (less than 2%), positioning it as a leading luminaire for the specification market.

In 2025, Thorlux launched a new Realta. An icon reimagined, the new version builds on the features of the old and adds important new customer benefits.

Zero upward light has been achieved in line with today's requirements to reduce skyglow and obtrusive light.

Optical performance

Building on the success of the previous optics, the new custom designed and manufactured optical lenses go further, allowing even wider luminaire spacings as well as increasing the uniformity of light over the floor.

Efficacy

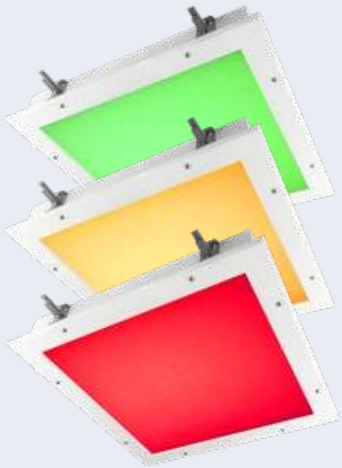
With versions up to 162.8 luminaire lumens per circuit watt, new Realta is nearly 30% more efficient than the outgoing model, reducing electricity costs as well as reducing carbon emissions.

Sustainability

Sustainability and circularity are key considerations in the new design. The new version uses 50% less metalwork and 66% less plastic and, overall, is 48% smaller. By using less material the embodied carbon is significantly reduced. A CIBSE TM66 score of 2.8 has also been achieved, designating the new Realta as having "excellent" principles of circularity.

Solite

Epsilon Chroma



The Epsilon Chroma is the latest innovation in Solite's market-leading Epsilon range. This new recessed 600x600mm narrow spectrum luminaire has been designed to meet the specialised demands of a wide range of industries, from electronics manufacturing to surgical and cleanroom environments.

Engineered for reliability and performance, the Epsilon Chroma offers a robust IP65 rating on the front and IP54 on the rear, making it suitable for use in controlled and sensitive settings. It is available in single circuit versions with green, red or yellow narrow spectrum outputs, offering targeted illumination for specific tasks and conditions. For even greater versatility, dual circuit options combine white light with either red, green or yellow, allowing users to switch between modes as needed.

Ratio

io6 Pro Series

Ratio continues to lead in electric vehicle (EV) charging innovation with the launch of the io6 Pro Series - its most advanced range of EV chargers to date. Designed for effortless installation and future-ready performance, the io6 Pro Series brings together power, precision and smart safety.

Engineered for flexibility, the io6 Pro supports single- and three-phase open protective earth and neutral (PEN) fault detection, a safety mechanism which disconnects the power supply in potentially dangerous situations and delivers charging speeds of up to 22kW. Every unit is also equipped with a certified Measuring Instruments Directive (MID) meter for accurate energy monitoring.

The io6 Pro Lux elevates the product further, incorporating radar-activated lighting to enhance both safety and aesthetics.

Portland Lighting

SUBLUX

The Portland SUBLUX is a tough vandal-resistant lighting system ideal for vulnerable undercover locations such as pedestrian underpasses, car parks and stairwells. Manufactured from stainless steel and featuring a tough 10mm polycarbonate lens with a replaceable anti-graffiti facing panel and IP65 sealing, any SUBLUX installation will give many years of trouble-free service.

The first installation of the SUBLUX featuring the Thorlux SmartScan occupancy detection was successfully completed in Craigavon, Northern Ireland.

Key performance indicators

The following key performance indicators are considered to be the most appropriate for measuring how successful the Group has been in meeting its strategic objectives.

Financial

Revenue (£m)

-0.3%

Performance in 2025

- Similar levels despite mixed results in Europe
- Revenue growth at Thorlux and Zemper, offset by Lightronics and Germany

Operating profit (£m)

+4.7%

Performance in 2025

- Continued operational improvement
- Operating cost pressures from wage rates and general inflation
- Further growth tempered by Lightronics and Germany

Basic earnings per share (pence)

+4.6%

Performance in 2025

- Driven by operating results

Operating cash flow (£m)

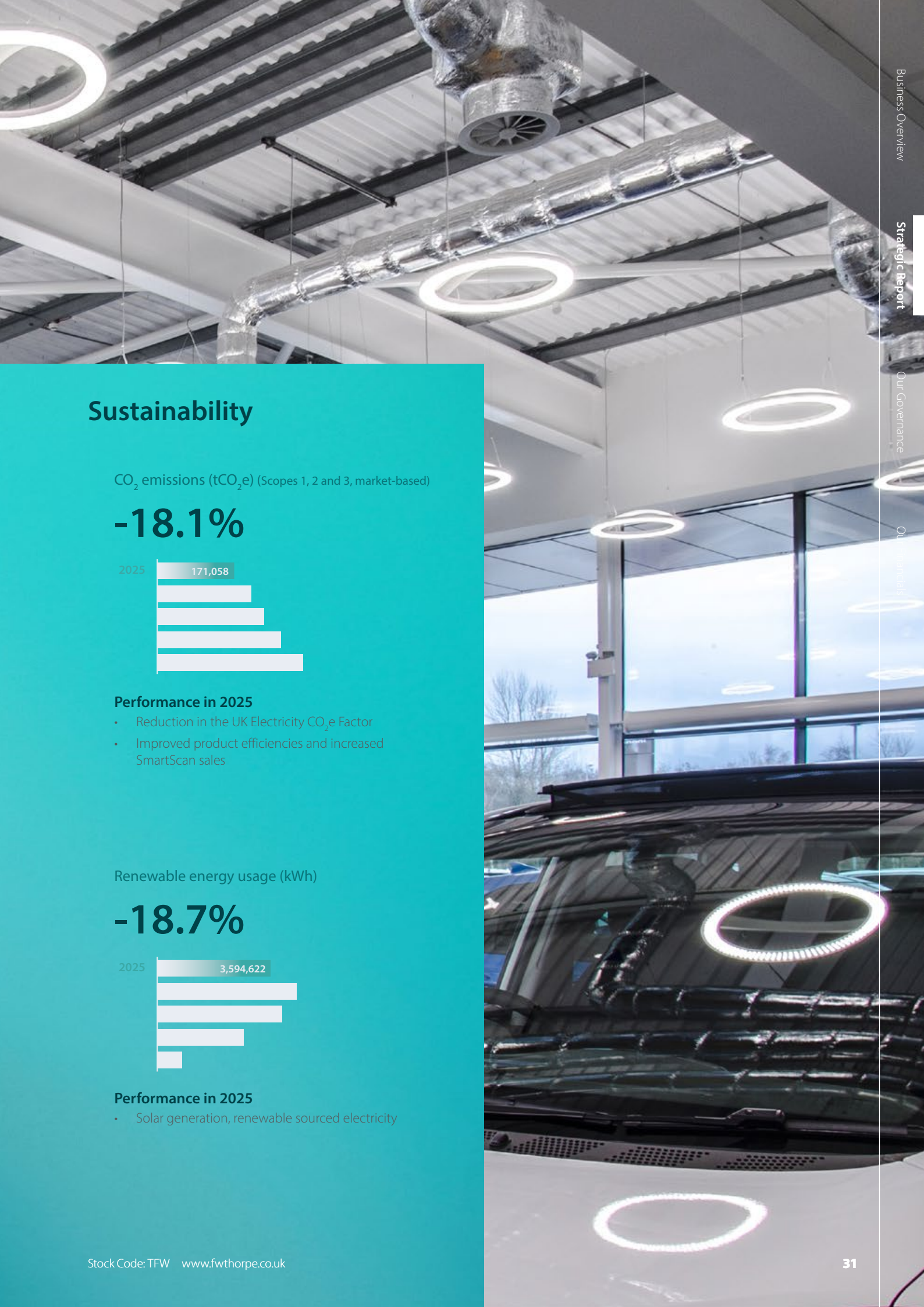
-19.7%

Performance in 2025

- 2024 reduction in inventory and increase in payables which is not repeated
- Stock levels remained at similar levels to previous years, driven by new product introductions

1 2021 excludes the exceptional items in respect of Lightronics fire £1.6m

2 Restated to reflect updated information previously unavailable



Sustainability

CO_2 emissions (tCO_2e) (Scopes 1, 2 and 3, market-based)

-18.1%

Performance in 2025

- Reduction in the UK Electricity CO_2e Factor
- Improved product efficiencies and increased SmartScan sales

Renewable energy usage (kWh)

-18.7%

Performance in 2025

- Solar generation, renewable sourced electricity

Operational and financial review

"The diversification of the Group's revenue sources, either by territory or by sector, has once more delivered a stable revenue stream."

Craig Muncaster Chief Executive, Group Financial Director and Company Secretary

Operational review

2025 Group Company Overview

FW Thorpe Plc encompasses individual companies that concentrate on particular market sectors and geographical locations. The companies provide the Group with diversity as well as risk mitigation; they do not compete with one another and are complementary.

The companies within the Group can be affected differently by trends and economic impacts within their respective markets. The continuing development and market adoption of LED lighting and especially wireless controls technology allows Group companies to share the benefits of their product and technical expertise, differentiating themselves from competitors.

This year delivered similar revenues as a collective, but with some varied results across the Group. Standout performers have been Thorlux in the UK and Zemper in Spain, growing revenue by 6% and 13% respectively.

Unfortunately, the stellar performance of last year by Lightronics was not sustained, with a significant step backwards. Solid performance by our other Dutch business, Famostar, underpinned the Netherlands segment.

The Group's other companies performed well in the main, with all UK companies delivering an improved performance on last year's. TRT, whilst still loss making for the year, managed to close the year strongly with a profitable final quarter.

The Group's procurement team delivered some impressive results again this year for most Group companies, reversing the increases in material costs seen over recent years. Stock remained at a similar level to last year, despite the team targeting a reduction, driven mainly by initial component stock purchases for important new products.

The Group's newly formed innovation team delivered some notable successes this year, with its wood portfolio gaining some initial traction and some interesting product developments aiming to be launched later in 2025 for one of the Group's key sectors.

The Group's people costs continue to rise, driven not only by inflationary pressures but also by consecutive significant increases in the minimum wage and their knock-on effect on other pay grades – now compounded further in the UK with the recent rise in employers' National Insurance, with the full effect to be felt in 2025/26. Within the Group, companies continue to pride themselves on paying above minimum wage standards and rewarding the achievement of results.

Diversification of the Group's revenue sources, either by territory or by sector, has once more delivered a stable consolidated revenue stream; however, selling price increases were limited again during the year. A targeted reduction of material costs mentioned above has resulted in the growth of operating profit, despite continued pressures from employee costs across the Group.

The Group continues to invest in improving its manufacturing capabilities, selling activities and associated support services, supported by the continued development of innovative lighting products as well as sustained improvement of overall service levels to customers.

The following is an overview of 2024/25 for each company.

Boston Lodge, Ffestiniog and Welsh Highland Railways, UK

Thorlux Lighting

These are great results, driven by revenue growth in the UK market supported by strong margins. Orders surpassed the highest level on record and the peak individual monthly output record was also broken during the year, demonstrating that Thorlux is well positioned to deliver growth.

All areas of the business performed strongly, including on-time delivery performance, supply chain management, product development and the securing of large-scale orders, the latter in the UK in particular. There of course remains room for improvement, as Thorlux now carries the overhead burden of a larger-scale operation and needs to ensure that its people- related investments continue to deliver.

On a disappointing note, SchahlLED in Germany, whilst delivering a profitable performance, failed to achieve the highs of the recent past. The economic climate has not helped; however, there are some positive signs in that regard for the new financial year. Schahl's reliance on only two key segments helps to keep the company focused but has limited current opportunities, with both segments facing a downturn. In the future the business will look to also grow into Thorlux specialist sectors, but some investment in sales personnel will be required.

In both the UK and overseas, Thorlux continues to invest in its selling presence, by sector and territory. Investments are underway in Norway and France, for example, with further dedicated sector specialists being employed in Germany and the UK as Thorlux plans to grow further in 2025/26.

Investment in manufacturing operations to improve efficiency is fundamental to the success of the Group. This year Thorlux introduced new metal punching capacity, resulting in greater flexibility and significantly reduced electricity consumption. A long overdue refresh of the commercial fleet was also undertaken, introducing sustainable fuel sources, with vehicles that are either powered by HVO (hydrotreated vegetable oil) from reputable sources or are fully electric. The Board expects to make further investments in 2025/26 as Thorlux looks to reduce labour costs in the factory, invests in new technology to support customer interactions, and plans an increase in its successful investment in solar PV capacity to provide the system with complementary battery storage.

Export sales performance was modest this year. The majority of Thorlux's target territories struggled to some degree. Highlights included improved business in Belgium and the Netherlands, with the Republic of Ireland continuing at decent levels too.

Innovation is core to the success of Thorlux and the Group as a whole, not only delivering product enhancements to maintain market-leading performance but continuing to demonstrate market leadership in lighting controls technology. SmartScan's capabilities continue to be expanded, and the ability of Thorlux to design and develop customer specific solutions enables the company to retain key customers. The new updated Firefly emergency lighting luminaire range was launched towards the end of the financial year – a significant investment in a core product and a great demonstration of what the Group can achieve when key elements work together.

What next when the business has achieved record levels? Thorlux continues to invest for growth; the new financial year will need the overseas markets to step up and deliver, including Schahl in Germany. The Thorlux Board must also guard against complacency, pushing through new product and systems developments whilst making sure all investments in people achieve successful conclusions.

Revenue

£97.0m

(2024: £91.9m)
+6% (2024: -1%), excluding SchahlLED adding £10.9m (2024: £15.4m)

Crieff Hydro Hotel, Perthshire, Scotland, UK

Philip Payne

This represents a decent performance, with a focus on the core message of Philip Payne being the architects' choice returning to the forefront. Whilst the company's return on sales and profit level have again improved this year, the investment in selling presence has not yet delivered to the levels expected. As well as the company's core market, additional sales channels will continue to be targeted, supported in the main by other Group company products.

A Group initiative of selling Zemper and Famostar luminaires in the UK, facilitated by the Philip Payne UK operation, has not yet yielded significant results but continues to be pursued and invested in.

Revitalisation of the Philip Payne core product portfolio continues, with the wooden sign, Arden, securing specifications, and the new premium product offering, ION, also gaining some traction. Philip Payne continues to work with the Group innovation team to revitalise its range as well as investigating the use of alternative low-carbon, low-pollution materials to support the Group's sustainability ambitions.

Of course, it would be remiss not to mention projects of note. This year, Philip Payne has provided solutions for the Old Vic Theatre, Godolphin Racing, the Scottish Parliament and the Shackleton Museum once again demonstrating Philip Payne's core competencies.

Philip Payne's investment in both product and people, core to the Group's strategic philosophy, has delivered positive results this year. There is still a way to go – not all the selling and marketing investments are delivering to the levels expected as yet – but Philip Payne will continue to strive to achieve the operating performance standards set by the Group.

Revenue

£4.3m

(2024: £3.9m)
+9% (2024: –%)

Medical equipment manufacturer, Redditch, UK

Solite

There was a return to growth, with Solite achieving record levels of revenue and profit for the year, delivered by a mixture of sales of its own clean area products and bringing in Thorlux products to satisfy wider customer requirements for certain projects, and supplying products to Thorlux projects.

Solite's ability to deliver bespoke solutions for its customers is a fundamental part of its success. The standard product portfolio is under review, with some key developments this year to keep ahead of the competition. These include the ultimate cleanroom lighting fixture, designed for maximum efficiency, and different colour output solutions for a variety of applications.

Another year of margin improvement was driven by the management of both selling and material cost prices. Improvement in manufacturing effectiveness is constantly under review to ensure that the business can deal with the peaks and troughs of being a project led business. This year saw the implementation of a new paint plant; whilst the gas savings promised have not been seen yet, there has been an improvement in throughput during the year. In 2026, use of the former Thorlux metal working and laser cutting machine will be implemented, saving energy and improving flexibility.

What does 2025/26 hold for the business? There are some headwinds in the traditional sector of pharmaceuticals, given the recent uncertainty around tariffs for some customers. Solite continues to work to secure projects in other sectors, including the healthcare, automotive and custodial segments. Diversity of its narrow market sector is a key target for Solite, to build on the success of 2024/25.

Revenue

£5.0m

(2024: £4.0m)
+24% (-8%)

Llandudno, North Wales, UK

Portland Lighting

A strong performance was driven by investment in the traffic division, which sells road safety sign lighting and Belisha beacons for pedestrian crossings. Revenue for the traffic division exceeded £1.5m for the year, over 100% more than that of the previous year – a fantastic achievement.

The traffic business is starting to repay a number of years of investment in both products and people. Portland continues to build this element of its business, with further investment in the product portfolio. A new school safety sign product, Quaser, advises motorists that schoolchildren may be crossing the road. There is also a new remote wireless web-based controls product enabling local councils to control when certain products are switched on – only when needed – continuing to provide safety, as well as energy savings. The new SUBLUX product provides ambient lighting for traffic underpasses. These projects are often managed by the same engineers as the new traffic market and, in conjunction with SmartScan radar sensors, which offer enhanced control and performance benefits, are providing further opportunities for sales growth.

The traditional sign lighting business continues to trade at low levels, with the overall market remaining relatively subdued. In an effort to revitalise this element of its business, Portland will launch a new product with sustainability at its core, not only from an energy-efficiency perspective but also in terms of the materials used in manufacturing the product itself: Ecolux version 2025 will be launched later in the year.

Portland remains confident that its traditional sign lighting business will improve, supported by the new product launch. Prospects in the traffic sector remain buoyant, with Portland targeting further growth for 2025/26 with some key local authority rollout projects and additional investment in sales coverage.

Revenue

£4.5m

(2024: £3.5m)
+26% (2024: +12%)

Hortonwood, Telford, UK

TRT Lighting

This was another difficult year, despite being less loss making than the prior year; however, the final quarter showed some promising signs of recovery. Whilst the results might not show it, success was achieved in the focus areas of the business, with a new sales team established and new street and amenity lighting products launched.

Operationally the company is set up to deliver more. This additional capability has been used to support other Group companies by providing product assembly and testing. This year has seen the delivery of other products suitable for TRT's core street lighting market, for amenity lighting solutions, including handrail lighting solutions, and for applications in tunnel projects.

Product development included the launch of a key product that is important for both TRT and Thorlux: the latest generation of the Aspect family, superseding its original twelve year-old highly successful version. This new product, designed from the ground up, is market leading in terms of efficiency and light distribution, and includes key new features to support end users with ease of installation, maintenance and wireless wattage selection.

Whilst TRT's profit performance this year has been disappointing, the improved sales coverage across the UK should give cause for some optimism into the new financial year. In 2025/26 the company needs to build on the momentum of the last quarter and the progress with new product introductions and a more settled sales team. Some decent opportunities anticipated with the rail sector over the next few years will also help. TRT either has to grow its revenues from this year's level or turn its gross contribution into an operating profit on current levels.

Revenue

£7.9m

(2024: £8.5m)
-7% (2024: -15%)

Lumièrepark, Almere, Netherlands

Lightronics

This was a disappointing year, with Lightronics unfortunately unable to solidify and build upon last year's standout result. Nevertheless, a respectable operating profit to sales ratio was delivered, although the business did not perform to the levels expected and compared with previous years.

Orders are derived from two fundamental segments: street lighting, and wall and ceiling lighting, the latter predominately aimed at social housing. Both segments reduced this year, with no significant rollout projects in either element. On a positive note, a significant number of larger-scale tenders for street lighting have hit the market for delivery over the next few years: the roll out of street lighting upgrades to LED technology in the Netherlands is seemingly behind the pace of the UK.

Export levels were also lower again this year, including sales to Germany – an experience similar to that of SchahlLED, our Thorlux division dedicated to selling Thorlux products in Germany.

There was a slight improvement in margin levels despite the drop in revenues, which bodes well for the new financial year when revenues improve.

The Group continues to look for synergies across Group companies with similar markets and product offerings. This year Lightronics has looked to build the Thorlux SmartScan radar solution into its wall and ceiling range, as well as utilising some of the investments made by TRT into the new Aspect and Oaken product families.

Investment for Lightronics this year has centred around its product portfolio, with the main focus being the rationalisation of its product families and improving the performance of key products to remain competitive. Innovation leadership is shared with TRT, which supports the synergy opportunities.

Targets for 2025/26 are clear: a return to recent revenue and operating profit levels is paramount. There is some significant work to be done with the commercial teams at Lightronics, focusing on securing tenders for street lighting and reinvigorating the offering to the social housing segment. This work has already begun in earnest and needs to deliver results in order for Lightronics' performance to recover to the levels expected and delivered over recent years.

Revenue

£21.8m

(2024: £26.2m)
-17% (2024: +6%)
Constant currency: -15% (2024: +7%)[1]

1 Constant currency shows percentage change in sales in the company's local currency

Tilburg University, Netherlands

Famostar

Another year, and another robust performance for Famostar, with solid profitable growth. The core emergency business grew at a lower level this year; the step up in revenue was delivered by the Thorlux team selling Thorlux-made products in the Netherlands.

Investment this year has centred around new product development, the cornerstone of any Group company. The focus has been readying products for a switch in battery technology, enabling the company to determine which direction to take in the future, with its products able to house current and future battery offerings. Products covering 80% of Famostar revenue will be at the final stages of completion when this report is published.

There was another improved performance in the sale of Thorlux products into the local Dutch market this year, with revenues exceeding €2m. Success in those sectors that the Group has strength in delivered a solid result, with a decent pipeline of opportunities for the new financial year.

Sustainable growth is a target for all our businesses, and Famostar is no exception. The business will continue to target growth in the domestic market as well as selected overseas opportunities, whilst continuing to build on the success of Thorlux sales.

Revenue

£12.8m

(2024: £12.0m)
+7% (2024: +4%)
Constant currency: +9% (2024: +5%)[1]

1 Constant currency shows percentage change in sales in the company's local currency

Casino Middelkerke, Belgium

Zemper

Zemper is the standout performer this year; the previous years of investment in both product development and manufacturing capability have enabled the business to achieve the performance envisaged when the Group acquired the company in 2022.

The wireless system developed by Zemper has come to the fore this year, delivering growth in the Spanish market. Zemper has a track record for developing markets outside Spain, with this year being no exception. Growth in Belgium and Morocco were highlights. Zemper also secured a major project for its dynamic signage system, ALIOTH, a groundbreaking intelligent emergency lighting signage solution which can alter first choice evacuation routes and redirect people to suit prevailing conditions – particularly suitable for large areas frequented by the public. There are opportunities to further roll out this system in the same and similar sectors in the future see pages 26 and 27.

Zemper continues to make great contributions to the Group's various synergy projects, whether it be emergency lighting product and system development or the insourcing of plastic injection parts. In all instances, Zemper sets an example that many of our Group companies should aspire to follow.

Selling into new territories remains at the forefront of the growth strategy for Zemper. A number of territories have grown again this year, as mentioned, the only disappointments being the step backwards in France and a muted start to sales in the UK. Both projects have been given fresh impetus during the year from both a product and salespeople perspective.

Order backlog remains at record levels, giving optimism for performance in 2025/26. The challenge for Zemper will be to sustain what has been achieved this year and improve the results in some of those areas already invested in.

Revenue

£21.9m

(2024: £19.4m)
+13% (2024: –%)
Constant currency: +16% (2024: +1%)[1])

1 Constant currency shows percentage change in sales in the company's local currency

Image: Druten, Netherlands

Financial review

The directors have pleasure in submitting their Annual Report and the audited consolidated financial statements of the Group and the Company for the year ended 30 June 2025.

Results and dividends

Revenue remained relatively stable at £175.2m with operating profit increasing by 4.7% to £32.1m. Any additional contribution by recent acquisitions are dampened by acquisition related adjustments[1] as disclosed in our segmental analysis.

The increase in Group profitability has been driven by a standout year from Thorlux and Zemper. Robust results from the majority of other UK companies this year also supported the overall result. Operating profit before acquisition adjustments reached £32.9m[1] (2024: £32.4m), up 1.7%.

Both of our most recent acquisitions, Zemper and Schahl, made positive contributions of £4.6m (2024: £4.8m), before amortisation of acquisition, related intangible assets. Given the Group has committed to acquiring the remaining shares over the next few years, we account for 100% of the revenue derived by these companies but adjust the operating profit for intangibles valued at acquisition and profit before tax to reflect the minority shareholding. For added complexity, Schahl predominantly distributes Thorlux products, so there are further adjustments at a revenue and operating profit level.

The remaining UK companies all posted solid contributions with improvements, however, the overall results for the other companies continues to be dampened by the results from our overseas sales office in the UAE, which has now been closed, and Australia.

Net finance expense is impacted by both the Zemper and Schahl acquisitions; however, despite falling interest rates, we have increased investment in our significant cash holding to increase returns.

The taxation charge represents an effective rate of 19.6% (2024: 18.6%). The effective tax rate for is lower than the Group's weighted average of tax rates for the countries we operate in primarily due to patent box relief driven by the Group's product innovations.

Net assets increased by £13m to £190m of which £9m was due to increased cash, which remained strong after share repurchases and increased dividends.

In April 2025, the Company paid an interim dividend of 1.76p per share (2024: 1.70p) amounting to £2,063,000 (2024: £1,994,000). A final dividend of 5.36p (2024: 5.08p) per ordinary share is proposed amounting to £6,232,000 (2024: £5,961,000), a special dividend of nil per share (2024: 2.5p) amounting to £nil (2024: £2,934,000). If approved, the dividends will be paid on 28 November 2025. Total dividends paid during the year amounted to £10,958,000 in aggregate (2024: £7,668,000). The final dividend for 2024 was paid on 29 November 2024.

Cash and liquidity management

The Group's cash is managed in accordance with the treasury policy. Cash is managed centrally on a daily basis to ensure that the Group has sufficient funds available to meet its needs and invest the remainder. The majority of cash is placed with approved counterparties either on overnight deposit or time deposit. There are a series of time deposits that are maturing on a rolling cycle in order to meet regular business payments, with a margin for larger regular and one-off payments as seasonal variation in cash requirements.

The Group primarily trades in sterling. There is an exposure to foreign currency as the Group buys and sells in foreign currencies and maintains currency bank accounts in US dollars, Australian dollars, UAE dirhams and euros. The activities of buying and selling in foreign currency are broadly matched with currencies bought and sold as required in order to minimise currency exposures. Larger exposures would be hedged in order to reduce the risk of adverse exchange rate movement. There were no currency hedging derivatives in place as at 30 June 2025 or 30 June 2024.

Pension scheme position and funding

The latest triennial actuarial valuation was completed as at 30 June 2024. This valuation showed that the pension scheme position remains in surplus and a funding level for the future has been agreed between the trustees of the scheme and the directors of the Company. The directors consider it unlikely that any changes to the present funding levels will have any significant effect on the strength of the Company's statement of financial position.

Group research and development activities

The Group is committed to research and development activities in order to maintain its market share in the sectors and territories we operate. These activities encompass constant development of both new and existing products to ensure that a leading position in the lighting market is maintained.

During the year the Group spent £4,487,000 (2024: £4,368,000) on research and development, which includes internal labour. Of this amount, £2,627,000 (2024: £2,019,000) was capitalised and £1,860,000 (2024: £2,349,000) expensed.

1 Please refer to note 2 on page 115

Property, plant and equipment

The directors are of the opinion that the market value of the freehold land and buildings is in excess of their net book value. Whilst it is considered that the market value is significantly greater than the net book value for many of the Group's properties as a result of being acquired between one and over 20 years ago, management considers that undertaking formal valuation exercises would be costly for limited value and, consequently, no formal exercise has been undertaken.

Investment this year was at a lower level compared with previous years. Capital expenditure included an investment in land to further develop our carbon offset programme and replacement of company cars with electric vehicles, as well as further solar at Thorlux, all continuing to solidify our sustainability credentials.

Creditor payment policy

The Group's policy concerning the payment of its trade creditors is to accept and follow the normal terms of payment among suppliers to the lighting industry. Payments are made when they fall due, which is usually on the day after the end of the calendar month following the month in which delivery of goods or services is made. Where reasonable settlement discount terms are offered for early payment, these terms are usually taken up. The number of days represented by the Company's year-end trade payables is 53 (2024: 47). The Group continues to report on payment practices and performance as per UK legislation.

Internal financial control

During the year, a member of the Group finance department has visited all operating sites to assess their compliance with a selection of key control procedures and any non-compliance reported to the Group Board. Any areas of non-compliance noted as part of this process have been addressed.

In addition, the executive directors regularly visit all operating sites and review with local management financial and commercial issues affecting the Group's operations. Regular financial reporting includes rolling forecasts and monthly financial reports comparing performance against plan as well as the previous year. These reports are reviewed locally with a Group representative and monitored by the Group Board. Accordingly, the directors do not consider that an internal audit department is required.

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2025

£175.2m
Group total revenue (£m)
(2024: £175.8m)

£32.1m
Group operating profit (£m)
(2024: £30.6m)

£33.2m
Net cash generated from operations (£m)
(2024: £41.4m)

£189.8m
Net assets (£m)
(2024: £176.8m)

Section 172

Stakeholder engagement

The Group has the responsibility for managing the challenges that affect the business on a daily basis; this also includes our impact on our key stakeholders. Our ability to engage and work constructively with these stakeholders underpins the long-term success and sustainability of the Group.

Key stakeholders and how we engage with them:

The directors are aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and, in doing so, have regard (among other matters) to:

- The likely consequence of any decision in the long term.
- The interest of the Company's employees.
- The need to foster the Company's business relationships with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the Company.

The Board considers its key stakeholders to be its employees, customers, shareholders, suppliers and the communities and environment we operate within.

Employees

Why we engage

The right people, capabilities and engagement across the Group is the platform to drive our long-term success.

How we engage

- Employee committees
- Health and safety committees
- Employee appraisals, training and development
- Communication via web portal, notices and Company newsletter
- Group Board meetings held periodically at different company sites

Customers

Why we engage

Understanding the needs of our customer is fundamental. We aim to deliver the correct technical solution, professional service, sustainability of products/services and support the customer during a product's warrantable life and beyond.

How we engage

- Meetings/maintaining close relationships via regional sales or business development teams
- Providing Continuing Professional Development seminars and education opportunities
- Company websites
- Customer specific events including trade shows
- Order execution – from lighting design, through to delivery, installation and commissioning

Shareholders

Why we engage

Trust from our shareholders is key to delivering our strategy and long-term success. We endeavour to provide fair, balanced and meaningful information to shareholders and potential investors to ensure they understand our performance and strategy.

How we engage

- Trading updates at appropriate times
- Regulatory News Service
- Investor meetings and presentations, including company visits
- Dedicated Group website
- Annual and Interim reports
- Annual General Meetings

Suppliers

Why we engage

We need to maintain reliable relationships with suppliers for mutual benefit and ensure they are meeting our standards, from value for money and quality, through to business ethics.

How we engage

- Meetings and negotiations with key suppliers
- Site visits
- Quality management reviews and audits
- Attending supplier forums and trade shows

Communities and environment

Why we engage

The Group is committed to being a responsible member of the community and considers the environmental impacts of the customers' use of our products as well as our own operations.

How we engage

- Support local and national charities
- Engagement with local MPs and Chambers of Commerce
- Members of appropriate trade and industry bodies
- Carbon offset scheme in place since 2009, accredited under the Woodland Carbon Code
- Recent investment in solar panels in the UK, Netherlands and Spain facilities
- Products and systems support energy saving and carbon reduction – London Stock Exchange Green Economy mark in 2020
- SBTi commitment to achieve net-zero by 2040

Our sustainability journey

Its importance and our response

Sustainability is a core principle at FW Thorpe Plc, reflected in the Group's strong and consistent record of positive environmental action.

As a leading lighting manufacturer, the Group recognises that its most significant environmental impact is carbon emissions. FW Thorpe has been measuring its direct carbon emissions for over a decade, taking early meaningful steps to mitigate them through a combination of initiatives. These include two major tree-planting schemes to offset emissions, as well as the installation of extensive rooftop solar photovoltaic (PV) systems across its manufacturing sites to reduce reliance on fossil fuels.

The Group's commitment to product and materials research ensures its lighting solutions remain at the forefront of energy efficiency. SmartScan, its award-winning lighting control system, is among the most widely adopted in the industry, helping end users significantly reduce both energy costs and carbon emissions. In response to growing demand for a more circular economy, FW Thorpe designs its products with longevity in mind, supporting them with readily available spare parts, upgrade kits and expert local product support.

Customer expectations, major project specifications, government regulations, climate risk disclosures, and increasingly urgent environmental data all reinforce the need for FW Thorpe to continue advancing its sustainability efforts. The Group actively assesses its impact across key areas including the environment, labour and human relations, ethics, and sustainable procurement. To ensure meaningful progress, maintain transparency and strengthen stakeholder trust, FW Thorpe is enhancing its data logging, verification processes and performance measurement using industry-recognised sustainability metrics.

