COMPANY REGISTRATION NUMBER: 08010067

LIKEWISE GROUP PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Likewise
Group plc

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COMPANY INFORMATION

The board of directors	P P S Bassi A J Brewer R Povey A J W Simpson M A Steventon (appointed 17 September 2021)
Company secretary	R Povey
Registered number	08010067
Registered office	Unit 4 Radial Park Solihull Parkway Birmingham Business Park Solihull B37 7YN
Auditors	Crowe U.K.LLP Chartered Accountants & statutory auditor 55 Ludgate Hill London EC4M 7JW

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Chairman and Chief Executive Statement

Likewise is very pleased to announce it has delivered its first underlying profit in the year ended 31 December 2021 following the initial 3 years of investment to establish a meaningful floor covering distribution business in the UK.

Sales increase of 28% from £47.3 million to £60.5 million which combined with Gross Margin improving from 26.1% to 30.0%, due to improved product and customer mix, has generated an Underlying Profit Before Tax of £1.6 million (2020 - Loss £1.5 million).

During the last eighteen months Likewise has made significant progress including developing a Profitable Business, successfully floating on AIM during August 2021 and the important strategic acquisition of Valley Wholesale Carpets (2004) Limited (Valley) in January 2022. Likewise also acquired Delta Carpet (Holdings) Limited ("Delta") in April 2022.

In addition to the increasing profitability, Likewise's Balance Sheet continues to strengthen with a significant Freehold Property Portfolio of c. £20 million and Net Cash of £3.0 million (Gross Cash £8.4 million) as at 31 December 2021. Net Assets as at 31 December 2021 were £22.4 million, increasing to £38.7 million at 30 April 2022 post the acquisition of Valley and Delta.

With the support of Suppliers and Customers; the Management, Sales Representatives and Staff of Likewise have now established a Trade Brand in most geographical areas of the UK with plans to further expand into the South and South West of England plus South Wales.

Significant Point of Sale and Sampling have been introduced in 2021 with an accelerated number of product launches and additional market presence planned during Q2 and Q3 2022.

A Business to Business website has been introduced to allow Trade Customers to access stock and place orders at any time.

The acquisition of Valley also significantly propelled Likewise forward. Valley will remain an autonomous business and is trading in line with management expectations.

The economic impacts of COVID-19 and now the horrific war in Ukraine has increased cost prices, particularly due to energy, raw materials and incoming freight costs. During the period we have implemented a number of selling price increases, the most recent on 1 May 2022.

Sales and Marketing activities are supported by the Group's investment in the Distribution infrastructure and material handling capacity. This includes the new Distribution Centre in Glasgow, due to be operational in Q1 2023, the recent move to an enlarged facility in Newcastle and the Birmingham Distribution Hub becoming operational which will also release capacity in the Leeds Distribution Hub. The Newbury Logistics Centre is now operational to service the South of England.

Within Valley, work has commenced to extend the Freehold Distribution Centre in Derby which will provide more storage capability in addition to increased cutting capacity for Carpet and Residential Vinyl. Furthermore the currently unutilised Freehold Distribution Centre in Newport, South Wales will commence trading in Q3 2022.

Delta, acquired in April 2022, originally based in Leeds has now been relocated to the Likewise Distribution Hub in Leeds and is now fully operational through the Likewise Logistics Network including the Distribution Hub in Birmingham.

With the Distribution capacity established to date, combined with the enhancements to become operational during the remainder of 2022, the Group has sufficient storage and processing capacity to exceed its medium term aspirations.

CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Dividend and Potential Share Buy Back

The Board are committed to a progressive dividend policy and following the positive performance in FY21 is proposing to pay its maiden Dividend in 2022. As announced on 1 March 2022, the Company completed a share capital reduction following the FY21 year end to create distributable reserves.

Outlook

Likewise continues to increase Sales Revenue and Gross Margin on a like for like basis. With the infrastructure established and further investment in Sales and Marketing, the Board considers that the Group has the Management and Teams in place to out-perform market conditions and increase market share.

A J Brewer
Chief Executive

Date: 24th May 2022

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report and the audited financial statements of the Group and Company for the year ended 31 December 2021.

Business overview

Likewise Group Plc is a distributor of floorcoverings and mattings and has the opportunity to become one of the UK's largest distributors in this sector.

Likewise Group Plc intends to utilise the expertise and industry knowledge of the Board, Executive Board and Operational Management to develop an alternative to larger industry competitors. Management believe this can be achieved through a mixture of organic growth, operational leverage and where appropriate, acquisitions.

The Group has continued to grow rapidly and building on its success has continued to expand in 2021 with the addition of a new national distribution hub of 57,000 sq. ft in Birmingham from which the new Likewise Midlands division has been launched.

The Group now operates from the national distribution hubs in Leeds and Birmingham, a national distribution centre in Sudbury, a regional distribution centre in Manchester, three smaller regional logistics centres in Glasgow, Newcastle and Peckham, as well as the operations of H&V BVBA in Belgium.

The Company successfully floated on the Alternative Investment Market (AIM) in August 2021, raising gross proceeds of £10.0m. The listing on AIM provides significant opportunity to fund further investment in organic growth and earnings enhancing acquisitions in the future. So far, these funds have helped facilitate the acquisition of Valley Wholesale Carpets (2004) Limited and Delta Carpets (Holdings) Limited and their respective subsidiaries. The flotation of the business on AIM also enhances the Group's awareness and presents new opportunities for investment from institutional and retail investors alike.

COVID-19

With the impact of the COVID-19 pandemic continuing into 2021, the Group benefitted from strong trading activity in the home improvement sector. The business continued to adapt and successfully navigate the disruption whilst maintaining a high level of service for customers.

The Group benefitted from the ongoing VAT deferral scheme as well as grants available from the Coronavirus Job Retention Scheme (CJRS). All amounts deferred have subsequently been paid by the end of January 2022 in accordance with the payment plans established with HMRC.

Overall, whilst the COVID-19 pandemic presented many challenges in the early stages of 2020, the ability to make significant improvements to IT, logistics and operations of the Group, which would have been more difficult under normal trading conditions, has had a beneficial impact on the Group.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Trading Performance

The Director's are pleased to report the Group's revenue increased by 28% from £47.3m in 2020 to £60.5m for the year ended December 2021.

With the ongoing uncertainty of the COVID-19 pandemic, the Group was committed to focusing on developing positive organic growth in all businesses, but particularly that of the new Likewise branded businesses established in 2019. These businesses continue to gain traction in their local markets.

Likewise Midlands was established during 2021, operating from a leasehold distribution centre in Birmingham. This provides further improvement to the Group's UK logistics network whilst also servicing new customers in the region. Significant investment has been undertaken throughout 2021 with the new Midlands facility becoming operational in January 2022. Following the launch of Likewise Midlands in 2021, we expect a meaningful business to develop in 2022. Investment in initial start-up costs in the Midlands business amounts to £0.72m in the period (including IFRS 16 impact of new leasehold property undertaken).

A & A in Manchester continues to trade strongly and well exceeded its budgeted performance. A & A has also enlarged its sales territory with the addition of a new sales representative breaking into the Midlands region in H2 2021. A & A is expecting to continue to build this new market throughout 2022.

Likewise Matting, has benefited from increased trading activity from the hospitality sector which was significantly impacted throughout the course of the pandemic in 2020. Revenue increased 13.7% compared to 2020 as a result.

Likewise Floors (formerly Heatseam) continues to benefit from the improvements made to its network following the amalgamation of its two previous sites into one National Distribution Hub in Leeds at the end of 2020. With the new site fully operational at the beginning of 2021, the impact this has had on the Group's logistics capacity and material handling capabilities has been significantly beneficial to the wider Group.

Overall, the trading performance has continued to strengthen following the COVID-19 pandemic, and improvements to the business throughout that time continue to realise benefits for the wider Group.

Business strategy

It is the belief of the Board that value can be generated for shareholders, suppliers and consumers by creating a national supplier and distributor of UK floorcoverings.

As with the acquisition of Valley Wholesale Carpets (2004) Limited and Delta Carpets (Holdings) Limited in 2022, where the Board consider future acquisitions, they will focus around increasing the scale and operational reach of the Group into new regions and consolidate the Group's overall market position.

Market and competition

The floorcovering market is made up of manufacturers, distributors, retailers and installers. It is the strategy of Likewise Group to become a national distributor in this market.

The UK flooring market is worth c.£2 billion split between residential, commercial, public and industrial markets. It is the strategy of the Group to focus on the residential and commercial areas of the market.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Key performance indicators

The Board consider the following as financial key performance indicators (KPIs) for the Group: revenue, operating profit and operating cash flow. The Board members review these for each of the businesses on a monthly basis. Individual subsidiaries have additional key performance indicators specific to their operations. Sales and margin are also monitored against budget on a daily basis by the executive management team.

Key performance indicators were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £	Increase %
Revenue	60,490,559	47,322,673	27.8%
Adjusted profit/(loss) before tax	1,598,390	(1,520,263)	205.1%
Operating cash flow	(299,973)	4,990,771	(106.0%)

The above adjusted profit/(loss) before tax figure is stated after adding back:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loss from new operations (Likewise Midlands)	724,474	-
Amortisation of intangibles	287,428	287,428
AIM listing costs	352,142	-
Share based payments	149,210	68,992
Acquisition costs	-	19,645
Restructuring costs	98,253	821,709
Impact of IFRS 16	213,765	339,404
Loss on revaluation of consideration on acquisition	-	217,540

The following tables show a reconciliation of the adjusted results.

Adjusted results 2021

	Underlying performance (adjusted)	IFRS16 impact	Amort'n of intangible	Loss from new operations (Likewise Midlands)	Share related costs	Restruc-turing costs	Reported
Revenue	60,490,559						60,490,559
Cost of sales	(42,350,337)						(42,350,337)
Gross profit	**18,140,222**						**18,140,222**
Other operating income	212,183						212,183
Admin costs	(9,554,239)	31,269	(287,428)	(651,595)	(501,352)	(98,253)	(11,061,598)
Distribution costs	(7,050,344)						(7,050,344)
Impairment losses on trade receivables	(42,241)						(42,241)
Profit/(loss) from operations	**1,705,581**	**31,269**	**(287,428)**	**(651,595)**	**(501,352)**	**(98,253)**	**198,222**
Finance income	173						173
Finance costs	(107,364)	(245,034)		(72,879)			(425,277)
Profit/(loss) before tax	**1,598,390**	**(213,765)**	**(287,428)**	**(724,474)**	**(501,352)**	**(98,253)**	**(226,882)**
Taxation	81,459						81,459
Profit/(loss) for the year	**1,679,849**	**(213,765)**	**(287,428)**	**(724,474)**	**(501,352)**	**(98,253)**	**(145,423)**
Items that will not be reclassified to profit or loss:							
Revaluation of land and buildings	1,802,257						1,802,257
Actuarial loss on defined benefit schemes	(20,000)						(20,000)
Deferred tax on revaluation	(471,901)						(471,901)
Items that will or may be reclassified to profit or loss:							
Exchange losses arising on translation on foreign operations	(17,222)						(17,222)
Total comprehensive income	**2,972,983**	**(213,765)**	**(287,428)**	**(724,474)**	**(501,352)**	**(98,253)**	**1,147,711**

Adjusted results 2020

	Underlying performance (adjusted)	IFRS16 impact	Amort'n of intangibles	Acquis'n costs	Share related costs	Restruc-turing costs	Reported
Revenue	47,322,673						47,322,673
Cost of sales	(34,992,370)						(34,992,370)
Gross profit	**12,330,303**						**12,330,303**
Other operating income	852,448						852,448
Admin costs	(8,907,583)	(218,116)	(287,428)	(19,645)	(68,992)	(821,709)	(10,323,473)
Distribution costs	(5,624,387)						(5,624,387)
Impairment losses on trade receivables	(64,373)						(64,373)
Loss from operations	**(1,413,592)**	**(218,116)**	**(287,428)**	**(19,645)**	**(68,992)**	**(821,709)**	**(2,829,482)**
Finance income	10						10
Finance costs	(106,681)	(121,288)					(227,969)
Loss on revaluation of consideration on acquisition				(217,540)			(217,540)
Loss before tax	**(1,520,263)**	**(339,404)**	**(287,428)**	**(237,185)**	**(68,992)**	**(821,709)**	**(3,274,981)**
Taxation	203,677						203,677
Loss for the year	**(1,316,586)**	**(339,404)**	**(287,428)**	**(237,185)**	**(68,992)**	**(821,709)**	**(3,071,304)**
Items that will not be reclassified to profit or loss:							
Revaluation of land and buildings	238,757						238,757
Actuarial loss on defined benefit schemes	(20,000)						(20,000)
Items that will or may be reclassified to profit or loss:							
Exchange losses arising on translation of foreign operations	(39,403)						(39,403)
Total comprehensive income	**(1,137,232)**	**(339,404)**	**(287,428)**	**(237,185)**	**(68,992)**	**(821,709)**	**(2,891,950)**

The Board additionally monitors the square footage of available warehouse space as a non-financial KPI. The warehouse capacity as at 31 December 2021 was 300,000 square feet (2020 - 243,000 square feet).

Process for managing risk

The Board continually assesses and monitors the key risks in the business. Below describes the principal risks and uncertainties that could have a material impact on the Group's performance and prospects and the mitigating activities which are aimed at reducing the impact or likelihood of a major risk materialising. The Board does recognise, however, that it will not always be possible to eliminate risk.

Business Disruption
The Group's operations could be subject to disruption due to factors including incidents such as a major fire or failure of key suppliers. Incidents such as a fire at key premises or failure of key suppliers could result in the temporary cessation in activity or disruption of the Group's facilities impeding the Group's ability to deliver its products to its customers, adversely affecting its financial results. The Board looks to mitigate the failure of any key suppliers by having a wide supplier base with known alternatives as well as maintaining a sufficient level of stock within its UK operations. The Group has developed business continuity and disaster recovery plans. The COVID-19 pandemic has shown that with good communication with all business partners and the full application of emergency procedures, a level of business can be maintained. The Group also maintains insurance to cover business interruption and damage to property from such events.

