

## IG Design Group plc

(the 'Company', the 'Group' or 'Design Group')

Results for the year ended 31 March 2026<sup>(a)</sup>

***Exceeding expectations with strong cash generation and a more focused, resilient business***

IG Design Group plc, a leading designer, innovator and manufacturer across various celebration and creative categories announces its audited results for the year ended 31 March 2026.

### Financial highlights

	FY2026	FY2025
Revenue	£217.9m	£225.4m
Adjusted <sup>(b)</sup>		
- Operating profit	£9.6m	£16.0m
- Profit before tax	£8.6m	£14.9m
- Diluted earnings per share	7.2p	10.0p
Reported		
- Operating profit	£7.5m	£10.3m
- Profit before tax	£6.3m	£9.0m
- Diluted earnings per share	5.5p	4.3p
Net cash as at the period end	£54.6m	£65.6m
Dividend	1.0p	0.0p

<sup>(a)</sup>Following the disposal of DG Americas, the following Executive Review is presented on a continuing Group basis. Reflecting this evolution of the Group, GBP has been adopted as its presentation currency during the year, prior year has been restated to reflect this.

<sup>(b)</sup> Adjusted results exclude the impact of adjusting items – for further detail see alternative performance measures reconciliation within the detailed financial review.

- Revenue, profit margin and cash ahead of market expectations, as previously announced:
  - Revenue decline of 3% reflecting the impact of tariffs, pricing pressures and softer UK demand
  - Adjusted operating profit margin of 4.4%
  - Strong cash generation, with continuing operations generating £16.2m of net cash (FY2025: £4.6m outflow); year-end net cash of £54.6m (FY2025: £65.6m). Focused on maintaining a robust balance sheet

### Strategic highlights

- Successful disposal of DG Americas (30 May 2025), simplifying the Group and enhancing the quality of earnings, positioning the business as more focused, simpler, profitable and cash generative
- Continued progress against the Group's strategy, focused on premiumisation, product diversification, customer and channel expansion, and commercial capability
  - Expansion into adjacent and higher price-point categories, including décor, licensed ranges and free-standing display units
  - Hinkler distribution agreement extends product offering and utilises Australian capacity
- Progress on sustainability agenda, including first-time Scope 3 emissions reporting and SBTi-validated targets

### Capital allocation

- New capital allocation framework prioritising growth, a progressive dividend policy and the return of surplus capital. The new capital allocation signals the Directors confidence in cash generation and provides a commitment to delivering sustainable shareholder returns
- Proposed recommencement of final ordinary dividend of 1.0p per share, due to be paid on 9 October 2026. If approved, the dividend will be paid to shareholders on the register of members at the close of business on 4 September 2026. The ex-dividend date is 3 September 2026. The deadline to opt into a Dividend Reinvestment Plan (DRIP) is close of business on 18 September 2026
- A share buyback of up to 10% of the issued share capital, in line with the authorities granted by shareholders at the 2025 AGM, representing a significant return of capital and enhancing shareholder value through the cancellation of shares purchased

### Post period highlights

- Appointment of Gerald Kuehr as CEO Designate from 1 May 2026 and CEO from 1 July 2026, strengthening leadership for next phase
- Successful acquisition of Glenart (29 April 2026), a complementary, bolt-on entry into a new geography within Celebrate, which will be immediately earnings enhancing

## Outlook

- The Group enters FY2027 as a more focused, simpler, profitable and cash-generative business, with strong customer relationships, a resilient operating model and a strong balance sheet
- The Board acknowledges the ongoing macroeconomic uncertainty, including cost pressures, inflation, and softer consumer sentiment, but remains confident of delivery in the period ahead
- The Group guidance remains unchanged as it expects to deliver 0–5% revenue growth, adjusted operating margins of 4–5% and c.£5m annual free cash generation
- Orderbook remains robust at 78% of budgeted revenues (75% at this stage last year)

### **Stewart Gilliland, Interim Executive Chair, commented:**

*“We have delivered what we promised in the period as a simplified more stable business – the result of which is the ability to report a strong performance in the year, exceeding expectations despite a challenging trading environment. Across the business, we have maintained a clear focus on operational discipline, product innovation and strengthening our commercial capability. Alongside this, encouraging progress has been made against our strategic priorities with continued investment to support long-term growth.*

*We are also pleased to announce the reinstatement of the dividend, alongside a share buyback, underlining our commitment to delivering and sharing value with our shareholders in a disciplined and sustainable way.*

*These results are a testament to the hard work, resilience and commitment of our colleagues across the Group, whose focus and execution have been fundamental to delivering this performance.*

*With Gerald Kuehr, our new CEO, settling in well, we look forward to working closely with him as we execute our strategy and build on the strong foundations in place.*

*With a stronger balance sheet, a more focused operating model and renewed leadership, we are entering the next phase with confidence. The Group is well positioned to build on this progress and deliver sustainable improvement in profitability, cash generation and shareholder value over the medium term.”*

For further information, please contact:

#### **IG Design Group plc**

Stewart Gilliland, Interim Executive Chair  
Gerald Kuehr, Chief Executive Officer Designate  
Rohan Cummings, Chief Financial Officer

Tel: +44 (0)1525 887310

#### **Canaccord Genuity Limited (Nomad and Broker)**

Bobbie Hilliam  
Elizabeth Halley-Stott

Tel: +44 (0)20 7523 8000

#### **Alma Strategic Communications**

Rebecca Sanders-Hewett  
Sam Modlin  
Will Merison

Tel: +44 (0)20 3405 0205  
designgroup@almastrategic.com

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018 ("UK MAR")). With the publication of this announcement, this information is now considered to be in the public domain.

### **Overview – a more focused, simpler, profitable and cash-generative business**

The Group delivered a strong performance in FY2026, exceeding management expectations despite a challenging consumer and pricing environment. The disposal of DG Americas to Hilco on 30 May 2025 marked a pivotal step in reshaping the business, simplifying the Group and enhancing the quality of earnings, positioning it as a more focused, profitable and cash-generative business. Following the disposal of DG Americas, the following Executive Review is presented on a continuing Group basis. Reflecting this evolution of the Group, GBP has been adopted as its presentation currency during the year; the prior year has been restated to reflect this.