The journey so far: the Group's progress

1994 First energy-saving products introduced, controlling lighting and reducing energy consumption

2009 FW Thorpe begins carbon offsetting with tree planting project certified by Woodland Carbon Code

2012 FW Thorpe becomes carbon neutral as a Group[1]

2016 Thorlux, the main revenue driver for the Group, introduces wireless controls technology to monitor and save energy usage, called SmartScan

2020 FW Thorpe receives the Green Economy Mark on the London Stock Exchange

2022 FW Thorpe officially recognised as being carbon neutral since 2012 through independent verification[1]

2023 SBTi validates FW Thorpe's target to be net zero by 2040

2024 The Oaken, an innovative wooden-bodied street light, achieves the highest ever TM66 circular economy score

2025 First trees planted and biodiversity initiatives introduced at the Brook Woodland

1 Professionally assessed by independent third party. Includes carbon offsetting projects

Environmental impact

As a major manufacturer of professional lighting systems, the Group's most significant environmental challenge is greenhouse gas (GHG) emissions, primarily carbon. These emissions are categorised into three scopes, based on their source within the product lifecycle or the Group's business.

Scope 1, Scope 2 and Scope 3 (Category 1) emissions arise from the supply chain - including resource extraction - as well as from manufacturing and distribution. These are collectively referred to as the embodied carbon of the products FW Thorpe produces.

Emissions generated during the use phase of the products, unless products are powered entirely by renewable electricity, are classified as Scope 3 emissions for FW Thorpe. These same emissions are then recorded as Scope 2 emissions by the end user.

The Science Based Targets initiative (SBTi) has validated that FW Thorpe Plc's science-based greenhouse gas emissions reduction targets conform to the SBTi Corporate Net Zero Standard. The standard includes the guidance, criteria and recommendations companies need to set science-based net-zero targets consistent with limiting global temperature rise to 1.5°C.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Emission reduction targets

FW Thorpe Plc commits to reach net zero greenhouse gas emissions across the value chain by 2040.

NET ZERO BY 2040

Near-term targets

FW Thorpe Plc commits to reduce absolute scope 1 and 2 GHG emissions 57.5% by 2030 from a 2021 base year.

FW Thorpe Plc also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe.

Long-term targets

FW Thorpe Plc commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2021 base year.

FW Thorpe Plc commits to reduce absolute scope 3 GHG emissions by 90% within the same timeframe.

SUSTAINABLE DEVELOPMENT GOALS

Alignment with the Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) were launched in 2015 by the United Nations (UN). The SDGs aim to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. Global sustainable development priorities and aspirations for 2030 are defined which seek to mobilise global efforts among governments, business and civil society around a common set of targets.

FW Thorpe's activities align most closely with six UN SDGs, covering the themes of good health and wellbeing, affordable clean energy, decent work and economic growth, sustainable towns and cities, responsible consumption and production, and climate action.

Sustainability in action

Sustainability is embedded in all aspects of FW Thorpe's operations and is a key consideration in delivering the Group's strategic pillars: product leadership through high-quality innovation, expansion of the sales base, manufacturing excellence, and the development of talented, high-performing people.

Products

Action	Delivers
Year on year improvement of product efficacy	Competitive advantage and Scope 3 carbon reduction towards net-zero goal
Smart controls	Competitive advantage and Scope 3 carbon reduction
Lengthened product lifetimes and warranties	Competitive advantage and supports the circular economy by keeping products in use as long as possible
Innovative materials	Competitive advantage and product marketing advantage. Lower carbon and/or more recyclable materials
Material reduction	Reduces embodied materials and embodied carbon without loss of product quality as well as reduced cost

Sustainability in action

Energy-saving underpass lighting

Portland combined its vandal and graffiti resistant SUBLUX underpass luminaire with the SmartScan wireless lighting management system to significantly reduce in-use energy.

On a test pedestrian underpass in Craigavon, Northern Ireland, the luminaires were dimmed to 2% (enough to provide sufficient visibility for an approaching pedestrian) then automatically transitioned to full brightness when a pedestrian was detected. Despite the subway being busy, the technology has resulted in an energy saving of 160 kWh per month.

People

Action	Delivers
Major employer in a green economy manufacturing industry	Provides high quality, stable and responsibly paid employment to the communities we are based in
Training and development	Enhances productivity, knowledge, performance and staff retention
Employment of young people and support of apprenticeships	Delivers a future skilled workforce, with higher retention and lower recruitment costs
Increased focus on sustainable procurement	Further reduction of risk of poor labour and human rights conditions and spreading of our ethical values

Sustainability in action

Employee development

The Group operates a culture of training and development. It is the Group's policy to identify and, where appropriate, to provide education and training opportunities for all categories of employee, keeping in mind the needs and aspirations of individuals, enabling them to fulfil their employment effectively, pursue their own personal development, and help FW Thorpe achieve its strategic goals.

Sustainability in action

Zemper internship programme

Zemper has been running its internship programme for 20 years, notably with the University of Castilla-La Mancha (UCLM), but also with other institutions across Europe and South America. It sees young people simultaneously gaining work experience, work-related training and university learning. The programme extends to PhD level, including disadvantaged and disabled students, and helps Zemper find new team members, whilst greatly enhancing the chances of successful onboarding.

Operations (process)

Action	Delivers
Major rooftop solar photovoltaic (PV) installations on our manufacturing sites	Scope 2 carbon reduction, part of net-zero journey, lower energy costs and competitive advantage of lower embodied carbon in products
Completion of first and start of second major tree planting scheme	Evidence-based carbon offsetting and positive sustainability story
Use of 100% renewable electricity	Scope 2 carbon reduction, part of net-zero journey and competitive advantage of lower embodied carbon in products
Continued move to EVs in car fleet	Scope 2 carbon reduction and improved air quality in areas where we drive
Move to electric vans and hydrotreated vegetable oil (HVO) fuel in new HGV fleet	Major reduction in Scope 1 emissions
Increased focus on sustainable procurement	Reduced embodied carbon in supply chain

Sustainability in action

New fibre laser cutter at Thorlux

A major investment in replacing one of its four CO_2 laser cutters with a new fibre-optic laser cutter at Thorlux has been predicted to save 11% of its total factory energy consumption. Whilst the company is already carbon neutral in terms of its electricity sourcing, with it being either from an extensive on-site PV array or from a certified 100% renewable tariff, the company faces constraints on additional electricity capacity. The 11% saved thus frees up capacity to replace gas usage on site, such as replacing gas heating with zero carbon electricity, thus lowering Scope 1 direct CO_2 emissions.

Sustainability in action

Driving down carbon with HVO biofuel

Thorlux's truck fleet now has three new 18T Volvo trucks capable of running on HVO, a second-generation biofuel. The investment, supported by a new on-site HVO tank, is predicted to reduce the company's Scope 1 transport emissions by 86%.

For more information see page 51.

Growth of sales base

Action	Delivers
Continued growth of Ratio's EV charger sales	Move away from carbon-based fuels in transport
Innovation in smart products	Low-carbon buildings, smart buildings and green economy
Refurbishment projects and reuse kits	Support for new circular economy business models, competitive advantage of local manufacturing, reduced virgin raw materials extraction and lower embodied carbon

Sustainability in action

Famostar and CircoElektra

Famostar's involvement in the CircoElektra initiative brings together installers, wholesalers and manufacturers in a joint commitment to circularity.

Pioneering the use of reverse logistics, Famostar ensures that used products are not shredded or discarded, but instead gain social value. Items are first processed in a social workshop by ex-offenders, supporting reintegration and skill development, before being returned to Famostar for reuse, refurbishment or remanufacture. The company is now exploring routes to bring these products back to market, either via its own webshop or through a forthcoming CircoElektra marketplace.

Reporting and metrics

Metrics are one of the key ways FW Thorpe reports it sustainability performance.

Such tools give investors, specifiers, customers and management clarity and transparency, by quantifying the Group's sustainability performance, and provide a transition tool that helps the Group plan and report on its sustainability journey.

The Group has carefully chosen the metrics it uses, often based on each metric's ability to provide useful compatibility and benchmarking between products or companies.

TM65.2

The Chartered Institution of Building Services Engineers' (CIBSEs) TM65.2 is a standardised, nationally accepted method of estimating the embodied carbon in a lighting product.

TM66

CIBSE's TM66 is a standardised, nationally accepted method of evaluating the circular economy capability of a lighting product. TM66 has the added benefit of a single, third-party, independent verification from the Lighting Industry Association.

One of the Group's products, Oaken/Acorn, released in 2024, currently holds the highest score ever achieved, 3.1 out of 4.0.

LCAs and EPDs

Group companies use life cycle assessments (LCAs) and their output environmental product declarations (EPDs) as part of their product development process.

CDP (formerly the Carbon Disclosure Project)

One of the parent organisations of SBTi, CDP is an independent, global environmental disclosure system covering environmental impact, supply chain risks and financial implications.

EcoVadis

EcoVadis is an internationally accepted third-party platform that provides sustainability ratings for companies, helping them assess and improve their environmental, social and governance (ESG) performance. EcoVadis focuses on the four key pillars of ESG: environment, labour and human relations, ethics, and sustainable procurement.

Thorlux first engaged with EcoVadis in 2024, and currently has a silver score of 71 out of 100, placing it in the 91st centile, indicating that Thorlux's score is higher than or equal to 91% of all companies who engage with EcoVadis.

Climate-related financial disclosures

The Companies Act makes it mandatory for FW Thorpe Group to disclose climate-related risks and opportunities. The Group employs competent consultants to assist the process, which includes a formal annual review.

An example of a past risk was the EU's banning of incandescent lamps as part of an initiative to improve the efficiency of energy-related products. The industry's response was the move to compact fluorescent lamps and then LEDs, which at first required investment, innovation and risk, but has since become a huge driver for growth.

The full report on climate-related financial disclosures (the non-financial and sustainability information statement) can be found on pages 53 to 65.

Sustainability actions

Thorlux drives sustainability forwards with electric and HVO-fuelled delivery fleet

Thorlux Lighting is taking significant steps to reduce its environmental impact by investing in a new fleet of electric and biofuel-powered delivery vehicles. This initiative is part of an ongoing strategy to increase sustainable transportation at the company.

The upgraded fleet includes three trucks and three vans, all powered by hydrotreated vegetable oil (HVO) biofuel. Additionally, Thorlux has added two fully electric vehicles to its line-up: a Mercedes Sprinter van and a Volkswagen ID Buzz minivan.

The two electric vans have an approximate 200-mile range and will play a crucial role in delivering Thorlux luminaires to local customers. These vehicles are charged with 100% green energy generated from 3,000 solar PV panels at the company's headquarters.

The transition to HVO biofuel for its larger vehicles underscores Thorlux's commitment to reducing carbon emissions whilst waiting for viable electric truck options to become widely available.

HVO biofuel, derived from vegetable oils and waste biomass, offers a lower-carbon alternative to conventional diesel. Unlike fossil fuels, which release carbon stored underground, HVO's carbon emissions are effectively balanced by the carbon absorbed during the growth of the biomass used in its production. This makes it a renewable and more sustainable fuel choice. Whilst HVO still produces exhaust fumes, its overall impact on global carbon levels is significantly lower than that of traditional diesel. Based on figures from the UK Government, switching to HVO will yield a nearly 99% reduction of emissions for Thorlux, compared with previous diesel vehicles.

Importantly, the HVO biofuel used by Thorlux is not derived from palm oil and is purchased from members of the Renewable Fuels Assurance Scheme (RFAS) to ensure it is only made from responsibly sourced waste materials.

The move to HVO marks another milestone in Thorlux's mission to minimise vehicle emissions. As of June 2025, 78% of the company's cars are already hybrid or fully electric, with plans in place to further increase this proportion.

By investing in a low-emission fleet today, Thorlux is making an immediate impact in the fight against climate change. This is just the latest step in the organisation's ambitious plan to achieve net-zero emissions by 2040, and a proactive shift that demonstrates a dedication to carbon reduction now rather than later.

As it moves towards its net-zero goal, Thorlux will continue to innovate sustainable solutions.

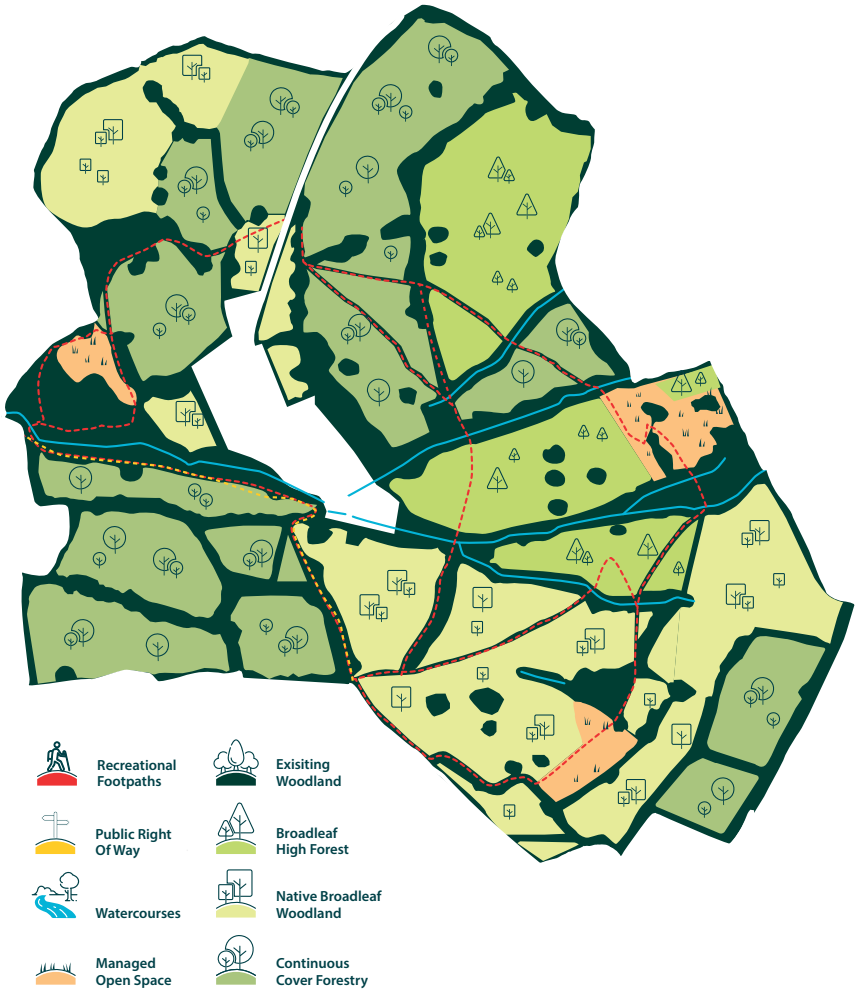
Sustainability actions continued

The Brook woodland creation initiative

In 2023, FW Thorpe Plc took a further step in its climate journey with the purchase of The Brook, a 75-hectare site in Herefordshire. This acquisition marked a significant expansion of the Group's carbon offsetting initiatives, aligning with its long-term commitment to sustainability and environmental leadership.

The Brook woodland scheme is being developed under the England Woodland Creation Offer (EWCO) and received significant funding from the Forestry Commission following a thorough technical review. The project spans 59 hectares dedicated to new woodland, divided across native broad-leaf, high- canopy oak, and continuous cover forestry planting.

A total of 122,300 trees will be planted at The Brook in two main phases. The first phase began in March 2025, with 82,000 trees planted to date. These trees, ranging from oak and wild cherry to Douglas fir and hazel, have been carefully selected to promote biodiversity, climate resilience and sustainable timber production.



In addition to tree planting, the scheme integrates key landscape interventions to support natural flood management. Leaky dams are being installed across The Brook's watercourses, which are tributaries of the River Monnow. These structures are designed to temporarily hold back water during heavy rainfall, helping to reduce downstream flood risk and enhance wetland habitats.

Public engagement and access are also central to the project. The plan includes over 4,000 metres of new footpaths, recycled-material seating, and educational signage to inform and inspire visitors.

Non-financial and sustainability information statement

CLIMATE-RELATED FINANCIAL DISCLOSURES

Overview

FW Thorpe Public Limited Company ("FW Thorpe" or "the Group") is an established leader in the design and manufacture of professional lighting solutions, employing over 900 people across its global operations. As a forward-thinking organisation, the Group recognises that future growth and long-term value creation are directly linked to its ability to respond to the accelerating climate crisis with clarity, ambition and action.

Compliance statement

FW Thorpe has complied with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 by including climate-related financial disclosures in its 2025 Annual Report. As an AIM-listed company with more than 500 employees, the Group is required to report against all eight mandatory disclosure elements and has done so in full. This demonstrates its commitment to transparency, regulatory compliance and proactive climate risk management.

Governance

In line with the 2023 Quoted Companies Alliance (QCA) Code, which highlights climate change, Board diversity, and remuneration as areas of growing shareholder interest, climate-related considerations are embedded into business strategy, goal setting, investment prioritisation and key action plans. This integration is further demonstrated through annual sustainability targets, employee education on climate-related risks and targeted reductions in total GHG emissions, ensuring that climate risk is factored into both operational and strategic decision-making. In 2025, this integration is demonstrated through substantial initiatives, including afforestation projects, the installation of roof-mounted solar panels, the adoption of Hydrotreated Vegetable Oil (HVO) fuel for the new truck fleet, the use of Battery Electric Vehicles (BEVs) for cars and vans, and the acquisition of a new energy-efficient Amada fibre laser. These investments illustrate how climate-related factors are embedded in operational and strategic decision-making.

The Group aims to further deepen the integration of climate-related factors into its decision-making processes, including capital allocation and performance evaluation. It maintains open and transparent communication with stakeholders regarding climate-related activities through regular reporting, engagement with industry associations, and participation in relevant initiatives. The Group's established governance structure effectively addresses climate-related risks and opportunities.

Board Composition and Oversight

FW Thorpe's Board of Directors recognises the significance of climate change and its potential impact on its business operations, financial performance and reputation. The Board comprises experienced professionals with a diverse skill set across finance, operations and industry-specific knowledge. This expertise was further strengthened through a capacity-building webinar on climate-related matters, shared with all Board members in March 2025.

The Board has ultimate responsibility for annually identifying, assessing, and managing climate-related risks and opportunities, supported by the Chief Executive (CEO), subsidiary Managing Directors (MDs) and the Sustainability Working Group, with input from third-party ESG consultants, Inspired ESG. Climate change is a strategic priority, considered as a standing agenda item at quarterly Board meetings of each Group company and at the Group Board sessions. The Board reviews climate-related issues across product research and development, decarbonisation of operations, resource management and the carbon offsetting program. The Chairman and CEO provide leadership on the ESG agenda, with particular emphasis on climate change. A robust reporting framework ensures that the Board receives quarterly updates from the CEO and MDs on climate-related performance, including climate-related risks, opportunities and progress against key targets. During 2025, each subsidiary reported quarterly on SBTi targets, Scope 3 "products in use" emissions, gas usage and reductions, and other sustainability objectives and initiatives.

The Board annually oversees the climate-related risk management process. In the current reporting year (2025), a climate-risk workshop was held in March 2025, attended by a Board member and Sustainability Working Group members. This workshop included a general overview of climate change, a Group-level climate scenario analysis and a detailed review of climate-related risks and opportunities specific to the business. Following this review, the Board formally reviewed and signed off on the climate risk register in April 2025.

Figure 1: Climate Governance Structure

Non-financial and sustainability information statement continued

CLIMATE-RELATED FINANCIAL DISCLOSURES

Remuneration Committee

The Committee meets at least once a year and is responsible for determining and reviewing the executive directors' remuneration policy with the Board. The Committee approves the structure of, and determines any targets for, any performance-related pay schemes, reviews the design of any share incentive plans and determines the pension arrangements policy for each executive director. An element of the executive share option plan is tied to achieving the Carbon Reduction Target, aligning executive incentives with the Group's sustainability strategy. The details of the directors' share interests are set out in the directors' remuneration report on page 84 to 87.

Management Engagement

Identifying, assessing, and managing climate-related risks and opportunities at FW Thorpe is a structured, collaborative process that occurs annually. The Group management team, subsidiary boards, and sustainability working group work together to identify, assess and manage climate-related risks and opportunities. The CEO oversee the climate risk register. The CEO provides quarterly updates to the Board on climate-related risks and opportunities. Inspired ESG conducts annual climate scenario analyses and risk workshops. Management attends these sessions, reviews the resulting climate risk register and presents it to the Board for annual approval, completing the annual cycle of risk oversight and accountability.

At the operational level, the Group management team leads climate-related initiatives across the business. They are supported by the Sustainability Working Group, which is led by senior managers from the subsidiaries and focuses on identifying and developing sustainability solutions. This group works with the Group management team and subsidiary boards to address climate-related risks and opportunities. This group meets quarterly to develop, monitor and share sustainability solutions, and to address climate-related risks and opportunities.

The Group Sustainability Lead coordinates sustainability efforts across all subsidiaries, oversees ESG matters, develops sustainability policies, and enhances reporting methodologies. The CEO and Marketing Director facilitate the Group Sustainability Lead's communication with the Board, ensuring updates are provided quarterly.

Each subsidiary's Managing Director (MD), guided by the Board, is responsible for sustainability and climate change initiatives. Subsidiary managing directors host quarterly meetings, report Key Performance Indicators (KPIs) and update the Board on progress against climate-related targets and associated initiatives. A designated sustainability champion is appointed within each business to support local sustainability efforts and reports to the subsidiary managing directors. The Sustainability Working Group meets quarterly to monitor progress and discuss initiatives. The 2025 quarterly meetings included reports on Key Performance Indicators (KPIs) and progress against climate-related targets, including SBTi commitments, Scope 3 "products in use" emissions, gas usage and other sustainability objectives. This ensures structured, ongoing oversight at the management level throughout the year.

Group Sustainability Committee

The Group Sustainability Committee was established in 2025 and has been meeting quarterly since February 2025. The meetings are chaired by the Group Sustainability Lead and attended by Group Managing Directors, sustainability champions, and subject matter experts from each group company. Discussions have focused on key sustainability priorities, including Scope 3 emissions, detailed plans extending to 2030 and grid mix considerations by country.

Risk Management

Each year, FW Thorpe undertakes a systematic assessment of climate-related risks. Each climate-related risk is initially assessed and scored using methods specifically tailored to its nature. These individual scores are then integrated into the Group's overall risk management framework, ensuring that climate considerations are incorporated alongside other principal risks and uncertainties, as reflected in the Principal Risks and Uncertainties table on pages 66 to 69 of the Annual Report. The integration process also links climate-related risks to the Group's strategic priorities on pages 24 to 25. This approach ensures that climate-related considerations inform decision-making, investment prioritisation, and operational planning, supporting risk mitigation and achieving long-term strategic objectives. This process includes identifying and evaluating potential impacts on operations and business resilience arising from regulatory changes such as Minimum Energy Performance Standards, or the need for additional reporting, physical effects of climate change (such as extreme weather) and evolving market demands. Alongside managing risks, the Group recognises the opportunities presented by the transition to a low-carbon, energy-efficient built environment, which has been a significant growth driver. These assessments are reflected in disclosures to help stakeholders understand how climate change could influence the Group's long-term viability and continued operations.

Step 1: Identification of Risks

Climate-related risks and opportunities are identified annually through a structured approach, which combines Board oversight with management and external ESG consultant input. The Sustainability Committee and Sustainability Working Group coordinate with key departments (e.g., Operations, Finance, Marketing and Research and Development) to support the Group-wide process. This process is designed to support risk reduction by feeding relevant information into decision-making. This process involves:

- **Scenario Analysis:** The Group used the climate scenario analysis conducted in February 2025 to identify potential physical and transition risks across different warming scenarios and time horizons.
- **Data Analysis:** The Group analysed operational data, supply chain information and market trends to identify climate-related vulnerabilities and dependencies.
- **Continuous Stakeholder Engagement:** To support risk identification, the Group continually gathers insights from employees, customers, suppliers, industry associations and experts to identify emerging risks and opportunities.
- **Regulatory Review:** The Group monitored relevant climate-related regulations and policies to assess potential impacts on the business.

With support from external consultants, the risk identification process identified nineteen climate-related risks and five opportunities at the Group level in 2025. The Group has potential exposure to climate-related risks that could impact both its operations and the products it promotes. The FW Thorpe Board and management identified climate change as a principal risk in 2024, with the help of Inspired ESG during a climate risk workshop, followed by subsequent internal discussions. The designation was made as the Group recognises that climate change's cumulative and long-term impact remains a significant principal risk requiring ongoing attention and proactive management. This risk, initially recognised in March 2023, has been reaffirmed this year in March 2025 following the same process. The linkage between this principal risk and climate-related financial disclosures is set out throughout this report, which provides further details on governance, strategy, metrics and targets. For the broader discussion of principal risks, please refer to the Strategic Report, pages 66 to 69.

TRT Lighting's electric delivery vehicle

Non-financial and sustainability information statement continued

CLIMATE-RELATED FINANCIAL DISCLOSURES

Step 2: Evaluation of Risks

The evaluation of climate-related risks is conducted annually by the Group-wide Sustainability Working Group, in collaboration with the Group management team and subsidiary Boards, to determine which of the risks identified in the workshop are material to the Group. The CEO reviews the climate risk register and ensures that the results are presented to the Board for oversight annually. In February 2025, a climate scenario analysis was conducted to evaluate each risk. This assessment considered varying timescales and global warming projections. The outcomes of the climate scenario analysis were disseminated to a diverse group of stakeholders, including representatives from Operations, Sustainability, Risk Management, Finance and the Board, at a dedicated workshop held in March 2025.

The Group employs a matrix-based approach to assess and prioritise climate-related risks. A scoring system quantifies the risks, with higher scores indicating more significant potential harm to the business. This scoring is used to guide mitigation discussions and ensure that appropriate management actions are prioritised according to the potential impact of each risk.

- **Risk Scoring:** Risks are evaluated based on probability (likelihood of occurrence) and impact/severity (the scale should it occur) on financial, operational or reputational aspects. Probability is assessed on a scale of 1-5, with one being unlikely and five being almost certain. Impact is also assessed on a scale of 1-5, with one being low and five being catastrophic. This scale measures the potential consequences of the risk occurring.
- **Gross Risk Factor:** This is the starting point of the assessment, before any controls or mitigations are applied. It is calculated by multiplying the likelihood of the risk by its potential impact. A gross score of 15 or above signifies a high-priority risk. These are addressed and mitigated first to ensure they are effectively managed. Risks with a gross score between 10 and 14 are addressed next, with appropriate mitigation measures applied and monitored. Risks with a gross score between 1 and 9 are also addressed, but at a lower priority. This prioritisation ensures resources are directed to the most critical risks first, whilst all material risks (10 or above) are managed appropriately.
- **Residual Risk Factor:** Level of risk that remains after existing controls and mitigation measures have been implemented. This is a critical step in determining the risk's materiality to the business. After mitigation, risks are re-scored by multiplying their likelihood and impact. A risk is considered material if its residual risk score is 10 or above. The scoring matrix in Table 2 reflects this final level of risk, and any risk with a score between 10 and 25 is subject to ongoing management and monitoring. Please refer to the Strategy section for a detailed analysis of these material risks.

Table 1: Risk Response Options

Residual Risk Factor After Control(s) Applied	Description
1	The identified risk is not material to the business.
2–4	The identified risk is not material to the business.
5–9	The identified risk is not material to the business.
10–14	The identified risk is material to the business, requires mitigation, and is actively monitored.
15–25	The identified risk is material to the business and requires intensive monitoring.

Table 2: Risk Rating Matrix (Residual Risk Factor)

Impact/ Severity	Probability/Likelihood				
	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

Step 3: Management of Risks

To manage the risks, the Group follows a structured process with clear accountability at the Board and management levels. This process is carried out collaboratively by the CEO and the Sustainability Working Group. A major review is carried out bi-annually, with a workshop and review in the intervening years; together, these provide a formal annual review. In the normal course of business, and especially at Board meetings, material risks are reviewed, and mitigations are identified and implemented where possible or appropriate. In 2025, this was done in the April 2025 Board meeting.

- **Initial Assessment and Mitigation:** With the initial gross-level risks already assessed, the focus is now on their effective management. The Group collaborated with internal stakeholders from finance, operations, marketing and Inspired ESG, to develop and discuss tailored management and mitigation strategies. As a key part of this management process, the Group prioritised its efforts based on the gross risk scores: risks scoring 15-25 were addressed first, followed by those scoring 10-14, and finally, risks between 1 and 9 were mitigated. The strategies developed are reviewed and updated annually.
- **Residual Assessment and Mitigation:** To validate the effectiveness of the mitigations the Group implemented, it applied a "climate lens" to its existing strategies. After implementing these mitigation measures, all risks were re-scored to determine their residual risk score. This outcome demonstrates that the mitigation actions effectively reduced the potential impact of all identified climate-related risks to an acceptable level. Any climate-related risks with a residual risk score of 10 or above are material and subject to ongoing management, continuous monitoring, and strategic oversight.
- **Internal Review and Board Discussion:** Following the workshop, all climate-related risks were reviewed internally before the risk register sign-off. The climate-risk register, signed off in April 2025, is maintained and reviewed annually by the CEO, with support from the Finance and Sustainability teams. Risk ownership and accountability were assigned to specific individuals or teams, ensuring clear responsibility for managing climate-related risks. The climate risk register is integrated with the existing risk management framework, as climate change is incorporated within the principal risks.

Strategy

FW Thorpe remains committed to addressing sustainability challenges and using emerging opportunities through a forward-thinking and responsible business strategy. The Group has established ambitious targets to significantly reduce Greenhouse Gas (GHG) emissions at the Group level. These targets were validated by the SBTi in 2024 and continue to guide its actions. This commitment includes reducing absolute Scope 1 and 2 (market-based) emissions by 57.5% by 2030, using 2021 as the base year, and achieving a 90% reduction by 2040. The Group is equally committed to reducing absolute Scope 3 emissions by 25% by 2030 and 90% by 2040 from a 2021 baseline, in alignment with the SBTi's definition of net-zero.

The Group actively monitors evolving climate regulations to meet these objectives, integrating them into risk management and reporting processes. Key initiatives include expanding solar PV projects, advancing carbon offset programmes certified by the Woodland Carbon Code and exploring internal carbon pricing to strengthen climate resilience and sustainability leadership. While regulated carbon pricing would likely have a long lead time and target high-emission industries under the Emissions Trading Scheme, which the Group is not part of, assessing its potential application ensures it remains ahead of regulatory developments and reinforces its position as a credible and resilient sustainability leader.

Climate Scenarios

The Group analysed climate scenarios across its operations to assess climate-related risks and opportunities. Climate scenarios outline possible futures based on different global warming levels. The Group utilised a range of established climate models and frameworks, including the Intergovernmental Panel on Climate Change's (IPCC) Representative Concentration Pathways (RCP), the International Energy Agency's (IEA) World Energy Model (WEM), the Network for Greening the Financial System (NGFS) and other existing models. In line with Climate-related Financial Disclosures (CFD) recommendations and ISO 14091 standards, the scenarios used are plausible, credible, and based on varying combinations of key factors. Multiple scenarios were applied to understand how different variables could lead to a range of outcomes, providing a common reference point for assessing strategic and financial implications of climate-related risks and opportunities. While these models are essential for planning, they are based on assumptions and estimations that introduce uncertainty. They use historical data that may be incomplete, simplify complex processes, and often exclude certain emission sources. As such, scenarios are hypothetical and intended as guidance rather than prediction. Although scenarios are updated as new methods and data emerge, they are hypothetical, not exact science, and should only be used as guidance rather than fact. While grounded in robust models, scenario analysis should be interpreted as a guide rather than a prediction and continually refined as science and real-world conditions evolve.

- **Types of Climate Risk:** The Group closely monitors two main categories of climate risk that could affect future performance.
  - **Transition risks** arise from changes in regulations, market demand, and technology as the global economy moves toward net-zero. These may require the Group to adapt its business strategy and operations to remain competitive and compliant.

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CLIMATE-RELATED FINANCIAL DISCLOSURES

- **Physical risks** involve direct climate impacts such as flooding, heat stress and water scarcity. These risks could disrupt operations, supply chains and employee well-being across the Group's 20 key operational and sales offices worldwide.