As a distribution business, the impact of any changes in product preference and changing fashions in the marketplace is limited to the level of stock held at any one time. Changes in ranges offered to the wider customer base generally take place at the lowest level of stock holding. Any cost of discounting of stock that may be necessary is built into the general business model.

Economic Conditions
The Group is dependent on the level of activity in various markets and is therefore susceptible to any changes in economic conditions. Lower levels of activity in key markets in which the Group operates could reduce sales volumes adversely, thus affecting the Group's financial results. The Group monitors trends in the key industries and markets the Group operates in. As a distribution and selling business the Group is well placed to react to changes relatively quickly and implement changes to the business model and practices.

Fluctuations in Input Prices
Adverse fluctuations in raw material commodity prices could affect the profitability of the Group albeit such increases are likely to have an industry wide impact and as such would result in an increase in sales prices to end customers to negate this. A proportion of the Group's purchases are transacted in Euros and US Dollars and as such we are susceptible to foreign exchange risk on such purchases albeit in most instances the Group enters forward contracts to mitigate against any exposure.

In addition, rising freight costs recently experienced inevitably increase the costs of goods from overseas suppliers. Short term increases are negated by maintaining sufficient levels of stock on hand with longer term increases reflected in subsequent price increases passed on to customers.

Post balance sheet events

Share Transactions

On 11 January 2022, the Company allotted 40,000,000 new £0.01 Ordinary Shares for consideration of £0.35 per share, totalling £14,000,000 and allotted a further 5,000,000 new £0.01 Ordinary Shares as part of the consideration for the acquisition of the entire share capital of Valley Wholesale Carpets (2004) Limited.

On 28 January 2022, the Company allotted 5,714,286 new £0.01 Ordinary Shares for consideration of £0.35 per share, totalling £2,000,000.

On 22 February 2022, the Company, by way of a capital reduction under section 648 of the Companies Act 2006, reduced the share premium account by £22,000,000 and this balance was transferred to the distributable retained earnings of the Company.

On 23 March 2022, the Company allotted 204,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £20,400 and allotted a further 2,500 new £0.01 Ordinary Shares for consideration of £0.21 per share, totalling £525. These shares were issued under the Company's SAYE scheme.

On 4 April 2022, the Company allotted 500,000 new £0.01 Ordinary Shares as part of the consideration for the acquisition of the entire share capital of Delta Carpets (Holdings) Limited by Likewise Floors Limited.

Acquisitions

On 14 January 2022, the Company acquired the entire issued share capital of Valley Wholesale Carpets (2004) Limited. Consideration of £30.0m for the purchase of the new subsidiary was in the form of: £14.0m cash, £10.0m cash extracted from the acquired company, £1.0m deferred cash consideration and the issue of 5,000,000 new £0.01 shares in Likewise Group Plc valued at £1.8m at the date of acquisition and which includes a guaranteed cash payment of the difference between £1 per share and the share price at 14 January 2024. The fair value of this arrangement as at the grant date has been reflected in the purchase consideration outlined.

On 1 April 2022, Likewise Floors Limited, a subsidiary of the Company, acquired the entire issued share capital of Delta Carpets (Holdings) Limited and its wholly owned subsidiary Delta Carpets Limited. Consideration of £3.0m was paid in the form of: £1.5m cash, £1.0m cash extracted from the acquired companies and 500,000 new £0.01 shares in Likewise Group Plc valued at £0.2m at the date of acquisition and which includes a guaranteed cash payment of the difference between £1 per share and the share price at 1 April 2024.

Directors' statement of compliance with duty to promote the success of the Group

A director of a company must act in the way he/she considers, 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 (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests 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, and
- The need to act fairly as between members of the company.

The directors consider it crucial that the Group maintains a reputation for the highest standards of business conduct and are responsible for setting, reviewing and upholding the culture, values, standards, ethics and reputation of the Group to ensure obligations to key stakeholders are met. By using the core values of the business, we seek to sustain and develop strong, stable, profitable partnerships with all our customers, employees and suppliers by providing outstanding products.

During the year ended 31 December 2021, the directors consider that they have at all times acted in a way that would most likely promote the success of the Group and for the benefit of its members as a whole, and in making those decisions have had particular regard the points outlined above.

The engagement with key stakeholders is summarised as follows:

Our people

Our employees foster strong relationships with both customers and suppliers and are integral in delivering the Group's strategy. As such the Group is committed to attracting talent, developing individuals, and ensuring employees are rewarded for their contribution to the growth of the business. The Board ensure that information and decisions of interest or concern to employees are shared at all levels.

Our shareholders

The shareholders of the business have helped us build the business to where we are today. As we continue on our growth trajectory the Group ensures shareholders are regularly updated on the latest developments. Announcements are shared on the Company's investor website.

Should shareholders have further questions, the AGM promotes the opportunity for questions to be put to the Board or alternatively they are welcome to contact the Board via the investor website to raise queries important to them.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Business relationships

Relationships with our customers are at the heart of what we do. The Group is committed to developing lasting relationships by providing great products, service and value for our customers.

With the help of our employees, and in line with government guidelines customers have been visited regularly to drive the quality of our service offering whilst also providing the opportunity to obtain timely feedback on products, service and any changes in consumer trends that help us develop our business to continue to meet their expectations.

Strong relationships have also been developed with suppliers which continue to allow us to exceed customer expectations. Regular dialogue with suppliers provides mutually beneficial feedback on products whilst exploring new ranges that may be of interest to our customers.

Community and environment

We try to be a positive influence in the life of the communities in which we operate and strive to minimise our impact on the environment as much as possible.

This report was approved by the board and signed on its behalf.

R Povey
Chief Financial Officer

Date: 24th May 2022

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Board acknowledges the importance of good corporate governance and since flotation on AIM in August 2021 we have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (QCA Code) which the Board believe is appropriate given the size, structure and stage of development of the Group.

The Directors outline how the principles of the code have been upheld since admission, as detailed below:

Principle 1: Establish a business strategy and business model which promotes long-term value for shareholders

The Group's business model and strategy is set out on the Group's website (www.likewiseplc.com). The continued increase in Group revenues through delivery of organic growth and consolidation of selective acquisition demonstrates the success of the model and long-term value creation for shareholders.

The Board meet regularly in order to discuss the success of the strategy as well as identify any risks and uncertainties that may impact the business and take mitigating actions where required to address those risks.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board are committed to meeting the needs and expectations of its shareholders.

The Company holds regular meetings and dialogue with shareholders and ensure regular communications are held via investor roadshows, trading updates and via a Regulatory Information Service on all matters of a material substance and/or regulatory nature.

The Company's AGM also provides an opportunity for Shareholders to communicate with the Chairman and wider members of the Board. Shareholders are welcome to contact the Company via email or via contact details outlined on the Group's website. The Board values the opportunity to engage with shareholders and ensures all questions or queries raised are addressed.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group takes its corporate social responsibilities very seriously and is committed to operating as a responsible, sustainable business.

The Group will maintain effective working relationships across a wide range of stakeholders including Shareholders, employees, customers, suppliers and communities in which the Group operates, in order to achieve long term success.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Directors meet regularly to discuss opportunities and threats to the Group's strategy and undertake mitigating actions in order to manage these risks.

All proposals reviewed by the Board will include consideration of issues and risks of each proposal put forward. Where necessary, the Board will draw on experience of external consultants in order to effectively mitigate risks.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair:

Following admission the Board comprises the independent non-executive chairman, one non-executive director and two executive directors. Furthermore, following admission Mike Steventon was appointed as an additional non-executive director to the Group.

Biographies of the Directors are available for review on the Group's website.

Two separate boards have been established to deliver the Group's long-term strategy:

The PLC Board

The PLC Board are responsible for the execution of the strategy and ensuring the Group meets with the requirements of a listed business. The PLC Board consists of Paul Bassi (independent non-executive Chairman), Tony Brewer (Chief Executive Officer), Roy Povey (Chief Financial Officer), Andrew Simpson (non-executive director) and following his appointment in 2021, Mike Steventon (non-executive director). The PLC Board between them have extensive knowledge and a wealth of experience of listed companies and the UK floor coverings industry.

The Audit Committee and Remuneration Committee also support the PLC Board.

Executive Board

The Executive Board reports to the PLC Board and are responsible for the operational delivery of the business. They are in control of the day-to-day trading, sourcing and integration of new acquisitions and management.

Principle 6: Ensure that, between them, all Directors have necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies on the Group's website.

The Board believe they have an appropriate balance of diverse skills and experience in order to deliver on its core objectives. The Board is not dominated by any one individual and all Directors have the ability to challenge proposals put forward at each meeting, democratically. The Directors have received a briefing from the Company's Nominated Adviser in respect of continued compliance with AIM Rules and the Company's solicitors in respect of continued compliance with Market Abuse Regulations (MAR).

Principle 7: Evaluate board performance based on clear and relevant objectives seeking continuous improvement

The Directors will consider the effectiveness of the Board and the sub-committees formed, as well as the individual performance of each director. The Company intends to establish a Nomination Committee which will conduct regular assessments of the individual contributions of each member of the Board to ensure their contribution is relevant and effective.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its employees and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The Group's policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees.

CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The PLC Board is responsible for its governance structures, performance and effectiveness. The Board retains ultimate responsibility for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing objective judgement to all Board decisions.

The addition of the executive board and the sub-committees also support the wider governance of the Group.

Principle 10: Communicate how the Company is governed and is performing by maintaining open dialogue with Shareholders and other relevant stakeholders

Details of how the Company is governed are disclosed on the Group's website by reference to how it has applied the QCA code. This information is reviewed annually in accordance with AIM rule 26.

The annual and half-year financial statements as well as the AGM are considered the primary mechanisms to engage directly with Shareholders, to provide information and receive feedback about the Group and its progress.

In addition, regular updates are made to the Company's website detailing information regarding the Group's activities and performance, including financial information in accordance with AIM Rule 26.

An email address is also maintained for all investor relations, info@likewiseplc.co.uk.

This report was approved and signed on behalf of the board by:

A J Brewer
Chief Executive

Date: 24th May 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Group is the wholesale distribution of floorcoverings and associated products.

The Group is required by the Companies Act 2006 to prepare a Strategic Report that includes an overview of the business, a review of trading performance of the Group and its position as at the end of the financial year to 31 December 2021 and the principal risks faced by the Group. The Strategic Report can be found on pages 5 to 13.

Results and dividends

Revenue for the year amounted to £60,490,559 (2020 - £47,322,673). Loss before taxation was £226,882 (2020 - loss of £3,274,981).

The Directors have not proposed a dividend for the year to 31 December 2021 (2020 - £Nil).

Directors' remuneration

The remuneration of all Directors for the financial year ended 31 December 2021 were as follows:

	Salary/fees* £	Benefits in kind £	Bonus £	Total 2021 £	Total 2020 £
Executive					
Tony Brewer	140,833	1,311	-	142,144	83,967
Roy Povey	136,325	9,013	-	145,338	146,421
Non-Executive					
Paul Bassi	50,000	-	-	50,000	-
Andrew Simpson	33,000	-	-	33,000	-
Mike Steventon	11,250	-	-	11,250	-
Total	371,408	10,324	-	**381,732**	**230,388**

* All Executive Directors and Key Management Personnel operated with a reduced salary from April 2020 to May 2021 due to COVID-19.

Directors pension entitlements

One Director who held office during the year ended 31 December 2021 was a member of a money purchase scheme. The contributions paid by the Group in respect of this was £25,600 (2020 - £25,600).

Political contributions

The Group made no political donations during the year (2020 - Nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management objectives and policies

The three key risks the Group monitors are interest rate risk, liquidity risk and credit risk.

The Board reviews and agrees policies for managing these risks and they are summarised below.

Interest rate risk
The Group finances its operations through a mixture of retained profits and bank borrowings. The Group's borrowings consist of invoice discounting facilities and bank loans.

The interest rates charged are reviewed and re-negotiated periodically.

Liquidity risk
The repayment terms of the floating rate loans have been structured to be serviced from cash generated by operating activities. Short-term flexibility is achieved through invoice financing facilities.

Credit risk
The credit rating of significant customers is monitored regularly.

Directors

The Directors who served during the year were as follows:

P P S Bassi
A J Brewer
R Povey
A J W Simpson
M A Steventon (appointed 17 September 2021)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' responsibilities statement

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

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the Directors must not approve the consolidated 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 consolidated financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Branches of the company outside the UK

The Group has a subsidiary company, H&V BVBA in Belgium.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The below outlines the UK energy usage of the Group. Energy consumed is as a result of gas, electricity purchased and fuel used in powering the Group's sales force and distribution fleet.

The methodology used in calculating the below figures follows the CHG Reporting Protocol and uses the 2021 Government emission conversion factors for greenhouse gas company reporting.

As this is the Group's first year of disclosure, no comparative information has been provided in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements.

	2021
UK energy use (kWh)	**8,587,116**
Associated Greenhouse gas emissions (Tonnes CO2 equivalent)	**1,980**
Intensity ratio: Tonnes CO2e per £m of revenue	**32.7**

Energy efficiency action

The below summarises some of the key actions taken in 2021 in order to reduce the energy consumption of the Group:

- Continued investment in replacement fleet vehicles focusing on the phasing out of older vehicles and replacement with vehicles meeting the Euro 6 emissions requirements.
- Trial of full electric vehicles within the fleet for the UK sales force in Q4 2021 with 4 vehicles on the road in 2021. Following positive feedback from the trials, these vehicles are now on offer as a standard choice when old vehicles come up for renewal. In addition, the Group's standard company car offering has been limited to either full electric or hybrid vehicles. We also continued to invest in electric car charging points at key site locations in order to facilitate use of a higher number of electric vehicles.
- Continued investment in more energy efficient lighting of offices and warehouse sites across the UK. Furthermore, where possible, we continue to invest in new sites with favourable efficiency standards. This includes the new site established in Birmingham which has a 'BREEAM' rating of Excellent for the site's sustainability.
- In order to reduce packaging waste we collect poles from customers once a roll has been fully used and they are brought back for re-use with new rolled product.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Crowe U.K. LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board and signed on its behalf.