Continuing revenue was £217.9 million (FY2025: £225.4 million) and adjusted operating profit was £9.6 million (FY2025: £16.0 million), with a margin of 4.4% (FY2025: 7.1%), reflecting the impact of tariffs, competitive pricing pressures and softer UK demand, partially offset by ongoing product diversification and disciplined cost management. Cash generation was particularly strong, with a net inflow of £16.2 million from continuing operations driven by a release of working capital as inventory levels normalised, resulting in a strong year-end net cash position of £54.6 million and reinforcing the resilience of the balance sheet.

The Group continued to progress its strategic priorities, with a focus on product diversification and premiumisation to improve the quality of revenue and reduce reliance on core categories. This has been demonstrated through expansion into adjacent and higher price-point categories, including décor, licensed ranges and free-standing display units, alongside initiatives such as the Hinkler distribution agreement, which broadens the product offering while leveraging existing operational capacity. Together with the acquisition of Glenart, a complementary, bolt-on investment completed in April 2026, these actions reflect the momentum in the execution of the Group's strategy.

This progress is further supported by investment in the Group's long-term capabilities. Strengthening the leadership through the appointment of Gerald Kuehr as CEO from 1 July 2026, the introduction of a refreshed capital allocation framework, and continued progress in sustainability, with first-time Scope 3 emissions reporting and SBTi-validated targets, positions the Group well to deliver sustainable growth in FY2027 and beyond.

### **Board changes – a year of transition, positioned for the next phase of growth**

During the year, the Board underwent a number of changes. Paul Bal stepped down from his role as Chief Executive Officer (CEO) following the successful disposal of DG Americas. Stewart Gilliland assumed the role of Interim Executive Chair, providing leadership continuity, stability and commitment to the role until the appointment of the permanent CEO was finalised.

In April 2026, the Group announced the appointment of Gerald Kuehr as CEO Designate, effective from 1 May 2026, with Gerald assuming the role of CEO from 1 July 2026. Gerald has been working with the Group in an advisory capacity since January 2026, during which time he has developed a strong understanding of the Group's strategy, operations and customer base. Since his formal appointment, Gerald has continued to work closely with the Board and senior leadership team to support continuity of execution, engage with key customers and progress strategic priorities aligned to value creation. Upon his appointment as CEO, Stewart Gilliland will revert to his role as Non-Executive Chair.

Mark Tentori, Senior Independent Director and Chair of the Audit Committee, stepped down from the Board following the AGM, in line with governance best practice, having served as a Director for over nine years. Following Mark's departure, John Gittins, who joined the Board in March 2025, has been appointed Chair of the Audit Committee, and Clare Askem has assumed the role of Senior Independent Director, ensuring continued strong governance, independence and oversight at Board level.

The Board would like to thank Paul and Mark for the significant contribution, commitment and guidance they provided during their respective tenures. The Board also welcomes Gerald and looks forward with confidence to the next phase of the Group's journey under his leadership.

### **Divestment of DG Americas – a transformational deal**

The Group completed the disposal of DG Americas on 30 May 2025, exiting a structurally challenged and loss-making part of the Group. The timing and nature of the transaction mitigated further adverse financial and operational impact that the Group would otherwise have experienced. The decision protected the remaining part of the Group, which is profitable and cash generative. Hilco is progressing the realisation of the DG Americas entities through asset disposals and liquidations, with any future net proceeds payable to the Group dependent on the outcome of this process. As at 31 March 2026, the expected cash flows from any potential future proceeds were assessed to have a fair value of £nil.

A loss of £110.2 million was recognised on the disposal of DG Americas which, together with £7.5 million of trading losses generated by the business prior to disposal, resulted in a loss from discontinued operations of £117.7 million for the period.

Following the disposal of DG Americas, the Group has undertaken a strategic review of its financial reporting approach. As a result of the materially reduced level of USD-denominated revenues and profits, the Group has adopted GBP as its presentation currency for the consolidated financial statements. Comparative information has been restated to reflect this change in reporting currency.

Comparative information for prior periods has been re-presented to reflect the classification of DG Americas as a discontinued operation, consistent with the current year presentation. Cash flows relating to discontinued operations are disclosed separately within the cash flow. Further detail is provided in note 1 to the financial statements.

## Strategy and outlook – focused on delivery

The Group delivered a strong performance in the year, exceeding the expectations set at the outset and demonstrating the resilience of its business model, the strength of its customer relationships and the quality of its category expertise across both Celebrate and Create. Our design-led proposition, supported by long-standing retailer partnerships, global sourcing capabilities and disciplined operational execution, continues to provide a robust platform for sustainable growth and cash generation.

Following the appointment of the new CEO, the Group's strategy remains focused on evolution rather than revolution, with continued emphasis on the four long-term growth pillars that underpin future value creation. These priorities are premiumisation, product diversification, customer and channel expansion, and the strengthening of commercial capability. Through a more differentiated and higher-value product offering, continued expansion into adjacent and underpenetrated categories, broader customer reach across geographies and channels, and enhanced commercial execution, the Group is well positioned to deliver further growth in revenue, margins and cash generation over the medium term, whilst remaining mindful of ongoing macroeconomic and geopolitical uncertainties.

The Group enters the new financial period with a strong orderbook representing 78% of budgeted revenues (compared to 75% in the prior year), providing good visibility and underpinning confidence in near-term performance. The Group also remains focused on disciplined cost management and strong capital allocation to support scalable, profitable growth and long-term shareholder returns. Looking ahead, as previously stated, the Board expects to deliver annual revenue growth in the range of 0-5% per annum, adjusted operating margins of 4-5%, and annual free cash generation of approximately £5 million, supported by continued execution against its strategic priorities.

In April 2026, the Group completed the acquisition of Glenart S.A., a South African manufacturer within the Celebrate category, with particular strength in crackers. The business is highly complementary to the Group's existing operations and provides an opportunity to expand into a new geography while leveraging established customer channels. The acquisition represents a disciplined, bolt-on investment aligned to the Group's strategic pillars and will be immediately earnings enhancing.

Overall, the Group remains well positioned to deliver sustainable revenue growth, margin progression and consistent cash generation, underpinned by a clear strategy and leadership, strong customer partnerships and continued operational discipline.

## Capital allocation – disciplined framework, delivering shareholder returns

The Board has approved a disciplined capital allocation framework, aligned to long-term shareholder value creation, prioritising investment in growth through organic initiatives and strategically aligned selective M&A, alongside a progressive dividend policy and the return of surplus capital where appropriate, while maintaining a strong balance sheet. The dividend policy will be progressive and seek to move towards a dividend cover of no less than 3x over time.