- **Timeframes for Assessment:** Recognising that climate change impacts extend beyond traditional planning horizons, the Group evaluated risks across the short- (2024-2028), medium- (2029-2038), and long-term (2039-2053) timeframes. The medium-term timeframe aligns with near-term targets, and the long-term timeframe covers the Group's net-zero targets for 2040.
- **Scenario Analysis:** The Group examined all relevant climate scenarios across these timeframes to fully understand risks and support resilient decision-making. This comprehensive analysis enables FW Thorpe to adapt its strategy in line with changing climate realities and regulatory environments. Each scenario was chosen for this analysis to represent a spectrum of risk, from high to low. The Group uses risk thresholds to gauge the potential impact of each climate-related risk, with each threshold signifying a higher level of risk. FW Thorpe has considered the resilience of the business model and strategy to three different climate scenarios and the potential effect on the business model and strategy for each of these scenarios. Therefore, the Group has deemed that its business model and strategy is resilient to the three climate scenarios.

Table 3: Three Scenario Warming Pathways.

Scenario	Description and Business Implications
Proactive **<2°C by 2100** Achieving collective Net-Zero Ambition	This scenario represents the international commitment to keep temperature rise well below 2°C, in line with the Paris Agreement. It requires decisive action from governments, businesses and society to reduce emissions rapidly. While this path involves increased regulatory and transition risks, it also presents significant opportunities. **Impact on business model and strategy:** FW Thorpe has set a goal to achieve net-zero emissions by 2040. This commitment is driving the Group to accelerate investment in low-carbon products, sustainable manufacturing and energy-efficient solutions, ensuring alignment with regulatory expectations and customer demand. **Resilience of business model and strategy:** FW Thorpe's proactive strategy, including expansion of solar PV projects, adoption of HVO fuel and deployment of electric vehicles across its fleet, strengthens its adaptability and ability to capitalise on opportunities in a low-carbon economy.
Reactive **2-3°C by 2100** Navigating a Transforming Climate	This scenario reflects a world where climate action is inconsistent, with regulatory landscapes evolving unevenly across regions. It introduces uncertainty in supply chains and resource availability, which could impact operations between now and 2040. **Impact on business model and strategy:** FW Thorpe commits to proactively managing risks arising from this scenario through close collaboration with suppliers and stakeholders, advancing sustainable product design and maintaining operational agility. **Resilience of business model and strategy:** FW Thorpe's business model and strategy demonstrate resilience to this scenario, supported by interim targets such as significant reductions in Scope 3 emissions by 2030 and the expansion of carbon offsetting programmes, which strengthen operational continuity, competitive positioning and strategic adaptability in a partially decarbonised world.
Inactive **>3°C by 2100** Prioritising Risk Mitigation in a Warmer Future	This pathway reflects limited global action and severe physical impacts, including extreme weather events and resource shortages. While immediate regulatory pressures may be lower, the long-term consequences threaten business continuity. **Impact on business model and strategy:** Physical risks under this scenario may disrupt production and product supply, requiring strategic investment in resilient infrastructure, materials, and processes. **Resilience of business model and strategy:** By applying TM65 (embodied carbon measurement) and TM66 (circular economy product assessment) and exploring sustainable material alternatives in products such as Oaken and Arden, FW Thorpe ensures that its operations and product offerings remain adaptable, sustainable, and aligned with long-term risk mitigation objectives.

The Group uses defined time horizons to identify when climate-related risks and opportunities will significantly impact the Group. This approach ensures focused action aligned with strategic goals.

Short Term (2024–2028): A Foundation for Sustainability – This timeframe aligns with typical business planning cycles and facilitates immediate progress on sustainability initiatives. It allows FW Thorpe to capitalise on clear opportunities and manage risks from upcoming regulations. Growing client demand for environmentally responsible lighting drives innovation and responsiveness.

Medium Term (2029–2038): Shaping the Future of Sustainable Lighting – FW Thorpe aims to strengthen its position as a market leader by investing in research and development to advance net-zero objectives. This period aligns with its near-term targets for substantial greenhouse gas reductions by 2030.

Long Term (2039–2053): Charting the Course to Net-Zero – This extended timeframe covers FW Thorpe's full journey to net-zero emissions by 2040 and offers a comprehensive perspective for managing risks. It enables the Group to anticipate shifts in consumer preferences, technological innovations, infrastructure developments and policy changes that will shape the lighting industry's environmental impact. This horizon reflects FW Thorpe's strong commitment to a greener, sustainable future whilst allowing for strategic planning around long-term advancements necessary to achieve its net-zero goal.

Analysis of Climate-Related Risks

In February 2025, a comprehensive climate scenario analysis was completed and presented to the Board and senior management during a Climate Risk Workshop in March 2025. This workshop included representatives from Operations, Marketing, Finance, the ESG working group and other key business functions. The analysis evaluated nineteen climate-related risks - thirteen transition risks and six physical risks across operations. Physical risks were assessed at 20 key sites, whilst transition risks were examined at the Group level. These sites were chosen based on the highest spend and revenue. The list, provided in February 2025, covers the period from July 2024 through February 2025, spanning the second half of 2024 and the first two months of 2025. Risks are reviewed annually, and the methodology for identifying, assessing and determining materiality is outlined in the Risk Management section.

Whilst the Group acknowledges the growing threat of climate change and its related impacts, its analysis and risk management process has indicated that it has no material climate-related risks in 2025. This is due to the Group's broad geographic footprint, which reduces exposure to localised impacts, and its robust risk management approach, which includes scenario analysis, contingency planning and continuous monitoring. The Group's process identifies and addresses these risks before they escalate to material levels. As a result, all identified climate-related risks are currently considered manageable. However, the Group recognises that the cumulative impact of climate change remains a significant principal risk requiring ongoing attention and proactive management.

Prioritisation and Materiality: Gross and Residual Risks

The Group first assessed risks before applying mitigations during the climate risk workshop. At this stage, gross risks scoring 15 or above were classified under its scoring framework as requiring focused attention and proactive mitigation, although they were not yet deemed material (see Table 1). Two transition risks were identified in this category: increased regulation with stricter emissions reporting requirements, and the potential substitution of existing products with lower-emission alternatives. These risks are closely linked, as market demand or legislation could accelerate the need to develop products with lower in-use carbon. Additionally, if government targets for a low-carbon electricity grid are unmet, new measures such as UK Minimum Energy Performance Standards could apply to some or all products, depending on their scope. These risks were discussed during the workshop and subjected to additional internal review and ongoing monitoring to ensure effective and continuous mitigation.

Next, since no physical risks scored 15 or above at the gross level, the Group turned its focus to the next priority level: gross risks with a score of 10 or above. These were reviewed as part of ongoing risk management at the workshop and had appropriate mitigation measures applied. This identified heatwaves and rising mean temperatures as material risks. Scenario analysis indicated that 20 FW Thorpe sites globally will likely experience heatwaves in the short to long term under the Reactive and Inactive climate scenarios, presenting tangible risks to workforce wellbeing, site resilience and business continuity. After applying the mitigations, the risks were re-scored and determined to be non-material. Following a detailed evaluation of existing controls, likelihood, and potential impacts, none of the remaining risks currently exceed the materiality threshold of 10 or above. While the disclosure focuses on material climate-related risks, the Group acknowledges that certain risks, though not material today, could become significant over time if not carefully managed. As a result, four areas have been flagged for continued monitoring and strategic focus to ensure they remain effectively mitigated. Refer to the Risk Management section above for more information on the Group's risk management methodology.

Material opportunities

FW Thorpe recognises the need to reduce its carbon footprint and play a leading role in building a sustainable future. While climate change presents significant challenges, it also creates opportunities. By responding proactively, FW Thorpe has strengthened its capacity for innovation and reinforced its market position, transforming risks into drivers of growth and long-term sustainability.

Non-financial and sustainability information statement continued

CLIMATE-RELATED FINANCIAL DISCLOSURES

The identified climate-related opportunities to decrease emissions across the product lifecycle are pivotal to achieving these goals. These initiatives are strategic priorities driven by several factors. Increasing regulatory expectations and evolving consumer preferences require a forward-looking approach. In addition, reducing carbon emissions supports cost efficiencies through improved energy use and potential incentives. Furthermore, these efforts strengthen FW Thorpe's commitment to corporate social responsibility and enhance the Group's reputation within the market.

The Group identified five opportunities through the climate scenario modelling, and the materiality of these opportunities has been assessed through rigorous evaluation and ongoing internal discussions, ensuring alignment with FW Thorpe's overall strategy and sustainability ambitions. The Group's focus remains on identifying and capitalising on significant climate-related opportunities through a flexible, adaptive approach, given the dynamic nature of this area.

Table 4: Material climate-related opportunities.

Opportunity Scenario & Timeline	Impact Description	Opportunity Response Strategy	Financial Impact and Alignment with Net-Zero*
OP1: Products and Services New low-emission product and service lines **Scenario & Timeline** <2°C and 2–3°C Short–Medium Term (2024–2038)	Tighter regulations and rising demand for sustainable solutions drive opportunities in low-emission, intelligent lighting. FW Thorpe invests in Research and Development (R&D) and applies a circular design strategy to create durable, recyclable products, positioning itself as a leader in eco-friendly lighting and opening new opportunities for retrofitting and remanufacturing.	FW Thorpe's investment in innovative, low-emission and energy-efficient products positions the Group as a market leader. The Group responds to growing demand for sustainable solutions whilst supporting climate change mitigation. It prioritises research and development, focusing on product longevity, sustainable materials, and circular design principles, ensuring alignment with consumer and regulatory expectations.	By investing in innovative, low-emission products, FW Thorpe is not only working to meet its 57.5% reduction target for Scope 1 and 2 emissions and 25% reduction for Scope 3 emissions by 2030 but is also opening new revenue streams and strengthening brand differentiation. This approach reduces the Group's exposure to regulatory risks whilst supporting its SBTi-approved net-zero by 2040 goal.
OP2: Energy Source Use and installation of low-emission energy technology **Scenario & Timeline** <2°C and 2–3°C Short–Medium Term (2024–2038)	The International Energy Agency (IEA) highlights the need for low-emission energy to meet carbon targets. FW Thorpe already generates 24% of its electricity from solar PV at sites in the UK, Netherlands, and Spain, reducing reliance on the grid. Expanding solar to all sites would cut costs, lower emissions, mitigate carbon price risks and enhance reputation whilst benefiting from financing schemes for low-emission technology.	Expanding onsite renewable energy generation, including solar PV, enables FW Thorpe to reduce operational costs and carbon footprint whilst strengthening its reputation as a sustainable manufacturer. By capitalising on financing opportunities and continuing investment in renewable technologies, the Group reduces market-based Scope 1 and 2 emissions and positively influences Scope 3 emissions.	By expanding its use of low-emission energy technology like solar PV, FW Thorpe not only gains direct operating cost savings, enhanced margins, and improved resilience to energy price volatility, but also directly addresses its Scope 1 and 2 emissions. This strategy is key to meeting the near-term 57.5% reduction target by 2030 and its ultimate goal of net-zero by 2040.
OP3: Resource Efficiency Use of energy-efficient technology **Scenario & Timeline** <2°C and 2–3°C Short–Medium Term (2024–2038)	FW Thorpe has begun its net-zero journey with a 2040 target, supported by third-party specialists. Investing in energy-efficient technology may involve high upfront costs but will cut energy use, reduce costs and deliver long-term financial gains.	FW Thorpe drives efficiency through energy-saving technologies, ongoing staff engagement and lifecycle cost analysis, delivering financial and environmental benefits. Launched in 2016, the SmartScan platform, a wireless lighting management system, maximises energy savings and automates emergency lighting testing and record-keeping. This supports energy management both internally and for customers.	FW Thorpe can reduce operating costs and carbon liabilities by investing in energy-efficient technology and ongoing staff engagement, leading to higher profitability and improved competitiveness. This enhanced efficiency directly supports the reduction of its Scope 1 and 2 emissions, a key part of its net-zero by 2040 strategy.

Opportunity Scenario & Timeline	Impact Description	Opportunity Response Strategy	Financial Impact and Alignment with Net-Zero*
OP4: Markets Access to new low-carbon markets **Scenario & Timeline** <2°C and 2–3°C Short–Medium Term (2024–2038)	Organisations can strengthen their transition to a low-carbon economy by diversifying into new markets, partnering with local communities and investing in green technologies and infrastructure.	FW Thorpe actively pursues low-emission market opportunities aligned with the transition to a low-carbon economy. Collaboration with local businesses, investment in green infrastructure and sustainable supply chains support market diversification and environmental responsibility.	Contributes to achieving net-zero by 2040 and reinforces circular economy commitments.
OP5: Resilience The business is well-adapted and positioned to deal with climate change **Scenario & Timeline** <2°C and 2–3°C Short–Medium Term (2024–2038)	Climate resilience involves building capacity to manage risks and opportunities from climate change, especially for organisations with long-lived assets, complex supply chains, or significant infrastructure reliance.	Building climate resilience allows FW Thorpe to manage risks and seize opportunities arising from climate change. Scenario planning, supply chain diversification, infrastructure strengthening, and proactive regulatory compliance ensure the Group remains adaptable and sustainable.	Protects revenue continuity and mitigates supply chain disruption costs. Enhances adaptability while supporting net-zero objectives by minimising the risk of unexpected business and supply chain disruptions, which can force reliance on less efficient processes, emergency logistics, and higher-emission alternatives.

* Net-zero Scope 1 (location-based) and 2 (market-based).

Metrics & Targets

FW Thorpe recognises the need for climate action and emissions reduction. It has set ambitious goals to significantly reduce Group-level Greenhouse Gas (GHG) emissions, demonstrating its commitment to climate action. FW Thorpe submitted targets to SBTi, and these targets were validated in June 2024. Progress against these targets can be found in Table 5. In 2025, these targets were embedded into the Group's climate risk workshop, where mitigation actions, implementation plans, and progress tracking were further developed. The Group also enhanced monitoring systems to ensure reliable data collection and reporting, enabling transparent measurement of progress against the validated targets.

- FW Thorpe is committing to reach absolute net-zero Scope 1 (location-based) and 2 (market-based) and scope 3 emissions by 2040, from a 2021 baseline, ten years ahead of the UK and EU targets of net-zero by 2050. This means reducing absolute Scope 1, 2 and 3 emissions by a minimum 90% by 2040, then offsetting the remaining 10% with high-quality sequestration offsets from 2040 onwards, in line with the SBTi guidance on net-zero.
- While the near-term target for Scope 1 (location-based) and 2 (market-based) emissions is a 57.5% absolute reduction by 2030, from a 2021 baseline, the Scope 3 target is a 25% absolute reduction over the same timeframe.

The variation in near-term targets across different scopes is primarily due to the distinct nature of emissions within each category. Scope 1 emissions, directly from owned or controlled sources, offer greater control and potential for rapid reduction through operational changes and technology adoption. Scope 2 emissions from purchased energy are influenced by factors such as regional energy mix and the availability of renewable energy sources. Scope 3 emissions from value chain activities present a more complex challenge due to their indirect nature and dependence on supply chain partners. Therefore, whilst the overall ambition for net-zero applies to all Scopes, the pathways to achieving these reductions vary in complexity and timelines.

FW Thorpe has compiled the data presented in this report based on internal records and calculations performed by its third-party consultants. While reasonable care has been taken to ensure the accuracy and completeness of the information, it has not been externally verified.

FW Thorpe sets science-based targets against a 2021 baseline and tracks progress annually. Progress is expressed as percentage reductions already achieved and the annual reduction rate still required to meet 2030 and 2040 goals. This approach is applied consistently across Scope 1, 2, and 3 emissions, waste diversion and renewable electricity use.

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CLIMATE-RELATED FINANCIAL DISCLOSURES

Table 5: The Group's progress against targets.

Target	Baseline Value	2025 Value	Progress Against Target
Reduce absolute Scope 1 (location-based) and 2 (market-based) emissions by 57.5% by 2030 from a 2021 baseline.	2,856 tCO_2e	1,962 tCO_2e	A 31.31% reduction against the baseline year has been achieved. This equates to a 7.83% average annual reduction achieved, compared to the baseline, surpassing the required reduction of 4.74%. Going forward, to meet the 2030 target, a 7.63% annual reduction, compared to 2025 figures, is required. **Related Opportunities (refer to Table 4):** OP2 – Energy Source and OP3 – Resource Efficiency.
Reduce absolute Scope 3 emissions by 25% by 2030 from a 2021 baseline.	320,100 tCO_2e	169,096 tCO_2e	A 47.17% reduction against the baseline year has been achieved in 2025. Therefore, this target has been achieved six years ahead of schedule. **Related Opportunities:** OP1 – Products and Services and OP4 – Markets.
Reduce absolute Scope 1 (location-based) and 2 (market-based) emissions by 90% by 2040 from a 2021 baseline.	2,856 tCO_2e	1,962 tCO_2e	A 31.31% reduction against the baseline year has been achieved. This equates to a 7.83% average annual reduction achieved, compared to the baseline, surpassing the required reduction of 4.74%. Going forward, to meet the 2040 target, a 5.70% annual reduction, compared to 2025 figures, is required. **Related Opportunities:** OP2 – Energy Source and OP3 – Resource Efficiency.
Reduce absolute Scope 3 emissions by 90% by 2040 from a 2021 baseline.	320,100 tCO_2e	169,096 tCO_2e	A 47.17% reduction against the baseline year has been achieved (11.79% average annual reduction). This puts the Group ahead of the required 4.74% average annual reduction requirement. A further 5.40% annual reduction, from 2025, is required to meet the target. **Related Opportunities:** OP1 – Products and Services, OP4 – Markets.
Divert 100% of waste from landfill by 2030 from a 2024 baseline.	80% landfill diversion rate	73.63% landfill diversion rate	An annual 5.27% increase in landfill diversion rate is required until 2030 to meet this target. In certain subsidiaries, waste routes were not fully identified, leading to some volumes being classified as landfill. At Famostar, waste data is currently reported on a spend basis rather than by weight, which reduces accuracy. To address this, new measures are being implemented to ensure waste weight data by type and disposal method is collected consistently across all subsidiaries, enabling a more accurate diversion rate and supporting delivery of the 2030 target. **Related Opportunities:** OP5 – Resilience and OP3 – Resource Efficiency.
Utilise 100% renewable electricity by 2030.	3.8%	81.7%	Since the baseline in 2021, the percentage of renewable energy has increased by 77.84%. An annual increase of 3.65% is needed to meet the 2030 target. **Related Opportunities:** OP2 – Energy Source and OP3 – Resource Efficiency.

Streamlined Energy and Carbon Reporting (SECR)

Since 2018, the Group has tracked and disclosed energy use and emissions from its own operations in accordance with the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements. Under SECR, Scope 1 emissions arise from the combustion of natural gas and the use of transport fuels in company-owned assets. Scope 2 emissions relate to purchased electricity, including electricity used by company-owned electric vehicles when charged offsite. Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by FW Thorpe, i.e., grey fleet business travel undertaken in employee-owned vehicles only.

Our Progress

The tables (Tables 6, 7, 8 and 9) and the information below present energy usage, associated emissions, energy efficiency actions and energy performance under the UK Government's Streamlined Energy & Carbon Reporting (SECR). By consolidating grid-supplied and self-generated electricity, FW Thorpe's electricity consumption decreased from 4,858,769 kWh in 2024 to 4,397,790 kWh in 2025. Correspondingly, emissions fell from 686.39 tCO_2e to 585.34 tCO_2e, a 14.72% reduction year-on-year. This is due to a fall in the intensity of emissions from electricity consumption year-on-year. By consolidating Scope 1, Scope 2 and Scope 3 transport, overall transport fuel use rose from 3,691,957 kWh in 2024 to 4,139,795 kWh in 2025, whilst transport emissions increased from 855.38 tCO_2e to 958.16 tCO_2e, a 12.02% rise, primarily due to greater company car activity and the inclusion of Scope 3 transport emissions for the first time under SECR reporting. Overall, total consumption increased slightly from 12,957,391 kWh in 2024 to 13,103,306 kWh in 2025. Despite reductions in electricity emissions, higher gas and transport emissions drove total emissions up from 2,347.74 tCO_2e to 2,378.88 tCO_2e, a 1.33% net increase year-on-year.

As reported in Table 9, FW Thorpe's operations have an intensity metric of 13.58 tCO_2e per Total Revenue (£m). This represents an increase in the operational carbon intensity of 1.66% from 2024 as a result of increased gas and transport emissions and a decrease in revenue year-on-year.

Table 6: Total UK and Global Energy Consumption (kWh).

Utility and Scope	2025 Consumption			2024 Consumption*		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	**5,722,155**	**2,313,676**	**8,035,831**	**5,795,712**	**1,870,167**	**7,665,879**
Natural Gas (Scope 1)	4,209,514	356,337	4,565,851	4,065,541	341,124	4,406,665
Transportation (Scope 1)	1,512,641	1,957,339	3,469,980	1,730,171	1,529,043	3,259,214
Scope 2 Total	**2,727,588**	**2,065,650**	**4,793,238**	**3,338,072**	**1,953,440**	**5,291,512**
Grid-Supplied Electricity (Scope 2)	1,892,854	1,429,330	3,322,184	1,984,384	1,216,408	3,200,792
Transportation (Scope 2)	183,275	212,303	395,578	320,433	112,310	432,743
Self-Generation (Scope 2)	651,459	424,017	1,075,476	1,033,255	624,722	1,657,977
Scope 3 Total	**198,392**	**75,845**	**274,237**	**–**	**–**	**–**
Transportation (Scope 3)**	198,392	75,845	274,237	–	–	–
Total	**8,648,135**	**4,455,171**	**13,103,306**	**9,133,784**	**3,823,607**	**12,957,391**

* 2024 Scope 1 and 2 consumption have been restated to reflect updated information previously unavailable. The total consumption has been restated from previously reported figure of 13,121,741kWh.

** 2025 is the first year Scope 3 transport has been reported.

Table 7: Total UK and Global Location-based Emissions (tCO_2e).

Utility and Scope	2025 Emissions			2024 Emissions		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Scope 1 Total	**1,129.39**	**531.39**	**1,660.78**	**1,150.42**	**421.34**	**1,571.76**
Natural Gas (Scope 1)	770.17	65.20	835.37	743.59	62.39	805.98
Transportation (Scope 1)	359.22	466.19	825.41	406.83	358.95	765.78
Scope 2 Total	**367.48**	**287.88**	**655.36**	**477.22**	**298.77**	**775.99**
Grid-Supplied Electricity (Scope 2)	335.04	250.30	585.34	410.87	275.52	686.39
Transportation (Scope 2)	32.44	37.58	70.02	66.35	23.25	89.60
Scope 3 Total	**46.04**	**16.70**	**62.74**	**–**	**–**	**–**
Transportation (Scope 3)*	46.04	16.70	62.74	–	–	–
Total	**1,542.91**	**835.97**	**2,378.88**	**1,627.64**	**720.11**	**2,347.75**

* 2025 is the first year Scope 3 transport has been reported.

Non-financial and sustainability information statement continued

CLIMATE-RELATED FINANCIAL DISCLOSURES

Table 8: Total UK and Global Location- and Market-based Emissions (tCO_2e).

	2025 Emissions		2024 Emissions	
Utility and Scope	**Location-based**	**Market-based**	**Location-based**	**Market-based***
Scope 1 Total	**1,660.78**	**1,660.78**	**1,571.76**	**1,571.76**
Natural Gas (Scope 1)	835.37	835.37	805.98	805.98
Transportation (Scope 1)	825.41	825.41	765.78	765.78
Scope 2 Total	**655.36**	**300.99**	**775.98**	**416.21**
Grid-Supplied Electricity (Scope 2)**	585.34	230.97	686.38	326.61
Transportation (Scope 2)	70.02	70.02	89.60	89.60
Scope 3 Total	**62.74**	**62.74**	**–**	**–**
Transportation (Scope 3)***	62.74	62.74	–	–
Total	**2,378.88**	**2,024.51**	**2,347.74**	**1,987.97**

* 2024 Scope 1 and 2 emissions have been restated to reflect updated information previously unavailable. The total market-based emission has been restated from previously reported value of 1,830.56 tCO_2e.

** The Grid-Supplied Electricity (Scope 2) emissions represent tCO_2e due to the market-based reporting methodology.

*** 2025 is the first year Scope 3 transport has been reported.

Table 9: Total UK and Global SECR Intensity Metrics.

Intensity Metrics	2025	2024	2025	2024
Total Revenue (£m)	**175.22**	175.80	**175.22**	175.80
Reporting Method	**Location-Based tCO_2e per Revenue(£m)**		**Market-Based tCO_2e per Revenue (£m)**	
All Scopes (1, 2 & 3)	**13.58**	13.35*	**11.55**	11.31*
Percentage change	**+1.66%**		**+2.17%**	

* 2024 intensity metrics have been restated to reflect updated information previously unavailable. The location-based and market-based intensities. They have been restated from previously reported figures of 12.93 tCO_2e/£m and 10.41 tCO_2e/£m, respectively.

Energy Efficiency Narrative

FW Thorpe is committed to improving its operational energy efficiency year-on-year. A register of energy efficiency measures has been compiled to implement these measures in the next five years.

Measures undertaken in 2025

During 2025, several initiatives were implemented to improve energy efficiency and reduce emissions. Equipment upgrades included adding insulation to one of three Surface Mount Technology (SMT) ovens on a trial basis, which is expected to deliver 2–4% energy savings by reducing thermal losses. Start/stop controls were installed on two SMT ovens to cut idle energy use, with predicted savings of 6–10%, and a CO_2 laser was replaced with a fibre laser, expected to save 9–11% in energy use. Lighting efficiency was improved by replacing 15 external fittings with nine upgraded Light Emitting Diodes (LED) units equipped with SmartScan controls, providing an estimated 33% reduction in wattage alongside further control-related savings. In fleet operations, selected diesel vehicles were replaced with Battery Electric Vehicles (BEVs) and a new Hydrotreated Vegetable Oil (HVO) fuel tank and dispensing system was installed to support further fleet fuel transition, reducing fleet fuel-related emissions.

Measures to be undertaken in 2026

Planned actions for 2026 focus on heating, equipment, renewable energy, and resource efficiency. Heating improvements will include connecting all gas heaters to the Building Management System (BMS), repairing external doors to reduce heat loss, installing air curtains at main access points and updating roof vents with BMS integration to improve heating control and efficiency. Equipment-related measures will include installing destratification fans to circulate factory air and reduce gas use, optimising oven utilisation to cut operating time, and switching spray shop media to lower cure oven temperatures by around 20°C, reducing gas consumption and oven-related emissions. Additionally, photovoltaic (PV) panels will be installed to decarbonise energy use further, reducing reliance on grid electricity.

Methodology

The Group's Scope 1, 2 and 3 kWh consumption and CO_2e emissions data has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard; Greenhouse Gas Protocol – Scope 2 Guidance ISO 14064-1 and ISO 14064-2; Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance.* Government Emissions Factor Database 2025 version 1 has been used, utilising the published kWh gross Calorific Value (CV) and $kgCO_2e$ emissions factors relevant for the reporting period 01/07/2024 – 30/06/2025.

All consumption data for FW Thorpe PLC was complete for the reporting period. Therefore, no estimations were required. The 2024 Scope 1 and 2 consumption and emissions figures have been restated following the availability of updated information. For natural gas, an updated cubic feet to kWh conversion factor was applied to Thorlux UK consumption. Electricity consumption across UK sites was re-evaluated to assign the appropriate Renewable Energy Guarantees of Origin (REGOs) to relevant contracts and revised

data on on-site electricity generation. In addition, electricity consumption for plug-in hybrid company car activity has been updated under Scope 2 transport.

Carbon Balance Sheet

The Group began calculating its full Scope 1, 2 and 3 emissions in 2022, using 2021 as the baseline year for future emission reduction targets. Emissions are calculated following the Greenhouse Gas Protocol. All fifteen Scope 3 categories have been assessed for relevance to the Group's activities, with twelve identified as applicable and subsequently quantified. The three categories not applicable are Category 10: Further Processing of Sold Products (as only finished products are sold), Category 13: Downstream Leased Assets (no assets are leased to third parties), and Category 14: Franchises (no franchise operations).

Scope 1 emissions increased by 5.66% between the current and previous year, driven by a 3.6% rise in natural gas consumption and a 6.5% increase in transport mileage and fuel use.

Scope 2 market-based emissions saw a substantial decline of 27.68% between the current and previous year, primarily due to a shift towards renewable energy tariffs.

Scope 3 emissions, which comprise 98.85% of the Group's total market-based emissions, decreased by 18.25% between the current and previous year. In the same timeframe, this reduction was primarily driven by declines in Category 11 (Use of Sold Products) and Category 2 (Capital Goods), which fell by 24.71% and 25.39%, respectively. Despite these decreases, Category 11 remains the most significant source of emissions, accounting for 75.37% of the Group's total market-based carbon footprint. Other notable contributors to Scope 3 emissions include Category 1 (Purchased Goods and Services) and Category 15 (Investments), which continue to represent meaningful portions of the overall footprint.

The Group's operational emissions (Scope 1 and 2, market-based) accounted for 1.15% of total emissions in the current year. Scope 1 emissions decreased by 1.98% compared with the 2021 baseline, driven by a reduction in natural gas consumption. From the baseline, Scope 2 market-based emissions decreased by 74.10%, influenced by a transition towards using renewable energy tariffs. In the current year, 81.74% of all electricity consumed by the Group was sourced from renewable energy sources. Scope 3 emissions decreased by 47.17% from the baseline, primarily due to a 52.48% decrease in Category 11: Use of sold products emissions. This category, which reflects the energy consumed over the lifetime of all luminaires sold by the Group, remains the largest single source of emissions. The change was the result of a decrease in electricity consumption from sold products, alongside a reduction in the emissions intensity of grid-supplied electricity.

Table 10: The Group's Carbon Balance Sheet for 2021, 2024 and 2025.

	2025 tCO_2e	2024* tCO_2e	2021 tCO_2e	Y-o-Y % Change	% Change against baseline
Scope 1	**1,661**	**1,572**	**1,694**	**+5.66%**	**-1.98%**
Scope 2 (Market-based)	**301**	**416**	**1,162**	**-27.68%**	**-74.10%**
Scope 3	**169,096**	**206,836**	**320,100**	**-18.25%**	**-47.17%**
1: Purchased Goods and Services	**28,553**	24,324	35,448	+17.39%	-19.45%
2: Capital Goods	**2,060**	2,762	2,033	-25.39%	+1.37%
3: Fuel-related Emissions	**590**	482	611	+22.46%	-3.35%
4: Upstream Transport and Distribution	**1,393**	1,819	1,971	-23.41%	-29.32%
5: Waste Generated in Operations	**76**	112	144	-32.05%	-47.14%
6: Business Travel	**548**	418	494	+31.29%	+11.09%
7: Employee Commuting	**1,902**	1,594	825	+19.35%	+130.55%**
8: Upstream Leased Assets	**111**	247	170	-54.95%	-34.67%
9: Downstream Transport and Distribution	**5**	52	323	-90.13%	-98.40%
11: Use of Sold Products	**128,933**	171,241	271,337	-24.71%	-52.48%
12: End-of-life Treatment of Sold Products	**18**	24	69	-25.88%	-74.40%
15: Investments	**4,907**	3,761	6,675	+30.45%	-26.49%
Total (Market-based)	**171,058**	**208,824**	**322,956**	**-18.09%**	**-47.03%**
tCO_2e (market-based)/£m revenue	**976**	**1,188**	**2,414**	**-17.85%**	**-59.57%**

* 2024 total emissions have been restated, accounting for updated spend-based emissions factors and updated information previously unavailable. They have been restated from the previously reported figure of 212,912 tCO_2e.

** Change in methodology since the baseline year has led to a significant change in emissions in Category 7.

Our Methodology

Scope 3 emissions were calculated following the Greenhouse Gas Protocol Value Chain Accounting and Reporting Standard. An operational approach was used to determine the boundary for emissions reporting. All applicable emissions categories have been quantified, and a mixture of spend-based, activity-based, hybrid, and average-data approaches have been used.

The reported Scope 1, 2, and 3 consumptions, emissions and associated intensity metrics have been rounded to the nearest integer while all comparison calculations in terms of percentage have been computed using complete, unrounded figures.

Principal risks and uncertainties

Risk management process

The Board is responsible for the identification and effective management of risks posed to the Group. The Audit and Risk Committee is responsible for regularly reviewing the likelihood of risks occurring and the potential impact they could have on the business. Detailed below is a list of the principal risks facing the business, and the corresponding actions the Board is currently taking in order to manage them.