A J Brewer
Chief Executive

Date: 24th May 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIKEWISE GROUP PLC

Opinion

We have audited the financial statements of Likewise Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise:

- the Group statement of profit or loss and other comprehensive income for the year ended 31 December 2021;
- the Group and Parent Company statements of financial position as at 31 December 2021;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Reviewing management's financial projections for the Group and Parent Company for a period of more than 12 months from the date of approval of the financial statements;
- Checking the numerical accuracy of management's financial projections;
- Challenging management on the assumptions underlying those projections and sensitised them to reduce anticipated net cash inflows from future trading activities;
- Considering the terms of the bank loan and trade finance facilities and the amount available for drawdown;
- Considering potential downside scenarios and the resultant impact on available funds;
- Obtaining the latest financial results post year end 31 December 2021 to review how the Group and Parent Company are trending toward achieving the forecast;
- Performing sensitivity analysis on key inputs of the forecast by calculating the impact of various scenarios and considering the impact on the Group and Parent Company's ability to continue as a going concern in the event of not meeting the forecast; and
- Assessing the completeness and accuracy of the matters described in the going concern disclosure within the significant accounting policies as set out in Note 3.1.

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £360,000 (2020: £275,000), based on 0.6% of revenues per year end management accounts. We reassessed materiality based on final figures and concluded that the initial materiality calculated remained appropriate. As the Group is a trading group, we determined that the use of a trading-based metric was the most appropriate to use for determining materiality.

Materiality for the Parent Company financial statements as a whole was set at £195,000 (2020: £100,000) based on 0.7% of total assets per year end management accounts.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. The range of performance materiality used across the Group was between £16,000 and £270,000.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Directors to report to them all identified errors in excess of £18,500 (2020: £13,750). Errors below that threshold would also be reported to them if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group has two principal operating locations in the UK, in West Yorkshire and Suffolk, which have local accounting functions that report to the central management team at the head office in Birmingham. Our audit was conducted remotely. All Group companies were within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIKEWISE GROUP PLC (CONTINUED)

Key Audit Matter	How our scope of our audit addressed the key audit matter
Revenue recognition Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the group's profitability, which has a consequent impact on its share price performance.	Our work focused on assessing that revenue accounting policies were compliant with IFRS and validating that revenue is recognised in accordance with the accounting policies and that cut off was correctly applied through testing. We validated a sample of revenue items to confirm revenue was being recognised in line with IFRS ensuring the goods were delivered within the period. We also assessed the adequacy of the Group's disclosures related to revenue.
Carrying value of inventory As at 31 December 2021 the value of inventory amounted to £10.26 million, representing 18.3% of total assets. Inventories were considered to be a key audit matter due to the size of the balance and because the valuation of inventory held at the year end date involves judgement. There is a risk that some inventory may not be adequately provided against and so not carried at the lower of cost or net realisable value.	Our audit procedures in this area included: - Attending inventory counts at the Group's key operating locations to verify the existence and assess the condition of inventory held; - Assessing the compliance of the Group's accounting policies with IFRS; - Assessing the inventory valuation processes and practices; and - Validating the assessment made by management with respect to slow moving and obsolete stock.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIKEWISE GROUP PLC (CONTINUED)

Carrying value of goodwill and other intangible assets The Group's intangible assets comprise of goodwill arising on acquisition of subsidiaries, customer relationships and brand assets. When assessing the carrying value of goodwill and intangible assets, management makes judgements regarding the appropriate cash generating unit, strategy, future trading and profitability and the assumptions underlying these. We considered the risk that goodwill and other intangible assets could be impaired. The carrying value of goodwill and other intangible assets at 31 December 2021 was £7.74 million (31 December 2020: £8.03 million).	We evaluated, in comparison to the requirements set out in IAS 36, management's assessment (using discounted cash flow models) as to whether goodwill and/or other intangible assets were impaired for each CGU. We challenged, reviewed and considered by reference to external evidence, management's impairment and discounted cash flow models as appropriate and their key estimates, including the discount rate. We reviewed the appropriateness and consistency of the process for making such estimates. We obtained management's discounted cash flow models supporting the intangible asset carrying amount. We challenged the key assumptions to the model, including the forecast revenue and gross margin, growth rates and discount rates. We compared cash flow forecasts used in the impairment review to historical performance, and challenged where forecasts indicated performance that deviated significantly from historical performance, in the absence of significant changes in the business or market environment. Discount rates and terminal growth rates were benchmarked to externally derived data and our knowledge of sector performance, to evaluate the reasonableness of these assumptions. Sensitivity analysis was performed on the key assumptions such as growth, margin and discount rates to identify those assumptions to which that the goodwill or intangible asset valuation was highly sensitive.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIKEWISE GROUP PLC (CONTINUED)

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the procedures in place for ensuring compliance. Based on our understanding of the Group and industry, discussions with management and the Board of Directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements. Our work included direct enquiry of management, reviewing Board and relevant committee minutes and inspection of correspondence.

- As part of our audit planning process we assessed the difference areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involving significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

Other laws and regulations where non-compliance may have a material effect on the Group's operations are Data Protection and GDPR.

Our audit procedures included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of minutes of meetings of the Board of Directors;
- enquiry of management about litigations and claims;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions, in particular those items included in the Key Audit Matters;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from

fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

John Glasby (Senior Statutory Auditor)

for and on behalf of

Crowe U.K.LLP

Statutory Auditor

London

Date: 24 May 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Revenue	5	**60,490,559**	*47,322,673*
Cost of sales		**(42,350,337)**	*(34,992,370)*
Gross profit		**18,140,222**	*12,330,303*
Other operating income	6	**212,183**	*852,448*
Administrative expenses		**(11,061,598)**	*(10,323,473)*
Distribution costs		**(7,050,344)**	*(5,624,387)*
Impairment losses on trade receivables		**(42,241)**	*(64,373)*
Profit/(loss) from operations		**198,222**	*(2,829,482)*
Finance income	10	**173**	*10*
Finance costs	10	**(425,277)**	*(227,969)*
Loss on revaluation of consideration on acqusition		**-**	*(217,540)*
Profit/(loss) before tax		**(226,882)**	*(3,274,981)*
Taxation	11	**81,459**	*203,677*
Loss for the year		**(145,423)**	*(3,071,304)*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Revaluation of land and buildings	13	**1,802,257**	*238,757*
Actuarial loss on defined benefit schemes	31	**(20,000)**	*(20,000)*
Deferred tax on revaluation	11	**(471,901)**	*-*
		1,310,356	*218,757*
Items that will or may be reclassified to profit or loss:			
Exchange losses arising in relation to translation of foreign operations		**(17,222)**	*(39,403)*
		(17,222)	*(39,403)*
Total comprehensive income		**1,147,711**	*(2,891,950)*

The Strategic Report on pages 5 to 13 provides further analysis of the annual performance including a reconciliation to the adjusted results.

The notes on pages 43 to 102 form part of these financial statements.

The total basic loss per share attributable to the ordinary equity holders of the Company was £0.001 (2020 - loss of £0.020). The total diluted loss per share attributable to the ordinary equity holders of the Company was £0.001 (2020 - loss of £0.018).

LIKEWISE GROUP PLC
REGISTERED NUMBER: 08010067

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	13	**19,718,721**	*11,256,599*
Other intangible assets	14	**3,520,997**	*3,808,425*
Goodwill	15	**4,216,728**	*4,216,728*
Trade and other receivables	18	**136,848**	-
		27,593,294	*19,281,752*
Current assets			
Inventories	17	**10,256,740**	*7,555,806*
Trade and other receivables	18	**9,775,075**	*7,466,158*
Cash and cash equivalents		**8,447,550**	*2,820,895*
		28,479,365	*17,842,859*
Total assets		**56,072,659**	*37,124,611*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Liabilities			
Non-current liabilities			
Loans and borrowings	21	**12,129,444**	*6,749,655*
Deferred tax liability	11	**1,404,650**	*700,484*
		13,534,094	*7,450,139*
Current liabilities			
Trade and other liabilities	20	**15,802,034**	*15,479,985*
Loans and borrowings	21	**4,179,892**	*2,224,566*
Provisions	24	**202,676**	*382,722*
		20,184,602	*18,087,273*
Total liabilities		**33,718,696**	*25,537,412*
Net assets		**22,353,963**	*11,587,199*
Share capital	27	**1,923,742**	*1,523,420*
Share premium		**22,458,816**	*13,389,295*
Share option reserve	32	**308,776**	*159,566*
Revaluation reserve		**2,406,127**	*1,094,771*
Foreign exchange reserve		**(56,625)**	*(39,403)*
Warrant reserve		**128,170**	*128,170*
Retained earnings		**(4,815,043)**	*(4,668,620)*
Total equity		**22,353,963**	*11,587,199*

The financial statements on pages 30 to 102 were approved and authorised for issue by the board of Directors and were signed on its behalf by:

A J Brewer

Director

Date: 24th May 2022

The notes on pages 43 to 102 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	13	**28,804**	*193,185*
Investments	16	**11,738,831**	*12,555,774*
		11,767,635	*12,748,959*
Current assets			
Trade and other receivables	18	**6,344,593**	*5,449,766*
Cash and cash equivalents		**7,077,876**	*59,447*
		13,422,469	*5,509,213*
Total assets		**25,190,104**	*18,258,172*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Liabilities			
Non-current liabilities			
Loans and borrowings	21	**1,640,563**	*1,943,508*
		1,640,563	*1,943,508*
Current liabilities			
Trade and other liabilities	20	**2,032,564**	*4,111,741*
Loans and borrowings	21	**138,691**	*127,109*
Provisions	24	**88,000**	-
		2,259,255	*4,238,850*
Total liabilities		**3,899,818**	*6,182,358*
Net assets		**21,290,286**	*12,075,814*
Share capital	27	**1,923,742**	*1,523,420*
Share premium		**22,458,816**	*13,389,295*
Share option reserve	32	**308,776**	*159,566*
Foreign exchange reserve		**(64,881)**	-
Warrant reserve		**128,170**	*128,170*
Retained earnings		**(3,464,337)**	*(3,124,637)*
Total equity		**21,290,286**	*12,075,814*

The Company's loss for the year was £339,700 (2020 - £1,255,572).

The financial statements on pages 30 to 102 were approved and authorised for issue by the board of Directors and were signed on its behalf by:

A J Brewer

Director

Date: 24th May 2022

The notes on pages 43 to 102 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Share option reserve	Revaluation reserve	Foreign exchange reserve	Warrant reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2021	1,523,420	13,389,295	159,566	1,094,771	(39,403)	128,170	(4,668,620)	11,587,199	11,587,199
Loss for the year	-	-	-	-	-	-	(145,423)	(145,423)	(145,423)
Other comprehensive income (see note 30)	-	-	-	1,311,356	(17,222)	-	(1,000)	1,293,134	1,293,134
Total comprehensive income for the year	-	-	-	1,311,356	(17,222)	-	(146,423)	1,147,711	1,147,711
Issue of share capital	400,000	9,600,000	-	-	-	-	-	10,000,000	10,000,000
Share options exercised	322	2,898	-	-	-	-	-	3,220	3,220
Share issue costs	-	(533,377)	-	-	-	-	-	(533,377)	(533,377)
Share options valuation	-	-	149,210	-	-	-	-	149,210	149,210
Total contributions by and distributions to owners	400,322	9,069,521	149,210	-	-	-	-	9,619,053	9,619,053
At 31 December 2021	1,923,742	22,458,816	308,776	2,406,127	(56,625)	128,170	(4,815,043)	22,353,963	22,353,963

The notes on pages 43 to 102 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Share option reserve	Revaluation reserve	Foreign exchange reserve	Warrant reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2020	1,523,420	13,389,295	90,574	871,514	-	128,170	(1,592,446)	14,410,527	14,410,527
Comprehensive income for the year									
Loss for the year	-	-	-	-	-	-	(3,071,304)	(3,071,304)	(3,071,304)
Other comprehensive income (see note 30)	-	-	-	223,257	(39,403)	-	(4,870)	178,984	178,984
Total comprehensive income for the year	-	-	-	223,257	(39,403)	-	(3,076,174)	(2,892,320)	(2,892,320)
Share options valuation	-	-	68,992	-	-	-	-	68,992	68,992
Total contributions by and distributions to owners	-	-	68,992	-	-	-	-	68,992	68,992
At 31 December 2020	**1,523,420**	**13,389,295**	**159,566**	**1,094,771**	**(39,403)**	**128,170**	**(4,668,620)**	**11,587,199**	**11,587,199**

The notes on pages 43 to 102 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Share option reserve	Foreign exchange reserve	Warrant reserves	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2021	1,523,420	13,389,295	159,566	-	128,170	(3,124,637)	12,075,814
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(339,700)	(339,700)
Translation in relation to foreign subsidiary	-	-	-	(64,881)	-	-	(64,881)
Total comprehensive income for the year	-	-	-	(64,881)	-	(339,700)	(404,581)
Issue of share capital	400,000	9,600,000	-	-	-	-	10,000,000
Share options exercised	322	2,898	-	-	-	-	3,220
Share issue costs	-	(533,377)	-	-	-	-	(533,377)
Share options	-	-	149,210	-	-	-	149,210
Total contributions by and distributions to owners	400,322	9,069,521	149,210	-	-	-	9,619,053
At 31 December 2021	1,923,742	22,458,816	308,776	(64,881)	128,170	(3,464,337)	21,290,286

The notes on pages 43 to 102 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium	Share option reserve	Warrant reserves	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2020	1,523,420	13,389,295	90,574	128,170	(1,869,065)	13,262,394
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,255,572)	(1,255,572)
Total comprehensive income for the year	-	-	-	-	(1,255,572)	(1,255,572)
Share options	-	-	68,992	-	-	68,992
Total contributions by and distributions to owners	-	-	68,992	-	-	68,992
At 31 December 2020	**1,523,420**	**13,389,295**	**159,566**	**128,170**	**(3,124,637)**	**12,075,814**