Reflecting this approach, the Group is pleased to announce a 1.0p dividend per share for the full year (FY2025: 0.0p per share). This represents a dividend cover of 7.2x and results in a total cash distribution to shareholders of c.£1.0 million, subject to shareholders' approval at the AGM on 24 September 2026. The final dividend will be paid on 9 October 2026 to shareholders on the register of members at the close of business on 4 September 2026.

In line with the Group's updated capital allocation policy, aligned to long-term shareholder value creation, the Company has also today announced the initiation of a share buyback programme for up to 10% of the issued share capital until the next AGM on 24 September 2026, subject to liquidity. Shares purchased as part of the buyback will be cancelled.

The capital allocation policy marks a significant step in the delivery of tangible shareholder returns and demonstrates confidence in the strength of our balance sheet and the Group's outlook.

## Regional highlights

The continuing Group comprises three reporting segments: DG Europe, DG UK and DG Australia, along with central costs and eliminations. The Group's product categories fall into two key themes: Celebrate and Create. As a leading manufacturer and distributor of celebration products, our ranges help millions of people celebrate life's special moments each year. The Celebrate category is made up of gift packaging (such as giftwrap, greetings cards and gift bags), party products and goods not for resale. The Group's Create products spark imagination, foster creativity, and encourage learning, to help consumers of all ages express themselves and build new skills. This category includes stationery, homeware and craft product categories.

Across the Group, there are a combination of well-structured product ranges with a strong focus on design and innovation, supported by a geographically diverse market footprint.

Segments	Revenue			Adjusted operating profit/(loss)			Adjusted operating margin	
	FY2026 £m	FY2025 £m	Change %	FY2026 £m	FY2025 £m	Change %	FY2026 %	FY2025 %
DG Europe	102.9	101.1	2	11.5	14.4	(20)	11.2	14.3
DG UK	82.0	93.3	(12)	3.1	5.6	(44)	3.8	5.9
DG Australia	33.5	31.6	6	1.8	1.6	8	5.2	5.2
Central costs & eliminations	(0.5)	(0.6)		(6.8)	(5.6)			
<b>Total</b>	<b>217.9</b>	<b>225.4</b>	<b>(3)</b>	<b>9.6</b>	<b>16.0</b>	<b>(40)</b>	<b>4.4</b>	<b>7.1</b>

## DG Europe

*DG Europe designs, manufactures and sources across the Celebrate and Create categories. It comprises a manufacturing business in the Netherlands and Poland, primarily serving giftwrap within the Celebrate category and a trading business based in the Netherlands, focusing on homeware products within the Create category. The segment's main customers are large value and mass-market retailers.*

Revenue for the year was £102.9 million (FY2025: £101.1 million), representing a modest growth of 2% year-on-year. Performance reflected continued pricing pressure within the European market, offset by growth in adjacent product categories. This demonstrates the benefits of product diversification, particularly into higher-margin product categories, within the Group's established value and mass retail customer base, which continues to demonstrate resilience and scale within the current retail environment.

Adjusted operating profit was £11.5 million (FY2025: £14.4 million), with margins of 11.2% (FY2025: 14.3%). The reduction in profitability reflects a combination of pricing investment to maintain competitiveness and market share, alongside lower giftwrap manufacture volumes impacting production efficiencies and operational leverage. In addition, profitability in the period includes a non-cash impairment charge of £1.5 million relating to certain manufacturing assets following a reassessment of demand for European-produced, but higher-cost product. These impacts were partially mitigated by freight cost tailwinds following the normalisation from prior year elevated levels.

During the year, the business made good strategic and operational progress, particularly in the continued diversification of the product offering. This included expansion into higher-value price points such as free-standing display units (FSDUs), enabling access to more premium price points and enhanced customer propositions, including through the increased use of licensed product. Further product diversification opportunities continue to be developed for future years, featuring predominantly within the Homeware category, where early progress is encouraging and customer engagement remains strong. These initiatives have been underpinned by targeted investment in commercial capability, including key hires during the year, to enhance customer engagement and execution.

Looking ahead, the segment remains focused on accelerating product diversification, expanding its customer base and restoring high standards of manufacturing efficiency. Together, these priorities position DG Europe to deliver improved performance and support the Group's broader strategic objectives.

## DG UK

*DG UK designs and manufactures around two-thirds of its products across the Celebrate and Create categories, with the majority of sales in Celebrate. UK operations in Wales and Newport Pagnell are supported by a Group sourcing office in China.*

Revenue for the year was £82.0 million (FY2025: £93.3 million), representing a 12% decline year-on-year. Performance reflects the impact of US tariffs on DG UK's largest customer, which led to reduced volumes as the customer adjusted ordering volumes in anticipation of weaker consumer demand. In addition, pricing support was required to partially mitigate the impact of tariffs, further affecting revenues. Against this backdrop, the business worked closely with the customer, leveraging the strong commercial relationship, taking on a wider range of new products in order to partially offset the decline in core volumes. Beyond this, overall performance was also impacted by a softer UK consumer environment, particularly within the Independents channel, consistent with the challenging UK retail market. Despite these challenges, the business saw growth in adjacent, non-core categories, including décor and Create products within existing relationships with key value and mass customers, reflecting progress in product diversification and premiumisation, in line with the Group's strategic focus.

Adjusted operating profit declined to £3.1 million (FY2025: £5.6 million), with margins of 3.8% (FY2025: 5.9%). The reduction in profitability reflects the impact of lower revenues and unfavourable mix. This performance was partially mitigated by cost savings from the prior year closure of the Huizhou site and action to reduce overheads.

During the year, DG UK made progress against its strategic priorities, with a focus on product diversification and premiumisation, including expansion into higher price-point categories. Investment in commercial capability was a key focus, supported by the increased use of market insight and data-driven decision-making, alongside targeted investment in people through initiatives such as the Commercial Academy, strengthening the organisation's ability to execute against its strategy. In addition, the business progressed a number of operational and technology initiatives, including the development of a B2B ordering platform, designed to improve customer engagement, streamline ordering processes and enhance service levels. While the full benefit of these initiatives will be realised over time, they represent important steps in modernising the operating model and supporting future growth.

Looking ahead, DG UK remains focused on delivering product diversification, premiumisation and customer expansion, supported by strengthened commercial capability. Alongside this, the business is committed to building a leaner, more commercially effective operating model, simplifying core processes, sharpening the cost base, and enabling reinvestment to accelerate sustainable, profitable growth.