The Board

Strategic risk assessment at executive level

Audit and Risk Committee

Responsibility for reviewing the likelihood of risks occurring and effectiveness of the internal control framework

Principal risks

Strategic | **Operational** | **Financial**

Group companies

Risk assessment at an individual company level

Strategic priorities key	Type of risks key	Change in period key
1 Focus on high-quality products and good leadership in technology	Strategic	Increase in risk
2 Continue to grow the customer base for Group companies	Operational	Decrease in risk
3 Focus on manufacturing excellence	Financial	No change in risk
4 Continue to develop high quality people		

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
A **Adverse economic conditions**		Deferred or reduced capital investment plans in market sectors, which our products are supplied into and are key sources of revenue for the Group	• Broad range of customers in differing sectors • High quality, technically advanced products to differentiate the Group from competitors • Energy efficient products with shorter payback periods • Actively seek to identify new opportunities to ensure we maximise our potential of winning new business	**High**	**1, 2, 4**	↑
B **Business continuity**		A significant proportion of the Group's revenues are from products manufactured in the Redditch facility	• High level of importance attached to environmental management systems, health and safety and preventative maintenance • Insurance cover is maintained to provide financial protection where appropriate • Increased production flexibility with the ability to build products in more than one manufacturing facility	**High**	**2, 3**	–
C **Price changes**		Erosion of revenue and profitability	• Management reviews prices regularly to take into account fluctuations in costs, in order to minimise the risk of reduction in gross margin, or the loss of market share from a lack of competitiveness	**High**	**1, 2**	–
D **Changes in government legislation or policy**		Reduction in public sector expenditure and changing policy increases risk to our order book Increased complexity of access to EU markets	• Continue to seek to diversify our customer portfolio to ensure we have an appropriate spread, mitigating the risk of any industry or specific sector spending issues • Develop sales in new markets • Leveraging increasing footprint in Europe	**Medium**	**2, 4**	–
E **Impact of conflict on domestic and global economies**		Potential impact on supply chains including increase in certain raw material prices and disruption to some shipping routes. Impact of energy supply price increases	• Alternative sources for certain materials and alternative shipping routes, albeit with higher costs in some circumstances • Electricity usage has been reduced with implementation of solar panels at the majority of manufacturing sites across the Group	**Medium**	**2, 3**	–

Principal risks and uncertainties continued

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
F **Competitive environment**		Existing competitors, powerful new entrants and continued evolution of technologies in the lighting industry eroding our revenue and profitability	• Offering innovative products and service solutions that are technologically advanced products to enable us to differentiate ourselves from our competitors • Investing in research and development activities to produce new and evolving product ranges • Investing in new production equipment to ensure we can keep costs low and maintain barriers to new market entrants	**Medium**	**1, 2, 3, 4**	
G **Sustainability and climate-related risk**		The Group has potential exposure to climate-related risk that could impact both its operations and the products it promotes	• Sustainability targets are set each year for Group companies • Education of employees to further develop sustainability and climate-related understanding, evolving knowledge of the related risks • Targeted reduction of total GHG emissions, reducing the impact of its operations	**Medium**	**2, 4**	
H **Cybersecurity**		A breach of IT security could result in the inability to operate systems effectively and efficiently or the release of inappropriate information	• Continual review and monitoring of potential risks • Computers encrypted where necessary to protect data • Cybersecurity awareness training continues to be delivered to employees • Third-party specialists engaged to provide enhanced support and advice • Critical applications protected by multi-factor authentication and all connectivity is through the Virtual Private Network (VPN)	**Medium**	**1, 3, 4**	

Strategic priorities key	Type of risks key	Change in period key
1 Focus on high-quality products and good leadership in technology	Strategic	Increase in risk
2 Continue to grow the customer base for Group companies	Operational	Decrease in risk
3 Focus on manufacturing excellence	Financial	No change in risk
4 Continue to develop high quality people		

Area of risk	Type of risk	Description of risk	Mitigation of risk	Possible impact on performance	Strategic priorities impacted upon	Change in period
I **Tariffs and trade barriers**		Increased complexity of access to EU and other markets	• With the Group having a manufacturing presence in two EU countries, the Netherlands and Spain, this leaves us ideally placed to react to any negative EU trade barriers that may be imposed on the UK • Continue to develop closer working relationship with these entities, sharing product development, market knowledge and operational expertise to ensure we have the flexibility to adapt to any changes in the future • Legal entity in Republic of Ireland to route EU business to ease the process for customers trading with us	**Medium**	**2, 4**	–
J **Credit risk**		The Group offers credit terms which carry risk of slow payment and default	• Credit policy includes an assessment of the bad debt risk and management of higher risk customers • The Group maintains a credit insurance policy for a significant proportion of its debtors	**Low**	**2**	–
K **Movements in currency exchange**		The Group is exposed to transaction and translation risks. With some natural hedging in EUR this risk is primarily with changes in the GBP:USD rates	• The Group has increased its sourcing of materials to maintain a natural hedge to offset its currency risk from EUR receivables, whilst at the same time buying EUR and USD when the exchange rate is favourable, compared to our operational rates, to minimise the risk	**Low**	**2**	–

Our Governance

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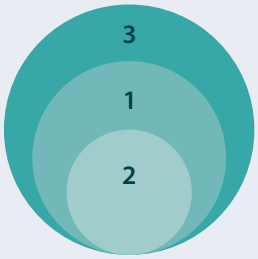
Met Office - Phase Two, Exeter, United Kingdom

Thorlux Lighting

Thorlux has upgraded the lighting throughout the Met Office building to improve energy efficiency, luminaire longevity, and sustainability. The luminaires are linked wirelessly via the SmartScan lighting management system, enabling site managers to monitor energy performance data and complete operational information.

Board of Directors

The Board in numbers



- 20+ years
- 11–20 years
- 1–10 years

Committee key

- Chair of Committee
- (R) Remuneration Committee
- (A) Audit and Risk Committee

Mike Allcock

Non-Executive Chairman

Appointment/background:

Mike joined FW Thorpe Plc in 1984 as an apprentice working his way to Technical Director for Thorlux Lighting in 1998, taking responsibility for the Company's design programme. He was appointed Group Technical Director in 2001 and became Managing Director of Thorlux Lighting in 2003. Mike is a Chartered Electrical Engineer and a Fellow of the Institution of Engineering and Technology. He is passionate about developing innovative, high-technology, market leading products. He became Joint Group Chief Executive of FW Thorpe in 2010, a position he held until July 2024, and Chairman in July 2017.

Key areas of expertise/responsibility:

Lighting & Controls Technology, Product Design/Management, Industry Knowledge, Marketing, Strategy

Craig Muncaster

Chief Executive, Group Financial Director and Company Secretary

After graduating in Business Administration, Craig qualified as a Chartered Management Accountant in 2000. He has spent time in the manufacturing and engineering sectors, previously as UK Financial Director for Durr, which included a number of overseas ventures and projects for the wider Group. He joined FW Thorpe in 2010 and was appointed Joint Group Chief Executive in July 2017 and Group Chief Executive in July 2024.

Financial Management, Commercial/Legal Risk, Investor Relations, Mergers & Acquisitions, Strategy, Company Secretarial

(R) (A)

James Thorpe

Joint Managing Director, Thorlux Lighting

James graduated from Swansea University with a BSc in 2000. He spent 13 years in the IT industry, involved in a variety of public and private sector contracts before joining FW Thorpe in 2013. During his time as Business Development Manager at Thorlux, he has been responsible for securing a number of high profile projects which have contributed to the growth of revenue derived from the healthcare sector. James is the great grandson of the Company founder and was appointed as a director in July 2017. In July 2024 James was also appointed Joint Managing Director of the Thorlux business.

Sales & Marketing, Business Development, Digital Marketing

Andrew Thorpe

Non-Executive Director

Andrew is the grandson of the Company founder, Frederick William Thorpe. After serving an apprenticeship with the Company, he has worked in various parts of the business, leading to the positions of Export Sales Director, Manufacturing Director and then Managing Director of Thorlux Lighting. In 2000, he became Joint Group Chief Executive and in 2003 Group Chairman, positions he held until July 2017. In July 2019 Andrew became a non-executive director and member of the Remuneration Committee.

Manufacturing, Product Design/ Management, Sales & Marketing, Industry Knowledge, Strategy, Governance

R

Ian Thorpe

Non-Executive Director

Ian, grandson of the Company founder, was Manufacturing Director of Thorlux Lighting from 1978 until 1993 when he became Personnel Director. He became a non-executive director on 1 October 1997 and is a member of the Remuneration Committee.

Manufacturing, Human Resources, Governance, Industry Knowledge

R

Frans Haafkens

Non-Executive Director

Frans holds a Master's degree in Mechanical and Control Engineering and an MBA. He is Managing Partner at Dutch investment firm i4hi, a company having direct investments in manufacturing and technology businesses. He spent his formative years with McKinsey & Co. as well as working for a short period in the UK lighting industry.

Frans is a Dutch national who has worked with the Group in recent years supporting the continued success of its Dutch entities, Lightronics and Famostar, both as a consultant and an investor.

Mergers & Acquisitions, Business Management, Industry Knowledge, Strategy

R A

Corporate governance

The Company's shares are traded on the Alternative Investment Market (AIM) of the London Stock Exchange Plc.

Since 28 September 2018, the Company has adopted the Quoted Companies Alliance's "Corporate Governance Guidelines for Smaller Quoted Companies" (the QCA Code) which the Board believes is appropriate due to the size and complexity of the Company.

In November 2023 the QCA published an updated version of the QCA Code (the 2023 QCA Code). The 2023 QCA Code retains the ten principles from the 2018 version, however, it also includes updates to reflect certain areas of growing importance for shareholders, such as climate change, remuneration of directors and employees as well as the need for diversity and independence at Board level.

Whilst the 2023 QCA Code applies to financial years starting after 1 April 2024, the Company decided to early adopted these principles where practical in 2024, which includes the formation of Audit and Risk Committee.

There are ten principles of the 2023 QCA Code and the following table sets out in broad terms how we comply at this point in time.

Thorpe (F.W.) Plc

Principle	Extent of current compliance	Commentary	Further disclosure
1 **Establish a purpose, strategy and business model which promote long-term value for shareholders**	Compliant	The Group's purpose and business strategy is detailed in our Annual Report and Accounts. Our purpose is to provide technically advanced lighting solutions that deliver long-term lowest cost of ownership. Our focus is on delivering long-term growth and stability, achieved through four key strategic priorities: • Focus on high-quality products and good leadership in technology • Continue to grow the customer base for Group companies • Focus on manufacturing excellence • Continue to develop high-quality people	→ Find out more in our Strategic Report on **pages 12 to 69** Read more about Our Strategy on **pages 24 to 25** Read more about Our Business Model on **pages 22 to 23**
2 **Promote a corporate culture that is based on ethical values and behaviours**	Compliant	Our core aim is for long-term growth and stability. The Group management team is passionate about developing the business for the benefit of the shareholders, employees and customers. With our focus on excellence, we ensure our Group's culture is consistent with the aim of long-term growth and stability. In order to achieve and maintain such a culture, we invest in the training and education of our employees, as mentioned in the Annual Report and Accounts.	→ Find out more in our Strategic Report on **pages 12 to 69** Read more about Our Strategy on **pages 24 to 25**

Principle	Extent of current compliance	Commentary	Further disclosure
3 **Seek to understand and meet shareholders' needs and expectations**	Compliant	Meetings are held with shareholders as required; this includes visits to our various company locations being organised and encouraged where possible. In addition, all announcements include contact details for shareholders to contact the Company if they so choose. The AGM is another forum for dialogue with our shareholders. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. Any feedback during these meetings is encouraged and acted upon where appropriate.	Find out more in the Directors' Report on **pages 80 to 82**
4 **Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**	Compliant	Feedback from employees, customers, suppliers and other stakeholders is actively encouraged. Our employees are an important stakeholder group and we actively encourage dialogue with the Company via various employee committees within our companies. Reports from these meetings are distributed to the Board. The Group continuously strives to reduce the environmental impact of the companies and products throughout the Group.	Find out more in our Strategic Report on **pages 12 to 69** Read more in our Sustainability section on **pages 46 to 65**
5 **Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**	Compliant	The Board operates a continuous risk identification and evaluation process. The results are utilised by the Board to manage any significant risks. In addition, the executive directors regularly visit all operating sites and review financial, commercial and operational issues with an executive director responsible for each individual company. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness throughout the Group. Internal financial control is driven by the Group finance team who visits each company to assess compliance against key controls. This includes regular financial reporting that is compared against targets and previous year's performance.	Find out more about our Principal Risks and Uncertainties on **pages 66 to 69** Find out more in the Directors' Report on **pages 80 to 82**

Corporate governance continued

Principle	Extent of current compliance	Commentary	Further disclosure
6 **Establish and maintain the Board as a well-functioning, balanced team led by the Chair**	Partially compliant	Total of six directors, two executive directors and four non-executive directors. Three non-executives are not considered fully independent, one is independent. The Board considers that the non-executive directors are appropriate as they bring significant experience and expertise in the sector. In addition, as the directors retire on a maximum of three-year rotation, shareholders have a regular opportunity to ensure that the composition of the Board is in line with their interests. There is a Remuneration Committee and the Audit and Risk Committee has been established, with matters that would normally be tabled at an Audit and Risk Committee put to the full Board. Partial compliance is due to the level of independent directors and diversity on the Board.	Find out more in Our governance on **pages 74 to 79** Read about our Board of directors on **pages 72 to 73** Find out more in the Directors' Report on **pages 80 to 82**
7 **Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities**	Compliant	The current composition of the Board provides the necessary skills, experience and capabilities for the size and context of the Group. The composition and succession of the Board are subject to review, considering the future needs of the Group. The Board as a whole is responsible for robust governance practices. The roles and responsibilities of each director are clear and responsibilities understood. The Board meets at least five times each year, with additional meetings as required.	Find out more in Our governance on **pages 74 to 79** Read about our Board of directors on **pages 72 to 73** Find out more in the Directors' Report on **pages 80 to 82**
8 **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**	Partially compliant	There is no formal evaluation process; however, the Chairman is responsible for Board performance and accordingly actively encourages feedback on the content and function of board meetings. The composition and succession of the Board are subject to constant review, considering the ever-changing needs of the Group. In addition, the directors retire by rotation every two to three years giving shareholders the opportunity to ensure that the Board is aligned with their interests. Partial compliance is due to no formal evaluation process and that directors are not re-elected every year.	

Principle	Extent of current compliance	Commentary	Further disclosure
9 **Establish a remuneration policy, which is supportive of long-term value creation and the Company's purpose, strategy and culture**	Partially compliant	Reflects the QCA's Remuneration Committee Guide. Remuneration has a mixture of annual and long-term incentives aligned with the shareholders. Basic salary reflects responsibilities and annual bonus recognises performance. LTIP reflects ongoing annual performance, total shareholder return over five years and progress towards sustainability goals over the same period. Remuneration is benchmarked using independent advisors. Partial compliance is due to level of independent directors on the Remuneration Committee.	→ Find out more in the Directors' Remuneration Report on **pages 84 to 87**
10 **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**	Compliant	The Company communicates through the Annual Report and Accounts, full-year and interim announcements, the AGM and one-to-one meetings with existing or potential shareholders. A range of corporate information is also available on the Company's website. Meetings with shareholders, employee groups, management and other representative groups provide a platform for raising any concerns relating to corporate governance.	→ Find out more online at **www.fwthorpe.co.uk**

The Board considers that the Company applies the principles of best practice with the exception of the matters listed below:

- The Board has a low level of independent directors and diversity as per principle 6.
- The Board does not have a nominations committee as per principle 8.
- There is no formal evaluation process of Board performance as per principle 8.
- The Remuneration Committee is not entirely composed of independent directors as per principle 9.

The Board believes that the exceptions, which are more fully explained in the sections relating to the Board constitution and the Directors' Remuneration Report, are appropriate for the size and context of the Group.

Introduction to the Audit and Risk Committee

The Audit and Risk Committee has now been formally established. The current members are:

F Haafkens (Chairman)

M Allcock

Key responsibilities and terms of reference:

- Monitor the integrity, clarity and completeness of the financial statements, the Interim Report and any other announcements relating to the Group's financial performance or position
- Review and challenge, where necessary, the appropriateness of accounting policies and key accounting judgements
- Keep under review the adequacy and effectiveness of the Group's internal control and risk management systems
- Review the policies and process for identifying and assessing business risks and managing their impact on the Group
- Ensure that the Group has adequate whistleblowing policies and procedures
- Review the effectiveness and independence of the external auditors and agree its remuneration and make recommendations to the Board in respect of their appointment

The role of the Audit and Risk Committee is to protect the interests of shareholders by ensuring the integrity of the Group's financial reporting and by monitoring the ongoing effectiveness of the Group's internal controls.

The Committee is appointed by the Board, comprises an independent non-executive director and provides independent monitoring, guidance and challenge to the executive directors. The Audit and Risk Committee Report sets out the responsibilities of the Committee, its structure and any work undertaken during the year.

Responsibilities and terms of reference

The terms of reference are approved by the Board. The principal responsibilities of the Committee are set out in this report.

Committee composition

The Audit and Risk Committee consists of non-executive directors and is chaired by F Haafkens, independent non-executive director with relevant financial experience. The Board believes that the members have sufficient skills and experience to perform their duties in accordance with the Committee's terms of reference and has competence in the sector within which the Group operates.

The Committee chair is responsible for reporting to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

Summary of activity

The Audit and Risk Committee was established in 2024, and held one meeting separately to Group Board meetings. The Chief Executive and the Group Financial Director will attend Committee meetings by invitation to ensure that the Committee is fully informed of material matters within the Group. The external auditors will also attend meetings.

The main activities of the Committee are as follows:

- review the Group's financial statements and preliminary results announcements including consideration of significant financial reporting issues and matters of judgement contained within;
- review the content of the Annual Report and Accounts to ensure it provides the information necessary for shareholders to assess the Group's financial position and performance;
- monitor and review the Group's internal control and risk management systems; and
- consider the external auditors' audit plan, scope and coverage of audit work, independence, and agree the audit fee.

Significant financial reporting risks and judgement areas considered

The following judgement areas and significant estimates were considered by the Committee in the review and approval of the 2024/25 financial statements:

- Valuation of future consideration payable for acquisitions
- Impairment of goodwill/investment in subsidiaries
- Warranty provisions

Our Findings

Having reviewed the year's work, the Committee is confident that it has fulfilled its duties effectively and has upheld auditor independence.

Risk management and internal control

The Committee has undertaken a review of the Group's financial, operational and compliance controls and is satisfied that these remain appropriate for the Group.

At least twice a year, an internal financial review is carried out to assess the processes and procedures used by the Group companies financial management. Senior members of the Group finance team perform this work and any findings are fed back to the local management teams and Audit and Risk Committee as required.

Auditors' reappointment and effectiveness

PwC has served as external auditors since their appointment in 1998. No contractual barriers exist to changing auditors. This year, the Committee:

- Reviewed and approved PwC's audit plan and fees
- Received declarations of independence and procedures to manage conflicts
- Assessed audit execution, scope adherence and quality of PwC's judgements and challenge

Based on this assessment, the Committee remains satisfied with PwC's independence and performance. Their reappointment will continue to be reviewed annually at the Annual General Meeting.

Fees of external auditors

During the financial year, the Group external auditors' fees were £547,000 (2024: £538,000).

Whistleblowing policy

The Group whistleblowing policy is designed to ensure any fraud, misconduct or wrongdoing by employees or officers of FW Thorpe companies is reported and appropriately dealt with. The policy clearly sets out the procedure and protection for whistleblowers.

2025 and beyond

We are committed to providing oversight to the Group's reporting and control processes. In 2025/26, the Committee will continue to focus on risk management and the control environment, cyber risk and sustainability reporting.

Summary

As the Committee is newly established, the terms of reference have been established. In the future, the Committee will look to commit that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditors.

Directors' report

The directors present their directors' report with the audited consolidated financial statements of the Group and the Company for the financial year ended 30 June 2025.

Principal activity

The main activity of the Group continues to be the design, manufacture and supply of professional lighting equipment.

Each company within the Group operates in a different market of the lighting sector.

Business review

The trading results for the year are set out in the Consolidated Income Statement on page 96 and the Group's financial position at the end of the year is set out in the Consolidated and Company Statements of Financial Position on page 98. A review of the performance of the business during the financial year and expected future developments are contained in the Chairman's Statement, the Operational Performance section and the Financial Performance section which form part of the Strategic Report.

Key performance indicators

The directors consider the main financial key performance indicators (KPIs) to be those disclosed on page 30 (financial). The two most important KPIs to the business are revenue and operating profit.

The directors monitor non-financial areas of the business relating to energy saving and environmental responsibility, market and product development, customer service and product support on a regular basis.

Objectives are set for each company within the Group incorporating financial and non-financial targets which have appropriate measurements that reflect their nature. These are monitored regularly at local and Group Board level. During the year a number of objectives were achieved.

Research and development

The Group's research and development activities are focused on driving innovation throughout the product portfolio, to enable it to deliver new or improved customer solutions. Most of the Group's research and development is undertaken in-house for which we have developed our own design and development expertise. The Group also pursues the development of patents, where relevant, to protect its intellectual property.

During the year The Group spent £4,487,000 on research and development, details of which can be found in the strategy in action section on pages 26 to 29.

Principal risks and uncertainties

The table on pages 66 to 69 details what we consider to be the principal risks and uncertainties to the business, and how we seek to manage and mitigate these risks.

The Group has financial risks and seeks to minimise and manage these by incorporating controls into key functions as part of the normal business operation.

Details of other risk management procedures are included within the internal control section of this report and in the financial risk section within the accounting policies (note 1).

Internal control

The Board of directors has overall responsibility for the system of internal control and for reviewing its effectiveness throughout the Group. The internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable but not absolute assurance against misstatement or loss.

The directors have responsibility for maintaining a system of internal control which provides reasonable assurance of the effective and efficient operations, internal financial control and compliance with laws and regulations.

Other areas of control

During the year and continuing after the year end, the Board has operated a formal risk identification and evaluation process as part of a continuous review of the Group's internal controls. This process considers financial, operational and compliance risks and includes participation from senior executives from all operating subsidiaries. The results of this process to date have been utilised by the Board to focus the ongoing process for identifying, evaluating and managing the Group's significant risks. The programme is utilised to monitor the potential impact of the risks identified and, where appropriate, actions are taken to ensure they are effectively controlled. This process is extended to include a detailed review of risk, as assessed by local senior executives, and procedures have been established to ensure that the Group Board is made aware of any additional significant risks identified and to consider appropriate action. This process culminated in the provision of a certificate, by senior executives at the operating sites, confirming that they have identified and addressed the risks arising in their business and reported them to the Group Board accordingly.

Proposed dividend

Details of the proposed dividend are disclosed in the Financial Performance section on pages 42 and 43.

Directors

The directors of the Company at the date of this report are set out on pages 72 and 73. The directors of the Company who served during the year are the directors set out on pages 72 and 73.

The directors retiring by rotation are M Allcock, C Muncaster and F Haafkens, who, being eligible, offer themselves for re-election. C Muncaster has a service contract terminable on 12 months' notice.

Directors' share interests

The details of the directors' share interests are set out in the directors' remuneration report on page 86.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Board constitution

The Company continues to be proprietorial in nature and the directors act as a unitary Board. During the year the Company held it's first meeting of the Audit and Risk Committee. There is no nomination committee as matters that would normally be considered by a nomination committee are addressed by the full Board with the non-executive directors present.

The Company also has the Remuneration Committee, whose report is presented on pages 84 to 87.

Where there is a requirement for a senior personnel or subsidiary Board appointment, a sub-committee is formed. Any appointment to the Group Board would involve all Board members in the selection process.

The Board meets regularly during the year and has a schedule of matters reserved for its approval, which only the Board may change.

Executive Directors are expected to attend all meetings of the Board and of the Committees on which they sit and to devote sufficient time to the Company's affairs to enable them to fulfil their duties as Directors. Non-Executive Director are expected to attend all meetings of the Board and the appropriate Committees they sit on.

Attendance of individual Directors are detailed in the table below.

Executive directors	Full Board (5 meetings)	Remuneration Committee (1 meeting)	Audit & Risk Committee (1 meeting) [1]
Craig Muncaster	5/5		1/1
James Thorpe	5/5		
Non–executive directors			
Michael Allcock	5/5	1/1	1/1
Andrew Thorpe	5/5	1/1	
Ian Thorpe	3/5	1/1	
Frans Haafkens	3/5	1/1	1/1

[1] Representatives from the Company's external auditors, PricewaterhouseCoopers LLP, also attended the Audit Committee meeting.

Substantial shareholdings

At 3 October 2025, the Company had received notification of the following interests in 3% or more of the issued share capital, excluding holdings of directors:

Liontrust Investment Partners LLP

6,894,439 (5.8%)

Mr N Brangwin

5,026,550 (4.2%)

Directors' substantial shareholdings are shown on page 86.

Relations with shareholders

Directors are kept informed of the views of shareholders by face-to-face contact at the Company's premises on the day of the Annual General Meeting where possible and, if appropriate, by meeting with major shareholders at other times during the year. See Notice of Meeting – AGM 2025.

Stakeholder engagement

Please see pages 44 to 45 and 48 to 49 for details of the Company's engagement with its employees, customers and suppliers.

The Company is an equal opportunity employer and provides training, performance evaluation and opportunities for advancement and career development. The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion. Further details on how the Company communicates with its employees as a key stakeholder group and has regard to their interests can be found in the Section 172 statement on pages 44 to 45.

During the year the Company launched an employee share saving scheme to encourage and reward the involvement of employees in the Company's performance.

Directors' authority to issue shares

In previous years, at the Annual General Meeting, shareholders have been asked to pass resolutions to authorise the directors to allot shares for cash or to grant rights to subscribe for, or to convert any security into, shares in the Company and to allow them to do so (and also to sell treasury shares) in certain circumstances without first offering the shares in question to existing shareholders.

As the directors have no intention of exercising these authorities, there will be no resolution to grant these powers at the forthcoming Annual General Meeting.

This will not, however, prevent shares from being allotted or treasury shares being sold to individuals who exercise options under any share option scheme of the Company.

Purchase of own shares

Resolution number 8 set out in the notice of the Annual General Meeting will, if it is approved, allow the Company to exercise the authority contained in the Articles of Association to purchase its own shares. The Board has the firm intention that the Company should make purchases of its own shares if the proposed authority becomes effective, where circumstances arise in which such a purchase would be desirable.

Purchases will only be made on the Alternative Investment Market and only in circumstances where the directors believe that they are in the best interests of the shareholders generally. Furthermore, purchases will only be made if the directors believe that they would result in an increase in earnings per share.

The proposed authority will be limited by the terms of the special resolution to the purchase of 11,893,559 ordinary shares representing 10% of the Company's issued ordinary share capital at 3 October 2025 and a nominal value of £118,936.

The minimum price per ordinary share payable by the Company (exclusive of expenses) will be 1p. The maximum to be paid will be an amount not more than 5% above the average of the middle market quotations for ordinary shares of the Company as derived from the Alternative Investment Market on the five business days immediately preceding the date of each purchase. The Company may either cancel any shares which it purchases under this authority or transfer them into treasury, and subsequently sell or transfer them out of treasury or cancel them.

The maximum number of shares and the permitted price range are stated in order to comply with statutory and Stock Exchange requirements and should not be taken as representative of the number of shares (if any) which may be purchased, or the terms of such a purchase.

The authority will lapse on the date of the Annual General Meeting of the Company in 2026. However, in order to maintain the Board's flexibility of action, it is envisaged that it will be renewed at future Annual General Meetings.

During the year ended 30 June 2025, the Board exercised its authority, granted at the Annual General Meeting held on 21 November 2024, to purchase 1,080,000 shares, equating to 0.9% of the Company's issued ordinary share capital at an average price of 290p per share. No price paid was above the average of the middle market quotations for ordinary shares of the Company as derived from the Alternative Investment Market on the five business days immediately preceding the date of each purchase.

Statement on the provision of information to independent auditors

The auditors have direct access to all members of the Audit and Risk Committee and attend and present their reports at appropriate Board meetings. The Board considers, at least annually, the relationships and fees in place with the auditors to confirm their independence is maintained.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next Annual General Meeting.

Going concern

The directors confirm they are satisfied that the Group and Company have adequate resources, with £43m cash to continue in business for the foreseeable future, including the effect of increased costs caused by the on-going conflict zones, where the Group has no sales, and other global events. They have also produced an analysis that demonstrates that the Group could cover its cash commitments even if there was a significant reduction in sales over the following year from approving these accounts. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Approval of strategic and directors' reports

The directors confirm that the information contained within the Strategic Report on pages 12 to 69 and the Directors' Report on pages 80 to 82 is an accurate representation of the Group's strategy and performance.

By order of the Board

Craig Muncaster
Chief Executive,
Group Financial Director and Company Secretary

3 October 2025

Registered Office:
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

Company Registration Number: 317886

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

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

The directors are 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 also 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 Companies Act 2006.

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

By order of the Board

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2025

Directors' remuneration report

The Board has prepared this report to the shareholders, taking into account sections 420 to 422 of the Companies Act 2006.

The Board has delegated the responsibility for the executive directors' remuneration to the Remuneration Committee. The scope of their responsibilities includes the executive directors' service contracts, salaries and other benefits, which comprise their terms and conditions of employment.

Remuneration Committee

The current members of the Remuneration Committee are the non-executive directors M Allcock (Chairman of the Committee), I A Thorpe, A B Thorpe, and F Haafkens.

The Committee has met as and when required during the financial year. No member of the Committee has any personal financial interest in the matters to be decided other than as shareholders. There are no conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. The Committee has access to market data when considering the remuneration of the executive directors.

Remuneration policy

Executive directors

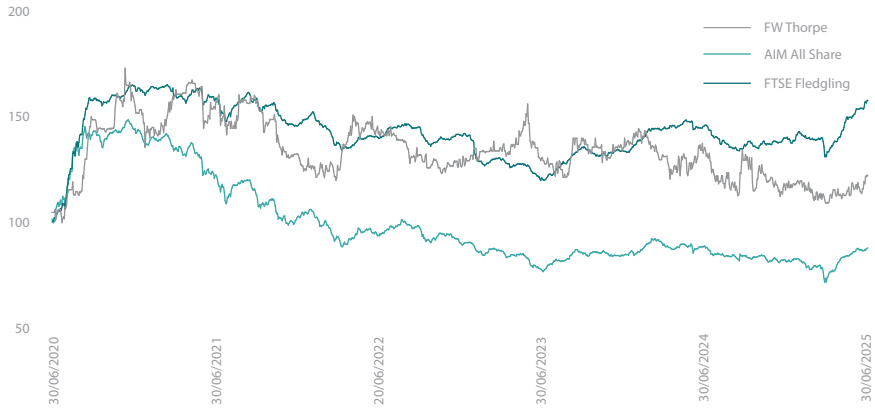
The aim of the Committee is to ensure that the executive directors are fairly rewarded for their responsibilities and contribution to the performance of the Group. The Committee seeks to achieve this with a combination of performance- and non-performance-related remuneration designed to attract, retain and motivate the directors.

In establishing the salaries of the directors, the Committee takes into account the responsibilities and performance of the individual together with data from comparable organisations and indicative trends for the business and its economic sector.

Performance graph

The graph below shows the comparative data for the FTSE AIM share index and the FTSE Fledgling share index, rebased to 100, as these are considered to be the most appropriate comparative indices for the Company's business.

Total shareholder return



The remuneration package consists of the following elements:

1. Basic salary, benefits in kind and other benefits. The salary is determined in July each year, unless there has been a change in responsibilities, where an adjustment will be made at the same time. The benefits in kind mainly consist of the provision of a car and health insurance. A director may choose to take a cash allowance instead of a car. Other benefits consist of pension arrangements and life assurance.
2. Annual bonus. The bonus is derived from the operating profit of the Group and the specific responsibilities of the executive director. The bonuses are paid at the discretion of the Remuneration Committee and relate to the period ending on 30 June in the same year.
3. Long-term incentive scheme. This scheme consists of the "Executive Share Ownership Plan" (ESOP) details of which are shown on page 87.

Non-executive directors

The Board as a whole determines the remuneration of the non-executive directors. The Board takes into account the contribution made and the relative time spent on the Company's affairs. The non-executive directors do not receive bonuses. Their benefits in kind consist of the provision of health insurance.

Directors' service contracts

C Muncaster and J E Thorpe have service contracts terminable on one year's notice. A B Thorpe, I A Thorpe, F Haafkens and M Allcock do not have formal service contracts with the Company.