The notes on pages 43 to 102 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the year	**(145,423)**	*(3,071,304)*
Adjustments for		
Depreciation and amortisation	**2,121,858**	*1,733,339*
Impairment of property, plant and equipment	**147,988**	*91,733*
Revaluation of consideration	**-**	*217,540*
Taxation	**(81,459)**	*(203,677)*
Finance income	**(173)**	*(10)*
Finance costs	**425,277**	*227,969*
(Gain)/loss on sale of property, plant and equipment	**(22,846)**	*222,096*
Pension contributions	**(20,000)**	*(20,000)*
AIM listing costs	**352,142**	*-*
Increase in provisions	**(180,046)**	*382,722*
Share options issued	**149,210**	*68,992*
Net foreign exchange gain	**(15,575)**	*(41,378)*
	2,730,953	*(391,978)*
Movements in working capital:		
Increase in trade and other receivables	**(2,132,041)**	*(98,740)*
(Increase)/decrease in inventories	**(2,700,934)**	*1,511,188*
Increase in trade and other payables	**1,802,049**	*3,855,487*
Cash (used in)/generated from operations	**(299,973)**	*4,875,957*
Income taxes paid	**-**	*114,814*
Net cash (used in)/from operating activities	**(299,973)**	*4,990,771*
Cash flows from investing activities		
Purchases of property, plant and equipment	**(1,593,269)**	*(1,086,264)*
Proceeds from disposal of property, plant and equipment	**27,008**	*-*
Acquisition of subsidiaries	**-**	*(891,770)*
Deferred consideration paid	**(1,480,000)**	*(700,000)*
Net cash acquired with subsidiaries	**-**	*136,958*
Interest received	**173**	*10*
Net cash used in investing activities	**(3,046,088)**	*(2,541,066)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	*2020* *£*
Cash flows from financing activities		
Interest paid	**(425,277)**	*(99,585)*
Consideration for new shares	**10,003,220**	*-*
Costs of share issue and AIM listing	**(885,519)**	*-*
Repayment of lease liabilities	**(886,625)**	*(863,841)*
Increase in invoice discounting	**1,266,279**	*740,562*
Repayment of loans	**(99,362)**	*(24,321)*
Net cash from/(used in) financing activities	**8,972,716**	*(247,185)*
Net cash increase in cash and cash equivalents	**5,626,655**	*2,202,520*
Cash and cash equivalents at the beginning of year	**2,820,895**	*618,375*
Cash and cash equivalents at the end of the year	**8,447,550**	*2,820,895*

The notes on pages 43 to 102 form part of these financial statements.

Cash and cash equivalents at 31 December 2021 of £8,447,550 (2020 - £2,820,895) comprised of cash and cash equivalents of £8,447,550 (2020 - £2,820,895) less bank overdrafts of £Nil (2020 - £Nil).

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	*2020* *£*
Cash flows from operating activities		
Loss for the year	**(339,700)**	*(1,255,572)*
Adjustments for		
Depreciation of property, plant and equipment	**33,082**	*28,549*
Impairment of property, plant and equipment	**147,988**	-
Impairment of investments in subsidiaries	**891,770**	-
Finance income	**(169)**	-
Finance costs	**59,369**	*81,529*
Share options issued	**74,383**	*31,439*
Revaluation of consideration	**-**	*217,540*
AIM listing costs	**352,142**	-
Net foreign exchange gain	**(64,881)**	-
	1,153,984	*(896,515)*
Movements in working capital:		
(Increase)/decrease in trade and other receivables	**(894,827)**	*139,341*
(Decrease)/increase in trade and other payables	**(599,177)**	*2,489,335*
Increase in provisions	**88,000**	-
Cash (used in)/generated from operations	**(252,020)**	*1,732,161*
Net cash (used in)/from operating activities	**(252,020)**	*1,732,161*
Cash flows from investing activities		
Purchases of property, plant and equipment	**(16,689)**	*(2,033)*
Purchases of fixed asset investments	**-**	*(891,770)*
Deferred consideration paid	**(1,480,000)**	*(700,000)*
Interest received	**169**	-
Net cash used in investing activities	**(1,496,520)**	*(1,593,803)*

COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	*2020* *£*
Cash flows from financing activities		
Interest paid	**(59,369)**	*(78,225)*
Consideration for new shares	**10,003,220**	*-*
Costs of share issue and AIM listing	**(885,519)**	*-*
Repayment of lease liabilities	**(192,001)**	*(10,595)*
Repayment of loans	**(99,362)**	*(24,321)*
Net cash from/(used in) financing activities	**8,766,969**	*(113,141)*
Net cash increase in cash and cash equivalents	**7,018,429**	*25,217*
Cash and cash equivalents at the beginning of year	**59,447**	*34,230*
Cash and cash equivalents at the end of the year	**7,077,876**	*59,447*

The notes on pages 43 to 102 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Company is a public company limited by shares, registered in England and Wales. On 18 August 2021, the Company listed on the Alternative Investment Market (AIM). The registered company number is 08010067 and the address of the registered office is Unit 4 Radial Park, Solihull Parkway, Birmingham Business Park, Solihull, England, B37 7YN.

The principal activity of the Group is the wholesale distribution of floorcoverings and associated products.

2. Basis of preparation

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity.

The financial information is presented in pounds sterling, which is the functional currency of the entity and rounded to the nearest £. The financial statements are prepared on the historical cost basis unless otherwise specified within these accounting policies.

Both the Company and consolidated financial statements have been prepared and approved by the Directors in accordance with UK adopted International Accounting Standards. On publishing the Company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income and related notes.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3. Accounting policies

3.1 Going concern

The consolidated financial statements for the Group have been prepared on a going concern basis.

Whilst the impact of the COVID-19 pandemic was still prevalent at the beginning of 2021, the business continued to benefit from strong trading activity in the home improvement sector. Whilst levels of employee absence remained higher due to the requirement to isolate, the business' operations were able to successfully manage this absence whilst ensuring continuity of service for our customers.

On the 18th August 2021, the Company was admitted to the AIM stock exchange, issuing 40,000,000 new shares and raising gross proceeds of £10.0m. An additional £2.0m was also raised in January 2022 as a result of an extended offer to existing shareholders. Listing on AIM provided the group with further funding with which to continue to invest in the organic growth of the Likewise business whilst also identifying new acquisition targets that would be earnings enhancing to the Group. The Company's admission to the AIM stock exchange also provides further awareness of the brand as well as accessibility to new institutional and private investors alike.

The Group continues to utilise invoice financing arrangements in some subsidiaries and has the option to draw on additional authorised facilities to support working capital requirements. The Group has operated within these facilities throughout the year and continues to do so in 2022. The directors are confident that the Group will be able to operate within the finance facilities available to us.

The Board have also undertaken assessments of going concern by building a cash flow model through to December 2023, based on 2021 actuals, 2022 budget and forecast performance for 2023. These cashflows indicate that the business has adequate resources to continue to operate for the foreseeable future and within the current financing arrangements in place. Furthermore, following the acquisition of Valley Wholesale Carpets (2004) Limited and Delta Carpets (Holdings) Limited and their subsidiaries there are further performance enhancing results not factored into the original cash flow forecasts.

Overall, given the strength of the Group's balance sheet, significant cash reserves on hand, availability of financing arrangements and the strong forecast performance of the Group, this provides the Directors with sufficient assurance on the Group's ability to continue as a going concern, and therefore adopt the going concern basis of accounting in preparing the financial statements.

3. Accounting policies (continued)

3.2 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities, has exposure, or rights, to variable returns and can use its power to affect those returns. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.3 Impact of new international reporting standards

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2021. None of these had an impact on the Group.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3.4 Revenue

Revenue comprises sales of goods to customers outside the Group, less an appropriate deduction for discounts, and is stated at the fair value of the consideration net of value added tax and other sales taxes.

Revenue and receivables are recognised when performance obligations are satisfied and the goods are delivered to customers as this is the point in time that the consideration is unconditional, control of goods has passed and only the passage of time is required before the payment is due.

3.5 Finance income and costs

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period.

3. Accounting policies (continued)

3.6 Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated as follows:

Freehold property - 2% straight line
Leasehold improvements - straight line over the term of the lease
Plant and machinery - 12.5% - 15% straight line
Motor vehicles - 25% - 33% straight line
Fixtures, fittings and computer equipment - 20% - 33% straight line

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset's estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all machinery and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Income Statement.

3.7 Revaluation of property

Individual freehold properties are carried at current year value at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Consolidated Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the Income Statement.

The difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings at the end of each reporting period. Any remaining revaluation surplus included in equity is transferred directly to retained earnings when the asset is disposed of.

3. Accounting policies (continued)

3.8 Impairment of non-financial assets (excluding Goodwill)

At each reporting date, the directors review the carrying amounts of the company's non current assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the directors estimate the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

Where an impairment loss on non financial assets subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

3.9 Inventories

Inventory is valued at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Income Statement.

3.10 Cash at bank

Cash at bank comprise cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less from inception.

3. Accounting policies (continued)

3.11 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

Derivatives, including forward foreign exchange contracts, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement in finance costs or income as appropriate.

3.12 Financial assets

Trade and other receivables are recorded initially at transaction price and subsequently measured at amortised cost. This results in their recognition at nominal value less an allowance for any doubtful debts. This allowance for expected credit losses (ECL) may be established where evidence of credit deterioration is observed. In order to assess credit deterioration, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on its historical experience and informed credit assessment, that includes forward-looking information. An additional reserve is established, where required, when a loss is both probable and the amount is known.

ECLs are a probability-weighted estimate of lifetime credit losses. Under the ECL model, the Group calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Group expects to receive) with a discount factor applied to such overdue amounts. The discount matrix ("ECL Matrix") below is applied to derive an ECL for overdue amounts:

Past due (days)	31-60	61-90	90-120	120-250
Discount to Amounts Overdue	0%	0%	5%	50%

The Group exercises its discretion in the application of discounts outside of the ECL Matrix based on extenuating circumstances that may apply from time to time to the Group's trade receivables (see note 18). An example of such an extenuating circumstance may occur when it is known that an overdue amount will be collected post a reporting or measurement date.

3. Accounting policies (continued)

3.13 Financial liabilities

The Group's financial liabilities include trade and other payables and borrowings.

Interest bearing bank loans and overdrafts are initially recorded at fair value, which equals the proceeds received, net of direct interest costs. They are subsequently held at amortised cost. Finance charges, including premiums payable on settlement or redemption are accounted for using an effective interest rate method and are added to or deducted from the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. Generally, this results in their recognition at their nominal value.

3.14 Foreign currency

The presentation currency for the Group's historical financial information is pounds sterling.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Any gain or loss on translation of monetary foreign currency assets and liabilities arising from a movement in exchange rates subsequent to initial measurement is included as an exchange gain or loss in the Consolidated Statement of Profit or Loss.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rate. Income Statements and cash flows of such subsidiaries are translated into Sterling at the average rates of exchange. The adjustments to period end rates are taken to foreign exchange reserve in equity and reported in the Other Comprehensive Income.

3. Accounting policies (continued)

3.15 Taxation

Current taxation
Current taxation is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred taxation
Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. However, if the deferred tax arises from the 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, it is not accounted for. No deferred tax is recognised on initial recognition of goodwill or on investment in subsidiaries. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full, and are not discounted.

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

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

3. Accounting policies (continued)

3.16 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition related costs are expensed as incurred.

The excess of the consideration transferred and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the Income Statement as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the Income Statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the Income Statement.

3.17 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill not attributed to a specific intangible asset is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's subsidiaries expected to benefit from the synergies of the combination. If the recoverable value of the subsidiary is less than the carrying amount of goodwill, the impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Accounting policies (continued)

3.18 Intangible assets

Other intangible assets

Goodwill attributable to the brand name of acquired subsidiaries or customer base is initially recognised and measured as set out above. Licences are initially recognised at cost.

Amortisation is provided on all other intangible assets and is calculated as follows:

Brand name	15 years straight line
Customer base	15 years straight line
Licenses	10 years straight line

The useful lives of intangible assets are annually reassessed and all assets are reviewed for impairment at least annually. On disposal of a subsidiary, the attributable amount of intangible assets is included in the determination of the profit or loss on disposal.

3.19 Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non monetary benefits and annual leave obliged to be settled within 12 months of the reporting date, are recognised in accruals.

Contributions to defined contribution pension plans are charged to the Income Statement in the year to which the contributions relate.

William Armes Limited, a subsidiary of the Group operates a defined benefit pension plan for certain employees.

The liability recognised in the Consolidated Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

3. Accounting policies (continued)

3.20 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.

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 its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

3.21 Borrowing costs

Borrowing costs are recognised in the Income Statement in the year in which they are incurred.

3.22 Share based payments

The fair value of equity instruments granted to employees is charged to the Statement of Comprehensive Income, with a corresponding increase in equity. The fair value of share options is measured at grant date using the Black-Scholes pricing model and spread over the period during which the employee becomes unconditionally entitled to the award. The charge is adjusted to reflect the number of shares or options that vest.

3.23 Invoice discounting

The Group has an invoice discounting arrangement. The amount owed by customers to the Group are included within trade receivables and the amount owed to the invoice discounting company is included within borrowings. The amount owed to the invoice discounting company represents the difference between the amounts advanced by the invoice discounting company and the invoices discounted. The interest element of the invoice discounting charges and other related costs are recognised as they accrue and are included in the Income Statement with other finance costs.

3.24 Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Chief Operating Decision Maker has been identified as the Board of Executive Directors, at which level strategic decisions are made.

Details of the Group's reporting segments are provided in note 5.

3. Accounting policies (continued)

3.25 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants receivable from central government under the Coronavirus Job Retention Scheme are included within other operating income in the Consolidated Statement of Profit or Loss and are not offset against the related expenses.