## DG Australia

*DG Australia operates a warehouse facility and sources all of its products, with no in-country manufacturing. The business is focused predominantly on the Celebrate category, offering a wide range of Everyday products including partyware, cards, and giftwrap. Key sales channels include independent retailers and national retail chains, supported by an extensive SKU portfolio.*

DG Australia makes up 15% of Group revenue and delivered a solid performance during the year. Revenue of £33.5 million (FY2025: £31.6 million), represents growth of 6% year-on-year, reflecting a strong performance across all sales channels and product categories.

Growth was particularly evident within party, gift packaging and craft, supported by continued customer demand and effective execution across both national and independent accounts.

Adjusted operating profit increased to £1.8 million (FY2025: £1.6 million), with margins consistent at 5.2%, reflecting the benefit of higher sales volumes, which more than offset the impact of increased costs associated with the new warehouse.

The new warehouse, relocated following the expiration of the prior lease, represents a step change in operational capability for the business. While the move has resulted in higher fixed costs, reflecting current market rental conditions, this was largely absorbed through strong trading performance. The facility provides additional capacity and is already being utilised to support increased sales volumes and improved service levels.

During the year, the business secured a new distribution agreement with Hinkler Books, representing a strategically aligned expansion into a complementary product category. The partnership enables the Group to broaden its product offering into existing customers, across both the Independents and Nationals channels, while also providing access to new customer opportunities, supporting incremental revenue growth. The product range offers attractive margins and enhances the overall customer proposition, aligning with the Group's focus on diversification. While the contribution in FY2026 was limited, the agreement provides a clear opportunity to utilise the increased capacity of the new, larger warehouse, improving asset utilisation and supporting operational efficiency over time. As volumes scale, Hinkler is expected to be a meaningful contributor to growth within the segment.

Looking ahead, DG Australia is well positioned to continue its growth trajectory, supported by a strong customer base, expanding product portfolio and enhanced operational infrastructure. The combination of organic category growth, new product category opportunities such as Hinkler, and improved scale efficiency provides confidence in the segment's ability to deliver revenue growth and margin progression over the medium term.

### Our products, brands and channels

The Group continues to be well positioned as a partner of choice for retail customers, offering a diverse, yet complementary, product portfolio that supports a wide range of seasonal and everyday propositions. The breadth and depth of the Group's offering, combined with strong sourcing capabilities and established customer relationships, enable the business to respond effectively to changing customer requirements and consumer demand. The Group supports customers across multiple channels and geographies, helping them to deliver compelling ranges while managing complexity and cost. The Group's portfolio enables customers to consolidate spend with a trusted supplier while benefitting from innovation, range extension and consistent service levels. The Group's product portfolio is organised around two core commercial themes, Celebrate and Create, with revenue performance by product category set out below.

Revenue by product category	FY2026		FY2025		Change %
Gift packaging	61%	£132.4m	61%	£137.1m	(3)%
Party	9%	£20.5m	8%	£18.6m	10%
Goods not for resale	3%	£7.0m	4%	£9.2m	(24)%
<b>Celebrate</b>	<b>73%</b>	<b>£159.9m</b>	<b>73%</b>	<b>£164.9m</b>	<b>(3)%</b>
Craft	3%	£6.3m	2%	£5.1m	24%
Stationery	4%	£7.9m	4%	£8.3m	(4)%
Homeware	20%	£43.8m	21%	£47.1m	(7)%
<b>Create</b>	<b>27%</b>	<b>£58.0m</b>	<b>27%</b>	<b>£60.5m</b>	<b>(4)%</b>
<b>Total</b>		<b>£217.9m</b>		<b>£225.4m</b>	<b>(3)%</b>

Group revenue declined by 3% to £217.9 million, with the overall revenue mix unchanged year-on-year, and category-level movements reflecting differing demand dynamics, pricing impacts and volume trends across the business. Celebrate remained the largest theme, contributing 73% of revenue, while Create represented 27%.

Celebrate revenue declined by 3% to £159.9 million, with mixed performance across categories. Gift packaging, the Group's largest category, declined by 3%, driven primarily by the impact of tariffs and competitive pricing pressures on giftwrap across Europe. This was partially offset by growth in greetings cards and free-standing display units (FSDUs). Growth in these categories, alongside Party, reflects the Group's focus on product diversification to drive margins and reduce concentration risk.

Create revenue declined by 4% to £58.0 million. Homeware declined by 7%, primarily due to lower volumes, reflecting softer category demand. Craft delivered strong growth of 24%, increasing its share of the portfolio, supported by product diversification initiatives and resilient trading performance. Stationery remained broadly stable, declining 4% year-on-year.

Revenue by customer channel	FY2026		FY2025		Change %
Value & Mass	76%	£165.4m	73%	£165.6m	-%
Independents	16%	£34.6m	19%	£42.2m	(18)%
Specialists	8%	£17.9m	8%	£17.6m	1%

<b>Total</b>	<b>£217.9m</b>	<b>£225.4m</b>	<b>(3)%</b>
--------------	----------------	----------------	-------------

Performance by customer channel was mixed during the year. Value & Mass revenue was broadly flat at £165.4 million (FY2025: £165.6 million) and increased as a proportion of Group revenue to 76% (FY2025: 73%). Within the channel, performance reflected pricing and tariff-related pressures, which were offset by strategic initiatives to diversify the product offering and growth in Australia, which contributed to the overall resilience of the channel.

The Independents channel experienced the most significant decline, with revenue decreasing 18% to £34.6 million (FY2025: £42.2 million), reducing its share of Group revenue to 16% (FY2025: 19%). The decline was UK-related and reflects a particularly challenging trading environment for UK independent retailers, characterised by reduced consumer footfall and discretionary spending, rising operating costs, and continued competitive pressure from online and larger-format retailers. In contrast, Australian independent customer sales held up well and delivered year-on-year growth, reflecting a more favourable market backdrop and continued customer engagement in the region.

Specialists revenue increased modestly and remained stable at 8% of Group revenue. As a result, the Group experienced a shift in channel mix towards larger customers, which, alongside the continued growth of online retail, increasingly dominate the marketplace.

<b>Revenue by season</b>	<b>FY2026</b>		<b>FY2025</b>		<b>Change %</b>
Everyday	56%	£121.2m	56%	£124.8m	(3)%
Christmas	41%	£89.3m	42%	£95.3m	(6)%
Minor seasons	3%	£7.4m	2%	£5.3m	40%
<b>Total</b>	<b>£217.9m</b>		<b>£225.4m</b>		<b>(3)%</b>

The seasonal revenue profile remained broadly consistent year-on-year. Christmas represented a large proportion at 41% of the portfolio, where the year-on-year decline in revenue was broad-based and did not disproportionately impact any single season.