Directors' emoluments (audited)

Executive directors	2025 Salary/fees £'000	2025 Bonus £'000	2025 Benefits £'000	2025 Total £'000	2024 Total £'000	2025 Share options gains £'000	2024 Share options gains £'000	2025 Total £'000	2024 Total £'000
C Muncaster	**429**	**377**	**4**	**810**	690	**41**	90	**851**	780
J E Thorpe	**202**	**328**	**3**	**533**	521	**–**	–	**533**	521
Non–executive directors									
A B Thorpe	**49**	**–**	**15**	**64**	53	**–**	–	**64**	53
I A Thorpe	**49**	**–**	**15**	**64**	53	**–**	–	**64**	53
M Allcock	**130**	**–**	**4**	**134**	675	**–**	40	**134**	715
P D Mason	**–**	**–**	**–**	**–**	33	**–**	–	**–**	33
F Haafkens	**41**	**–**	**–**	**41**	62	**–**	–	**41**	62
	900	**705**	**41**	**1,646**	2,087	**41**	130	**1,687**	2,217

The directors emoluments exclude contributions to the pension scheme. P D Mason resigned from the Board on 18 January 2024.

Directors' pension arrangements (audited)

J E Thorpe is a deferred member of the defined contribution section of the FW Thorpe Retirement Benefits Scheme.

I A Thorpe, A B Thorpe and M Allcock are retired members of the defined benefit section.

The FW Thorpe Retirement Benefits Scheme is a funded, HMRC-approved occupational pension scheme. The scheme is divided into two sections – a defined benefit scheme and a defined contribution scheme. The defined benefit section was closed to new members on 1 October 1995.

The defined benefit section aims to provide a maximum pension of two-thirds of pensionable salary at normal retirement date.

M Allcock and J E Thorpe have ceased being active members of the FW Thorpe Retirement Benefits Scheme and C Muncaster has ceased being an active member of his personal pension scheme due to HMRC limits on lifetime allowances and annual contributions. Subsequently, the Company has entered into pension compensation arrangements with these three directors to compensate them for the loss of these employer pension contributions. During the financial year the Company paid pension compensation to M Allcock of £nil (2024: £194,901), C Muncaster £72,990 (2024: £54,359) and to J E Thorpe £34,317 (2024: £33,317).

All the executive directors are covered by life assurance benefit of four times pensionable salary.

There are no directors, excluding those classified as pensioners, having accrued entitlements under the defined benefit section of the pension scheme.

CEO pay ratio

FW Thorpe, being a UK listed company with more than 250 employees, is required to disclose annually the ratio of the CEO's pay to the lower quartile, median and upper quartile pay of their UK employees. These details are shown in the table below.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024–25	Option A	25:1	18:1	10:1
2023–24	Option A	28:1	20:1	11:1
2022–23	Option A	27:1	19:1	9:1
2021–22	Option A	26:1	18:1	9:1

Option A was chosen as it represents the most accurate means of identifying the percentiles. The comparison is based on data for the year ended 30 June 2025. The table below sets out the salary and total pay and benefits for the three quartiles.

	25th percentile pay	Median pay	75th percentile pay
Base salary	£26,908	£35,808	£54,075
Total remuneration	£36,562	£51,774	£93,257

Directors' shareholdings

The directors listed below were in office during the year. Directors' interests in the share capital of the Company at 30 June 2025 and 30 June 2024 were as follows:

	Ordinary shares of 1p Beneficial	
Executive directors	**2025**	**2024**
C Muncaster	**160,000**	140,000
J E Thorpe	**2,164,682**	2,164,682
Non-executive directors		
A B Thorpe	**25,892,700**	25,892,700
I A Thorpe	**25,047,120**	25,047,120
M Allcock	**235,450**	235,450
F Haafkens	**–**	–

The market price of the Company's shares at the beginning and end of the financial year was 337p and 320.5p respectively, and the range of market prices during the year was from 272p to 367p.

Executive share ownership plan (ESOP) (audited)

Share options were granted during 2014, under the Company's ESOP, to the Company's executive directors and certain directors of subsidiary companies. The plan allows the vesting of options subject to the achievement of performance targets, being annual growth of pre-tax earnings per share in excess of RPI plus 3% over a five-year period.

Share options were granted during 2024, under a Company ESOP to Company's executive directors and certain directors of subsidiary companies. This plan allows for the vesting of options subject to the achievement of performance targets, being:

- Annual growth of pre-tax basic earnings per share in excess of CPI plus 2% over a five-year period;
- Total shareholder return where the Company must be ranked above the median of the comparator group at the end of the five-year period; and
- Appropriate progress towards the Group's carbon reduction target in line with the Group's sustainability strategy, and any published commitments made at the end of the five-year period.

The options that were granted to the executive directors are detailed in the table below.

	C Muncaster	C Muncaster	J E Thorpe
Date granted	24 October 2014	30 May 2024	30 May 2024
Share options	200,000	200,000	200,000
Exercise price (p) - Approved options	124	375	375
Exercise price (p) - Unapproved options	124	337.5	337.5

	C Muncaster	C Muncaster	J E Thorpe
Number at 1 July 2024	20,000	200,000	200,000
Awarded	–	–	–
Exercised	(20,000)	–	–
Forfeited	–	–	–
Lapsed	–	–	–
Number at 30 June 2025	–	200,000	200,000
Of which:			
Vested in the year	–	29,440	29,440
Total vested	–	29,440	29,440

There have been no changes in the interests of the directors in the share capital of any company in the Group during the period 1 July 2025 to 3 October 2025.

Approved by the Board and signed on its behalf by:

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

3 October 2025

Independent Auditors' Report

TO THE MEMBERS OF FW THORPE PLC

Report on the audit of the financial statements

Opinion

In our opinion, FW Thorpe Plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2025 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Reports and Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 30 June 2025; the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated and Company statements of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- An audit was conducted of the complete financial information of the three reporting units: Thorlux Lighting (the Company, located in the UK), Lightronics Participaties B.V. (located in the Netherlands), and TRT Lighting Limited (located in the UK).
- The audit work performed at these three reporting units (2024: three reporting units), together with audit of specific balances on Famostar BV (located in Netherlands) and SchahlLED Lighting GmbH (located in Germany) and specified procedures performed on Electrozemper S.A. (located in Spain) were performed. Additional procedures performed on centralised functions at the Group level, including audit procedures over the consolidation, gave us the audit evidence we needed for our opinion on the Group financial statements as a whole.

Key audit matters

- Defined Benefit Pension Obligation valuation - Liability assumptions (group and parent)
- Valuation of the future consideration payable for Electrozemper S.A. and Lumen Intelligence Holding GmbH due to estimation in forecasts (group)

Materiality

- Overall group materiality: £1,581,000 (2024: £1,494,000) based on 5% of profit before tax.
- Overall company materiality: £1,187,000 (2024: £1,056,000) based on 5% of profit before tax.
- Performance materiality: £1,186,000 (2024: £1,120,000) (group) and £890,000 (2024: £792,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Defined Benefit Pension Obligation valuation – Liability assumptions (group and parent) Refer to critical accounting estimates and judgements in note 1 to the financial statements and note 22 relating to the pension scheme. The Group and company operates a hybrid defined benefit and defined contribution pension scheme and recognises its obligations to employee retirement benefits. The quantification of these obligations is subject to significant estimates and assumptions regarding life expectancy, discount and inflation rates and the rate of increase in pension payments, resulting in liabilities. In making these assumptions the Group and company takes advice from an independent qualified actuary about which assumptions best reflect the nature of the obligations to employee retirement benefits.	In undertaking our audit procedures: we obtained and reviewed the actuary's report on assumptions and methodology used to value the scheme liability; compared the assumptions with PwC's expected range taking into account the attributes of the scheme and challenged the actuaries on any unexpected differences; tested the accuracy of the data used by the actuary to underlying payroll records and assessed the appropriateness of the related disclosures. We consider that the valuation of the defined benefit pension obligation to be appropriate and appropriately disclosed.
Valuation of the future consideration payable for Electrozemper S.A. and Lumen Intelligence Holding GmbH due to estimation in forecasts (group) Refer to critical accounting estimates and judgements in note 1 to the financial statements and note 19 Trade and other payables. In October 2021, the Group acquired 63% of the share capital of Electrozemper S.A. (Zemper), with a commitment to purchase the remaining 37% of the share capital, calculated by a pre-determined earnings multiple used to value the investment. At the year end 2025, there is 10% remaining to purchase with a related liability. Further, in September 2022, the Group acquired 80% of the share capital of Lumen Intelligence Holding GmbH (Lumen). There is also an agreement to acquire the remaining shares in Lumen, which is also subject to future performance conditions. The Zemper consideration payable is based on FY25 actuals. The Lumen future consideration payable is driven by future financial performance, and hence requires estimation.	In undertaking our audit procedures we: rolled forward our understanding of the sale and purchase agreements and the terms of the future consideration; obtained management calculations of the future consideration and understood the key variables and estimates applied in the calculation; assessed the viability of the forecasts by comparing forecasted data used for calculations against the actual achieved results as well as historical data; reviewed the track record of previous acquisitions and the EBITDA performance subsequent to acquisition to assess the likelihood of achieving future budgetary performance; obtained and understood variances from forecast and evaluated explanations; obtaining support in relation to future projections and estimates; and assessing the appropriateness of the related disclosures. We consider that the valuation in relation to the future consideration payable to be materially reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group financial statements are a consolidation of multiple reporting units most significantly across the UK, the Netherlands, Spain and Germany, comprising the group's operating businesses and centralised functions. These reporting units maintain their own accounting records and controls and report to the head office finance team for consolidation purposes.

In establishing the overall approach to the Group audit, we identified two reporting units, which, in our view, required an audit of their complete financial information both due to their size and risk characteristics. These are Thorlux Lighting (the Company, located in the UK), and Lightronics (located in the Netherlands). We have also performed a full scope audit on TRT Lighting Limited (located in the UK) to obtain higher coverage across a number of financial statement line items.

The Group engagement team audited Thorlux Lighting and TRT Lighting Limited whilst Lightronics was audited by our component team. Where balances in out of scope components are in excess of group performance materiality and contribute a notable proportion of a certain financial statement line item, these balances have been subject to audit procedures by either PwC and the non-PwC component audit teams. The audit work performed at these three reporting units (2024: three), together with audit of specific balances on Famostar and SchahlLED and specified procedures performed on Electrozemper as well as additional procedures performed on centralised functions at the Group level, including audit procedures over the consolidation, gave us the audit evidence we needed for our opinion on the Group financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group and company's financial statements and support the disclosures made within the sustainability section of the Strategic report. Given the principal activities of the Group, it is likely that climate risk will have an impact on the Group's business but this is not expected until the medium or long term. As part of our audit, we evaluated management's climate change risk assessment including the identified physical and transitional risks and the assessment of the impact of those risks on the Group financial statements. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Financial statements - group	Financial statements - company
Overall materiality	£1,581,000 (2024: £1,494,000).	£1,187,000 (2024: £1,056,000).
How we determined it	5% of profit before tax	5% of profit before tax
Rationale for benchmark applied	Profit before tax is a generally accepted auditing benchmark and is the standard benchmark used for profit-oriented groups.	Profit before tax is a generally accepted auditing benchmark and is the standard benchmark used for profit-oriented companies.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £237,000 and £1,187,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £1,186,000 (2024: £1,120,000) for the group financial statements and £890,000 (2024: £792,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £79,000 (group audit) (2024: £77,000) and £59,000 (company audit) (2024: £53,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the reasonableness of the going concern model and assessing the assumptions used in management's assessment which covers the period to 31 December 2026;
- Management's base case forecasts are based on its normal budget and forecasting process and have produced a downside model. We understood and assessed this process, including the assumptions used, for 2025 and 2026 and assessed whether there was adequate support for these assumptions; and
- We assessed the adequacy of disclosures in the Going Concern statement within the Directors' report and in note 1 of the Annual Report and Accounts and found these appropriately reflect downside risks.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 Directors' Report for the year ended 30 June 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to AIM Rules for Companies, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- enquiry of entity staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing component teams key working papers for all in-scope components with a particular focus on the areas involving judgement and estimates as well as journals testing; and
- incorporating elements of unpredictability into our audit procedures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Mark Foster (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Milton Keynes

3 October 2025

Our Financials

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University of Plymouth, UK

Lightronics

Pole-mounted Prunus-C luminaires with green "halos" have been used to create safe routes for students and staff through the campus after dark as part of the Safer Streets initiative.

Consolidated income statement

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £'000	2024 £'000
Continuing operations			
Revenue	2	175,221	175,798
Cost of sales		(91,086)	(90,361)
Gross profit		84,135	85,437
Distribution costs		(22,374)	(22,370)
Administrative expenses		(30,210)	(33,001)
Other operating income		506	565
Operating profit	3	32,057	30,631
Finance income	5	1,654	1,127
Finance expense	5	(729)	(1,059)
Share of loss of joint ventures	13	(1,360)	(826)
Profit before income tax		31,622	29,873
Income tax expense	6	(6,210)	(5,560)
Profit for the year		25,412	24,313

Earnings per share from continuing operations attributable to the equity holders of the Company during the year (expressed in pence per share).

Basic and diluted earnings per share	Note	2025 pence	2024 pence
– Basic	7	21.69	20.73
– Diluted	7	21.69	20.73

The notes on pages 102 to 152 form part of these financial statements.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement.

Consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 £'000	2024 £'000
Profit for the year:		25,412	24,313
Other comprehensive income/(expense)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		887	(514)
		887	(514)
Items that will not be reclassified to profit or loss			
Revaluation of financial assets at fair value through other comprehensive income	14	208	403
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	(52)	(101)
Reversal of deferred tax on disposed financial assets at fair value through other comprehensive income	24	102	–
Actuarial (loss)/gain on pension scheme	22	(501)	937
Movement on unrecognised pension scheme surplus	22	323	(1,213)
		80	26
Other comprehensive income/(expense) for the year, net of tax		967	(488)
Total comprehensive income for the year		26,379	23,825

The notes on pages 102 to 152 form part of these financial statements.

Consolidated and Company statements of financial position

AS AT 30 JUNE 2025

	Notes	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Assets					
Non-current assets					
Property, plant and equipment	8	39,351	38,323	13,251	11,916
Intangible assets	9	65,057	66,104	3,205	2,539
Investments in subsidiaries	10	–	–	20,486	20,486
Investment properties	11	4,362	4,403	11,049	11,294
Financial assets at amortised cost	12	188	186	–	–
Equity accounted joint ventures	13	5,773	4,671	–	–
Financial assets at fair value through other comprehensive income	14	3,510	3,757	3,489	3,737
Deferred income tax assets	24	437	347	–	–
Total non-current assets		118,678	117,791	51,480	49,972
Current assets					
Inventories	15	29,710	28,997	13,745	13,070
Trade and other receivables	16	36,168	35,764	25,289	24,463
Financial assets at amortised cost	12	1,600	3,437	49,165	54,144
Short-term financial assets	17	18,805	18,965	15,380	16,418
Cash and cash equivalents	18	42,983	33,943	34,202	21,806
Total current assets		129,266	121,106	137,781	129,901
Total assets		247,944	238,897	189,261	179,873
Liabilities					
Current liabilities					
Trade and other payables	19	(39,247)	(35,383)	(25,768)	(23,713)
Financial liabilities	20	(415)	(1,252)	–	–
Lease liabilities	21	(910)	(778)	(19)	(7)
Current income tax liabilities		(847)	(949)	–	–
Total current liabilities		(41,419)	(38,362)	(25,787)	(23,720)
Net current assets		87,847	82,744	111,994	106,181
Non-current liabilities					
Other payables	19	(4,018)	(10,418)	–	–
Financial liabilities	20	(829)	(1,210)	–	–
Lease liabilities	21	(2,998)	(3,385)	(33)	(12)
Provisions for liabilities and charges	23	(3,310)	(3,325)	(1,443)	(1,439)
Deferred income tax liabilities	24	(5,577)	(5,435)	(1,994)	(1,452)
Total non-current liabilities		(16,732)	(23,773)	(3,470)	(2,903)
Total liabilities		(58,151)	(62,135)	(29,257)	(26,623)
Net assets		189,793	176,762	160,004	153,250
Equity					
Issued share capital	25	1,189	1,189	1,189	1,189
Share premium account	26	3,113	3,088	3,113	3,088
Capital redemption reserve	26	137	137	137	137
Foreign currency translation reserve	26	2,412	1,525	–	–
Retained earnings:					
At 1 July		170,823	154,000	148,836	138,227
Profit for the year attributable to the owners		25,412	24,313	20,022	18,099
Other changes in retained earnings		(13,293)	(7,490)	(13,293)	(7,490)
		182,942	170,823	155,565	148,836
Total equity		189,793	176,762	160,004	153,250

The Company generated profit before income tax of £23,746,000 (2024: £21,181,000) and profit for the year of £20,022,000 (2024: £18,099,000).

The notes on pages 102 to 152 form part of these financial statements.

The financial statements on pages 96 to 101 were approved by the Board on 3 October 2025 and signed on its behalf by

Mike Allcock **Craig Muncaster**

Company Registration Number: 317886

Consolidated statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Issued share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2023		1,189	2,976	137	2,039	154,000	160,341
Comprehensive income/(expense)							
Profit for the year to 30 June 2024		–	–	–	–	24,313	24,313
Actuarial gain on pension scheme	22	–	–	–	–	937	937
Movement on unrecognised pension scheme surplus	22	–	–	–	–	(1,213)	(1,213)
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	–	403	403
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	–	(101)	(101)
Exchange differences on translation of foreign operations		–	–	–	(514)	–	(514)
Total comprehensive income		–	–	–	(514)	24,339	23,825
Transactions with owners							
Shares issued from exercised options		–	112	–	–	–	112
Dividends paid to shareholders	27	–	–	–	–	(7,668)	(7,668)
Share-based payment charge		–	–	–	–	152	152
Total transactions with owners		–	112	–	–	(7,516)	(7,404)
Balance at 30 June 2024		1,189	3,088	137	1,525	170,823	176,762
Comprehensive income/(expense)							
Profit for the year to 30 June 2025		–	–	–	–	25,412	25,412
Actuarial loss on pension scheme	22	–	–	–	–	(501)	(501)
Movement on unrecognised pension scheme surplus	22	–	–	–	–	323	323
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	–	208	208
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	–	(52)	(52)
Reversal of deferred tax on disposed financial assets at fair value through other comprehensive income	24	–	–	–	–	102	102
Exchange differences on translation of foreign operations		–	–	–	887	–	887
Total comprehensive income		–	–	–	887	25,492	26,379
Transactions with owners							
Shares issued from exercised options		–	25	–	–	–	25
Dividends paid to shareholders	27	–	–	–	–	(10,958)	(10,958)
Purchase of own shares	25	–	–	–	–	(3,135)	(3,135)
Share-based payment charge		–	–	–	–	720	720
Total transactions with owners		–	25	–	–	(13,373)	(13,348)
Balance at 30 June 2025		1,189	3,113	137	2,412	182,942	189,793

The notes on pages 102 to 152 form part of these financial statements.

Company statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Issued share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2023		1,189	2,976	137	138,227	142,529
Comprehensive income/(expense)						
Profit for the year to 30 June 2024		–	–	–	18,099	18,099
Actuarial gain on pension scheme	22	–	–	–	937	937
Movement on unrecognised pension scheme surplus	22	–	–	–	(1,213)	(1,213)
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	403	403
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	(101)	(101)
Total comprehensive income		–	–	–	18,125	18,125
Transactions with owners						
Shares issued from exercised options		–	112	–	–	112
Dividends paid to shareholders	27	–	–	–	(7,668)	(7,668)
Share-based payment		–	–	–	152	152
Total transactions with owners		–	112	–	(7,516)	(7,404)
Balance at 30 June 2024		1,189	3,088	137	148,836	153,250
Comprehensive income/(expense)						
Profit for the year to 30 June 2025		–	–	–	20,022	20,022
Actuarial loss on pension scheme	22	–	–	–	(501)	(501)
Movement on unrecognised pension scheme surplus	22	–	–	–	323	323
Revaluation of financial assets at fair value through other comprehensive income	14	–	–	–	208	208
Movement on deferred tax associated to financial assets at fair value through other comprehensive income	24	–	–	–	(52)	(52)
Reversal of deferred tax on disposed financial assets at fair value through other comprehensive income	24	–	–	–	102	102
Total comprehensive income		–	–	–	20,102	20,102
Transactions with owners						
Shares issued from exercised options		–	25	–	–	25
Dividends paid to shareholders	27	–	–	–	(10,958)	(10,958)
Purchase of own shares	25	–	–	–	(3,135)	(3,135)
Share-based payment		–	–	–	720	720
Total transactions with owners		–	25	–	(13,373)	(13,348)
Balance at 30 June 2025		1,189	3,113	137	155,565	160,004

The notes on pages 102 to 152 form part of these financial statements.

Consolidated and Company statements of cash flows

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Cash flows from operating activities					
Cash generated from operations	29	40,081	47,760	24,452	24,963
Tax paid		(6,841)	(6,390)	(3,321)	(2,608)
Net cash inflow from operating activities		33,240	41,370	21,131	22,355
Cash flows from investing activities					
Purchases of property, plant and equipment		(5,601)	(5,121)	(3,656)	(2,358)
Proceeds from sale of property, plant and equipment		404	407	288	274
Purchases of intangible assets		(2,782)	(2,172)	(1,747)	(764)
Payment of deferred consideration on a joint venture		(813)	–	–	–
Payment of exit earnout for a purchased subsidiary		–	(606)	–	–
Purchase of investment property		(5)	(2,179)	(5)	(2,179)
Proceed from sale of an investment property		–	502	–	502
Proceeds from sale of financial assets at fair value through other comprehensive income		706	9	706	–
Purchases of financial assets at fair value through other comprehensive income		(250)	–	(250)	–
Property rental and similar income received		70	208	426	538
Dividend income received		276	182	1,576	1,082
Net withdrawal/(deposit) of short-term financial assets		203	(18,994)	1,038	(16,418)
Interest received		1,305	522	1,918	4,263
Receipts from loans receivable		–	–	6,781	3,238
Issue of loans receivables		(649)	(1,082)	(1,519)	(6,540)
Net cash (outflow)/inflow from investing activities		(7,136)	(28,324)	5,556	(18,362)
Cash flows from financing activities					
Net proceeds from the issuance of ordinary shares		25	112	25	112
Purchase of own shares	25	(3,135)	–	(3,135)	–
Addition of lease liabilities		5	13	–	–
Proceeds from borrowings		–	439	–	–
Repayment of borrowings		(1,219)	(839)	–	–
Principal element of lease payments		(890)	(855)	(14)	(7)
Payment of interest		(243)	(296)	(5)	(14)
Payment for redemption of shares in a subsidiary		–	(4,266)	–	–
Payments to non-controlling interests		(470)	(452)	–	–
Dividends paid to Company's shareholders	27	(10,958)	(7,668)	(10,958)	(7,668)
Net cash outflow in financing activities		(16,885)	(13,812)	(14,087)	(7,577)
Net increase/(decrease) in cash in the year		9,219	(766)	12,600	(3,584)
Cash and cash equivalents at beginning of year		33,943	35,013	21,806	25,527
Effects of exchange rate changes on cash		(179)	(304)	(204)	(137)
Cash and cash equivalents at end of year		42,983	33,943	34,202	21,806

The notes on pages 102 to 152 form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025

1 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements and Company financial statements (the "financial statements") are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

F.W. Thorpe Public Limited Company ("FW Thorpe" or the "Company") is incorporated in England and Wales, United Kingdom. The Company is domiciled in the United Kingdom. The Company is a public limited company, limited by shares, which is listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The address of its registered office is Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England, United Kingdom.

Basis of preparation

The consolidated and Company financial statements of the Company have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, with future changes being subject to endorsement by the UK Endorsement Board.

The financial statements have been prepared on a going concern basis, under the historical cost convention except for the financial assets measured at fair value through other comprehensive income and financial liabilities measured at fair value through profit and loss (which include redemption liabilities) per the provisions of IFRS 9.

There are no new standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group notes that IFRS 18 "Presentation and Disclosure in Financial Statements" is effective from 1 January 2027. While the standard is not expected to have a material impact on recognition or measurement, it will result in changes to the presentation and disclosure of primary financial statements.

The financial statements are presented in Pounds sterling, which is the Company's functional and presentation currency, rounded to the nearest thousand.

The preparation of financial information in conformity with the basis of preparation described above requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information, are disclosed in the critical accounting estimates and judgements section.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company income statement.

Going concern

The directors confirm they are satisfied that the Group and Company have adequate resources, with £61.8m cash and short-term financial assets to continue in business for the foreseeable future, including the effect of increased costs caused by the ongoing conflicts, where the Group has no sales, and other global events. The directors have also produced a severe, but plausible downside scenario that demonstrates that the Group could cover its cash commitments over the following year from approving these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

Basis of consolidation

The consolidated financial statements for FW Thorpe incorporate the financial statements of the Company and its subsidiary undertakings (collectively referred to as the "Group").

A subsidiary is an entity that is controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Intra-group transactions, balances, income and expenses are eliminated in preparing consolidated financial statements, accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group. Unrealised profits and losses arising from intra-group transactions are also eliminated unless they provide evidence of impairment of the transferred asset.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a sales and purchase agreement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed on a business combination are measured initially at their fair values at the acquisition date.

Where the Group has an obligation to pay outstanding consideration in a business combination, a liability is recognised equal to the calculated future fair value as at the date of the statement of financial position.

1 Accounting policies continued

Non-controlling interests

Where the Group obtains control of a subsidiary without any contractual obligation to purchase the remaining non-controlling interests, the non-controlling interest ("NCI") is recognised in equity. NCI is measured either at fair value, or at the proportionate share of the acquiree's net assets, as elected on a transaction-by-transaction basis in accordance with IFRS 3. Subsequent to acquisition, NCI is adjusted for its share of profit or loss and other comprehensive income, with changes presented within equity. Transactions with NCI that do not result in loss of control are accounted for as equity transactions.

Where the Group has a present obligation to acquire the non-controlling interests of a subsidiary under a contractual arrangement, the subsidiary is consolidated as though the Group has acquired 100% of the equity interest. No non-controlling interest is recognised. Instead, a financial liability is recognised for the obligation to purchase the remaining interest, measured initially at fair value and subsequently remeasured through profit or loss in accordance with IFRS 9. Any profits attributable to non-controlling interests, if any, are treated as a finance expense of the Group. For the purpose of identification, the term "non-controlling interest" is also used in these financial statements to describe such arrangements, even though no non-controlling interest is recognised in equity.

The Group currently only has non-controlling interests where it has a present contractual obligation to acquire the remaining equity interest and has therefore applied the policy in the second paragraph above.

Equity accounted joint ventures

Under IFRS 11, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Under the equity method of accounting, joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted joint venture equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Revenue recognition

The Group recognises revenue earned from contracts based on individual performance obligations using the five-step model under IFRS 15. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer, or the service is performed, at an amount that reflects the consideration the Group is entitled to in exchange for those goods or services, excluding VAT, trade discounts and rebates.

The Group has generally concluded that it is the principal in its revenue arrangements. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The normal credit terms are 30 to 90 days from delivery, or completion of the service provided.

Revenue from external customers is derived from the supply of light fittings and services to support the sale of these light fittings. These services include surveying, project management, installation and commissioning. The transaction price for both the light fittings and the service agreements are at fair value as if each of those services are provided individually.

Revenue Stream	Revenue Recognition
Light fittings	Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods
Services	Revenue is recognised over time the service is performed

No significant judgements are required in applying IFRS 15 to service contracts.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. service agreements). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

The Group reduces revenue for expected sales returns, refunds, rebates, and other similar obligations. Estimates are based on historical experience and updated at each reporting date.

1 Accounting policies continued

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount, being the estimated cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Interest on impaired loans is recognised using the original effective interest rate.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is identified as the Group Board.

The Group is organised into 12 operating segments based on the products and customer base in the lighting market. The largest businesses, on an ongoing basis, are Thorlux (which includes the businesses of the Company, Thorlux Lighting Limited and SchahlLED Lighting GmbH), FW Thorpe Nederland B.V. (which includes the businesses of Lightronics B.V. and Famostar Emergency Lighting B.V.) and Zemper Group. The seven remaining operating segments have been aggregated into the "other companies" reportable segment based upon their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited and Thorlux Lighting GmbH.

Pension costs

The Group operates a hybrid defined benefit and defined contribution pension scheme. The Group's hybrid pension scheme provides benefits to members based upon the following:

- Service before 1 October 1995, benefits provided are defined benefit in nature (the "pure" defined benefit element)
- Service after 1 October 1995, benefits provided are the maximum of their defined contribution pension and their defined benefit pension (the "defined benefit underpin" element)

The contributions of both elements are paid into one pension scheme, where the contributions and assets are segregated and ring-fenced from each other. The assets of the scheme are invested and managed independently of the finances of the Group. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain at a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pensions cost are spread evenly through the income over the remaining service lives of current employees.

The liability or surplus recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. In the defined benefit underpin element of the scheme, the liabilities reflect the greater of the defined contribution or defined benefit liabilities.

For the defined benefit underpin element of the scheme, each member is tested to see whether the pension on a defined contribution or defined benefit basis is higher. The liabilities shown in the pensions note are based on the greater of the two liabilities for each member, which in almost all cases is the defined benefit liability. For the service cost, again tests are performed to see which is the higher for each member out of the Company's share of the defined contribution payments or the Company's share of accruing benefits on a defined benefit basis. The higher of these two figures for each member is then used to give the total service cost; again the defined benefit cost is the higher for the vast majority of members.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of comprehensive income in the period in which they arise.

1 Accounting policies continued

Past-service costs are recognised immediately in the income statement, at the earlier of when the plan amendment or curtailment occurs, or when the entity recognises related restructuring costs or termination benefits.

For defined contribution plans and pure defined contribution elements, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense in the income statement as they fall due, or as an accrued or prepaid expense. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. A defined benefit surplus is only recognised if it meets the following criteria: if the Group has an unconditional right to a refund; or if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. If the criteria are not met then a defined benefit surplus is not recognised.

Foreign currencies

Transactions in foreign currency are converted to sterling using the exchange rate applicable to the date of the transaction. Foreign currency gains and losses resulting from the settlement of foreign currency transactions at a different time are recognised in the income statement. Currency exchange differences arising from holding monetary assets or liabilities in a foreign currency are fair valued at the statement of financial position date in accordance with prevailing exchange rates and resulting gains or losses are recognised in the income statement. The translation of financial statements from foreign currencies is recognised in the foreign currency translation reserve and in the consolidated statement of comprehensive income at the prevailing exchange rates.

Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Dividend distribution

Final dividend distribution to the Company's shareholders is recognised as a liability in the Company's and Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised as a distribution in the Company's and Group's financial statements when paid.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses where applicable. Cost includes the original purchase price together with the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight-line basis to write down the cost less estimated residual value of all plant and equipment assets by equal instalments over their expected useful life. Right of use assets are depreciated at the rates below according to their asset classification. The rates generally applicable are:

Freehold land	Nil
Buildings	2%–10%
Plant and equipment	10%–50%

1 Accounting policies continued

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. Assets are reviewed for impairment where there is an indication that the carrying value may not be recoverable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability: The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Right-of-use assets: The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the Group's existing impairment accounting policy.

Short-term leases and leases on low-value assets

For these leases, payments made under them are charged to the income statement on a straight-line basis over the term of the lease.

Intangible assets

Development costs

The Group undertakes development activities on an ongoing basis. Part of these costs relate to projects where the benefit is received in the short term (less than one year) and part relates to longer term projects where the benefit is expected to be received for several years to come. Costs associated with the shorter term activities are expensed as and when they are incurred. Costs (including costs generated internally and third party costs) associated with the longer term projects are capitalised as an intangible asset and amortised over the expected life of the benefit at 33.33% per annum commencing when the asset is available for use within the business. Development costs are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it
- There is an ability to use or sell the intangible asset
- It can be demonstrated how the intangible asset will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available
- The expenditure attributable to the intangible asset during its development can be reliably measured. Other development expenditures that do not meet these criteria are recognised as an expense as incurred

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

The economic success for development activities is uncertain and carrying amounts are reviewed at each statement of financial position date for impairment in accordance with IAS 36.

Development assets are valued at cost less accumulated amortisation and any impairment losses.

Fishing rights

Fishing rights are stated at cost less accumulated impairment where applicable. The rights are not amortised, but assessed annually for impairment.

1 Accounting policies continued

Goodwill

Goodwill is stated at cost less accumulated impairment where applicable. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill is reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software costs

Software costs are stated at cost less accumulated amortisation and impairment where applicable. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rates are between 20% and 50% per annum.

Patent costs

Patents are stated at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rate is 20%.