3.26 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. Judgements and key sources of estimation uncertainty

The preparation of the financial statements, in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses during the period. These judgements, estimates and assumptions are continually evaluated by management and are based upon historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Impairment of trade receivables

Trade and other receivables are recognised at nominal value less an allowance for doubtful debts. This allowance for expected credit losses (ECL) may be established where evidence of credit deterioration is observed. In order to assess credit deterioration, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on its historical experience and informed credit assessment, that includes forward-looking information. An additional reserve is established, where required, when a loss is both probable and the amount is known. See notes 3.12 and 18 for further information.

Defined benefit pension scheme

Assumptions for future inflation linked pension increases (where applicable) are based on the appropriate headline index, adjusted where necessary to reflect any caps or collars, bearing in mind the proximity of the future inflation assumption to those caps and collars and the expected variability of future inflation increases. All other assumptions have been set in accordance with the statement of funding principals. No allowances have been made for members transferring benefits out of the scheme in future. The assumptions selected and associated sensitivity analysis are disclosed in note 31.

Inventory valuation

This is provided for on the basis of the age of the items and dependent on the frequency of component use. The Group makes appropriate provision for slow-moving and discontinued inventory items although a significant shift in consumer market or customer demand may result in additional provision.

Valuation of land and buildings

The Group carries its land and buildings at fair value, with changes in fair value being recognised in Other Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 December 2021. Significant changes in the commercial property market may impact the valuation of the Group's property. See note 13 for further information.

5. Segmental reporting

For the purposes of segmental reporting, the Group's Chief Operating Decision Maker (CODM) is considered to be the Executive Board of Directors. The Board has not identified any separate operating segments within the business. The Board reviews revenue and expenses for the business as a whole and makes decisions about resources and assesses performance based on this information.

Revenue arises entirely through the wholesale of goods. Segmental analysis is therefore not presented.

The Group is not reliant on any one customer and no customer exceeds 10% of total annual turnover.

The following is an analysis of the Group's revenue for the year from continuing operations:

	2021 £	*2020* *£*
Sale of goods	**60,490,559**	*47,322,673*
	60,490,559	*47,322,673*

The Group generates revenue from both the UK and overseas as detailed below:

	2021 £	*2020* *£*
United Kingdom	**60,254,713**	*46,983,834*
Rest of Europe	**225,771**	*338,839*
Rest of the world	**10,075**	-
	60,490,559	*47,322,673*

6. Other operating income

	2021 £	*2020* *£*
Government grants receivable	**212,183**	*852,448*
	212,183	*852,448*

Government grants represent income receivable from central government under the Coronavirus Job Retention Scheme to cover some of the costs of employing certain members of staff placed on furlough leave in response to the COVID-19 pandemic.

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7. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2021 £	2020 £
Depreciation of property, plant and equipment	**551,124**	*490,533*
Depreciation of right-of-use assets	**1,283,306**	*955,378*
Gain on foreign exchange	**(38,701)**	*(28,758)*
Auditor's remuneration:		
- audit services	**105,000**	*100,000*
- work in respect of AIM listing	**95,050**	-
Short term lease expense:		
- plant	**127,620**	*112,755*
- property	**150,000**	*137,500*
Amortisation of intangible assets	**287,428**	*287,428*
Share based payments	**149,210**	*68,992*
AIM listing costs	**352,142**	-
Acquisition related costs	**-**	*237,185*
Restructuring costs	**98,253**	*821,709*
Impact of IFRS 16	**213,765**	*339,404*
Loss from new operations (Likewise Midlands)	**724,474**	-

Acquisition related costs in the prior year related to the costs of acquisition of A&A Carpets Limited.

8. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditors for the audit of the Group's financial statements	**105,000**	*100,000*
Fees payable to the Group's auditors:		
- work in respect of AIM listing - through profit and loss	**95,050**	-
- work in respect of AIM listing - through equity	**24,950**	-

9. Directors and employees

Group

	2021 £	2020 £
Employee benefit expenses (including Directors) comprise:		
Wages and salaries	**8,197,734**	*6,586,038*
Social security costs	**852,302**	*639,743*
Pension costs	**318,167**	*283,550*
Compensation for loss of office	**8,361**	*41,842*
Share based payments	**149,210**	*68,992*
	9,525,774	*7,620,165*

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed on page 2, and other senior management.

	2021 £	2020 £
Remuneration	**731,028**	*610,976*
Social security costs	**98,675**	*77,302*
Group pension contribution to defined contribution schemes	**61,347**	*61,347*
Share based payments	**77,367**	*17,140*
	968,417	*766,765*

During 2019, key management personnel were granted 1,200,000 options under the Group SAYE scheme at an option price of £0.10 per share and 3,900,000 options under the Group EMI scheme at an option price of £0.10 per share. During 2020, 2,000,000 options were granted to key management personnel under the Group EMI scheme at an option price of £0.10 per share.

During 2021, 85,714 options were granted to key management personnel under the Group SAYE scheme at an option price of £0.21.

9. Directors and employees (continued)

Group

The monthly average number of persons, including the Directors, employed by the Group during the year was as follows:

	2021 No.	2020 No.
Directors	4	4
Other employees	254	229
	258	233

	2021 £	2020 £
Remuneration of directors		
Remuneration	298,732	230,388
Social security costs	40,037	25,922
Group pension contribution to defined contribution schemes	25,600	25,600
Share based payments	14,418	14,418
	378,787	296,328

In addition, fees of £83,000 (2020 - £Nil) were paid to non-executive Directors in the year.

All executive team members, including the two Directors of Likewise Group Plc, were placed on reduced pay since the start of the COVID-19 pandemic. This is subject to review by the Remuneration Committee.

The highest paid director received remuneration in the year of £145,338 (2020 - £146,421) and pension contributions were made of £25,600 (2020 - £25,600).

	2021 No.	2020 No.
Directors accruing benefits under money purchase pension schemes	1	1
	1	1

2,700,000 share options were granted to directors during 2019 at an exercise price of £0.10 per share. There have been no options exercised or additional options granted in either the prior or current year.

10. Finance income and expense

Recognised in profit or loss

	2021 £	*2020* *£*
Finance income		
Interest on:		
Bank deposits	**4**	*10*
Other interest receivable	**169**	*-*
Total finance income	**173**	*10*
Finance expense		
Bank loan interest payable	**84,473**	*81,299*
Interest on lease liabilities	**317,913**	*121,288*
Other interest payable	**-**	*13,558*
Invoice discounting facility interest payable	**22,891**	*11,824*
Total finance expense	**425,277**	*227,969*
Net finance expense recognised in profit or loss	**(425,104)**	*(227,959)*

11. *Taxation on ordinary activities*

11.1 Income tax recognised in profit or loss

	2021 £	*2020* £
Current tax		
Current tax on losses for the year	-	*(7,981)*
Adjustments in respect of prior years	**(313,724)**	*(106,833)*
Total current tax	**(313,724)**	*(114,814)*
Deferred tax expense		
Origination and reversal of timing differences	**232,265**	*(88,863)*
Total deferred tax	**232,265**	*(88,863)*
Total tax credit	**(81,459)**	*(203,677)*
Total tax credit		
Total tax credit	**(81,459)**	*(203,677)*
	(81,459)	*(203,677)*

11. Taxation on ordinary activities (continued)

11.1 Income tax recognised in profit or loss (continued)

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 £	*2020* *£*
Loss for the year	**(145,423)**	*(3,071,304)*
Income tax credit	**(81,459)**	*(203,677)*
Loss before income taxes	**(226,882)**	*(3,274,981)*
Tax using the Company's domestic tax rate of 19% (2020:19%)	**(43,108)**	*(622,246)*
Fixed asset differences	**(80,051)**	*(2,552)*
Expenses not deductible for tax purposes	**76,135**	*101,999*
Adjustments to tax charge in respect of prior periods	**(313,724)**	*(106,833)*
Non-taxable consolidation adjustments	**(132,366)**	*66,048*
Remeasurement of deferred tax	**221,009**	*7,235*
Deferred tax not recognised	**208,715**	*408,279*
Other tax adjustments, reliefs and transfers	**-**	*(43,395)*
Other differences leading to a decrease in the tax charge	**(18,069)**	*(12,212)*
Total tax credit	**(81,459)**	*(203,677)*

Changes in tax rates and factors affecting the future tax charges

At 31 December 2021, the Group has tax losses of £9,703,320 (2020 - £10,211,829) which are available for offset against future taxable profits.

11.2 Deferred tax balances

The following is the analysis of deferred tax liabilities presented in the consolidated statement of financial position:

	2021 £	*2020* *£*
Deferred tax liabilities	**(1,404,650)**	*(700,484)*
	(1,404,650)	*(700,484)*

11. Taxation on ordinary activities (continued)

11.2 Deferred tax balances (continued)

A deferred tax asset of £1,812,747 (2020 - £1,682,996) has not been recognised in the financial statements in relation to these losses. In addition, a deferred tax asset of £517,406 has not been recognised in the financial statements in relation to the future tax benefit on the future exercise of employee share options.

A deferred tax asset has not been recognised in the year as it is uncertain that the asset will crystallise in the foreseeable future.

	Opening balance £	Recognised in profit or loss £	Recognised in other comprehensive income £	Closing balance £
2021				
Fixed asset timing differences	218,940	434,964	-	653,904
Arising from business combinations	723,601	156,648	-	880,249
Capital gains	31,045	-	471,901	502,946
Short term timing differences	(15,851)	(3,515)	-	(19,366)
Losses and other deductions	(257,251)	(355,832)	-	(613,083)
	700,484	232,265	471,901	1,404,650

	Opening balance £	Recognised in profit or loss £	Acquisitions/ disposals £	Closing balance £
2020				
Fixed asset timing differences	159,815	95,691	(36,566)	218,940
Arising on business combinations	732,942	(9,341)	-	723,601
Capital gains	-	31,045	-	31,045
Short term timing differences	(4,580)	(18,087)	6,816	(15,851)
Losses and other deductions	(69,080)	(188,171)	-	(257,251)
	819,097	(88,863)	(29,750)	700,484

12. Earnings per share

(i) Basic and diluted loss per share

The total basic loss per share attributable to the ordinary equity holders of the Company was £0.001 (2020 - loss of £0.020). The total diluted loss per share attributable to the ordinary equity holders of the Company was £0.001 (2020 - loss of £0.018).

(ii) Reconciliation of earnings used in calculating earnings per share

Loss attributable to the ordinary equity holders of the Group:

Used in calculating basic and diluted earnings per share	**(145,423)**	*(3,071,304)*

(iii) Weighted average number of shares used as the denominator

	2021 Number	*2020 Number*
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**167,273,981**	*152,341,994*
Adjustments for calculation of diluted earnings per share:		
Options	**16,498,538**	*14,122,729*
Warrants	**2,800,000**	*2,800,000*
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**186,572,519**	*169,264,723*

13. Property, plant and equipment

Group

	Land and buildings £	Right of use assets – leasehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings & computer equipment £	Right of use assets – other £	Total £
Cost or valuation								
At 1 January 2020	3,875,000	1,023,297	8,730	315,157	649,679	556,741	837,087	7,265,691
Additions	-	3,907,884	105,768	265,010	-	715,486	1,316,215	6,310,363
Acquisition of subsidiary	-	-	-	93,077	64,583	63,889	-	221,549
Disposals	-	(159,179)	-	(7,997)	(101,811)	(16,389)	(371,690)	(657,066)
Disposals on restructure	-	-	-	(57,204)	-	(193,090)	-	(250,294)
Revaluation / (impairment)	175,000	(91,733)	-	-	-	-	-	83,267
Foreign exchange movements	-	-	-	4,087	883	1,819	-	6,789
At 31 December 2020	4,050,000	4,680,269	114,498	612,130	613,334	1,128,456	1,781,612	12,980,299
Additions	-	4,888,501	184,221	876,927	49,545	482,576	2,390,834	8,872,604
Disposals	-	(451,832)	-	-	(3,943)	(2,250)	(301,449)	(759,474)
Transfers between classes	-	-	-	444,955	-	(444,955)	-	-
Revaluation / (impairment)	1,735,000	(140,249)	-	-	-	-	-	1,594,751
Foreign exchange movements	-	-	-	(5,276)	(1,140)	(2,420)	-	(8,836)
At 31 December 2021	**5,785,000**	**8,976,689**	**298,719**	**1,928,736**	**657,796**	**1,161,407**	**3,870,997**	**22,679,344**

13. Property, plant and equipment (continued)

	Land and buildings £	Right of use assets – leasehold property £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures, fittings & computer equipment £	Right of use assets – other £	Total £
Accumulated depreciation and impairment								
At 1 January 2020	-	402,919	437	40,981	141,507	77,064	242,037	904,945
Charge for the year	63,757	-	1,021	90,996	183,792	150,967	-	490,533
Charge for right-of-use assets	-	537,518	-	-	-	-	417,860	955,378
Disposals	-	(159,179)	-	(1,253)	(70,084)	(3,863)	(252,076)	(486,455)
Disposals on restructure	-	-	-	(22,925)	-	(58,833)	-	(81,758)
On revalued assets	(63,757)	-	-	-	-	-	-	(63,757)
Exchange adjustments	-	-	-	2,610	883	1,321	-	4,814
At 31 December 2020	-	781,258	1,458	110,409	256,098	166,656	407,821	1,723,700
Charge for the year	67,257	-	21,522	142,324	157,249	162,772	-	551,124
Charge for right-of-use assets	-	667,879	-	-	-	-	615,427	1,283,306
Disposals	-	(451,832)	-	-	(1,768)	(263)	(76,937)	(530,800)
Impairment charge	-	-	7,739	-	-	-	-	7,739
On revalued assets	(67,257)	-	-	-	-	-	-	(67,257)
Exchange adjustments	-	-	-	(3,998)	(1,140)	(2,051)	-	(7,189)
At 31 December 2021	-	997,305	30,719	248,735	410,439	327,114	946,311	2,960,623

13. Property, plant and equipment (continued)

Net book value								
At 1 January 2020	3,875,000	620,378	8,293	274,176	508,172	479,677	595,050	6,360,746
At 31 December 2020	4,050,000	3,899,011	113,040	501,721	357,236	961,800	1,373,791	11,256,599
At 31 December 2021	5,785,000	7,979,384	268,000	1,680,001	247,357	834,293	2,924,686	19,718,721

If the freehold property had not been included at valuation, it would have been included under the historical cost convention as follows:

Cost of £3,100,000 (2020 - £3,100,000)
Depreciation of £193,028 (2020 - £144,771)
Net book value of £2,906,972 (2020 - £2,955,229)

13. Property, plant and equipment (continued)

13.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated Statement of Financial Position is as follows:

	31 December 2021 £	*31 December 2020 £*
Property, plant and equipment owned	**8,814,651**	*5,983,797*
Right-of-use assets	**10,904,070**	*5,272,802*
	19,718,721	*11,256,599*

Information about right-of-use assets is summarised below:

Net book value

	31 December 2021 £	*31 December 2020 £*
Property	**7,979,384**	*3,899,011*
Motor vehicles & plant and machinery	**2,924,686**	*1,373,791*
	10,904,070	*5,272,802*

Depreciation charge for the year ended

	31 December 2021 £	*31 December 2020 £*
Property	**667,879**	*537,518*
Motor vehicles & plant and machinery	**615,427**	*417,860*
	1,283,306	*955,378*

13. Property, plant and equipment (continued)

13.2 Fair value measurement and Impairment

Fair value measurement

Included in land and buildings is land with a cost of £687,167 (2020 - £687,167) which is not depreciated.