<b>Revenue by brand</b>	<b>FY2026</b>		<b>FY2025</b>		<b>Change %</b>
Customer own brand/bespoke	53%	£115.3m	54%	£121.5m	(5)%
DG brand	39%	£86.2m	41%	£91.5m	(6)%
Licensed	8%	£16.4m	5%	£12.4m	32%
<b>Total</b>	<b>£217.9m</b>		<b>£225.4m</b>		<b>(3)%</b>

Revenue declined across the Group's two largest brand segments during the year. Customer own brand revenue continued to represent the majority of Group revenue at 53%, albeit declining 5% year-on-year, while DG branded revenue declined 6%. As the Group's largest categories, these were most exposed to the impact of lower order volumes. In contrast, licensed revenue increased its share to 8% (FY2025: 5%), reflecting the success of targeted licensed offerings in enhancing category value and consumer appeal.

## Sustainability

Sustainability remains integral to the Group's strategy, supporting long-term value creation through resilient operations, stronger customer partnerships and continued innovation across our product portfolio, which together underpin competitive advantage. Our approach is structured around three pillars: People, Product and Planet, which guide priorities and performance across the business, with a continued focus on driving improvements for employees, customers and the environment. Further detail on the Group's sustainability framework, performance and disclosures is set out in the Sustainability Report section of the annual report.

A key milestone in the year was the progress made in climate reporting and target-setting capability. The Group reported Scope 3 emissions for the first time, following a Group-wide project to measure the emissions, supported by external expertise to ensure the accuracy, completeness and quality of our value chain emissions data. This work supported the submission and validation of both near-term and long-term targets by the Science Based Targets initiative (SBTi), reinforcing the Group's ambition to have a net-zero value chain by 2050, with interim targets set for 2035. Specifically, the Group has committed to reducing absolute Scope 1 and 2 emissions by 65% and absolute Scope 3 emissions by 37.5% by 2035, against a FY2024 base year, and has developed a decarbonisation roadmap to support delivery.

Across People, the Group maintained its focus on building a safe, inclusive and engaged workforce as a foundation for operational performance. The latest cycle of the Group-wide engagement survey has recently launched, continuing the commitment to listening to colleagues across the organisation and translating feedback into practical improvements that support a positive workplace. The Group also continues to promote employee wellbeing through a range of initiatives, including participation in Mental Health Awareness Week and broader programmes to support colleague wellbeing. Health and safety remains a clear Board priority and the reduction in accidents during the year is encouraging, reflecting sustained discipline around safe and consistent standards, training and safe systems of work across operations.

Across Product, the Group continued to reduce environmental impact while delivering commercially attractive solutions for customers. Innovation remains central to this approach, most notably through the continued expansion of Smartwrap™, the Group's plastic-free giftwrap solution. Smartwrap™ delivered sales of £63.2 million during the year, representing 69% of the Group's giftwrap portfolio and year-on-year growth of 68%, reflecting the strength of Smartwrap™ within the market, strong customer adoption and the increasing

appeal of sustainable alternatives. In FY2026, Smartwrap™ sales eliminated 141 tonnes of plastic, demonstrating how product innovation can deliver both environmental benefit and commercial value.

Across Planet, operationally absolute Scope 1 and 2 emissions reduced, with emissions intensity improving year-on-year, supported by efficiency initiatives and changes in the manufacturing footprint. These initiatives, alongside the progress made in Scope 3 emissions reporting, underline the Group's continued focus on sustainability within product development and operational decision-making, supporting long-term resilience and competitiveness.

### Detailed financial review

The Group's financial results for continuing operations for the year are summarised below. The prior year has been re-presented on a like-for-like basis for the continuing Group and restated for the change in reporting currency to GBP.

	FY2026			FY2025		
	Reported	Adjusting items	Adjusted	Reported	Adjusting items	Adjusted
	£m	£m	£m	£m	£m	£m
<b>Revenue</b>	<b>217.9</b>	-	<b>217.9</b>	225.4	-	225.4
Gross profit	41.1	0.8	41.9	48.4	1.1	49.5
Overheads	(33.6)	1.3	(32.3)	(38.1)	4.6	(33.5)
<b>Operating profit</b>	<b>7.5</b>	<b>2.1</b>	<b>9.6</b>	<b>10.3</b>	<b>5.7</b>	<b>16.0</b>
Net finance costs	(1.2)	0.2	(1.0)	(1.3)	0.2	(1.1)
<b>Profit before tax</b>	<b>6.3</b>	<b>2.3</b>	<b>8.6</b>	<b>9.0</b>	<b>5.9</b>	<b>14.9</b>
Tax	(1.0)	(0.3)	(1.3)	(4.6)	(0.1)	(4.7)
<b>Profit after tax</b>	<b>5.3</b>	<b>2.0</b>	<b>7.3</b>	<b>4.4</b>	<b>5.8</b>	<b>10.2</b>
<b>Operating profit</b>	7.5	2.1	9.6	10.3	5.7	16.0
Depreciation and impairment of PPE and software	5.3	-	5.3	4.4	(0.6)	3.8
Depreciation of right-of-use assets	3.8	(0.3)	3.5	3.9	(0.3)	3.6
<b>EBITDA</b>	<b>16.6</b>	<b>1.8</b>	<b>18.4</b>	<b>18.6</b>	<b>4.8</b>	<b>23.4</b>
<b>Diluted earnings per share</b>	<b>5.5p</b>	<b>1.7p</b>	<b>7.2p</b>	<b>4.3p</b>	<b>5.7p</b>	<b>10.0p</b>

Revenue decreased by 3% year-on-year to £217.9 million (FY2025: £225.4 million). Performance was impacted by softer demand in the UK, tariff-related pressures on US-linked business and pricing investment to support competitiveness in Europe, partially offset by growth in adjacent categories.

Adjusted gross margin of 19.2% declined year-on-year (FY2025: 22.0%), reflecting the combined impact of pricing pressures, tariffs and mix, alongside lower volumes affecting operating leverage.

Adjusted overheads reduced to £32.3 million (FY2025: £33.5 million), remaining relatively static as a percentage of sales (14.8%), reflecting the benefits of prior year restructuring actions and continued cost discipline, partially offset by higher people-related costs, including performance-related remuneration and investment in commercial capability.