Other intangible assets

An intangible asset acquired in a business combination is recognised at fair value to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Intangible assets principally relate to brand names and technology that were valued discounting estimated future net cash flow from the asset. The cost of intangible assets is amortised through the income statement on a straight-line basis over their estimated economic life. The rates generally applicable are:

Technology	12%–14%
Brand name	10%–33%
Customer relationships	7%–17%

Investment properties

Investment properties are recognised at cost, and then, subsequently cost less accumulated depreciation and (if applicable) any accumulated impairment losses. Assets are depreciated at the same rates as property, plant and equipment assets according to their assets class; freehold land is not depreciated.

In the Company accounts, land and buildings (and integral fixtures and fittings) not occupied by the Company are included within investment property.

Investments in subsidiaries

Investments in subsidiaries are held at cost less impairment. Cost includes directly attributable costs of investment.

1 Accounting policies continued

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets at amortised cost or FVOCI, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

The Group subsequently measures its debt instruments at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in the income statement together with foreign exchange gains and losses. Impairment losses are included in either administrative expenses or finance costs in the income statement.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the income statement as finance income when the Group's right to receive payments is established.

Impairment losses (and reversals of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk under the general IFRS 9 approach.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see accounting policy for trade receivables for further details.

1 Accounting policies continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. Raw materials include items that are both used in the production of finished goods and items used in the production of other raw material items.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. A provision is made against the cost of slow-moving, obsolete and other stock lines based on the net realisable value.

Trade receivables

Trade receivables are recognised initially at fair value and the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months up to the end of the relevant financial year, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, such as significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "distribution costs". When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "distribution costs" in the income statement.

Short-term financial assets

Short-term financial assets are defined as cash term deposits with banks with an original term of three months and over.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, on demand deposits and short-term deposits with banks with an original term less than three months.

Trade payables

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

Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the attached conditions and that the grants will be received. Grants intended to compensate specific operating costs are deferred and recognised in profit or loss over the periods in which the related costs are incurred, so as to match them with the expenses that they are intended to compensate. Grants received in respect of capital expenditure are initially recorded as deferred income. When the related expenditure is incurred, the grants are transferred to offset the carrying amount of the related property, plant and equipment or investment properties. The benefit of such grants is therefore recognised in profit or loss over the useful lives of the assets through reduced depreciation or amortisation charges.

1 Accounting policies continued

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the financial liability using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Certain financial liabilities, including redemption liabilities arising from business combinations, are classified and measured at fair value through profit or loss. These liabilities are initially recognised at fair value, with transaction costs recognised immediately in profit or loss. Subsequently, they are measured at fair value at each reporting date, with changes recognised in profit or loss.

Financial liabilities are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Costs for financial liabilities are expensed in the period in which they occur.

Provisions

Provisions are recognised in the statement of financial position when a Group company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced to those affected by it. In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when land is contaminated.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Warranty

The Group provides for expected warranty costs covering both specific known warranty claims and calculating expected future warranty claims in order to estimate the expected costs that will arise in respect of products sold within the remaining warranty periods. The expected future warranty claims provision is calculated by assessing historical data, industry failure rates and the Group's knowledge of products to determine the percentage of sales that should be provided for to cover future associated warranty costs.

Critical accounting estimates and judgements

The presentation of the annual financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006 requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

1 Accounting policies continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key estimates and judgements used in the financial statements are as follows:

Estimates	**Lumen Intelligence Holding GmbH (SchahlLED) redemption liability** The Group has the obligation to purchase the remaining shares of the Lumen business from September 2025 with the earliest date this obligation is likely to be settled now being September 2026 due to specific deferral options incorporated in the acquisition agreement. To calculate the expected repurchase value the Group has considered the recent and budgeted future performance of the SchahlLED business analysing forecasted EBITDA, revenue and costs upon which the obligation is based. This analysis is reviewed and updated each year and, if necessary, adjustments are made to ensure that the provision value reflects the best current estimate of settlement with movements recognised in the profit or loss. If the forecast EBITDA assumption were to increase by 5%, the resulting redemption liability would increase by £195,000. Note 19 contains details of the outstanding obligations. **Retirement benefit obligations** The Group recognises its obligations to employee retirement benefits. The quantification of these obligations is subject to significant estimates and assumptions regarding life expectancy, discount and inflation rates and the rate of increase in pension payments. In making these assumptions the Group takes advice from an independent qualified actuary about which assumptions best reflect the nature of the Group's obligations to employee retirement benefits. These assumptions are regularly reviewed by our actuaries Cartwright Benefit Consultants Limited to ensure their appropriateness. Note 22 contains details of the retirement benefit obligations.

Judgements	**Development costs** The Group undertakes development activities and the commercial viability of these activities is assessed on a continual basis; as such the Group assesses each new project to determine whether development costs incurred should be capitalised within intangible assets or recognised as an expense within administrative expenses. The Group determines this classification based on the future value of the work based on past experience of similar development projects and the feedback from the marketplace about future expectations for technological development. **Lumen Intelligence Holding GmbH (SchahlLED) redemption liability** The Group has the obligation to purchase the remaining shares of the SchahlLED business. In determining the expected purchase price the Group has assumed the repurchase will be made in September 2026 thereby assessing the expected purchase price at this date. **Retirement benefit obligations** The Group recognises its obligations to employee retirement benefits. Where the fair value of the pension plan assets exceeds the present value of the defined benefit obligation the Group considers the amount that can be recognised as an asset within the statement of financial position in line with the requirements of IAS 19. A defined benefit surplus is only recognised if it meets the following criteria: if the Group has an unconditional right to a refund; or if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled. As these criteria are not met the Group has decided not to recognise a net retirement benefit asset.

1 Accounting policies continued

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, commodity price risk and security price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, US dollar, Australian dollar and Arab Emirate dirham. Foreign exchange risk arises from future commercial transactions that give rise to monetary assets and liabilities other than the entity's functional currency, including bank account balances, term deposits, trade and other receivables, trade and other payables, financial liabilities denominated in currencies other than sterling, and net investments in foreign operations.

Management determines concentrations of foreign exchange risk by monitoring net exposures for each significant currency across all subsidiaries. Concentrations are identified based on the currency denomination of monetary assets and liabilities. At 30 June 2025, the Group's largest foreign currency exposure was to the euro, with a net exposure of £17,324,000. A 1% increase in the euro exchange rate would result in a gain of approximately £175,000, while a 1% decrease would result in a loss of approximately £172,000. Exposures to the US dollar, Australian dollar, and Arab Emirate dirham are aggregately less than 13% of total net foreign currency exposure and are not considered material. In aggregate, these exposures amounted to approximately £2,407,000 at 30 June 2025. The Group manages foreign currency risk by maintaining relatively low foreign currency balances and selling or buying foreign currency when required.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets at fair value through other comprehensive income.

The Group has investments in UK listed securities of other entities and these are publicly traded on the London Stock Exchange. Concentrations of risk arise because the Group's investments are primarily in these UK-listed equities. Management determines concentrations of price risk by reviewing the composition of the investment portfolio, the fair value of individual securities, and the relative weight of each investment within the total portfolio. Management monitors these concentrations by reviewing the composition of the investment portfolio and the fair value of individual securities. At 30 June 2025, the total exposure to UK-listed securities was £3,489,000.

Other short-term investments, including term deposits, are not considered to give rise to significant price risk. A reasonably possible 10% increase or decrease in the market prices of the UK-listed equity investments would result in a corresponding increase or decrease in other comprehensive income of approximately £349,000 before tax. Exposures in other equity or marketable instruments are individually less than 1% of total exposure and are not considered material. In aggregate, these exposures amounted to approximately £21,000 at 30 June 2025.

(iii) Commodity price risk

The Group has an exposure to the risk of commodity price changes, in particular, metals. The Group seeks to minimise the risk by agreeing prices with major suppliers in advance.

Management monitors the commodity markets and mitigates this risk by agreeing prices with major suppliers in advance. Based on the current composition of purchases, there are no significant concentrations of commodity price risk.

(iv) Interest rate risk

The Group is exposed to interest rate risk primarily because it holds cash investments and short-term financial assets that are mostly interest-bearing. Interest rate risk arises from fluctuations in market interest rates, which can affect the Group's finance income.

Management monitors interest rate movements and manages the exposure by maintaining a diversified portfolio of cash and short-term deposits. Management determines concentrations of interest rate risk by monitoring balances by counterparty, currency, and maturity profile. Concentrations are identified based on the shared characteristic of deposits with the same counterparty, currency or geographic location. At 30 June 2025, the total carrying amount of cash and short-term deposits subject to interest rate risk was £25,745,000. At 30 June 2025, a reasonably possible 1% increase or decrease in interest rates would result in an increase or decrease in finance income of approximately £257,000 before tax. The majority of interest-bearing deposits are concentrated within the Company, with a smaller portion held with the Group's subsidiary. Deposits are denominated mainly in pounds sterling and euro. The Group has no exposure to increased interest costs other than pension scheme interest cost..

1 Accounting policies continued

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum Fitch rating of F1 are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.

Financial instruments with low credit risk, such as cash and deposits with highly rated banks, are considered to have minimal risk of default. Trade receivables are monitored regularly for overdue amounts, and the Group assesses the likelihood of default based on historical payment patterns and other relevant information. The Group defines default and credit-impaired financial assets in line with internal policies and IFRS 9 guidance, and has a policy to write off financial assets when there is no reasonable expectation of recovery. Recoveries on written-off amounts, if any, are recognised in profit or loss.
Based on the Group's analysis, there are no significant concentrations of credit risk. No single customer represents a material portion of trade receivables, and all cash and short-term financial assets are held with banks.

The Group applies the expected credit loss (ECL) model in accordance with IFRS 9. For loans and other financial assets at amortised cost, loss allowances are measured under the general three-stage model. At the reporting date, all such exposures were assessed to be in Stage 1, with no significant increase in credit risk identified. Accordingly, the loss allowance was measured at an amount equal to 12-month expected credit losses.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, under which the loss allowance is always measured at an amount equal to lifetime expected credit losses.

During the year, there were no material movements in the loss allowance, and no transfers occurred between stages. The credit risk profile of financial assets remained stable. Accordingly, management has assessed that a detailed reconciliation of the loss allowance from opening to closing balance, as required by IFRS 7, is not necessary.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. Management monitors rolling forecasts of the Group's liquidity reserve, which comprises cash and cash equivalents together with short-term financial assets, see note 17, on the basis of expected cash flow. All external current liabilities are expected to mature within seven months.

Capital risk management

The Group's policy has been to maintain a strong capital basis in order to maintain investor, customer, creditor and market confidence. This sustains future development of the business, safeguarding the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. From time to time the Group purchases its own shares in the market; the timing of these purchases is dependent on market prices, to ensure such transactions are sufficiently beneficial for the Company, its earnings per share and returns to investors. The Group continues to seek to maintain the balance of these returns, whilst strengthening the reserves and equity position of the Company, via continued profitability and structured growth.

The Group has a long-standing policy not to utilise debt within the business, providing a robust capital structure even within the toughest economic conditions. The Group's significant cash resources allow such a position, but also require close management to ensure that sufficient returns are being generated from these resources. The Group's policy with regard to the cash resources is to ensure they generate sufficient returns, whether by investment in business activities, such as plant and equipment, or assessing suitable opportunities to grow the business, or the physical investment of these funds to ensure appropriate returns to investors.

The Group is able to maintain its current capital structure because there are no externally imposed capital requirements, and there were no changes in the Group's approach to capital management during the year.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

1 Accounting policies continued

Fair value estimation

(i) Financial instruments

Financial instruments that are measured at fair value are disclosed in the consolidated financial statements in accordance with the following fair value measurement hierarchy:

i. Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)

ii. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (level 2)

iii. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Fair value measurement of redemption liabilities arising from business combinations are classified as level 3 where unobservable inputs include projected growth and discount rates.

(ii) Other assets and liabilities

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Share capital

Ordinary shares are classified as equity.

When ordinary shares are issued to shareholders by the Company, the face value of the ordinary shares issued is credited to Issued share capital where the excess of the consideration paid by shareholders over the face value of the ordinary shares issued is credited to a share premium account.

Where any Group company purchases the Company's issued share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

When shares are cancelled, the related face value of the cancelled shares are deducted from the Company's issued share capital and credited to the Company's capital redemption reserve.

Share-based payments

Senior executives of the Group receive remuneration in the form of share-based payments through the executive share ownership plan and other employees through a "SAYE" scheme. The fair value of the shares or share options granted is recognised over the vesting period to reflect the value of the employee services received. The charge relating to grants to employees of the Company is recognised as an expense in the profit and loss account.

The fair value of options granted, excluding the impact of any non-market vesting conditions, is calculated using established option pricing models. The probability of meeting non-market vesting conditions, which include profitability targets, is used to estimate the number of share options that are likely to vest.

2 Segmental analysis

(a) Business segments

The segmental analysis is presented on the same basis as that used for internal reporting purposes. For internal reporting FW Thorpe is organised into twelve operating segments based on the products and customer base in the lighting market – the largest business is Thorlux, which manufactures professional lighting systems for industrial, commercial and controls markets. The businesses of Lumen Intelligence Holding GmbH, SchahILED Lighting GmbH and Thorlux Lighting Limited are included in this segment in accordance with the Group's internal reporting. The businesses in the Netherlands, Lightronics B.V. and Famostar Emergency Lighting B.V., are material subsidiaries and disclosed separately as Netherlands companies. The businesses in the Zemper Group are also material and disclosed separately as the Zemper Group.

The seven remaining operating segments have been aggregated into the "other companies" reportable segment based upon their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited and Thorlux Lighting GmbH.

FW Thorpe's chief operating decision maker (CODM) is the Group Board. The Group Board reviews the Group's internal reporting in order to monitor and assess performance of the operating segments for the purpose of making decisions about resources to be allocated. Performance is evaluated based on a combination of revenue and operating profit. Assets and liabilities have not been segmented, which is consistent with the Group's internal reporting.

	Thorlux £'000	Netherlands companies £'000	Zemper Group £'000	Other companies £'000	Adjustments and eliminations £'000	Total continuing operations £'000
Year to 30 June 2025						
Revenue to external customers	101,011	34,348	21,372	18,490	–	175,221
Revenue to other Group companies	4,084	244	527	5,439	(10,294)	–
Total revenue	105,095	34,592	21,899	23,929	(10,294)	175,221
EBITDA	24,905	7,339	5,322	3,325	721	41,612
Depreciation and amortisation and impairment	4,687	1,036	2,524	1,308	–	9,555
Operating profit before acquisition adjustments	21,263	6,408	3,671	2,017	(456)	32,903
Operating profit	20,218	6,303	2,798	2,017	721	32,057
Net finance income						925
Share of loss of joint ventures						(1,360)
Profit before income tax						31,622

Acquisition adjustments include amortisation charge of intangible assets of £2.0m and gain on changes in fair value of redemption liability of £1.2m.

Year to 30 June 2024						
Revenue to external customers	99,492	37,942	19,350	19,014	–	175,798
Revenue to other Group companies	3,555	220	93	3,821	(7,689)	–
Total revenue	103,047	38,162	19,443	22,835	(7,689)	175,798
EBITDA	23,402	9,810	4,595	2,347	1,431	41,585
Depreciation, amortisation and impairment	5,495	1,223	2,607	1,629	–	10,954
Operating profit before acquisition adjustments	19,933	8,802	2,880	718	30	32,363
Operating profit	17,907	8,587	1,988	718	1,431	30,631
Net finance income						68
Share of loss of joint ventures						(826)
Profit before income tax						29,873

Acquisition adjustments include amortisation charge of intangible assets of £3.1m and gain on changes in fair value of redemption liability of £1.4m.

2 Segmental analysis continued

Adjustments and eliminations to operating profit consist of:

(i) intra-group eliminations on property rentals on premises owned by FW Thorpe Plc, adjustments to profit related to stocks held within the Group that were supplied by another segment, elimination of inter-segment impairments and elimination of profit on transfer of assets between Group companies.

(ii) Adjustments relating changes in fair value of redemption liability and share-based payment charges.

(b)i Geographical analysis

The Group's business segments operate in five main areas: the UK, the Netherlands, Germany, the rest of Europe and the rest of the world. The home country of the Company, which is also the main operating company, is the UK.

	2025 £'000	2024 £'000
UK	96,687	90,330
Netherlands	32,486	36,164
Germany	13,164	17,554
Rest of Europe	28,686	27,693
Rest of the world	4,198	4,057
	175,221	175,798

(b)ii Geographical analysis by product types

The Group's main business segments primary revenue stream is the sale of light fittings, with some ancillary services and commissioning supporting this revenue stream.

2025 (£'000)	Light fittings	Services	Total
UK	90,306	6,381	96,687
Netherlands	32,418	68	32,486
Germany	11,647	1,517	13,164
Rest of Europe	28,481	205	28,686
Rest of the world	4,195	3	4,198
	167,047	8,174	175,221

2024 (£'000)	Light fittings	Services	Total
UK	86,274	4,056	90,330
Netherlands	36,164	–	36,164
Germany	15,785	1,769	17,554
Rest of Europe	27,404	289	27,693
Rest of the world	4,057	–	4,057
	169,684	6,114	175,798

There is no single customer who accounts for more than 10% of the Group revenue in either the current year or the prior year.

3 Operating profit

	2025 £'000	2024 £'000
Profit on disposals of property, plant and equipment	(191)	(125)
Loss on disposals of intangible assets	22	–
Profit on disposal of an investment property	–	(134)
Depreciation of investment property (note 11)	46	45
Depreciation of property, plant and equipment		
– owned assets (note 8)	4,256	4,051
– right-of-use assets (notes 8 and 21)	873	763
Amortisation of intangible assets (note 9)	4,380	5,846
Impairment of goodwill (note 9)	–	249
Changes in fair value of redemption liability in respect of acquisition of Zemper Group	240	(1,402)
Changes in fair value of redemption liability in respect of acquisition of Lumen Group	(1,417)	–
Cost of inventories recognised as an expense	54,542	59,912
(Reversal of write-down)/write-down of inventories, net*	(114)	1,414
Cost of research and development recognised as an expense	1,860	2,349
Research and development expenditure credit	(280)	(356)
Government grants	(275)	(289)
Currency loss/(gain) in income statement	208	(507)

* This amount is included within cost of inventories recognised as an expense

Services provided by the Company's auditors	2025 £'000	2024 £'000
Fees payable to the Company's auditors for audit of financial statements	359	347
Fees payable to the Company's auditors and its associates for other services		
– Audit of the Company's subsidiaries	188	191
	547	538

4 Employee information

The average monthly number of employees employed by the Group (including executive directors) during the year is analysed below:

	Group		Company	
Average headcount	2025 Number	2024 Number	2025 Number	2024 Number
Production	452	438	270	264
Sales and distribution	289	277	134	121
Administration	247	247	128	125
Total average headcount	988	962	532	510

	Group		Company	
Employment costs of all employees (including executive directors)	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	46,860	44,335	26,903	25,738
Social security costs	6,150	5,687	2,751	2,479
Other pension costs	2,018	2,032	1,166	1,215
	55,028	52,054	30,820	29,432

Included in wages and salaries are £2,367,000 (2024: £1,708,000) of temporary employees costs.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025 continued

4 Employee information continued

Other pension costs include contributions to pension schemes and other employer's pension related charges comprising life assurance of £158,000 (2024: £112,000), pension administration and professional charges of £6,000 (2024: £180,000) and private pension schemes amounting to £5,000 (2024: £5,000).

Contributions to the defined contribution section amounted to £nil (2024: £211,000) as a consequence of the transfer of members to another scheme administered independently. Contributions to other schemes administered independently of the FW Thorpe pension schemes amounted to £1,841,000 (2024: £1,451,000).

	Group		Company	
Directors' emoluments	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Aggregate emoluments	1,687	2,217	1,646	2,155

For the year ended 30 June 2025 no retirement benefits were accruing to any director (2024: nil) under the defined benefit scheme nor under the defined contribution scheme. Compensation payments for the loss of pension contributions totalling £107,000 (2024: £283,000) were made to 2 (2024: 3) directors. Share-based payment remuneration totalled £41,000 (2024: £130,000) were made to 1 (2024: 2) director.

	Group		Company	
Highest paid director	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Total of emoluments and amounts receivable	851	780	851	780

Compensation payments for the loss of pension contributions for the highest paid director were £73,000 (2024: £54,000). Share-based payment remuneration totalled £41,000 (2024: £90,000).

The key management personnel are the Group Board directors.

Further details are provided in the Directors' Remuneration Report on pages 84 to 87.

5 Net finance expense

	2025 £'000	2024 £'000
Finance income		
Current assets		
Interest receivable	1,223	585
Non-current assets		
Dividend income on financial assets at fair value through other comprehensive income	276	182
Net rental income	88	207
Loan interest income	67	153
Total finance income	1,654	1,127
Finance expense		
Current liabilities		
Interest payable	18	54
Lease liability interest expense (note 21)	220	237
Non-controlling interest	409	474
Non-current liabilities		
Loan interest expense	5	6
Impairment on loans	77	288
Total finance expense	729	1,059
Net finance income/(expense)	925	68

6 Income tax expense

Analysis of income tax expense in the year:

	2025 £'000	2024 £'000
Current tax		
Current tax on profits for the year	6,383	6,622
Adjustments in respect of prior years	(256)	(217)
Total current tax	6,127	6,405
Deferred tax		
Origination and reversal of temporary differences	83	(845)
Total deferred tax	83	(845)
Income tax expense	6,210	5,560

The tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025 £'000	2024 £'000
Profit before income tax	31,622	29,873
Profit on ordinary activities multiplied by the standard rate in the UK of 25% (2024: 25%)	7,906	7,468
Effects of:		
Expenses not deductible for tax purposes	1,288	1,529
Accelerated tax allowances and other timing differences	(414)	(810)
Adjustments in respect of prior years	(256)	(217)
Patent box relief	(2,251)	(2,400)
Foreign profit taxed at higher rate	(63)	(10)
Tax charge	6,210	5,560

The effective tax rate was 19.64% (2024: 18.61%). Adjustments in respect of prior years relate to refunds received for prudent assumptions on additional investment allowances and patent box relief in the tax calculations.

A standard rate of 25% (2024: 25%) is applicable to the Company during the current year. Deferred tax assets and liabilities have been calculated based on a rate at which they are expected to crystallise.

7 Earnings per share

Basic and diluted earnings per share for profit attributable to equity holders of the Company

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Basic	2025	2024
Weighted average number of ordinary shares in issue	117,141,579	117,256,012
Profit attributable to equity holders of the Company (£'000)	25,412	24,313
Basic earnings per share (pence per share) total	21.69	20.73

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares, plus the number of shares earned for share options where performance conditions have been achieved.

Diluted	2025	2024
Weighted average number of ordinary shares in issue (diluted)	117,142,318	117,294,290
Profit attributable to equity holders of the Company (£'000)	25,412	24,313
Diluted earnings per share (pence per share) total	21.69	20.73

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025 continued

8 Property, plant and equipment

	Group				Company			
	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000
Cost								
At 1 July 2024	27,760	40,816	6,055	74,631	7,331	25,037	31	32,399
Additions	86	5,515	599	6,200	65	3,591	47	3,703
Disposals	–	(1,261)	(245)	(1,506)	–	(975)	–	(975)
Currency translation	124	123	60	307	–	–	–	–
At 30 June 2025	27,970	45,193	6,469	79,632	7,396	27,653	78	35,127
Accumulated depreciation								
At 1 July 2024	6,766	26,929	2,613	36,308	2,927	17,544	12	20,483
Charge for the year	805	3,451	873	5,129	194	2,021	14	2,229
Disposals	–	(1,048)	(245)	(1,293)	–	(836)	–	(836)
Currency translation	29	77	31	137	–	–	–	–
At 30 June 2025	7,600	29,409	3,272	40,281	3,121	18,729	26	21,876
Net book amount								
At 30 June 2025	20,370	15,784	3,197	39,351	4,275	8,924	52	13,251

	Group				Company			
	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000	Freehold land and buildings £'000	Plant and equipment £'000	Right-of-use assets £'000	Total £'000
Cost								
At 1 July 2023	28,219	37,689	5,942	71,850	7,326	23,268	31	30,625
Additions	614	4,507	431	5,552	5	2,353	–	2,358
Transfer to investment properties	(891)	–	–	(891)	–	–	–	–
Disposals	(12)	(1,236)	(232)	(1,480)	–	(584)	–	(584)
Currency translation	(170)	(144)	(86)	(400)	–	–	–	–
At 30 June 2024	27,760	40,816	6,055	74,631	7,331	25,037	31	32,399
Accumulated depreciation								
At 1 July 2023	6,211	24,758	2,118	33,087	2,736	16,140	4	18,880
Charge for the year	834	3,217	763	4,814	191	1,834	8	2,033
Transfer to investment properties	(240)	–	–	(240)	–	–	–	–
Disposals	(11)	(955)	(232)	(1,198)	–	(430)	–	(430)
Currency translation	(28)	(91)	(36)	(155)	–	–	–	–
At 30 June 2024	6,766	26,929	2,613	36,308	2,927	17,544	12	20,483
Net book amount								
At 30 June 2024	20,994	13,887	3,442	38,323	4,404	7,493	19	11,916

Freehold land which was not depreciated at 30 June 2025 amounted to £755,000 (2024: £755,000) (Group) and £500,000 (2024: £500,000) (Company).

9 Intangible assets

Group 2025	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Customer relationship £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost									
At 1 July 2024	45,902	13,954	2,857	5,094	14,864	3,853	178	182	86,884
Additions	–	2,627	–	–	–	155	–	–	2,782
Disposals	–	(2,431)	–	–	–	(2)	(22)	–	(2,455)
Currency translation	446	101	26	51	154	8	–	–	786
At 30 June 2025	**46,348**	**14,251**	**2,883**	**5,145**	**15,018**	**4,014**	**156**	**182**	**87,997**
Accumulated amortisation and impairment									
At 1 July 2024	–	8,296	2,757	3,081	3,326	3,164	156	–	20,780
Charge for the year	–	2,102	76	417	1,530	255	–	–	4,380
Disposals	–	(2,427)	–	–	–	(2)	–	–	(2,429)
Currency translation	–	73	26	39	66	5	–	–	209
At 30 June 2025	**–**	**8,044**	**2,859**	**3,537**	**4,922**	**3,422**	**156**	**–**	**22,940**
Net book amount									
At 30 June 2025	**46,348**	**6,207**	**24**	**1,608**	**10,096**	**592**	**–**	**182**	**65,057**

Group 2024	Goodwill £'000	Development costs £'000	Technology £'000	Brand name £'000	Customer relationship £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost									
At 1 July 2023	47,003	13,956	2,893	5,164	15,078	3,747	159	182	88,182
Additions	–	2,019	–	–	–	133	20	–	2,172
Disposals	–	(1,902)	–	–	–	(20)	–	–	(1,922)
Write-offs	(481)	–	–	–	–	–	–	–	(481)
Currency translation	(620)	(119)	(36)	(70)	(214)	(7)	(1)	–	(1,067)
At 30 June 2024	**45,902**	**13,954**	**2,857**	**5,094**	**14,864**	**3,853**	**178**	**182**	**86,884**
Accumulated amortisation and impairment									
At 1 July 2023	233	7,925	2,643	1,702	1,806	2,826	156	–	17,291
Charge for the year	–	2,351	149	1,419	1,566	361	–	–	5,846
Impairment	249	–	–	–	–	–	–	–	249
Disposals	–	(1,902)	–	–	–	(20)	–	–	(1,922)
Write-offs	(481)	–	–	–	–	–	–	–	(481)
Currency translation	(1)	(78)	(35)	(40)	(46)	(3)	–	–	(203)
At 30 June 2024	**–**	**8,296**	**2,757**	**3,081**	**3,326**	**3,164**	**156**	**–**	**20,780**
Net book amount									
At 30 June 2024	**45,902**	**5,658**	**100**	**2,013**	**11,538**	**689**	**22**	**182**	**66,104**

Write-offs relate to assets where no further economic benefits will be obtained. Development costs primarily consist of internally generated development costs. Amortisation of £4,380,000 (2024: £5,846,000) is included in the administrative expenses.

The Group's material individual intangible asset comprises a customer relationship arising from the acquisition of ElectroZemper, with a carrying amount of £7,061,000 (2024: £7,610,000) and a remaining amortisation period of 11 (2024: 12) years.

9 Intangible assets continued

A summary of the carrying amount of goodwill allocation is as follows:

	2025 £'000	2024 £'000
Solite Europe Limited	285	285
Portland Lighting Limited	2,618	2,618
F.W. Thorpe Nederland B.V.	6,666	6,598
Famostar Emergency Lighting B.V	4,331	4,287
ElectroZemper S.A.	18,218	18,031
Lumen Intelligence Holding GmbH	14,230	14,083
Total	46,348	45,902

The goodwill for F.W. Thorpe Nederland B.V., Famostar Emergency Lighting B.V., Electrozemper S.A and Lumen Intelligence Holding GmbH is translated annually to the closing exchange rate, as they are denominated in Euros, with the movement recorded in exchange differences on translation of foreign operations in the Statement of Changes in Equity.

Intangible assets, other than goodwill and fishing rights, are tested for impairment if there are indications of impairment, for each relevant cash generating unit (CGU). Goodwill and fishing rights are not amortised and are tested for impairment annually. CGUs in the Group comprise the entities FW Thorpe Plc, FW Thorpe Nederland B.V. , Lightronics B.V., Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux Lighting L.L.C., Thorlux Australasia Pty Limited, Thorlux Lighting GmbH, Famostar Emergency Lighting B.V., Electrozemper S.L, Zemper France S.A.R.L. S.A, RGB S.L., Thorlux Lighting Limited, Lumen Intelligence Holding GmbH and SchahlLED Lighting GmbH.

For each CGU, the value in use has been determined using cash flow projections covering a five years period with a terminal value all discounted at a rate of 10.0% (2024: 11.0%). The discount rate reflects the Group's post-tax weighted average cost of capital, adjusted for sector-specific and country-specific risks. Cash flows within the 5 years projection period are based on recent performance together with management estimates of increases in revenue and costs between 2% and 5% per annum. Cash flows beyond the projection period are extrapolated using a terminal growth rate of 0.0% (2024: 0.0%).

Sensitivities have been carried out for the CGUs based on the assumption that Group's post-tax weighted average cost of capital increased to 20.0%, a twenty percent increase which showed that each CGU still had significant headroom and that no goodwill would need impairing. There are no reasonably plausible changes in cashflows that would result in an impairment.

For Thorlux Australasia Pty Ltd, due to failing to generate sufficient cash flow projections to recover its goodwill. There was a goodwill impairment of AU$478,000 (£249,000) charged to the consolidated income statement in the prior year. The cost and accumulated impairment of the goodwill for Thorlux Australasia Pty Ltd were derecognised as it was fully impaired in the prior year.

9 Intangible assets continued

Company 2025	Development costs £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost					
At 1 July 2024	3,517	3,215	150	182	7,064
Additions	1,683	64	–	–	1,747
Disposals	(1,482)	–	–	–	(1,482)
At 30 June 2025	**3,718**	**3,279**	**150**	**182**	**7,329**
Accumulated amortisation					
At 1 July 2024	1,583	2,792	150	–	4,525
Charge for the year	900	181	–	–	1,081
Disposals	(1,482)	–	–	–	(1,482)
At 30 June 2025	**1,001**	**2,973**	**150**	**–**	**4,124**
Net book amount					
At 30 June 2025	**2,717**	**306**	**–**	**182**	**3,205**

Disposals relate to development assets where no further economic benefits will be obtained.

Company 2024	Development costs £'000	Software £'000	Patents £'000	Fishing rights £'000	Total £'000
Cost					
At 1 July 2023	3,962	3,156	150	182	7,450
Additions	705	59	–	–	764
Disposals	(1,150)	–	–	–	(1,150)
At 30 June 2024	**3,517**	**3,215**	**150**	**182**	**7,064**
Accumulated amortisation					
At 1 July 2023	1,698	2,542	150	–	4,390
Charge for the year	1,035	250	–	–	1,285
Disposals	(1,150)	–	–	–	(1,150)
At 30 June 2024	**1,583**	**2,792**	**150**	**–**	**4,525**
Net book amount					
At 30 June 2024	**1,934**	**423**	**–**	**182**	**2,539**

For development costs, the Group capitalises employee costs and directly attributable material costs necessary to design, construct and test new and improved product ranges and technology. These costs are only capitalised where they meet all the criteria set out in IAS 38.

Where development costs relate to products or technologies that are not expected to generate future economic benefits, do not meet the requirements of IAS 38 or relate to research, they are charged to the income statement.