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurement of the Group's freehold land and buildings as at 31 March 2022, which the directors do not believe is materially different to the valuation at year end, was performed by Savills (UK) Limited, independent valuers not related to the Group. Savills (UK) Limited are real estate advisors and have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation report has been prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Valuation - Global Standards (incorporating the IVSC International Valuation Standards) issued November 2021 and effective from 31 January 2022 together, where applicable, with the UK National Supplement effective from 14 January 2019, together the "Red Book". Property valuations are complex, require a degree of judgement and are based on data that may or may not be publicly available. Valuation of investment property and the respective inputs have been classified as level 3 inputs as defined by IFRS 13 Fair Value Measurement. Level 3 means that the valuation model cannot rely on inputs that are directly available from an active market; however there are related inputs from recent property sales that can be used as a basis.

In establishing fair value, the most significant unobservable input is considered to be the appropriate yield to apply to the rental income. This is based on a number of factors including financial covenant strength of the tenant, location, marketability of the unit if it were to become vacant, quality of the property and its scope for potential alternative uses.

The yield applied in the valuation is 6.6%. Assuming all else stayed the same; a decrease of 1% in the yield would result in an increase in fair value of £1,032,000. An increase of 1% in the yield would result in a decrease in fair value of £760,000.

The revaluation of land and buildings for 2021 of £1,802,257 has been recognised within Other Comprehensive Income.

Impairment losses recognised in the year

During the prior year, the Group restructured the business to operate from one site. This resulted in an impairment of leasehold property right of use assets of £91,733.

During the current year the Company moved the location of its head office to a new site. This resulted in an impairment of the leasehold right of use asset of £140,249.

13. Property, plant and equipment (continued)

13.3 Assets pledged as security

There is a floating charge against the assets of the subsidiary Likewise Floors Limited, from NatWest Bank PLC.

There is a fixed charge over the freehold land and buildings held by the Group in respect of the bank loans in place for the Group.

Floating charges previously held against assets of William Armes Limited have been supported by cross guarantees from Likewise Group Plc following the transfer of trade and assets from William Armes Limited to Likewise Floors Limited. These charges are in respect of bank loans and invoice financing arrangements of the Group.

13.4 Capital commitments

During 2021, the Group entered into contracts to purchase property, plant and equipment for £470,423 in respect of assets acquired for the new Likewise Midlands facility. These commitments are expected to be settled in 2022.

13. **Property, plant and equipment (continued)**

Company

	Right of use assets – leasehold property £	Leasehold improvements £	Fixtures, fittings & computer equipment £	Total £
Cost or valuation				
At 1 January 2020	144,659	8,730	25,066	178,455
Additions	62,012	1,489	544	64,045
At 31 December 2020	206,671	10,219	25,610	242,500
Additions	-	-	16,689	16,689
Impairments	(140,249)	-	-	(140,249)
At 31 December 2021	66,422	10,219	42,299	118,940

	Right of use assets - leas ehold property £	Leasehold improvements £	Fixtures, fittings & computer equipment £	Total £
Accumulated depreciation and impairment				
At 1 January 2020	18,152	437	2,177	20,766
Charge for the year	-	1,021	4,758	5,779
Charge for right-of-use assets	22,770	-	-	22,770
At 31 December 2020	40,922	1,458	6,935	49,315
Charge for the year	-	1,022	6,560	7,582
Charge for right-of-use assets	25,500	-	-	25,500
Impairment charge	-	7,739	-	7,739
At 31 December 2021	66,422	10,219	13,495	90,136
Net book value				
At 1 January 2020	126,507	8,293	22,889	157,689
At 31 December 2020	165,749	8,761	18,675	193,185
At 31 December 2021	-	-	28,804	28,804

13. Property, plant and equipment (continued)

13.5. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Company Statement of Financial Position is as follows:

	31 December 2021 £	*31 December 2020 £*
Property, plant and equipment owned	**28,804**	*27,436*
Right-of-use assets	**-**	*165,749*
	28,804	*193,185*

Information about right-of-use assets is summarised below:

Net book value

	31 December 2021 £	*31 December 2020 £*
Property	**-**	*165,749*
	-	*165,749*

During the current year the Company moved the location of its head office to a new site. This resulted in an impairment of the leasehold right of use asset of £140,249.

14. Intangible assets

Group

	Licences £	Likewise Floors Customer base £	Likewise Floors Brandname £	Total £
Cost				
At 1 January 2020	2,923	2,122,349	2,189,075	4,314,347
Disposals	(2,923)	-	-	(2,923)
At 31 December 2020	-	2,122,349	2,189,075	4,311,424
At 31 December 2021	-	2,122,349	2,189,075	4,311,424

	Licences £	Likewise Floors Customer base £	Likewise Floors Brandname £	Total £
Accumulated amortisation and impairment				
At 1 January 2020	360	106,117	109,454	215,931
Charge for the year	-	141,490	145,938	287,428
Disposals	(360)	-	-	(360)
At 31 December 2020	-	247,607	255,392	502,999
Charge for the year	-	141,490	145,938	287,428
At 31 December 2021	-	389,097	401,330	790,427
Net book value				
At 1 January 2020	2,563	2,016,232	2,079,621	4,098,416
At 31 December 2020	-	1,874,742	1,933,683	3,808,425
At 31 December 2021	-	1,733,252	1,787,745	3,520,997

The Company held no other intangible assets in any period.

15. Goodwill

Group

	2021 £	2020 £
Cost	**4,216,728**	*4,216,728*
	4,216,728	*4,216,728*

	2021 £	2020 £
Cost		
At 1 January	**4,216,728**	*4,028,287*
On acquisition of subsidiaries	**-**	*188,441*
At 31 December	**4,216,728**	*4,216,728*
Accumulated impairment		
At 31 December	**-**	*-*

15.1 Allocation of goodwill to cash generating units

The carrying amount of goodwill has all been allocated to the Group's primary activity of wholesale distribution and has been allocated to trading brands as follows:

	2021 £	2020 £
Likewise Floors Limited (formerly Heatseam Limited) and its subsidiaries	**3,253,210**	*3,253,210*
Lewis Abbott Limited	**467,847**	*467,847*
H&V Carpets BVBA	**307,230**	*307,230*
A. & A. Carpets Limited	**188,441**	*188,441*
	4,216,728	*4,216,728*

15. Goodwill (continued)

15.1 Allocation of goodwill to cash generating units (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The goodwill is a reflection of the benefit the acquisitions of subsidiaries will have on the Group by offering greater geographic coverage and providing the opportunity to expand this further than is currently the case. The acquisitions will benefit from the collective marketing and the enhanced product range available to all Group companies. Ultimately this will enable the acquired businesses and the existing Group members to provide an improved customer service, across a wider geographic area, with a greater product portfolio designed to help the Group to continue its development.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used being a discount rate of 10% and original growth rate of 1%.

Likewise Floors Limited and its subsidiaries

The break even point of goodwill for Likewise Floors Limited is at a growth level of -26.62% with terminal growth factor of 2%.

Lewis Abbott Limited

The break even point of goodwill for Lewis Abbott Limited is at a growth level of -14.87% with terminal growth factor of 2%.

H&V Carpets BVBA

The break even point of goodwill for H&V Carpets BVBA is at a growth level of 24.77% with terminal growth factor of 2%.

A. & A. Carpets Limited

The break even point of goodwill for A. & A. Carpets Limited is at a growth level of -81% with terminal growth factor of 2%.

16. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%) 2021	2020
1) Likewise Trading Limited	Wholesale distribution of floor coverings and associated products	Great Britain	100	100
2) William Armes Holdings Limited	Holding company	Great Britain	100	100
3) William Armes Limited (100% subsidiary of William Armes Holdings Limited)	Wholesale distribution of floor coverings and associated products	Great Britain	100	100
4) Lewis Abbott Limited (100% subsidiary of Likewise Trading Limited)	Wholesale distribution of floor coverings and associated products	Great Britain	100	100
5) Likewise Floors Limited	Wholesale distribution of floor coverings and associated products	Great Britain	100	100
6) Factory Flooring Outlet Ltd (100% subsidiary of Likewise Floors Ltd)	Dormant company	Great Britain	100	100
7) H&V Carpets BVBA	Wholesale distribution of floor coverings and associated products	Belgium	100	100
8) A&A Carpets Limited	Wholesale distribution of floor coverings and associated products	Great Britain	100	100
9) Likewise Limited	Dormant company	Great Britain	100	-

On 31 December 2021, the trade and assets of A. & A. Carpets Limited, William Armes Limited and Lewis Abbott Limited were transferred to Likewise Floors Limited (formerly Heatseam Limited).

The registered offices of H&V Carpets BVBA are Nijverheidsstraat 26, 8760 Meulebeke, Belgium.

The registered offices of all other companies within the Group are Unit 4 Radial Park, Solihull Parkway, Birmingham Business Park, Solihull, England, B37 7YN.

16. Subsidiaries (continued)

Company - Shares in group undertakings

	2021 £	2020 £
At 1 January	**12,555,774**	*11,626,451*
Additions	**-**	*891,770*
Impairment following transfer of trade of subsidiaries	**(891,770)**	*-*
Share options	**74,827**	*37,553*
	11,738,831	*12,555,774*

The Group considers impairment of its subsidiaries annually, this is assessed in the context of the Group's structure, and if appropriate an impairment provision is made.

17. Inventories

Group

	2021 £	2020 £
Finished goods and goods for resale	**10,256,740**	*7,555,806*
	10,256,740	*7,555,806*

	2021 £	2020 £
Amounts of inventories recognised as an expense during the year	**42,350,337**	*34,992,370*
Amounts of inventories impaired during the year	**128,875**	*67,381*

The Company did not hold any inventories in either the current or prior year.

18. Trade and other receivables

Group

	2021 £	*2020* *£*
Trade receivables	**7,639,636**	*6,626,374*
Less: provision for impairment of trade receivables	**(117,799)**	*(118,137)*
Trade receivables - net	**7,521,837**	*6,508,237*
Prepayments and accrued income	**893,103**	*635,700*
Other receivables	**1,496,983**	*322,221*
Total trade and other receivables	**9,911,923**	*7,466,158*
Less: current portion - trade receivables	**(7,521,837)**	*(6,508,237)*
Less: current portion - prepayments and accrued income	**(893,103)**	*(635,700)*
Less: current portion - other receivables	**(1,360,135)**	*(322,221)*
Total current portion	**(9,775,075)**	*(7,466,158)*
Total non-current portion	**136,848**	*-*

Company

	2021 £	*2020* *£*
Receivables from related parties	**6,230,742**	*5,263,190*
Total financial assets other than cash and cash equivalents classified as loans and receivables	**6,230,742**	*5,263,190*
Prepayments and accrued income	**102,376**	*186,476*
Other receivables	**11,475**	*100*
Total trade and other receivables	**6,344,593**	*5,449,766*
Total current portion	**(6,344,593)**	*(5,449,766)*

18. Trade and other receivables (continued)

All of the above amounts are financial assets of the Group and Parent Company except certain prepayments.

The Directors consider the carrying value of Group trade and other receivables is approximate to its fair value, after incorporating an impairment provision of £117,799 (2020 - £118,137).

Trade receivables comprise amounts due from customers for goods sold. The Group's normal trade credit terms range from 30 to 60 days and therefore all are classified as current. There are a limited number of customers who are granted extended credit terms but these are not considered material to the financial statements. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

	Group 2021 £	*Group 2020 £*
Not more than 30 days	**4,118,045**	*3,204,227*
More than 30 days but not more than 60 days	**2,323,728**	*1,796,272*
More than 60 days but not more than 90 days	**560,072**	*476,580*
More than 90 days but not more than 120 days	**176,091**	*191,260*
More than 120 days	**461,700**	*958,035*
Loss allowance	**(117,799)**	*(118,137)*
	7,521,837	*6,508,237*

18. Trade and other receivables (continued)

The expected credit loss allowance is calculated using a weighted probability of loss based on age of the receivable:

	2021 £	*ECL*
More than 90 days but not more than 120 days - 5% (adjusted - see below)	**127,757**	*6,388*
More than 120 days - 50% (adjusted for payment plans - see below)	**190,966**	*95,483*
Additional loss allowance	**-**	*15,928*
	318,723	*117,799*

The debtors balance to which the ECL has been applied has been adjusted where there are specific payment plans in place.