As a result, adjusted operating profit declined to £9.6 million (FY2025: £16.0 million), representing an adjusted operating margin of 4.4% (FY2025: 7.1%), reflecting the lower gross profit, partially mitigated by overhead control.

Adjusted net finance costs were £1.0 million (FY2025: £1.1 million), with the year-on-year improvement driven by an underlying net finance income position, reflecting lower financing costs following the refinancing and strong cash position. Lease liability interest represents £1.3 million of the net finance costs (FY2025: £0.8 million), which has increased following the DG Australia warehouse relocation.

Adjusted profit before tax was £8.6 million (FY2025: £14.9 million), consistent with the decline in operating profit. Adjusted profit after tax was £7.3 million (FY2025: £10.2 million).

Reported results reflect adjusting item charges of £2.0 million after tax (FY2025: £5.8 million), resulting in reported profit after tax of £5.3 million (FY2025: £4.4 million). The year-on-year movement reflects lower adjusting item costs in the current year, despite an underlying reduction in profitability.

Overall, the Group delivered a resilient performance in a challenging trading environment, supported by cost discipline and strategic actions taken across the business, although profitability was impacted by external pressures on revenue and margin.

## Adjusting items

Adjusting items are material, unusual, or non-recurring gains or losses presented separately due to their nature, size, or incidence. They provide a clearer view of the Group's underlying performance by excluding items not related to core operations, ensuring consistency with how the business is managed and measured. These may include events spanning multiple periods but not considered part of normal trading activity.

The Group's adjusting items to operating profit in the year to 31 March 2026 are a net cost of £2.1 million (FY2025: £5.7 million). The details of adjusting items are included below:

	FY2026	FY2025
	£m	£m
Integration and restructuring costs	(1.3)	(5.7)
Profit on disposal of property	3.0	-
Provisions for guarantees	(3.8)	-
<b>Total</b>	<b>(2.1)</b>	<b>(5.7)</b>

Adjusting items to operating profit comprise of £1.3 million of integration and restructuring costs, largely related to the Far East reorganisation and the Australia warehouse relocation, and provisions for guarantees of £3.8 million, partially offset by a £3.0 million profit on disposal of a surplus UK property.

In the prior year, adjusting items were significantly higher, driven by the closure of the China manufacturing site, UK restructuring and Australia warehouse relocation costs.

Please see *Use of non-GAAP measures (APMs)* section in note 1 of financial statements for further details.

## Taxation

The Group aims to manage its tax affairs in an open and transparent manner, with the objective of full compliance with all applicable rules and regulations in the tax jurisdictions in which it operates. The Group has not entered into any tax avoidance or otherwise aggressive tax planning schemes and the Group continues to operate its tax affairs in this manner.

The Group's adjusted tax charge for the year is £1.3 million (FY2025: £4.7 million) against an adjusted profit before tax of £8.6 million (FY2025: £14.9 million). This equates to an adjusted effective tax rate of 15.1% (FY2025: 31.5%). The adjusted tax charge includes a £1.6 million tax credit; previously held uncertain tax provisions relating to Huizhou have been released following the closure and deregistration of the manufacturing site. The credit reduces the adjusted effective tax rate of the Group to below the UK statutory rate of 25%.

Deferred tax assets relating to the entities in the UK (both UK trading and PLC) are not being recognised due to the lack of sufficient compelling evidence to suggest their recognition currently. Consequently, the absence of tax relief on current year tax losses in the UK increases the adjusted effective tax charge for the Group. The profits in DG Europe and DG Australia, which are considerable contributors to adjusted profit before tax, are taxed 25.8% and 30% respectively. Further details of this tax charge are set out in note 7 of the financial statements.

Tax paid in the year was £3.8 million (FY2025: £6.8 million), which is £3.0 million lower than the prior year. Overpayments in the prior year for previous years and lower profits in tax paying territories for the current year are the key drivers for the movement.

## Earnings per share

Diluted adjusted earnings per share was 7.2p (FY2025: 10.0p), reflecting the reduction in profit after tax for the year. Diluted reported earnings per share increased to 5.5p (FY2025: 4.3p), reflecting lower adjusting items and tax charge in the current year. Further details are set out in note 21 of the financial statements.

## Dividend

Following the establishment of the Group's capital allocation framework, a dividend of 1.0p per share will be paid in respect of FY2026 (FY2025: 0.0p), payable on 9 October 2026.

## Return on capital employed

Return on capital employed (ROCE) for the year was 13.1% (FY2025: 22.3%), which declined on a like-for-like basis driven primarily by lower profitability, partially mitigated by an improvement in average net capital employed, reflecting a significant working capital release during the year. However, ROCE significantly improved on a total Group basis following the disposal of DG Americas, demonstrating that the decision to exit the business has materially improved returns. We remain committed to enhancing capital returns through operational efficiency and sustainable growth.

## Cash flow and net cash

The Group delivered a strong improvement in underlying cash generation during the year, supported by a significant working capital inflow and continued discipline across operations.

	FY2026 £m	FY2025 £m
Adjusted EBITDA	18.4	23.4
Add back for share-based payment charge	0.8	0.6
Movements in working capital	7.2	(8.3)
<b>Adjusted cash generated from operations</b>	<b>26.4</b>	<b>15.7</b>
Adjusting items within cash generated from operations	(1.1)	(4.4)
<b>Cash generated from operations</b>	<b>25.3</b>	<b>11.3</b>
Adjusting items within investing and financing activities	3.0	0.6
Capital expenditure (net of disposals of property, plant and equipment)	(2.9)	(3.5)
Tax paid	(3.8)	(6.8)
Net finance costs paid	(0.7)	(0.5)
Lease liabilities principal repayments	(3.5)	(4.4)
Dividends paid (including those paid to non-controlling interests)	-	(0.5)
FX and other	(1.2)	(0.8)
<b>Movement in net cash from continuing operations</b>	<b>16.2</b>	<b>(4.6)</b>
DG Americas cash outflow	(25.8)	(5.3)
DG Americas disposal costs	(1.4)	-
<b>Movement in net cash</b>	<b>(11.0)</b>	<b>(9.9)</b>
Opening net cash	65.6	75.5
<b>Closing net cash</b>	<b>54.6</b>	<b>65.6</b>

Cash generation was strong during the year, with the Group delivering £26.4 million of adjusted cash generated from operations (FY2025: £15.7 million), driven by significant improvement in working capital. Excluding the impact of DG Americas, the continuing Group generated £16.2 million of cash, demonstrating the underlying strength of cash conversion across the business.