10 Investments in subsidiaries

The cost of investments in subsidiaries is as follows:

	Company	
	2025 £'000	2024 £'000
Investments in subsidiaries – cost	20,486	20,486

Investments in subsidiaries are carried at cost less any provision for impairment. In accordance with IAS 36, the Company assesses at each reporting date whether there are any indicators of impairment. At 30 June 2025, management determined that there were no indicators of impairment. As at 30 June 2025, no impairment provisions are held (2024: £nil).

Details of the Company's subsidiaries are included in note 33.

11 Investment properties

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cost				
At 1 July	4,986	2,284	13,578	11,767
Additions	5	2,179	5	2,179
Disposal	–	(368)	–	(368)
Transfer from property, plant and equipment	–	891	–	–
At 30 June	4,991	4,986	13,583	13,578
Accumulated depreciation				
At 1 July	583	298	2,284	2,031
Charge for the year	46	45	250	253
Transfer from property plant and equipment	–	240	–	–
At 30 June	629	583	2,534	2,284
Net book amount				
At 30 June	4,362	4,403	11,049	11,294

The following amounts have been recognised in the income statement:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Rental income	205	151	562	491
Direct operating expenses arising from investment properties that generate rental income	(164)	(101)	(368)	(308)

The investment properties and land owned by the Group consist of properties held for investment purposes, a property with land and fishing rights by the River Wye, and lands designated for woodland in Monmouthshire and Herefordshire. The associated fishing rights for the property by the River Wye are included in intangible assets.

11 Investment properties continued

Investment properties of £3,034,000 (2024: £3,029,000) are freehold land and therefore not depreciated; the property element includes accumulated depreciation of £629,000 (2024: £583,000) which relates to the properties occupied by Mackwell Electronics Limited and Ratio EV Limited. The former property was independently valued above the carrying value whilst the latter property was transferred from Group property, plant and equipment in the previous year and not independently revalued.

An external fair value exercise of the land by the River Wye and the land in Monmouthshire was last undertaken in June 2025 resulting in a valuation of £2.5m, which is greater than the carrying value of those specific investment properties. The Brook woodlands property was purchased in the previous financial year and the purchase price of £1.7m is considered to be the fair market value.

The Company's investment properties consist of land and buildings used by subsidiaries in their normal course of business. The Company receives rental income from the subsidiaries for the use of these premises and incurs amortisation costs.

Each investment property generates rental income.

12 Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following debt investments. The Group applied the expected credit risk model to calculate the impairment provision.

Ratio Holding B.V. and Ratio EV Limited

Pursuant to the investment in Ratio Holding B.V., the Group has issued loan notes of €1,500,000 (£1,272,000) in prior years to help fund the development of this business. During the current year, an amount of €1,350,000 (£1,133,000) was transferred from Ratio EV Limited to Ratio Holding B.V. Subsequent to this in the current year the entire loan of €2,850,000 (£2,393,000) has been converted into equity investment in Ratio Holding B.V.

In addition, the Group has issued loan notes of £1,600,000 (2024: £2,165,000) to Ratio EV Limited, a wholly owned subsidiary of Ratio Holding B.V., to help fund the development of its business. With accrued interest, the balance at 30 June 2025 is £1,630,000 (2024: £2,245,000).

The debt investments have shown no significant increase in credit risk since the inception of the loans, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no impairment was recorded.

Luxintec S.L.

In the year ended 30 June 2021, loan notes of €869,000 (£746,000) were provided to Luxintec S.L., an investment in the Company is held under financial assets at fair value through other comprehensive income, with ordinary interest payable at 1.5% fixed rate payable quarterly. This loan is secured against the Company assets.

This debt investment is considered to have a risk of default despite the collateral that is held as security, and therefore the impairment provision was determined based on 12 months expected credit losses. As at 30 June 2025, the accumulated impairment was €869,000 (£744,000) (2024: €869,000 (£737,000)).

At the date of the financial statements, the loan notes balance was €nil (2024: €nil) equating to £nil (2024: £nil) at the end of year exchange rate.

Term deposits with insurance feature

The Group has two term deposits with a bank, placed in the prior year, with an insurance feature amounting to €220,000 (£188,000) (2024: €220,000 (£186,000)) at the end of year exchange rate. The term deposits are unsecured, interest-bearing at rates ranging from 3.0% to 3.7% (2024: 3.0% to 3.7%) and with maturity dates of between 2 to 5 years (2024: 2 to 5 years) as at 30 June 2025.

The debt investments have shown no significant increase in credit risk since the inception of the deposits, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no impairment was recorded.

We assess the credit risk of our loan note receivables, based on the creditworthiness of the counterparty, history of repayment and security in place, and where required provisions are made.

12 Financial assets at amortised cost continued

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 July	3,623	2,853	54,144	52,126
Issued	649	1,082	1,519	6,540
Capitalised in equity accounted joint ventures	(2,393)	–	–	–
Repaid	–	–	(6,781)	(3,238)
Impairment	(77)	(288)	(127)	(468)
Exchange rate movement	(14)	(24)	410	(816)
At 30 June	1,788	3,623	49,165	54,144

	Group		Company	
Analysis of total financial assets at amortised cost	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current	188	186	–	–
Current	1,600	3,437	49,165	54,144
	1,788	3,623	49,165	54,144

The £1,519,000 (2024: £6,524,000) loans issued by the Company are £8,000 (2024: £4,783,000) to FW Thorpe Espana S.L.U., £813,000 (2024: £611,000) issued to FW Thorpe Nederland B.V., £50,000 (2024: £180,000) to Thorlux Lighting L.L.C., £573,000 (2024: £915,000) issued to Ratio EV Limited and £75,000 (2024: £51,000) to an independent third party distributor in France.

The debt investments to FW Thorpe Espana S.L.U. of €36,805,000 (£31,519,000) (2024: €36,795,000 (£31,187,000)), FW Thorpe Nederland B.V. of €18,737,000 (£16,046,000) (2024: €24,530,000 (£20,791,000)) and Ratio EV Limited of £1,600,000 (2024: £2,165,000) have shown no significant increase in credit risk since the inception of the loans, and therefore the impairment provision is determined as 12 months expected credit losses. As at the date of these financial statements, no provision was recorded.

The debt investments to Thorlux Lighting L.L.C. of £2,136,000 (2024: £2,355,000) and an independent third party distributor of £128,000 (2024: £51,000) are considered to be underperforming and therefore the impairment provision is determined as lifetime expected credit losses. As at the date of these financial statements, the Company has made a provision of £2,264,000 (2024: £2,406,000) for these loan notes based on an expected credit loss of 100%.

As at 30 June 2025, the Group's and the Company's loan to independent third party distributor in France is unsecured, interest-free and repayable from one to three years (2024: repayable from one to three years). The Group's and the Company's loan to Ratio EV Limited is unsecured, interest-bearing at fixed-rate of 4% (2024: fixed-rate of 4%) per annum and is repayable on demand. The Company's loans to subsidiaries are unsecured, interest-bearing at rate of EURIBOR plus 0.79% (2024: EURIBOR plus 3.5%) per annum and repayable on demand (2024: repayable on demand).

13 Equity accounted joint ventures

The Group has a 50% interest in the share capital of Ratio Holding B.V., a company based in the Netherlands, for which the carrying value is €6,741,000 (£5,773,000) (2024: €5,511,000 (£4,671,000)). This value consists of investment totalling €9,581,000 (£8,205,000) (2024: €6,731,000 (£5,705,000)) and accumulated losses of €2,840,000 (£2,432,000) (2024: €1,251,000 (£1,061,000). The increase in investment in the current year has arisen from the Group capitalising the existing loans to Ratio Holding B.V. of €2,850,000 (£2,393,000) into equity. The Group has applied the equity accounting method to recognise this interest.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 July	4,671	5,592	–	–
Share of joint venture loss	(1,307)	(826)	–	–
Capitalisation of loans	2,393	–	–	–
Currency translation	16	(95)	–	–
At 30 June	5,773	4,671	–	–

13 Equity accounted joint ventures continued

In the year to 30 June 2025, the joint venture, Ratio Holdings B.V. generated a loss after tax of €3,113,000 (£2,614,000) (2024: €1,987,000 (£1,706,000)).

The Group has recognised its 50% share of loss of €1,556,500 (£1,307,000) (2024: €993,000 (£853,000)) in the Income Statement, plus changes in fair value of deferred consideration of €nil (£nil) (2024: €31,000 (£27,000)).

No further analysis of the joint ventures has been provided as the activities are not considered material to the Group.

14 Financial assets at fair value through other comprehensive income

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Beginning of year	3,757	3,364	3,737	3,334
Net disposals	(456)	(9)	(456)	–
Revaluation	208	403	208	403
Currency translation	1	(1)	–	–
At 30 June	3,510	3,757	3,489	3,737

Financial assets at fair value through other comprehensive income comprise:

i. Listed equity in the UK, and are denominated in UK pounds. None of these assets is either past due or impaired. At the date of the financial statements, the aggregate fair value for these investments is £3,489,000 (2024: £3,737,000);

ii. Unlisted equity in Spain held by Electrozemper S.A., denominated in euros. None of these assets is either past due or impaired. At the date of the financial statements, the aggregate fair value for these investments is £21,000 (2024: £20,000); and

iii. The Group invested €1,200,000 for 40% of the share capital of Luxintec S.L., a company based in Spain, in 2016. This is classified as financial assets at fair value through other comprehensive income as the Group is not able to assert influence over the management of this investment. At the date of the financial statements, the balance for this investment is £nil (2024: £nil).

15 Inventories

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Raw materials	18,701	17,660	7,205	6,357
Work in progress	4,137	4,456	2,799	3,176
Finished goods	6,872	6,881	3,741	3,537
	29,710	28,997	13,745	13,070

The value of the inventory provision is £5,952,000 (2024: £6,467,000) for the Group and £3,635,000 (2024: £3,737,000) for the Company.

During the year, write-downs of inventories to net realisable value amounted to £302,000 (2024: £1,515,000) for the Group and £70,000 (2024: £952,000) for the Company. These were recognised as an expense and included in cost of goods sold in the income statement.

During the year, previous inventories write-downs of £416,000 (2024: £101,000) for the Group were reversed, subsequent to the Group re-purposing the raw materials for use in new products. The amount reversed has been included in cost of goods sold in the income statement.

The cost of inventories sold recognised as an expense is disclosed in note 3.

16 Trade and other receivables

	Group		Company	
Current	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	29,159	31,441	13,243	16,066
Other receivables	4,303	2,334	2,850	1,326
Prepayments and accrued income	2,706	1,989	1,604	912
Amounts owed by subsidiaries	–	–	7,592	6,159
Total	36,168	35,764	25,289	24,463

Amounts owed by subsidiaries, except an overdraft balance, are unsecured, interest free and have no fixed date for repayment. Amounts owed by a subsidiary's overdraft balance generate interest in line with the Group's deposit facilities.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables past due date not provided	1,986	1,333	212	498

A significant proportion of the amounts past due date were settled shortly after the end of the financial year, and taken together with the credit insurance policy and good credit history, the directors consider that there is no impairment and the trade receivables are therefore stated at their fair value, which equals their book value.

At 30 June 2024, the carrying amounts of the trade receivables for the Group company Zemper France S.A.R.L. included receivables that were subject to a factoring arrangement. Under this arrangement, the company transferred the relevant receivables to the factor in exchange for cash and was prevented from selling or pledging the receivables. However, Zemper France S.A.R.L. retained the late payment and credit risk. The Group therefore continued to recognise the transferred assets in their entirety in its balance sheet. Zemper France S.A.R.L. only received money from the factor when needed and the amount repayable under the factoring agreement was presented as secured borrowing. The Group considered that the "held to collect"' business model remains appropriate for these receivables, and hence it continued measuring them at amortised cost. During the current year, the factoring arrangement was terminated. As at 30 June 2025, the relevant carrying amounts for transferred receivables were £nil (2024: £960,000) and the amount received from the factor as secured borrowing was £nil (2024: £678,000).

In the current and prior year, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. A significant proportion of the trade receivables are insured.

The policy covers 90% of the debt in the event of a claim for default, where the customer is in severe financial difficulty.
No bad debt provision is made in respect of trade receivables from Government departments or agencies. At 30 June 2025 the bad debt provision for the Group amounted to £682,000 (2024: £685,000) and for the Company £503,000 (2024: £436,000).

No provision is held against trade receivables that are not yet due, due to the good credit history and expected financial performance of customers, and the overall exposure is considered low due to levels of credit insurance in place. Credit limits are reviewed at least every six months to assess and amend, where appropriate, the credit limit offered to customers.

Included in the Company's amounts owed by subsidiaries are provisions for expected credit losses for Thorlux Lighting L.L.C. of £616,000 (2024: £650,0000) and Thorlux Australasia PTY Limited of £1,911,000 (2024: £1,909,000), based on an expected credit loss of 100% and 100% respectively.

16 Trade and other receivables continued

During the year the following amounts were written off (excluding amounts owed by subsidiaries):

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Bad debts written off	80	200	–	160
Bad debts recovered	(1)	(141)	–	(131)
Net bad debt expense	79	59	–	29

At 30 June 2025, trade receivables were due to the Group and Company in the following currency denominations:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Due in £ sterling	16,047	18,457	12,892	15,644
Due in € euro	12,862	12,849	351	422
Due in UAE dirham	–	5	–	–
Due in AUD Australian dollars	250	130	–	–
	29,159	31,441	13,243	16,066

The other assets within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

17 Short-term financial assets

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 July	18,965	4	16,418	–
Net (withdrawals)/deposits	(203)	18,994	(1,038)	16,418
Currency translation	43	(33)	–	–
At 30 June	18,805	18,965	15,380	16,418

The short-term financial assets consist of term cash deposits with an original term in excess of three months.

The banks where the deposits are held have a minimum rating of "A" by Fitch, with a specific rating of "F1" for short-term funds.

18 Cash and cash equivalents

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash at bank and in hand	42,983	33,943	34,202	21,806

The banks where the funds are held have a minimum rating of "A" by Fitch, with a specific rating of "F1" for short-term funds.

19 Trade and other payables

	Group		Company	
Current liabilities	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade payables	14,020	13,345	8,030	7,246
Contract liabilities	1,760	461	1,730	123
Other payables	6,648	4,115	210	337
Social security and other taxes	4,012	4,489	1,420	2,344
Deferred income	896	2,359	761	2,131
Accruals	11,911	10,614	8,046	7,888
Amounts owed to subsidiaries	–	–	5,571	3,644
Total	39,247	35,383	25,768	23,713

	Group		Company	
Non-current liabilities	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Other payables	4,018	10,418	–	–
Total	4,018	10,418	–	–

Amounts owed to subsidiaries, except for subsidiaries' cash balances managed by the Company, are unsecured, interest free and have no fixed date of repayment. Amounts owed in relation to subsidiaries' cash balances generate interest in line with the Group's deposit facilities.

Included within other payables of the Group are commitments to purchase the remaining outstanding shares in Electrozemper S.A. of €6,286,000 (£5,383,000) (2024: €6,000,000 (£5,087,000)) and Lumen Intelligence Holding GmbH of €4,638,000 (£3,972,000) (2024: €6,327,000 (£5,362,000)). Of these amounts €6,286,000 (£5,383,000) (2024: €99,000 (£83,000)) is included in current liabilities and €4,638,000 (£3,972,000) (2024: €11,264,000 (£10,366,000)) in non-current liabilities.

At 30 June 2024, other payables within current liabilities also included €969,000 (£820,000) deferred consideration for the investment in Ratio Holding B.V. which was settled in the current year.

Non-current liabilities also includes £46,000 (2024: £52,000) post employment benefits at Thorlux Australasia Pty Limited (2024: Thorlux Australasia Pty Limited and Thorlux Lighting L.L.C).

Contract liabilities and deferred income mainly relate to advance payments for maintenance services. Revenue is recognised on a straight-line basis over the term of the service, as management considers that the passage of time faithfully depicts the transfer of services to the customer. The majority of contract liabilities and deferred income are recognised as revenue within 12 months.

Revenue of £2,484,000 (2024: £764,000) for the Group and £2,143,000 (2024: £764,000) for the Company were recognised during the year that was included in contract liabilities and deferred income balances at the beginning of the year.

At 30 June 2025, the Group and the Company have contract liabilities and deferred revenue of £1,760,000 (2024: £2,594,000) and £1,730,000 (2024: £2,254,000), respectively, which primarily relate to advance service payments received from customers.

As at 30 June 2025, management expects that approximately 96% (2024: 96%) of the Group's and 96% (2024: 95%) of the Company's contract liabilities and deferred income outstanding at the reporting date will be recognised as revenue within the next 12 months, with the remainder recognised thereafter.

20 Financial liabilities

Financial liabilities	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
At 1 July	2,462	2,896	–	–
Additions in year	–	433	–	–
Repayment in year	(1,219)	(826)	–	–
Currency translation	1	(41)	–	–
At 30 June	1,244	2,462	–	–

Analysis of financial liabilities	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Current financial liabilities (values due < 12 months)	415	1,252	–	–
Non-current financial liabilities (values due > 12 months)	829	1,210	–	–
Total	1,244	2,462	–	–

Included in non-current financial liabilities were amounts of £656,000 (2024: £995,000) due more than one year but less than five years and £173,000 (2024: £215,000) due more than five years.

Financial liabilities by category	Group 2025 £'000	Group 2024 £'000	Company 2025 £'000	Company 2024 £'000
Bank loans	347	601	–	–
Factoring liabilities	–	709	–	–
Other loans	21	100	–	–
Government loans	876	1,052	–	–
Total	1,244	2,462	–	–

During the year ended 30 June 2023, pursuant to the acquisition of Lumen Intelligence Holding GmbH, the Group acquired financial liabilities totalling €2,563,000 (£2,256,000), included loans from the original shareholders of Lumen Intelligence Holding GmbH, totalling €1,652,000 (£1,454,000). As at date of these financial statements, an amount of €nil (£nil) (2024: €118,000 (£100,000)) remained outstanding.

As at the date of these financial statements, the bank loans included €179,000 (£153,000) (2024: €382,000 (£324,000)) issued to support Zemper France S.A.R.L. through the COVID-19 pandemic, and are guaranteed by the Government in France. There is also a bank loan for the property occupied by Zemper France S.A.R.L., the outstanding amount was €226,000 (£194,000) (2024: €299,000 (£253,000)). The Government loans were issued to facilitate investment, including research and development projects.

21 Lease liabilities

	Group		Company	
Lease liabilities	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 July	4,163	4,634	19	26
Lease additions	599	431	47	–
Lease re-measurements	5	13	–	–
Interest expense	220	237	2	1
Lease payments	(1,110)	(1,092)	(16)	(8)
Currency translation	31	(60)	–	–
Total	3,908	4,163	52	19

	Group		Company	
Analysis of lease liabilities	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current liabilities	910	778	19	7
Non-current liabilities	2,998	3,385	33	12
Total	3,908	4,163	52	19

The Group and the Company entered into operating leasing agreements for the leasing of manufacturing premises, offices, plant and equipment and motor vehicles that give rise to lease liabilities. There are no contractual options to either extend or terminate early lease agreements.

Maturity analysis

The maturity analysis of undiscounted lease payments including interest due over the remaining lease term for these liabilities is as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Within one year	1,097	898	22	8
More than one but less than five years	2,683	2,690	35	12
More than five years	722	1,061	–	–
Total undiscounted lease payments	4,502	4,649	57	20
Less: Finance charges	(594)	(486)	(5)	(1)
Total Lease liabilities	3,908	4,163	52	19

The total cash paid on these leases during the year was £1,110,000 (2024: £1,092,000) for the Group and £16,000 (2024: £8,000) for the Company.

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Expense relating to short-term leases	534	466	143	165
Expense relating to low-value leases	15	8	–	–

During the year, interest on lease liabilities of £220,000 (2024: £237,000) (note 5) was charged to the consolidated income statement.

21 Lease liabilities continued

A movements of carrying amount of right-of-use assets are as follows:

	Group				Company		
	Property £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000	Motor vehicles £'000	Plant and equipment £'000	Total £'000
At 1 July 2023	3,077	22	725	3,824	27	–	27
Additions	152	41	238	431	–	–	–
Depreciation charge for the year	(432)	(10)	(321)	(763)	(8)	–	(8)
Currency translation	(40)	(1)	(9)	(50)	–	–	–
At 30 June 2024	2,757	52	633	3,442	19	–	19
Additions	152	38	409	599	29	18	47
Depreciation charge for the year	(537)	(18)	(318)	(873)	(13)	(1)	(14)
Currency translation	21	–	8	29	–	–	–
At 30 June 2025	2,393	72	732	3,197	35	17	52

Additions comprise increases to right-of-use assets as a result of entering into new leases.

22 Pension scheme

The Group operates a funded hybrid pension scheme for employees in the UK. The scheme is approved by HM Revenue and Customs under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. Membership is contracted in to the second state pension. The basis of the Group's hybrid pension scheme is to provide benefits to members based on the following:

- For service prior to 1 October 1995, the benefits provided are defined benefit in nature.
- For service from 1 October 1995, the benefits provided have two elements depending on the date that the member joined the pension scheme.
- For members joining before 1 October 1995, benefits provided are the higher of their defined contribution pension and their defined benefit pension.
- For members joining on or after 1 October 1995, benefits provided are defined contribution in nature.

The Group is exposed to a number of risk in providing these benefits. The most significant of which are arising from changes in salary inflation, pension increases, interest rates and life expectancy. The sensitivity analysis on page 138 provides some information on the effect of changes in these assumptions.

Responsibility for governance of the scheme, including investment decisions and contributions schedules lies jointly with the Group and the board of trustees. The board of trustees is composed of representatives of the Group and scheme participants in accordance with the scheme's regulations.

The contributions of the pure defined contribution, the defined benefit underpin and pure defined benefit elements are paid into one pension scheme, where the contributions and assets are segregated and ring-fenced from each other.

In June 2024 the Company entered into a new pension scheme arrangement for the members of the pure defined contribution section of the scheme under a Master Trust arrangement. Contributions for these members were paid into this new scheme from June 2024 and in September 2024, the assets of these members, a value of £10,367,000, were transferred to this scheme. Subsequently the disclosures below, for the year ended 30 June 2025, no longer include any assets and liabilities relating to this section.

For the defined benefit underpin element of the scheme, each member is tested to see whether the pension on a defined contribution or defined benefit basis is higher. The liabilities shown in the pensions note are based on the greater of the two liabilities for each member, which in almost all cases is the defined benefit liability. For the service cost, again, tests are performed to see which is the higher for each member out of the Company's share of the defined contribution payments or the Company's share of accruing benefits on a defined benefit basis. The higher of these two figures for each member is then used to give the total service cost; again the defined benefit cost is the higher for the vast majority of members.

The assets of the scheme are held separately from the assets of the Group, being invested in Managed Funds. Contributions by the Group to the scheme during the year ended 30 June 2025 amounted to £242,000 (2024: £542,000). Contributions are determined by an independent qualified actuary on the basis of triennial valuations using the Project Unit Method.

22 Pension scheme continued

The date of the most recent actuarial valuation was 30 June 2024, and at that date the value of the fund was £22,084,000. This was sufficient to cover 112% of the value of the benefits accrued to members after allowing for future increases in earnings. In arriving at the actuarial valuation, the following assumptions were adopted:

Price inflation	3.50%
Salary increases	5.15%
Discount rate	4.30%
Revaluation for deferred pensioners	2.50% to 2030, 3.40% thereafter

The figures at 30 June 2024 have been updated as at the Statement of Financial Position dates in order to assess the additional disclosures required under IAS 19 as at 30 June 2025 by an independent qualified actuary using the following major assumptions:

	2025	2024	2023	2022	2021
Price inflation	3.00%	3.40%	3.40%	3.50%	3.50%
Salary increases	3.00%	3.40%	3.40%	3.50%	3.50%
Discount rate	5.50%	5.10%	5.20%	3.80%	1.80%
Revaluation for deferred pensioners	2.60%	2.90%	2.80%	2.80%	2.80%
Pension increases in payment of 5% p.a. or RPI if less	2.90%	3.20%	3.20%	3.30%	3.30%
Pension increases in payment of 2.5% p.a. or RPI if less	2.00%	2.20%	2.20%	2.20%	2.20%
Life expectancy at age 65 – men	21.5 years	21.5 years	22.9 years	23.4 years	22.1 years
Life expectancy at age 65 in 20 years – men	22.8 years	22.7 years	24.1 years	24.6 years	23.4 years
Life expectancy at age 65 – women	23.8 years	23.7 years	24.4 years	24.8 years	24.3 years
Life expectancy at age 65 in 20 years – women	24.9 years	24.9 years	25.5 years	25.9 years	25.4 years

The Statement of Financial Position figures required under IAS 19 are as follows:

	30 June 2025		30 June 2024		30 June 2023		30 June 2022		30 June 2021	
	Expected long-term rate of return %	Value £'000	Expected long-term rate of return %	Value £'000	Expected long-term rate of return %	Value £'000	Expected long-term rate of return %	Value £'000	Expected long-term rate of return %	Value £'000
Equities	5.50%	908	5.10%	11,257	5.20%	11,270	3.80%	12,150	1.80%	13,269
Bonds	5.50%	19,559	5.10%	19,313	5.20%	18,389	3.80%	21,643	1.80%	26,458
Other	5.50%	351	5.10%	1,891	5.20%	1,542	3.80%	2,659	1.80%	2,832
Total market value of assets		20,818		32,461		31,201		36,452		42,559
Present value of scheme liabilities		(16,753)		(28,073)		(28,026)		(33,100)		(40,350)
Surplus in the scheme		4,065		4,388		3,175		3,352		2,209

All assets are held in pooled investment vehicles with the exception of the cash balance of £99,000 (2024: £251,000) in the trustees bank account. The pooled investment vehicles are unquoted with the underlying assets being quoted.

22 Pension scheme continued

Amounts recognised in the statement of financial position

The amounts recognised in the Statement of Financial Position are determined as follows:

	2025 £'000	2024 £'000
Present value of funded obligations	(16,753)	(28,073)
Fair value of plan assets	20,818	32,461
Surplus in the scheme	4,065	4,388
Less restriction of surplus recognised in the statement of financial position	(4,065)	(4,388)
Asset recognised in the statement of financial position	–	–

The Company has no unconditional right to a refund or reduction in contributions as the trustees have the discretion to use any surplus to augment the benefits of the defined benefit members and currently have no power to return a surplus to the Company. Subsequently the surplus in the scheme is treated as the asset ceiling and not recognised in the Statement of Financial Position, calculated in accordance with the accounting policy estimates and judgements section in note 1.

Movement in defined benefit obligation

The movement in the defined benefit obligation over the year is as follows:

	2025 £'000	2024 £'000
At 1 July	(28,073)	(28,026)
Current service cost	(64)	(266)
Interest cost	(960)	(1,419)
Contributions by plan participants	(17)	(206)
Actuarial gain/(loss)	571	(120)
Benefits paid	1,423	1,964
Transfer out of defined contribution assets	10,367	–
At 30 June	(16,753)	(28,073)

The weighted average duration of the defined benefit obligation is approximately 11 years (2024: 13 years).

22 Pension scheme continued

Movement in the fair value of the plan assets

The movement in the fair value of the plan assets of the year is as follows:

	2025 £'000	2024 £'000
At 1 July	32,461	31,201
Expected return in plan assets	1,188	1,591
Actuarial (loss)/gain	(1,300)	885
Employer contributions	242	542
Employee contributions	17	206
Benefits paid	(1,423)	(1,964)
Transfer out of defined contribution assets	(10,367)	–
At 30 June	20,818	32,461

Asset ceiling reconciliation

The pension scheme has a surplus that is not recognised, on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund. The table below shows the movement in the asset ceiling as a consequence of this.

	2025 £'000	2024 £'000
Opening balance	(4,388)	(3,175)
Changes in asset ceiling - re-measurement	323	(1,213)
Closing balance	(4,065)	(4,388)

Amounts recognised in income statement

The amounts recognised in the Income Statement are as follows:

	2025 £'000	2024 £'000
Current service cost	64	266
Total expense	64	266

Actuarial loss recognised in statement of comprehensive income for the year

	2025 £'000	2024 £'000
Experience losses arising on the scheme liabilities	(368)	(509)
Changes in assumptions underlying the present value of the scheme liabilities	939	389
Actuarial gain/(loss) recognised in the defined benefit obligation	571	(120)
Actual return less expected return on pension scheme assets	(1,300)	885
Net interest income	228	172
Actuarial (loss)/gain recognised in the Statement of Comprehensive Income for the year	(501)	937
Movement on unrecognised pension scheme surplus	323	(1,213)
Total actuarial loss recognised in the Statement of Comprehensive Income	(178)	(276)

There is no deferred tax on the movement on the actuarial loss recognised in the Statement of Comprehensive Income.

22 Pension scheme continued

	2025 £'000	2024 £'000
Cumulative actuarial loss recognised in the Statement of Comprehensive Income at 1 July	(2,961)	(3,898)
Actuarial (loss)/gain recognised in the Statement of Comprehensive Income for the year	(501)	937
Cumulative actuarial loss recognised in the Statement of Comprehensive Income at 30 June	(3,462)	(2,961)

The restriction in the scheme surplus is excluded from the cumulative actuarial gain recognised in the Statement of Comprehensive Income. As a result of the most recent valuation, and in light of the non-recognition of the pension scheme surplus, the recovery plan liability is £nil (2024: £189,000).

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Statement of Financial Position date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The actual return on plan assets over the year ended 30 June 2025 was a loss of £112,000 (2024: gain of £2,476,000) or 0.3% (2024: 7.9%). The Group expects to pay £85,000 contributions (2024: £324,000) into the pension scheme during the forthcoming year.

History of experience gains and losses recognised in the statement of comprehensive income

	2025		2024		2023		2022		2021	
	£'000	%	£'000	%	£'000	%	£'000	%	£'000	%
Difference between the expected and actual return on scheme assets	(1,300)		885		(3,890)		(5,392)		789	
Percentage of scheme assets		(6%)		3%		(11%)		(13%)		2%
Experience (loss)/gain on scheme liabilities	(368)		(509)		293		348		(951)	
Percentage of the present value of scheme liabilities		2%		2%		0%		0%		2%
Changes in assumptions underlying the present value of the scheme liabilities	939		389		3,474		5,955		1,915	
Percentage of the present value of scheme liabilities		(6%)		(1%)		(10%)		(15%)		(5%)
Movement in recovery plan liability	–		–		–		–		–	
Percentage of the present value of scheme liabilities		0%		0%		0%		0%		0%
Net interest income	228		172		132		42		5	
Percentage of the present value of scheme liabilities		1%		1%		0%		0%		0%
Amount which has been recognised in the SOCI	(501)		937		(123)		953		1,758	
Percentage of the present value of scheme liabilities		(3%)		3%		(0%)		2%		4%

Experience losses and gains values are driven by changes in financial assumptions.

22 Pension scheme continued

Sensitivity analysis

The impact on the defined benefit obligation of changes in the significant assumptions is shown approximately below:

Assumption varied	Defined benefit obligation 2025 £m	Defined benefit obligation 2024 £m
As at 30 June	16.8	28.1
Discount rate 0.5% p.a. higher	15.9	27.0
Inflation rate 0.5% p.a. higher	17.2	28.7
Increase in salaries 0.5% p.a. higher	16.8	28.1
Pension increase (in payment and in deferment) 0.5% p.a. higher	17.2	28.7
Life expectancy one year longer	17.3	28.6

The figures assume that each assumptions listed on page 134 is changed independently of the others. Therefore, the disclosures are only a guide because the effect of changing more than one assumption is not cumulative. There has been no change in the methodology in the year.

23 Provisions for liabilities and charges

	Group		Company	
	Warranty provision £'000	Total £'000	Warranty provision £'000	Total £'000
At 1 July 2023	3,299	3,299	1,133	1,133
Additions	494	494	306	306
Utilisation	(79)	(79)	–	–
Surplus released	(371)	(371)	–	–
Currency translation	(18)	(18)	–	–
At 30 June 2024	3,325	3,325	1,439	1,439
Additions	746	746	307	307
Utilisation	(586)	(586)	(303)	(303)
Surplus released	(186)	(186)	–	–
Currency translation	11	11	–	–
At 30 June 2025	3,310	3,310	1,443	1,443

	Group		Company	
Analysis of total provisions	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current	3,310	3,325	1,443	1,439
Total	3,310	3,325	1,443	1,439

Warranty provision

The usual warranty period provided by Group companies is between 5 and 10 years, dependent on market requirements, and the provision for warranty is based on expected claims over the remaining warranty period.