Due to the COVID-19 pandemic, in the prior year credit terms were extended for a number of customers resulting in a slower recovery of debts. The credit checking process ensured that such terms were only granted where ultimate recovery of the debt was likely and therefore the probability of loss was amended for debtors more than 90 days from 5% to 3% and for debtors more than 120 days from 50% to 32.5%. Following the easing of the pandemic, credit terms have returned to normal and therefore the probability of loss percentages have also been restored to pre-pandemic levels.

	2021 £
Reconciliation of ECL allowance balance	
Balance at 1 January	**118,137**
ECL allowance charged to profit or loss	**42,241**
Other movements	**(42,579)**
	117,799

The carrying amounts of the trade receivables include receivables which are subject to a factoring agreement. Under this arrangement, the subsidiary trading companies have transferred the relevant receivables to the factor in exchange for cash and are prevented from selling or pledging the receivables. However, the subsidiaries retain the late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its Consolidated Statement of Financial Position. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are:

	2021 £	*2020 £*
Transferred receivables	**4,295,893**	*1,434,634*
Associated secured borrowings	**(2,359,543)**	*(1,093,264)*

19. Cash and cash equivalents

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Cash at bank and in hand	**8,447,550**	*2,820,895*	**7,077,876**	*59,447*
	8,447,550	*2,820,895*	**7,077,876**	*59,447*

20. Trade and other payables

Group

	2021 £	*2020 £*
Trade payables	**13,315,768**	*10,599,998*
Other payables	**238,210**	*144,716*
Accruals	**1,398,933**	*1,169,781*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**14,952,911**	*11,914,495*
Other payables - tax and social security payments	**849,123**	*2,085,490*
Deferred consideration on acquisition of subsidiaries	**-**	*1,480,000*
Total trade and other payables	**15,802,034**	*15,479,985*
Less: current portion - trade payables	**(13,315,768)**	*(10,599,998)*
Less: current portion - other payables	**(1,087,333)**	*(2,230,206)*
Less: current portion - accruals	**(1,398,933)**	*(1,169,781)*
Less: current portion - deferred consideration	**-**	*(1,480,000)*
Total current portion	**(15,802,034)**	*(15,479,985)*
Total non-current position	**-**	*-*

20. Trade and other payables (continued)

Company

	2021 £	2020 £
Trade payables	**126,363**	*12,363*
Payables to related parties	**1,699,865**	*2,379,925*
Other payables	**7,875**	*4,570*
Accruals	**140,456**	*175,781*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**1,974,559**	*2,572,639*
Other payables - tax and social security payments	**58,005**	*59,102*
Deferred consideration on acquisition of subsidiaries	**-**	*1,480,000*
Total trade and other payables	**2,032,564**	*4,111,741*
Less: current portion - trade payables	**(126,363)**	*(12,363)*
Less: current portion - payables to related parties	**(1,699,865)**	*(2,379,925)*
Less: current portion - other payables	**(65,880)**	*(63,672)*
Less: current portion - accruals	**(140,456)**	*(175,781)*
Less: current portion - deferred consideration	**-**	*(1,480,000)*
Total current portion	**(2,032,564)**	*(4,111,741)*
Total non-current position	**-**	*-*

Trade payables and accruals principally comprise amounts outstanding in relation to trade purchases and ongoing costs. Trade payables are unsecured and the Group has financial risk management procedures in place to ensure that all payables are paid within pre-agreed credit terms.

The Directors consider the carrying value of trade and other receivables is approximate to its fair value due to their short term nature.

Included within tax and social security payments for the Group is £71,749 (2020 £655,189) relating to VAT deferred under the government's COVID-19 VAT payment deferral scheme.

All of the above amounts are financial liabilities of the Group and Parent Company except social security and other taxes.

21. Loans and borrowings

Group

	2021 £	2020 £
Non-current		
Bank loans - secured	**1,640,563**	*1,779,668*
Lease liabilities	**10,488,881**	*4,969,987*
	12,129,444	*6,749,655*
Current		
Bank loans and invoice discounting facility	**2,498,234**	*1,192,212*
Lease liabilities	**1,681,658**	*1,032,354*
	4,179,892	*2,224,566*
Total loans and borrowings	**16,309,336**	*8,974,221*

Company

	2021 £	2020 £
Non-current		
Bank loans - secured	**1,640,563**	*1,779,668*
Lease liabilities	**-**	*163,840*
	1,640,563	*1,943,508*
Current		
Bank loans - secured	**138,691**	*98,948*
Lease liabilities	**-**	*28,161*
	138,691	*127,109*
Total loans and borrowings	**1,779,254**	*2,070,617*

21. Loans and borrowings (continued)

The Directors consider that the carrying amount of the invoice discounting facility and bank loan approximates their fair value.

The invoice discounting facility is secured against the related trade debtor balances and by a floating charge over the assets of the Group. The invoice discounting facility is denominated in Sterling and Euro.

	2021 £	*2020* *£*
Amounts repayable under bank loans - Group and Company		
Within one year	**138,691**	*98,948*
In the second to fifth year inclusive	**597,494**	*580,147*
Beyond five years	**1,043,069**	*1,199,521*
	1,779,254	*1,878,616*

The invoice discounting facility is held for Likewise Floors Limited and has a fixed service charge of £18,000 per annum.

During 2018 the Company obtained a bank loan of £2,280,000. Repayments commenced on 5th August 2018 and will continue until 5th January 2033. The loan is secured by a fixed and floating charge over the Group's assets. The loan carries interest at on a floating rate basis with interest at Bank of England rate plus a margin of 2.95%.

A twelve month capital repayment holiday was granted on the bank loan effective April 2020. Interest payments were made throughout the period with capital repayments recommencing in April 2021. There were no defaults of the loan during the year.

This loan is at a floating interest rate and exposes the Group to fair value interest rate risk.

22. Leases

Group

(i) Leases as a lessee

The Group's leases include leases for buildings, plant and motor vehicles. The average lease term is 5 years for buildings and 4 years for other fixed assets.

A new leasehold distribution hub was established in June 2021 in Birmingham from which the newly formed Likewise Midlands division operates. The Group's head office premises were also moved to this site in Q4 2021. The addition of this site led to an increase in lease liabilities of £5.1m at inception of the lease.

Various lease incentives of rent-free or reduced rent periods are included in the measurement of the right-of-use asset and lease liability at inception of the lease. These predominantly relate to the Group's property lease portfolio.

Lease liabilities are due as follows:

	2021 £	*2020* *£*
Contractual undiscounted cash flows due		
Not later than one year	**1,814,829**	*1,069,331*
Between one year and five years	**5,947,403**	*3,629,281*
Later than five years	**6,067,895**	*2,254,306*
	13,830,127	*6,952,918*
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	**12,170,539**	*6,002,341*
Non-current	**10,488,881**	*4,969,987*
Current	**1,681,658**	*1,032,354*

The following amounts in respect of leases have been recognised in profit or loss:

	2021 £	*2020* *£*
Interest expense on lease liabilities	**317,913**	*121,288*
Depreciation on lease liabilities	**1,283,306**	*955,378*
Impairment on lease liabilities	**140,249**	*91,733*
(Profit)/loss on termination of lease liabilities	**(80,847)**	*645*
Expense relating to short-term leases	**277,620**	*250,255*
Changes in lease payments that arise from COVID-19-related rent concessions	**-**	*(15,366)*

22. Leases (continued)

Company

(ii) Leases as a lessee

The Company leased buildings in the year. The average term of lease for buildings is 5 years.

Lease liabilities are due as follows:

	2021 £	2020 £
Contractual undiscounted cash flows due		
Not later than one year	-	26,489
Between one year and five years	-	127,148
Later than five years	-	47,681
	-	201,318
Lease liabilities included in the Company Statement of Financial Position at 31 December	-	192,001
Non-current	-	163,840
Current	-	28,161

The following amounts in respect of leases have been recognised in profit or loss:

	2021 £	2020 £
Interest expense on lease liabilities	2,661	3,304
Depreciation on lease liabilities	25,500	22,770
Impairment of lease liabilities	140,249	-

23. Financial instruments

Classification of financial instruments

The fair value hierarchy Groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The only financial instruments the Group holds which are measured at fair value through the Income Statement (as level 2 above) are forward currency contracts (see note 25). All other financial assets and liabilities are held at amortised cost.

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Financial assets at amortised cost				
Trade receivables	**7,521,837**	*6,508,237*	**-**	*-*
Amounts owed by group undertakings	**-**	*-*	**6,230,742**	*5,263,190*
Other receivables	**1,496,983**	*322,221*	**11,475**	*100*
Cash and cash equivalents	**8,447,550**	*2,820,895*	**7,077,876**	*59,447*
	17,466,370	*9,651,353*	**13,320,093**	*5,322,737*

All of the above financial assets' carrying values are approximate to their fair values, as at each reporting date disclosed.

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Non current financial liabilities at amortised cost				
Bank loans	**1,640,563**	*1,779,668*	**1,640,563**	*1,779,668*
	1,640,563	*1,779,668*	**1,640,563**	*1,779,668*

23. Financial instruments (continued)

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Current financial liabilities at amortised cost				
Trade payables	**13,315,768**	*10,599,998*	**126,363**	*12,363*
Amounts owed to group undertakings	**-**	*-*	**1,699,865**	*2,379,925*
Deferred consideration on acquisition of subsidiaries	**-**	*1,480,000*	**-**	*1,480,000*
Other payables	**238,210**	*144,716*	**7,875**	*4,570*
Accruals	**1,398,933**	*1,169,781*	**140,456**	*175,781*
Invoice discounting facility	**2,359,543**	*1,093,264*	**-**	*-*
Bank loans - current	**138,691**	*98,948*	**138,691**	*98,948*
	17,451,145	*14,586,707*	**2,113,250**	*4,151,587*

All of the above financial liabilities' carrying values are considered by management to be approximate to their fair values, as at each reporting date disclosed.

24. Provisions

Group

	Dilapidation provision £	Onerous lease provision £	Total £
At 1 January 2021	382,722	-	382,722
Charged to profit or loss	-	88,000	88,000
Utilised during the year	(268,046)	-	(268,046)
At 31 December 2021	**114,676**	**88,000**	**202,676**
Due within one year or less	114,676	88,000	202,676
	114,676	**88,000**	**202,676**

24. Provisions (continued)

Company

	Onerous lease provision £
Charged to profit or loss	88,000
At 31 December 2021	**88,000**
Due within one year or less	88,000
	88,000

25. Financial instrument risk exposure and management

25.1 Financial risk management objectives

The Group's operations expose it to degrees of financial risk that include liquidity risk, credit risk, interest rate risk, and foreign currency risk.

This note describes the Group's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in the notes above.

25.2 Foreign currency risk

Most of the Group's transactions are carried out in GBP. Exposures to foreign currency exchange rates arise from the Group's overseas sales and purchases, which are denominated in a number of currencies, primarily EUR.

The Group assesses exposure and takes out forward currency contracts to mitigate this foreign exchange risk. As at the 31 December 2021, the value of forward contracts held by the subsidiary companies were as follows:

William Armes Limited held forward Euro contracts totalling 206,910 Euros.

Likewise Floors Limited held forward Euro contracts totalling 618,000 Euros and forward USD contracts totalling $1,182,000.

These contracts crystallise between January and May 2022.

25. Financial instrument risk exposure and management (continued)

25.3 Interest rate risk

The Group has secured debt consisting of an invoice discounting facility and bank loan.

The interest on the bank loan and discounting facility are at floating rates, however interest rate risk is considered to be limited due to the low current interest rates and economic climate. The Directors have performed sensitivity analysis which shows the impact on cash flows for the coming year would be less than £200,000 even if interest rates were to rise by 5% which is considered by the Directors to be highly unlikely.

The Group's only other exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial.

25.4 Credit risk

The Group's credit risk is primarily attributable to its cash balances and trade receivables.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The ageing profile of the trade receivables balance can be seen in note 18 above.

The Group's total credit risk amounts to the total of the sum of the receivables and cash and cash equivalents. At the 2021 reporting date this amounts to £17,466,370 (2020 - £9,651,353).

25. Financial instrument risk exposure and management (continued)

25.5 Liquidity risk

Liquidity and interest risk tables

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due, and ensuring adequate working capital using invoice discounting arrangements.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The tables below show the undiscounted cash flows on the Group's financial liabilities on the basis of their earliest possible contractual maturity.

	Carrying amount	Total	1 - 3 months	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
31 December 2021	£	£	£	£	£	£	£
Trade payables	13,315,768	13,315,768	13,315,768	-	-	-	-
Other taxation and social security	849,123	849,123	849,123	-	-	-	-
Other payables	238,210	238,210	238,210	-	-	-	-
Accruals	1,398,933	1,398,933	1,398,933	-	-	-	-
Lease liabilities	12,170,539	13,830,127	453,707	1,361,122	1,315,791	4,631,612	6,067,895
Invoice discounting facility	2,359,543	2,359,543	2,359,543	-	-	-	-
Bank loans	1,779,254	2,086,831	47,332	141,994	189,326	567,978	1,140,201
	32,111,370	34,078,535	18,662,616	1,503,116	1,505,117	5,199,590	7,208,096

25. Financial instrument risk exposure and management (continued)

25.5 Liquidity risk (continued)

	Carrying amount £	Total £	1 - 3 months £	3 - 12 months £	1 - 2 years £	2 - 5 years £	More than 5 years £
31 December 2020							
Trade payables	10,599,998	10,599,998	10,599,998	-	-	-	-
Other taxation and social security	2,085,490	2,085,490	2,085,490	-	-	-	-
Deferred consideration	1,480,000	1,480,000	-	1,480,000	-	-	-
Other payables	144,716	144,716	144,716	-	-	-	-
Accruals	1,169,781	1,169,781	1,169,781	-	-	-	-
Lease liabilities	6,002,341	6,952,918	267,333	801,998	1,150,287	2,478,994	2,254,306
Invoice discounting facility	1,093,264	1,093,264	1,093,264	-	-	-	-
Bank loans	1,878,616	2,240,259	38,357	115,072	189,326	567,978	1,329,526
	24,454,206	25,766,426	15,398,939	2,397,070	1,339,613	3,046,972	3,583,832

26. Capital management

The Group's capital management objectives are:
- To ensure the Group's ability to continue as a going concern; and
- To provide long term returns to shareholders.