The increase in cash generation was primarily driven by a £7.2 million working capital inflow (FY2025: £8.3 million outflow), reflecting a normalisation of inventory levels, particularly in Europe. In the prior year, inventory had been elevated following supply chain disruptions at a key retail partner; this reversed during FY2026 as stock levels reduced, releasing cash.

Cash flows also benefitted from the disposal of a surplus UK warehouse, generating £3.0 million of net proceeds, further strengthening the Group's liquidity position.

Capital expenditure was largely in line with the prior year, with outflows predominantly relating to maintenance capex, alongside investment such as electric forklifts following the relocation of the DG Australia warehouse.

Overall cash movements in the year are also impacted by interest and tax payments, with lower tax payments reflecting the impact of reduced profitability in Europe in the prior year.

Cash movements also include one-off impacts relating to DG Americas of £27.2 million, which includes £7.9 million of cash balance on disposal, and £1.4 million of disposal costs. See note 4 for further details.

As a result, the Group closed the year with net cash of £54.6 million (FY2025: £65.6 million).

### Average leverage

Average leverage remains a key indicator of the Group's balance sheet strength and liquidity management, given the seasonal nature of working capital requirements. The Group maintained an average net cash position, resulting in average leverage of 0.0x (FY2025: 0.0x), supported by an average net cash balance of £23.9 million (FY2025: £31.7 million). This reflects continued discipline in cash management and ensures adequate headroom within banking facilities during peak funding periods.

The definition of average leverage excludes lease liabilities from the measurement of debt, with adjusted EBITDA correspondingly reduced for lease payments, consistent with the methodology applied in prior periods.

### Banking facilities

On 11 July 2025, the Group entered into a new Receivables Finance facility with HSBC and NatWest. The facility has an initial minimum period of 36 months and provides maximum £40 million borrowing base linked to eligible receivables across participating Group companies. Availability under the facility is determined by reference to the value of receivables, subject to eligibility criteria and concentration limits. The facility does not include financial ratio covenants but is subject to certain operational covenants. Further details are set out in note 15.

### Foreign exchange exposure management

The Group's foreign exchange (FX) exposure is split into two areas: translational and transactional.

*Translational FX exposure* arises from the requirement to present the Group's results in a single reporting currency. This necessitates the translation of our regional business units' local currency financial results into the Group's adopted reported currency. Following the strategic review of the Group's reporting approach, GBP has been adopted as the presentation currency for the consolidated financial statements in FY2026, reflecting the Group's current structure and the reduced exposure to USD-denominated revenues and profits following the disposal of DG Americas. Prior period results have been translated into GBP. To aid comparability between periods, constant currency figures are provided by retranslating the prior year's results using current year exchange rates. In FY2026, currency movements had a modest favourable impact. On a constant currency basis, the revenue decline would have been £2.2 million higher, and the decline in adjusted profit before tax would have been £0.5 million greater, had FY2025 results been translated at FY2026 rates.

*Transactional FX exposure* is managed through a combination of natural hedging and active financial hedging. The Group seeks to mitigate the impact of foreign exchange movements by aligning purchases and sales in the same currency where possible, with the majority of this achieved through US dollar flows within the Group. Residual exposures are managed through the use of forward exchange contracts and similar derivatives, ensuring that foreign exchange volatility is minimised as far as practicable.

### **Financial position and going concern basis**

The Group's net assets as at 31 March 2026 were £106.6 million, which are £102.3 million lower than the prior year, driven by the disposal of DG Americas. The Directors have continued to pay close attention to their assessment of going concern in preparation of these financial statements. The Group is appropriately capitalised at the year end, with a net cash position of £54.6 million and availability of a committed borrowing facility.

The Directors of the Group have performed an assessment of the overall position and future forecasts for the purposes of going concern. The going concern assessment has been performed using the Group's FY2027 and FY2028 budgets and plans. There is a reduction in cash flow volatility following the disposal of the DG Americas business, with the remaining Group forecasted to deliver more stable profitability and cash generation, reflecting continued progress towards a more consistent and resilient financial performance. The forecasts, reviewed by the Board, also incorporate the inherent seasonality of the Group's operations. The forecasts were sensitised to reflect severe but plausible adverse downturns in the current assumptions including the potential impact of the loss of significant trading with one of our major customers, inflation in freight rates and a cyber-attack, beyond those risks already factored into the budgets and plans.

The base forecasts and additional sensitivity analysis have been tested against the availability of the borrowing facility. The analysis demonstrated that the Group has sufficient headroom to meet its obligations as they fall due for the forecast period of at least twelve months beyond the date of signing these financial statements. As such, the Directors do not see any practical regulatory or legal restrictions which would limit their ability to fund the different regions of the business as required as the Group has sufficient resources.

Accordingly, the Directors have continued to adopt the going concern basis of accounting in preparing the financial statements.

### **Non-adjusting post balance sheet events**

On 29 April 2026, the Group completed the acquisition of 100% of the issued share capital of the Glenart group of companies ('Glenart'), comprising Glenart Trading (Pty) Ltd, Marcorp Marketing Consultants (Pty) Ltd and Glenart Trading Ltd.

Glenart is a leading design-led manufacturer and distributor in South Africa of products predominantly within the Celebrate category. The acquisition strengthens the Group's presence in the region and further enhances its product offering and customer relationships. The aggregate consideration for the acquisition is based on a multiple of Glenart's EBITDA and comprises: an initial cash consideration of approximately ZAR 76.5 million (£3.4 million) paid on completion; deferred consideration payable over the three years following completion; and additional performance-related contingent consideration linked to EBITDA performance over the financial years ending February 2027, 2028 and 2029.

After the reporting period, the Board approved a share buyback of up to 10% of the Company's issued share capital, under the authority granted by shareholders at the 2025 AGM and to be funded from distributable reserves. All shares purchased will be cancelled, reducing the Company's issued share capital. The Company intends to commence the programme on 16 June 2026.

**Rohan Cummings**

Director

15 June 2026

# Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will remain in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

## Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

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

On behalf of the Board.