24 Deferred income tax

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net movement on the deferred income tax and the offset amounts are as follows:

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 July	(5,088)	(5,879)	(1,452)	(1,259)
Income statement (charged)/credited	(83)	845	(592)	(92)
Tax credited/(charged) directly to equity	50	(101)	50	(101)
Currency translation	(19)	47	–	–
At 30 June	(5,140)	(5,088)	(1,994)	(1,452)
Of which:				
Deferred tax assets	437	347	–	–
Deferred tax liabilities	(5,577)	(5,435)	(1,994)	(1,452)
Net deferred tax liabilities	(5,140)	(5,088)	(1,994)	(1,452)

The movement in Group deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Other timing differences £'000	Total £'000
At 1 July 2023	382	382
Charged to the income statement	(30)	(30)
Currency translation	(5)	(5)
At 30 June 2024	347	347
Credited to the income statement	84	84
Currency translation	6	6
At 30 June 2025	437	437

Deferred tax liabilities	Accelerated tax depreciation £'000	Research and development £'000	Fair value adjustment on acquisitions of subsidiaries £'000	Other temporary differences £'000	Total £'000
At 1 July 2023	902	782	4,473	104	6,261
Charged/(credited) to the income statement	142	(68)	(940)	(9)	(875)
Charged directly to equity	–	–	–	101	101
Currency translation	(2)	–	(51)	1	(52)
At 30 June 2024	1,042	714	3,482	197	5,435
Charged/(credited) to the income statement	518	233	(504)	(80)	167
Charged directly to equity	–	–	–	(50)	(50)
Currency translation	1	–	26	(2)	25
At 30 June 2025	1,561	947	3,004	65	5,577

24 Deferred income tax continued

The movement in the Company deferred income tax liabilities during the year is as follows:

Deferred tax liabilities	Accelerated tax depreciation £'000	Research and development £'000	Fair value and other temporary differences £'000	Total £'000
At 1 July 2023	582	543	134	1,259
Charged/(credited) to the income statement	149	(59)	2	92
Charged directly to equity	–	–	101	101
At 30 June 2024	731	484	237	1,452
Charged/(credited) to the income statement	409	196	(13)	592
Credited directly to equity	–	–	(50)	(50)
At 30 June 2025	1,140	680	174	1,994

The deferred income tax (debited)/credited to equity during the year is as follows:

	Group		Company	
Deferred tax (debited)/credited to equity	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Tax on revaluation of financial assets at fair value through other comprehensive income	(52)	(101)	(52)	(101)
Tax released on disposal of financial assets at fair value through other comprehensive income	102	–	102	–
	50	(101)	50	(101)

The deferred tax assets and liabilities of the Group and the Company are expected to be recovered or settled more than 12 months after the date of statement of financial position. There is no deferred tax on the movement on the actuarial loss recognised in the Statement of Comprehensive Income.

25 Issued share capital

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Authorised, allotted and fully paid				
118,935,590 ordinary shares of 1p each (2024: 118,935,590 ordinary shares of 1p each)	1,189	1,189	1,189	1,189

The ordinary shareholders each have one vote per share.

	Group and Company		Group and Company	
Movements in treasury shares included in issued share capital	2025 £'000	2024 £'000	2025 No. of shares	2024 No. of shares
At 1 July	16	17	1,644,004	1,704,004
Repurchase of shares	11	–	1,080,000	–
Shares issued from treasury	–	(1)	(50,322)	(60,000)
At 30 June	27	16	2,673,682	1,644,004

There were no new shares issued during the year (2024: nil). 50,322 (2024: 60,000) shares were issued from treasury for the exercise of share options, and the Company repurchased 1,080,000 (2024: nil) shares with an aggregate amount of £3,135,000 (2024: £nil). There are 2,657,441 (2024: 50,322) share options outstanding at the year end, of which no share options (2024: 30,322) were in the process of being exercised at 30 June 2025.

26 Other reserves

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Share premium account	3,113	3,088	3,113	3,088
Capital redemption reserve	137	137	137	137
Foreign currency translation reserve	2,412	1,525	–	–
	5,662	4,750	3,250	3,225

27 Dividends

Dividends paid during the year are outlined in the tables below:

Dividends paid (pence per share)	2025	2024
Final dividend	5.08	4.84
Special dividend	2.50	–
Interim dividend	1.76	1.70
Total	9.34	6.54

A final dividend in respect of the year ended 30 June 2025 of 5.36p (2024: 5.08p) per share, amounting to £6,232,000 (2024: £5,961,000) is to be proposed at the Annual General Meeting on 20 November 2025 and, if approved, will be paid on 28 November 2025 to shareholders on the register on 31 October 2025. The ex-dividend date is 30 October 2025. These financial statements do not reflect this dividend payable.

Dividends proposed (pence per share)	2025	2024
Final dividend	5.36	5.08
Special dividend	–	2.50
Total	5.36	7.58

Dividends paid	2025 £'000	2024 £'000
Final dividend	5,961	5,674
Special dividend	2,934	–
Interim dividend	2,063	1,994
Total	10,958	7,668

Dividends proposed	2025 £'000	2024 £'000
Final dividend	6,232	5,961
Special dividend	–	2,934
Total	6,232	8,895

28 Share-based payment charge

Equity settled scheme

The Group operates share-based remuneration schemes, created to motivate and retain those employees responsible for the continued success of the Group.

The Executive Share Ownership Plan established in 2014 (the "ESOP 2014 Scheme") allows for the vesting of options subject to the achievement of performance targets, being annual growth of pre-tax Earnings per Share in excess of RPI plus 3% over a five-year period. The outstanding share options were exercised during the current year.

The Executive Share Ownership Plan (the "ESOP 2024 Scheme") allows for the vesting of options subject to achievement of performance targets, being annual growth of pre-tax Earnings per Share in excess of CPI plus 2% each year, be ranked above the median of the comparator group for total shareholder return and made appropriate progress towards the Group's carbon reduction target, based on the position at 30 June 2023. The options vest in stages up to a maximum of five years.

In the current year, a new Save As You Earn Scheme (the "SAYE 2024 Scheme") was granted on 27 November 2024 after approval at a General Meeting held on 18 April 2024. This scheme matures in November 2029.

The Company will utilise shares that are already held in treasury to satisfy the exercise of share options.

Under IFRS 2, an expense is recognised in the income statement for share-based payments, calculated on the fair value at the grant date. The application of IFRS 2 gave rise to a charge of £720,000 (2024: £152,000) for the year.

(a) Details of changes in the number of awards outstanding during the year are set out below:

	ESOP 2014 Scheme		ESOP 2024 Scheme		SAYE 2024 Scheme		Total
	Options	Exercise price (p/s)	Options	Exercise price range (p/s)	Options	Exercise price (p/s)	Options
Outstanding at 1 July 2023	110,322	124	–	–	–	–	110,322
Granted during the year	–	–	1,925,000	337.5-375	–	–	1,925,000
Excercised during the year	(90,322)	124	–	–	–	–	(90,322)
Outstanding at 1 July 2024	20,000	124	1,925,000	337.5-375	–	–	1,945,000
Granted during the year	–	–	–	–	799,871	274	799,871
Forfeited during the year	–	–	(50,000)	337.5-375	(17,430)	274	(67,430)
Exercised during the year	(20,000)	124	–	–	–	–	(20,000)
Outstanding at 30 June 2025	–	–	1,875,000	337.5-375	782,441	274	2,657,441

The weighted average contractual life of the share-based payments outstanding at the end of the year is nil (2024: 0.3) years for the ESOP 2014 Scheme, 8.9 (2024: 9.9) years for the ESOP 2024 Scheme and 9.4 (2024: nil) years for the SAYE 2024 Scheme. The weighted average share price for shares exercised during the year was 330 pence.

At 30 June 2025, there were 238,560 options exercisable (2024: 20,000) under the ESOP 2024 scheme (2024: ESOP 2014 Scheme) and the weighted average exercise price is 337.5 pence (2024: 124 pence) per share.

28 Share-based payment charge continued

(b) Fair value calculations

The fair value of the share options granted during the year were calculated using the methods, principal assumptions and data set out below:

	ESOP 2014 Scheme	ESOP 2024 Scheme	SAYE 2024 Scheme
Method used	Black–Scholes	Black–Scholes	Black–Scholes
Date of grant	24 October 2014	30 May 2024	27 November 2024
Share price at date of grant (p/s)	124	375	310
Exercise price (p/s) – Approved options	124	375	274
Exercise price (p/s) – Unapproved options	124	337.5	–
Expected option life (years)	3 – 7	1 – 5	5
Vesting period (years)	3 – 7	1 – 5	5
Expected volatility	23% – 28%	29% – 30%	33%
Expected dividend yield	3.02%	1.75%	2.46%
Risk free rate	1.06% – 1.90%	4.11% – 4.68%	4.06%
Fair value per share (p/s)	18.61 – 21.07	67.40 – 119.93	100.27

Expected volatility was determined by calculating the annualised standard deviation over the daily changes in the share price, and measured against historical share price movements over the number of years vesting period prior to the grant of the options.

29 Notes to statements of cash flows

(a) Cash generated from operations

	Group		Company	
Cash generated from continuing operations	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Profit before income tax	31,622	29,873	23,746	21,181
Depreciation of property, plant and equipment	5,129	4,814	2,229	2,033
Depreciation of investment properties	46	45	250	253
Amortisation of intangible assets	4,380	5,846	1,081	1,285
Impairment of goodwill	–	249	–	–
Fair value adjustment on redemption liability	(1,177)	(1,402)	–	–
Profit on disposal of property, plant and equipment	(191)	(125)	(149)	(120)
Profit on disposal of an investment property	–	(134)	–	(134)
Loss on disposal of intangible assets	26	–	–	–
Net finance income	(925)	(68)	(4,899)	(5,565)
Retirement benefit contributions less current service charge	(178)	(276)	(178)	(276)
Share of joint venture loss	1,360	826	–	–
Share-based payment charge	720	152	720	152
Research and development expenditure credit	(280)	(356)	(213)	(237)
Effects of exchange rate movements	267	907	(206)	953
Changes in working capital:				
– (Increase)/decrease in inventories	(607)	4,258	(675)	2,355
– Decrease in trade and other receivables	625	135	687	2,166
– (Decrease)/increase in payables and provisions	(736)	3,016	2,059	917
Cash generated from operations	40,081	47,760	24,452	24,963

29 Notes to statements of cash flows continued

(b) Changes in liabilities from financing activities

A summary of reconciliation of liabilities from financing activities is as follows:

Group	Financial liabilities £'000	Lease liabilities £'000	Redemption liabilities £'000	Deferred consideration £'000	Total £'000
At 1 July 2023	2,896	4,634	15,311	2,857	25,698
Financing cash flows					
Proceeds from borrowings	439	–	–	–	439
Repayment of borrowings	(839)	–	–	–	(839)
Payment for redemption of shares in a subsidiary	–	–	(2,272)	(1,994)	(4,266)
Repayment of leases	–	(855)	–	–	(855)
Lease re-measurement	–	13	–	–	13
Total financing cash outflow	(400)	(842)	(2,272)	(1,994)	(5,508)
Investing cash flows					
Payment of exit earnout of a subsidiary	–	–	(606)	–	(606)
Total investing cash outflow	–	–	(606)	–	(606)
Non-cash changes					
Fair value adjustment	–	–	(1,402)	–	(1,402)
Share of result of a joint venture	–	–	–	(26)	(26)
Reclassification	–	–	(404)	–	(404)
Lease additions	–	431	–	–	431
Total non-cash changes	–	431	(1,806)	(26)	(1,401)
Currency translation	(34)	(60)	(178)	(17)	(289)
At 30 June 2024	2,462	4,163	10,449	820	17,894
Financing cash flows					
Repayment of borrowings	(1,219)	–	–	–	(1,219)
Repayment of leases	–	(890)	–	–	(890)
Lease re-measurement	–	5	–	–	5
Total financing cash outflow	(1,219)	(885)	–	–	(2,104)
Investing cash flows					
Payment of deferred consideration on a joint venture	–	–	–	(813)	(813)
Total investing cash outflow	–	–	–	(813)	(813)
Non-cash changes					
Fair value adjustments	–	–	(1,177)	–	(1,177)
Lease additions	–	599	–	–	599
Total non-cash changes	–	599	(1,177)	–	(578)
Currency translation	1	31	83	(7)	108
Total	1,244	3,908	9,355	–	14,507

	2025		2024	
Company	Lease liabilities £'000	Total £'000	Lease liabilities £'000	Total £'000
At 1 July	19	19	26	26
Financing cash flows				
Repayment of leases	(14)	(14)	(7)	(7)
Total Financing cash outflow	(14)	(14)	(7)	(7)
Non-cash changes				
Lease additions	47	47	–	–
Total non-cash changes	47	47	–	–
At 30 June	52	52	19	19

30 Capital commitments

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Property, plant and equipment	302	81	–	–

31 Financial instruments by category

All financial instruments measured at fair value are categorised as level 2 in the fair value measurement hierarchy whereby the fair value is determined by using valuation techniques, except for:

- £3,489,000 (2024: £3,736,000) of listed investments for the Group and the Company included in financial assets at fair value through other comprehensive income that are classified as level 1; and
- £9,355,000 (2024: £10,449,000) of redemption liabilities arising from business combinations are classified as level 3.

There have been no changes to valuation techniques or movements between levels of the hierarchy in the year.

The accounting policies for financial instruments have been applied to the line items below:

Group	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2025			
Financial assets at amortised cost	1,788	–	1,788
Financial assets at fair value through other comprehensive income	–	3,510	3,510
Trade and other receivables	33,462	–	33,462
Short-term financial assets	18,805	–	18,805
Cash and cash equivalents	42,983	–	42,983
Total	97,038	3,510	100,548

Group	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2024			
Financial assets at amortised cost	3,623	–	3,623
Financial assets at fair value through other comprehensive income	–	3,757	3,757
Trade and other receivables	33,775	–	33,775
Short-term financial assets	18,965	–	18,965
Cash and cash equivalents	33,943	–	33,943
Total	90,306	3,757	94,063

Company	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2025			
Financial assets at amortised cost	49,165	–	49,165
Financial assets at fair value through other comprehensive income	–	3,489	3,489
Trade and other receivables	23,685	–	23,685
Short-term financial assets	15,380	–	15,380
Cash and cash equivalents	34,202	–	34,202
Total	122,432	3,489	125,921

31 Financial instruments by category continued

Company	Financial assets at amortised cost £'000	Financial assets at fair value through other comprehensive income £'000	Total £'000
30 June 2024			
Financial assets at amortised cost	54,144	–	54,144
Financial assets at fair value through other comprehensive income	–	3,737	3,737
Trade and other receivables	23,551	–	23,551
Short-term financial assets	16,418	–	16,418
Cash and cash equivalents	21,806	–	21,806
Total	115,919	3,737	119,656

The above analysis excludes prepayments.

	Group		Company	
Liabilities as per statement of financial position	2025 £'000	2024 £'000	2025 £'000	2024 £'000
		(Restated)*		(Restated)*
Trade and other payables (excluding statutory liabilities)	27,196	27,171	21,857	19,115
Redemption liabilities	9,355	10,449	–	–
Deferred consideration	–	820	–	–
Long service payments payable	46	52	–	–
Financial liabilities	1,244	2,462	–	–
Lease liabilities	3,908	4,163	52	19

* Trade and other payables (excluding statutory liabilities) for the prior year have been restated to include accruals and to exclude contract liabilities as financial liabilities.

Except for redemption liabilities and deferred consideration, which are measure at fair value through profit or loss, financial liabilities are measured at amortised cost. The maturity analysis for lease liabilities is shown in note 21.

Contractual maturity analysis of financial liabilities

The undiscounted maturity analysis of financial liabilities, other than lease liabilities, including interest is as follows:

Group	<1 year £'000	1–5 years £'000	>5 years £'000	Total £'000
30 June 2025				
Trade and other payables (excluding statutory liabilities)	27,196	–	–	27,196
Redemption liabilities	5,383	3,972	–	9,355
Post employment benefits	–	–	46	46
Financial liabilities	415	656	173	1,244
Interest expense on financial liabilities	6	3	–	9
Total	33,000	4,631	219	37,850

Group	<1 year £'000	1–5 years £'000	>5 years £'000	Total £'000
30 June 2024				
Trade and other payables (excluding statutory liabilities)	27,171	–	–	27,171
Redemption liabilities	–	10,449	–	10,449
Deferred consideration	820	–	–	820
Post employment benefits	–	–	52	52
Financial liabilities	1,252	995	215	2,462
Interest expense on financial liabilities	10	9	–	19
Total	29,253	11,453	267	40,973

Contractual cash flows relating to the Company's financial liabilities other than lease liabilities are all due within one year as at 30 June 2025 and 2024.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025 continued

31 Financial instruments by category continued

The Group and Company did not have derivative financial instruments at 30 June 2025 or 30 June 2024. Financial assets at fair value through other comprehensive income, redemption liabilities and deferred consideration above are considered to be at fair value.

32 Related party transactions

The following amounts relate to transactions between the Company and its related undertakings:

2025	Purchases of goods £'000	Sales of goods £'000	Sales of services £'000	Purchase of services £'000	Dividends paid to Company £'000
Philip Payne Limited	601	266	54	–	400
Solite Europe Limited	2,087	788	79	–	750
Portland Lighting Limited	10	9	78	–	150
TRT Lighting Limited	1,798	731	146	–	–
Thorlux Lighting L.L.C.	–	58	–	–	–
FW Thorpe Nederland B.V.	–	–	–	–	–
Lightronics B.V.	87	352	41	–	–
Thorlux Australasia PTY Limited	–	563	–	–	–
Thorlux Lighting GmbH	–	–	–	–	–
Famostar Emergency Lighting B.V.	45	1,292	–	–	–
Thorlux Lighting Limited	–	5,116	–	–	–
FW Thorpe Espana S.L.U.	–	–	–	–	–
Electrozemper S.A.	491	–	–	350	–
Zemper France S.A.R.L.	–	–	–	3	–
R.G.B. S.L.	–	–	–	–	–
Lumen Intelligence Holding GmbH	–	–	–	–	–
SchahlLED Lighting GmbH	–	2,741	–	24	–

2024	Purchases of goods £'000	Sales of goods £'000	Sales of services £'000	Purchase of services £'000	Dividends paid to Company £'000
Philip Payne Limited	640	223	44	–	250
Solite Europe Limited	1,032	440	189	–	500
Portland Lighting Limited	13	9	78	–	150
TRT Lighting Limited	1,123	557	146	–	–
Thorlux Lighting L.L.C.	–	114	–	–	–
FW Thorpe Nederland B.V.	–	–	–	–	–
Lightronics B.V.	94	640	–	–	–
Thorlux Australasia PTY Limited	–	883	–	–	–
Thorlux Lighting GmbH	–	–	–	–	–
Famostar Emergency Lighting B.V.	7	662	–	–	–
Thorlux Lighting Limited	–	6,594	–	–	–
FW Thorpe Espana S.L.U.	–	–	–	–	–
Electrozemper S.A.	56	–	15	–	–
Zemper France S.A.R.L.	–	(10)	–	122	–
R.G.B. S.L.	–	–	–	–	–
Lumen Intelligence Holding GmbH	–	–	–	–	–
SchahlLED Lighting GmbH	38	4,214	–	–	–

32 Related party transactions continued

Trading balances due to and from the Company by related entities were as follows:

	Amounts due to related party at 30 June		Amounts due from related party at 30 June	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Philip Payne Limited	(1,432)	(989)	121	154
Solite Europe Limited	(1,229)	(1,239)	106	152
Portland Lighting Limited	(786)	(617)	34	32
TRT Lighting Limited	(438)	(382)	522	156
Thorlux Lighting L.L.C.	–	–	–	–
FW Thorpe Nederland B.V.	–	–	38	380
Lightronics B.V.	(6)	(10)	3	–
Thorlux Australasia PTY Limited	(98)	–	374	464
Thorlux Lighting GmbH	–	–	–	–
Famostar Emergency Lighting B.V.	(11)	(7)	161	2
Thorlux Lighting Limited	(374)	(367)	342	324
FW Thorpe Espana S.L.U.	–	–	5,077	3,872
Electrozemper S.A.	(1,189)	(24)	–	–
Zemper France S.A.R.L	–	(9)	–	–
R.G.B. S.L.	–	–	–	–
Lumen Intelligence Holding GmbH	–	–	–	–
SchahlLED Lighting GmbH	(8)	–	814	623
Total	(5,571)	(3,644)	7,592	6,159

Trading balances arising from purchases and sales of goods and services. The Company has made provisions for trade receivables of £1,911,000 (2024: £1,909,000) due from Thorlux Australasia PTY Limited and £616,000 (2024: £650,000) due from Thorlux Lighting L.L.C. The amounts due from subsidiaries are net of provisions.

The Company has loan balances due from FW Thorpe Espana of €36,805,000 (£31,519,000) (2024: €36,795,000 (£31,187,000)), FW Thorpe Nederland B.V. of €18,737,000 (£16,046,000) (2024: €24,530,000 (£20,791,000)) and Thorlux Lighting L.L.C. £2,136,000 (2024: £2,533,000). The Company has made provisions for loan receivable from Thorlux Lighting L.L.C. of £2,136,000 (2024: £2,533,000). Terms of the loans to the subsidiaries are detailed in note 12.

Cash resources are managed centrally by the Company and result in balances owed to and from the Company when cash is transferred.

The key management personnel are the Group Board directors; their interests are disclosed in the Directors' Remuneration Report on pages 84 to 87. There are two employees who are related parties (2024: two). Total remuneration for the year was £164,000 (2024: £176,000).

The Company owns 40% of the share capital of Luxintec S.L., a company registered in Spain. During the year, there were no sales to and no purchases from Luxintec S.L. (2024 £nil).

At the year end there were trade balances due to Luxintec S.L. of £31,000 (2024: £31,000) and due from Luxintec S.L. of £338,000 (2024: 338,000). The Company has made a provision of £338,000 (2024: £338,000) against the receivables due from Luxintec S.L.

In 2021 a loan of €869,000 was provided to Luxintec S.L. with interest payable at 1.5% secured against the company's assets. At the date of the financial statements, the loan notes balance including interest was €nil (2024: €nil) equating to £nil (2024: £nil) at the end of year exchange rate, including a provision of €869,000 (£744,000) (2024: €869,000 (£737,000)) (see note 12).

During the year, the non-controlling interests of Electrozemper S.A. provided services to the Group of €664,000 (£557,000) (2024: €657,000 (£553,000)) and received goods and services from the Group of €3,000 (£2,000) (2024: €3,000 (£2,000). The balance due from these non-controlling interests was €3,000 (£2,000) (2024: €nil (£nil)).

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2025 continued

33 Group companies

The parent Company has the following investments as at 30 June 2025 and 30 June 2024:

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by Group and Company	
			30 June 2025	30 June 2024
Philip Payne Limited[1]	England	Ordinary £1 shares	100%	100%
Solite Europe Limited[1]	England	Ordinary £1 shares	100%	100%
Portland Lighting Limited[1]	England	Ordinary £1 shares	100%	100%
TRT Lighting Limited[1]	England	Ordinary £1 shares	100%	100%
FW Thorpe Nederland B.V.[1]	Netherlands	Ordinary €0.01 shares	100%	100%
Lightronics B.V. (investment held by F.W. Thorpe Nederland B.V.)[1]	Netherlands	Ordinary €454 shares	100%	100%
Thorlux Lighting GmbH[1]	Germany	Ordinary €1 shares	100%	100%
Thorlux Australasia PTY Limited[1]	Australia	Ordinary $1 shares	100%	100%
Thorlux Lighting L.L.C.[1,4]	United Arab Emirates	Ordinary AED 1,000 shares	100%	100%
Famostar Emergency Lighting B.V. (investment held by FW Thorpe Nederland B.V.)[1]	Netherlands	Ordinary €100 shares	100%	100%
Luxintec S.L.[2]	Spain	Ordinary €1 shares	40%	40%
Thorlux Lighting Limited[1]	Ireland	Ordinary €1 shares	100%	100%
FW Thorpe Espana S.L.U.[1]	Spain	Ordinary €1 shares	100%	100%
Electrozemper S.A. (investment held by FW Thorpe Espana S.L.U.)[1]	Spain	Ordinary €1,250 shares	90%	90%
Zemper France S.A.R.L (investment held by Electrozemper S.A.)[1]	France	Ordinary €1,000 shares	90%	90%
R.G.B. S.L (investment held by Electrozemper S.A.)[1]	Spain	Ordinary €60 shares	90%	90%
Ratio Holding B.V. (Investment held by FW Thorpe Nederland B.V.)[3]	Netherlands	Ordinary €1 shares	50%	50%
Ratio Electric B.V. (investment held by Ratio Holding B.V.)[3]	Netherlands	Ordinary €1 shares	50%	50%
Ratio EV Limited (investment held by Ratio Holding B.V.)[3]	England	Ordinary £1 shares	50%	50%
Ratio Danmark ApS (investment held by Ratio Holding B.V.)[3]	Denmark	Ordinary DKK1 shares	37.5%	37.5%
Lumen Intelligence Holding GmbH (investment held by FW Thorpe Nederland B.V.)[1]	Germany	Ordinary €1 shares	80%	80%
SchahlLED Lighting GmbH (investment held by Lumen Intelligence Holding GmbH)[1]	Germany	Ordinary €1 shares	80%	80%

1 Subsidiary

2 Financial assets at fair value through other comprehensive income

3 Equity accounted joint ventures

4 Thorlux Lighting L.L.C. is a subsidiary with 49% issued shares held by the Company directly with remaining 51% held in trust by an independent third party on behalf of the Company

33 Group companies continued

The registered office addresses of these Group companies are:

Philip Payne Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Solite Europe Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Portland Lighting Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
TRT Lighting Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
FW Thorpe Nederland B.V.	Spuiweg 19, 5145 NE Waalwijk, Netherlands
Lightronics B.V.	Spuiweg 19, 5145 NE Waalwijk, Netherlands
Thorlux Lighting GmbH	Bahnhofstrasse 72, 27404 Zeven, Germany
Thorlux Australasia PTY Limited	31 Cross Street, Brookvale, NSW 2100, Australia
Thorlux Lighting L.L.C.	Shamsa Sari Ahmed, 13 Al Maiyani St Al Zahiyah, Al Zahia, East 14, Abu Dhabi, United Arab Emirates
Famostar Emergency Lighting B.V.	Florijnweg 8 6883JP Velp, Netherlands
Luxintec S.L.	Polígono Industrial La Encomienda, C/ Atlas 12-14, 47195 Arroyo de la Encomienda, Valladolid, Spain
Thorlux Lighting Limited	Unit G6 Riverview Business Park, Nangor Road, Gallanstown, Dublin 12, Ireland
FW Thorpe Espana S.L.U.	Calle Conde de Aranda, 1, 2º izq., 28002 Madrid, Spain
Electrozemper S.A.	C/ Juan de Mariana, 16 Local 2 Drcha, 28045 Madrid, Spain
Zemper France S.A.R.L.	189 Chemin des Frozières ZA des Berthilliers, 71850 Charnay-Les-Macon, France
R.G.B. S.L.	C/ Flauta Magica 19, 29006 Malaga, Spain
Ratio Holding B.V.	Ambachtsstraat 12, 3861 RH Nijkerk, Netherlands
Ratio Electric B.V.	Ambachtsstraat 12, 3861 RH Nijkerk, Netherlands
Ratio EV Limited	Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH, England
Ratio Danmark ApS	Drejervænget 8, Assens, 5610, Denmark
Lumen Intelligence Holding GmbH	Max-Planck-Straße 9, 85716 Unterschleißheim, Germany
SchahlLED Lighting GmbH	Max-Planck-Straße 9, 85716 Unterschleißheim, Germany

33 Group companies continued

The principal activities of these Group companies are:

Philip Payne Limited	– design and manufacture of illuminated signs
Solite Europe Limited	– design and manufacture of clean room lighting equipment
Portland Lighting Limited	– design and manufacture of lighting for signs
TRT Lighting Limited	– design and manufacture of lighting for roads and tunnels
FW Thorpe Nederland B.V.	– holding company
Lightronics B.V.	– design and manufacture of external and impact resistant lighting
Thorlux Lighting GmbH	– sales support function
Thorlux Australasia PTY Limited	– sale of lighting equipment to industrial and commercial markets
Thorlux Lighting L.L.C.	– operations ceased and in the process of liquidation
Famostar Emergency Lighting B.V.	– design and manufacture of illuminated signs
Luxintec S.L.	– design and manufacture of LED luminaires and lenses
Thorlux Lighting Limited	– sale of lighting equipment to industrial and commercial markets
FW Thorpe Espana S.L.U.	– holding company
Electrozemper S.A.	– design and manufacture of illuminated signs
Zemper France S.A.R.L.	– sale of lighting equipment to industrial and commercial markets
R.G.B. S.L.	– sale of lighting equipment to industrial and commercial markets
Ratio Holding B.V.	– holding company
Ratio Electric B.V.	– design, manufacture and sale of EV charging equipment
Ratio EV Limited	– design, manufacture and sale of EV charging equipment
Ratio Danmark ApS	– sale of EV charging equipment
Lumen Intelligence Holding GmbH	– holding company
SchahlLED Lighting GmbH	– sale of lighting equipment to industrial and commercial markets

For the year ended 30 June 2025, Philip Payne Limited, Solite Europe Limited and Portland Lighting Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. As a result, the Group guarantees all outstanding liabilities to which the subsidiary company is subject. The Company registration number for Philip Payne Limited it is 01361523, for Solite Europe Limited it is 02295852 and for Portland Lighting Limited it is 02826511.

34 Events after the statement of financial position date

There are no events after the statement of financial position date that have significant impact on the Group's and the Company's financial position.

Notice of meeting

Notice is hereby given that the Annual General Meeting of FW Thorpe Plc will be held at Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH on 20 November 2025 at 3.15 pm to transact the business set out below.

Ordinary business

1. To receive and adopt the Annual Report and Accounts for the year ended 30 June 2025.
2. To declare a final dividend.
3. To re-elect Mr M Allcock as a director.
4. To re-elect Mr C Muncaster as a director.
5. To re-elect Mr F Haafkens as a director.
6. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company and to authorise the directors to fix the auditors' remuneration.

Special business

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

7. That the Directors' Remuneration Report (as set out on pages 84 to 87 of the Annual Report and Accounts) for the year ended 30 June 2025 be approved.
8. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 1p each of the Company provided that:
   a. the maximum number of ordinary shares hereby authorised to be acquired is 11,893,559;
   b. the minimum price which may be paid for any such share is 1p;
   c. the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share in the Company as derived from the Alternative Investment Market for the five business days immediately preceding the day on which such share is contracted to be purchased;
   d. the authority hereby conferred shall expire on the date of the Annual General Meeting of the Company in 2026; and
   e. the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

Notes

1. Copies of the directors' service contracts will be available for inspection during usual business hours, at the registered office of the Company on any weekday (Saturdays and public holidays excepted) from the date of this notice until the date of the meeting and also at the meeting for at least 15 minutes prior to, and until the conclusion of, the meeting. If you wish to inspect these documents, please contact the Company at shareholders@fwthorpe.co.uk.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes that should be cast), members must be registered in the Register of Members of the Company at 6.30 pm on 18 November 2025 (or, in the event of any adjournment, 6.30 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or you may photocopy the proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A reply paid form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received not later than 3.15 pm on 18 November 2025 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

Notice of meeting continued

Notes continued

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (www.euroclear.com), and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland'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 RA19, by 3.15 pm on 18 November 2025 (or, in the case of an adjournment of the Annual General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. 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 (as amended).
10. If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 3.15 pm on 18 November 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity'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.
11. As at 3 October 2025 (being the last practicable day prior to the publication of this notice), the Company's issued share capital consists of ordinary shares of 1p each, carrying one vote each. Excluding 2,673,682 shares held in treasury, the total voting rights in the Company as at 3 October 2025 are 116,261,908.

Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.

By order of the Board

Craig Muncaster
Chief Executive, Group Financial Director and Company Secretary

Registered Office:
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

3 October 2025

Financial calendar

2025

14 October	Posting of the Annual Report and Accounts
20 November	Annual General Meeting
28 November	Payment of final dividend

2026

March	Announcement of interim results
April	Payment of interim dividend
September	Announcement of results for the year

Company information

Independent Auditors
PricewaterhouseCoopers LLP
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

Bankers
Lloyds
Church Green East
Redditch
Worcestershire
B98 8BZ

Solicitors
Keystone Law
48 Chancery Lane
London
WC2A 1JF

Pinsent Masons LLP
55 Colmore Row
Birmingham
B3 2FG

Nominated Advisor
Singer Capital Markets Advisory LLP
One Bartholomew Lane
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EC2N 2AX

Registrars
Equiniti
Highdown House
Yeoman Way
Worthing
BN99 3HH

Registered Office
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

Registered No
FW Thorpe Plc is registered in England and Wales No. 317886

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