The Group defines and monitors capital on the basis of the carrying amount of equity plus its outstanding borrowings, less cash and cash equivalents as presented on the face of the Consolidated Statement of Financial Position as detailed below:

	2021 £	*2020* *£*
Equity	**22,353,963**	*11,587,199*
Borrowings	**16,309,336**	*8,974,221*
Cash and cash equivalents	**(8,447,550)**	*(2,820,895)*
	30,215,749	*17,740,525*

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares or adjusting the level of debt. The Group is not subject to any externally imposed capital requirements.

27. Share capital

Consolidated and Company

Authorised

	2021 Number	2021 £
Shares treated as equity		
Ordinary shares of £0.01 each	**192,374,194**	**1,923,742**
	192,374,194	**1,923,742**

27. Share capital (continued)

Issued and fully paid

	2021 Number	2021 £
Ordinary shares of £0.01 each		
At 1 January	**152,341,994**	**1,523,420**
Shares issued	**40,032,200**	**400,322**
At 31 December	**192,374,194**	**1,923,742**

The Company has one class of ordinary share which carry no right to fixed income.

On 19 February 2021, the Company allotted 32,200 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £3,220.

On 18 August 2021, the Company allotted 40,000,000 new £0.01 Ordinary Shares for consideration of £0.25 per share, totalling £10,000,000.

28. Reserves

Share capital

This represents the nominal value of shares that have been issued.

Share premium

This reflects proceeds generated on issue of shares in excess of their nominal value and is a non-distributable reserve.

Revaluation reserve

This is used to record increases in the fair value of fixed assets and decreases to the extent that the decrease relates to a previous increase on the same asset. The revaluation reserve is a non-distributable reserve. The excess depreciation on revalued assets in comparison to historical cost depreciation is transferred from the revaluation reserve to retained earnings.

Foreign exchange reserve

This reflects the exchange differences on the translation of the foreign subsidiary.

Retained earnings

This includes all current and prior period gains and losses.

Share option reserve

This represents the cumulative fair value of options granted.

Warrant reserve

This represents the cumulative fair value of warrants granted.

29. Warrants over ordinary shares

On 9 January 2019, the Company issued warrants over 1,800,000 shares as part of the IPO at a price of £0.10 per share.

On 1 May 2019, the Company issued warrants over 1,000,000 shares as part of the acquisition of H&V Carpets BVBA at a price of £0.30 per share.

Warrants are exercisable at any date in the ten years following the date of grant and none had been exercised as at 31 December 2021.

Warrants were valued using the Black-Scholes model. The inputs to the model were the option price and share price at date of grant, expected date of exercise, expected volatility (20%), expected dividend rate (0%) and risk free rate of return (4%). The fair value of the warrants at the date of grant was considered to be £128,170.

30. Analysis of amounts recognised in other comprehensive income

	Note	Revaluation reserve	Foreign exchange reserve	Retained earnings
		£	£	£
Year to 31 December 2021				
Property revaluation		1,330,356	-	-
Actuarial losses on pension	31	-	-	(20,000)
Translation in relation to foreign subsidiary		-	(17,222)	-
Transfer to/from retained earnings		(19,000)	-	19,000
		1,311,356	(17,222)	(1,000)

	Note	Revaluation reserve	Foreign exchange reserve	Retained earnings
		£	£	£
Year to 31 December 2020				
Property revaluation		238,757	-	-
Actuarial losses on pension	31	-	-	(20,000)
Translation in relation to foreign subsidiary		-	(39,403)	-
Other adjustments		-	-	(370)
Transfer to/from retained earnings		(15,500)	-	15,500
		223,257	(39,403)	(4,870)

31. Retirement plans

Defined contribution scheme

The Group operates a defined contribution pension scheme, the assets of which are held separately from those of the Group in an independently administered fund. Contributions made by the Group to the scheme during the year amounted to £298,167 (2020 - £263,550). The amount outstanding at the reporting date in respect of contributions to the scheme were £45,543 (2020 - £57,210).

(i) Defined benefit scheme characteristics and funding

William Armes Limited, a subsidiary of the Group since 9 January 2018, operates a pension scheme providing benefits based on final pensionable pay. The Scheme is closed to new members and is closed to future accrual. For pensions earned after 5 April 1997 and for Guaranteed Minimum Pensions earned between 6 April 1998 and 5 April 1997, increases in payment will be in line with CPI rather than RPI. Revaluations of pensions in deferment are linked to RPI. The scheme has been transferred to Likewise Floors Limited as part of the transfer of trade and assets.

The assets of the Scheme are held separately from those of the Group in trustee-administered funds. The level of contributions is determined by a qualified actuary.

The contribution paid for the year ended 31 December 2021 was £20,000 (2020 - £20,000). It has been agreed with the trustee that contributions for the next year will be £5,000 (2020 - £20,000).

Given that the defined benefit pension scheme is in surplus at 31 December 2021, there is expected to be no material impact on the Group's future cash flows.

31. Retirement plans (continued)

(ii) Reconciliation of defined benefit obligation and fair value of scheme assets

All defined benefit schemes are exposed to materially the same risks and therefore the reconciliation below is presented in aggregate.

	Defined benefit obligation		Fair value of scheme assets		Effect of asset ceiling		Net defined scheme liability	
	2021	*2020*	**2021**	*2020*	**2021**	*2020*	**2021**	*2020*
	£	*£*	**£**	*£*	**£**	*£*	**£**	*£*
Balance at 1 January	**1,804,000**	*1,733,000*	**(1,846,000)**	*(1,902,000)*	**42,000**	*169,000*	**-**	*-*
Interest cost	**23,000**	*34,000*	**(23,000)**	*(34,000)*	**-**	*-*	**-**	*-*
Included in profit or loss	**1,827,000**	*1,767,000*	**(1,869,000)**	*(1,936,000)*	**42,000**	*169,000*	**-**	*-*
Remeasurement loss								
Actuarial loss from:								
- Demographic assumptions	**(4,000)**	*124,000*	**-**	*-*	**-**	*-*	**(4,000)**	*124,000*
- Limited by asset ceiling	**-**	*-*	**-**	*-*	**155,000**	*(127,000)*	**155,000**	*(127,000)*
Return on plan assets (excl. interest)	**-**	*-*	**(131,000)**	*23,000*	**-**	*-*	**(131,000)**	*23,000*
Change in asset ceiling (excl. interest)	**-**	*-*	**-**	*-*	**-**	*-*	**-**	*-*
Included in other comprehensive income	**(4,000)**	*124,000*	**(131,000)**	*23,000*	**155,000**	*(127,000)*	**20,000**	*20,000*
Employer contributions	**-**	*-*	**(20,000)**	*(20,000)*	**-**	*-*	**(20,000)**	*(20,000)*
Benefits paid	**(92,000)**	*(87,000)*	**92,000**	*87,000*	**-**	*-*	**-**	*-*
Other movements	**(92,000)**	*(87,000)*	**72,000**	*67,000*	**-**	*-*	**(20,000)**	*(20,000)*
Balance at 31 December	**1,731,000**	*1,804,000*	**(1,928,000)**	*(1,846,000)*	**197,000**	*42,000*	**-**	*-*

31. Retirement plans (continued)

Actuarial assumption

The principal actuarial assumptions used in the determining calculating the present value of the defined benefit obligation (weighted average) include:

	2021	*2020*
Discount rate	**1.90%**	*1.30%*
Future salary increases	**2.40%**	*2.00%*
Inflation assumption (RPI)	**3.20%**	*2.80%*
Mortality rates - for male aged 65 now	**1.00%**	*1.50%*
Mortality rates - for female aged 65 now	**1.00%**	*1.00%*
Longevity at retirement age (current pensioners)		
- Males		*86.6 years*
- Females		*88.1 years*
Longevity at retirement age (future pensioners)		
- Males		*88.4 years*
- Females		*89.4 years*

Sensitivity analysis

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation was performed:

- A decrease in the interest rates of 0.5% would increase liabilities by 6.3%;
- A decrease in inflation of 0.5% would decrease the liabilities by 5.0%; and
- An increase in the long term rate of mortality improvement of 0.5% would increase the liabilities by 1.5%.

32. Share-based payments

Equity settled share option plan

The Company has a Savings-Related Share Option Plan ("SAYE") for all employees of the Group. In accordance with the terms of the plan, as approved by shareholders, employees of the Group may be granted options to purchase ordinary shares. There are no performance criteria for the SAYE and options are issued to participants in accordance with HMRC rules. Vesting is conditional on continuity of service.

As at 31 December 2020, 5,057,729 share options remained active; these were issued during 2019 at a weighted average option price of £0.13 per share. During the current year 4,077,374 new options were issued and 1,857,255 options lapsed on employees leaving the Group. During the current year 32,200 options were exercised with an option price of £0.10 per share. The remaining contractual life of the remaining 7,245,648 options is approximately 3 years.

In addition, as at 31 December 2020, 9,065,000 share options remained active which were issued under Enterprise Management Incentives (EMIs). On 6 March 2021, 2,525,000 of these options were transferred into a new scheme at a weighted average option price of £0.18 per share. During the current year 2,885,000 new options were issued and 250,000 options lapsed on employees leaving the Group. The remaining contractual life of the remaining 11,700,000 options is approximately 3 years.

Share options are valued using the Black-Scholes model. The inputs to the model are the option price and share price at date of grant, expected volatility (20%), expected dividend rate (0%) and risk free rate of return (4%). The model has been adjusted for expected behavioural considerations.

The cost of options is amortised to the Statement of Comprehensive Income over the service life of the option resulting in a charge of £149,210 for the year (2020 - £68,992).

33. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

A rent charge of £28,000 was paid in the year for leased office premises from a subsidiary of REI plc, a Company controlled by the Group's Non-Executive Chairman.

34. Changes in liabilities arising from financing activities

	Cash / bank overdraft £	Borrowing due within one year £	Borrowing due after one year £	Total £
Net debt at 31 December 2019	618,375	(1,261,306)	(2,634,742)	(3,277,673)
Cash flows	2,202,520	-	-	2,202,520
Repayment of bank loans	-	38,467	-	24,321
Unpaid interest	-	-	(14,146)	-
New Likewise Floors invoice discounting facility	-	(946,312)	-	(740,562)
Reduction in William Armes Limited invoice discounting	-	205,750	-	-
New lease liabilities	-	(1,125,006)	(4,100,767)	(5,225,773)
Repayment of lease liabilities	-	863,841	-	863,841
Net debt at 31 December 2020	2,820,895	(2,224,566)	(6,749,655)	(6,153,326)
Net debt at 31 December 2020	2,820,895	(2,224,566)	(6,749,655)	(6,153,326)
Cash flows	5,626,655	-	-	5,626,655
Repayment of bank loans	-	(39,743)	139,105	99,362
Increase in invoice discounting facility	-	(1,266,279)	-	(1,266,279)
New lease liabilities	-	(1,535,929)	(5,518,894)	(7,044,408)
Repayment of lease liabilities	-	886,625	-	876,210
Net debt at 31 December 2021	8,447,550	(4,179,892)	(12,129,444)	(7,861,786)

35. Post balance sheet events

Share Transactions

On 11 January 2022, the Company allotted 40,000,000 new £0.01 Ordinary Shares for consideration of £0.35 per share, totalling £14,000,000 and allotted a further 5,000,000 new £0.01 Ordinary Shares at par as part of the consideration for the acquisition of the entire share capital of Valley Wholesale Carpets (2004) Limited.

On 28 January 2022, the Company allotted 5,714,286 new £0.01 Ordinary Shares for consideration of £0.35 per share, totalling £2,000,000.

On 22 February 2022, the Company reduced the share premium account by £22,000,000 and this balance was transferred to the distributable retained earnings of the Company.

On 23 March 2022, the Company allotted 204,000 new £0.01 Ordinary Shares for consideration of £0.10 per share, totalling £20,400 and allotted a further 2,500 new £0.01 Ordinary Shares for consideration of £0.21 per share, totalling £525. These shares were issued under the Company's SAYE scheme.

On 4 April 2022, the Company allotted 500,000 new £0.01 Ordinary Shares at par as part of the consideration for the acquisition of the entire share capital of Delta Carpets (Holdings) Limited by Likewise Floors Limited.

Acquisitions

On 14 January 2022, the Company acquired the entire issued share capital of Valley Wholesale Carpets (2004) Limited and its wholly owned subsidiary. Consideration of £29,615,650 for the purchase was in the form of £14,000,000 cash, £10,000,000 cash extracted from the acquired company, £1,000,000 deferred cash consideration and the issue of 5,000,000 new shares of £0.01 each in Likewise Group Plc valued at £1,750,000 at the date of acquisition and which includes a guaranteed cash payment of the difference between £1 per share and the share price at 14 January 2024. The fair value of this arrangement as at the grant date has been reflected in the purchase consideration outlined.

The final completion accounting, including the fair value accounting of assets and liabilities acquired, has not yet been finalised and therefore disclosure of the fair value net assets acquired is not yet possible. The acquisition is expected to contribute annual revenue of approximately £36.0m and profit before tax of £2.5m.

On 1 April 2022, Likewise Floors Limited, a subsidiary of the Company, acquired the entire issued share capital of Delta Carpets (Holdings) Limited and its wholly owned subsidiary. Consideration of £3,000,000 was paid in the form of £1,500,000 cash, £1,000,000 cash extracted from the acquired companies and 500,000 new £0.01 shares in Likewise Group Plc valued at £175,000 at the date of acquisition which includes a guaranteed cash payment of the difference between £1 per share and the share price at 1 April 2024.

The final completion accounting, including the fair value accounting of assets and liabilities acquired, has not yet been finalised and therefore disclosure of the fair value net assets acquired is not yet possible but is expected to be c. £0.1m. The acquisition is expected to contribute annual revenue of approximately £6.5m and profit before tax of £0.4m.