**Rohan Cummings**  
Chief Financial Officer  
15 June 2026

# Consolidated income statement

Year ended 31 March 2026

	Note	2026 £000	2025 £000
Continuing operations			
<b>Revenue</b>	2	<b>217,874</b>	225,371
Cost of sales	2	<b>(176,759)</b>	(176,925)
<b>Gross profit</b>		<b>41,115</b>	48,446
Selling expenses		<b>(12,334)</b>	(11,416)
Administration expenses		<b>(25,411)</b>	(27,152)
Other operating income	3	<b>4,167</b>	390
<b>Operating profit</b>	3	<b>7,537</b>	10,268
Finance income	6	<b>772</b>	1,156
Finance costs	6	<b>(1,970)</b>	(2,426)
<b>Profit before tax from continuing operations</b>		<b>6,339</b>	8,998
Income tax charge	7	<b>(989)</b>	(4,555)
<b>Profit after taxation from continuing operations</b>		<b>5,350</b>	4,443
<b>Discontinued operations</b>			
Loss from discontinued operations	4	<b>(117,667)</b>	(82,595)
<b>Loss for the year</b>		<b>(112,317)</b>	(78,152)
Attributable to:			
Owners of the Parent Company		<b>(112,337)</b>	(78,450)
Non-controlling interests		<b>20</b>	298

## Earnings/(loss) per ordinary share

	Note	2026 pence	2025 pence
Basic earnings per share – continuing operations	21	<b>5.6</b>	4.4
Basic loss per share – discontinued operations	4	<b>(123.4)</b>	(86.7)
<b>Total basic loss per share</b>	21	<b>(117.8)</b>	(82.3)
Diluted earnings per share – continuing operations	21	<b>5.5</b>	4.3
Diluted loss per share – discontinued operations	4	<b>(122.4)</b>	(85.7)
<b>Total diluted loss per share</b>	21	<b>(116.9)</b>	(81.4)

# Consolidated statement of comprehensive income

Year ended 31 March 2026

5

		2026	2025
	Note	£000	£000
<b>Loss for the year</b>		<b>(112,317)</b>	<b>(78,152)</b>
Other comprehensive (expense)/income:			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of defined benefit pension and health benefit schemes		-	(31)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange difference on translation of foreign operations		<b>(1,351)</b>	(5,526)
Exchange difference reclassified to profit or loss on disposal of DG Americas	4	<b>10,813</b>	-
Exchange difference reclassified to profit or loss on disposal of Huizhou	1	<b>(406)</b>	-
Transfer to profit and loss on maturing cash flow hedges		<b>(490)</b>	(311)
Net unrealised gain/(loss) on cash flow hedges		<b>1,070</b>	(136)
		<b>9,636</b>	(5,973)
<b>Other comprehensive income/(expense) for the year, net of tax</b>		<b>9,636</b>	(6,004)
<b>Total comprehensive expense for the year, net of tax</b>		<b>(102,681)</b>	<b>(84,156)</b>
Attributable to:			
Owners of the Parent Company		<b>(103,126)</b>	(84,070)
Non-controlling interests		<b>445</b>	(86)
		<b>(102,681)</b>	<b>(84,156)</b>
Total comprehensive income/(expense) for the year attributable to owners of the Parent Company arises from:			
Continuing operations		<b>14,986</b>	(1,530)
Discontinued operations		<b>(118,112)</b>	(82,540)
		<b>(103,126)</b>	<b>(84,070)</b>

# Consolidated statement of changes in equity

Year ended 31 March 2026

	Attributable to the owners of the Parent Company								
	Share capital £000	Share premium and capital redemption reserve £000	Merger reserve £000	Hedging reserve £000	Translation reserve £000	Retained earnings/(Accumulated losses) £000	Shareholders' equity £000	Non-controlling interests £000	Total £000
<b>At 1 April 2025</b>	<b>4,915</b>	<b>173,723</b>	<b>32,399</b>	<b>(412)</b>	<b>(2,088)</b>	<b>(5,293)</b>	<b>203,244</b>	<b>5,631</b>	<b>208,875</b>
(Loss)/profit for the year	-	-	-	-	-	(112,337)	(112,337)	20	(112,317)
Release of translation reserve on disposal of subsidiaries	-	-	-	-	10,407	-	10,407	-	10,407
Other comprehensive income/(expense)	-	-	-	580	(1,776)	-	(1,196)	425	(771)
<b>Total comprehensive income/(expense) for the year</b>	-	-	-	580	8,631	(112,337)	(103,126)	445	(102,681)
<b>Transactions with owners in their capacity as owners</b>									
Reclassification on disposal of division	-	-	(17,500)	-	-	17,500	-	-	-
Reclassification on capital reorganisation	-	(173,723)	(14,899)	-	-	188,622	-	-	-
Equity-settled share-based payments (note 23)	-	-	-	-	-	628	628	-	628
Cash settlement of share-based payments	-	-	-	-	-	(245)	(245)	-	(245)
<b>At 31 March 2026</b>	<b>4,915</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>6,543</b>	<b>88,875</b>	<b>100,501</b>	<b>6,076</b>	<b>106,577</b>

On 12 March 2026, the Company completed a capital reorganisation. The transactions related solely to movements between Parent Company equity reserves and had no effect on total shareholders' equity.

## Merger reserve

The merger reserve comprised premium on shares issued in relation to business combinations. In the year, £17.5 million of merger reserve was reclassified to retained earnings on disposal of DG Americas, and a further £14.9 million was reclassified to retained earnings as part of the capital reorganisation, resulting in a nil balance at 31 March 2026.

## Capital redemption reserve

The capital redemption reserve comprised amounts transferred from retained earnings in relation to the redemption of preference shares. The amount of £1.3 million relating to the capital redemption reserve included within the share premium and capital redemption reserve in the balances at the beginning of the financial year was transferred to retained earnings/accumulated losses.

## Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that qualify for hedge accounting and have not yet matured.

## Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

## Shareholders' equity

Shareholders' equity represents total equity attributable to owners of the Parent Company.

Attributable to the owners of the Parent Company

	Share capital £000	Share premiu m and capital redempt ion reserve £000	Merger reserve £000	Hedging reserve £000	Translati on reserve £000	Retained earnings/ (Accumul ated losses) £000	Sharehold ers' equity £000	Non-con trolling interests £000	Total £000
At 1 April 2024	4,914	173,723	32,399	35	3,054	72,466	286,591	6,236	292,827
(Loss)/profit for the year	-	-	-			(78,450)	(78,450)	298	(78,152)
Other comprehensive expense	-	-	-	(447)	(5,142)	(31)	(5,620)	(384)	(6,004)
<b>Total comprehensive expense for the year</b>	-	-	-	<b>(447)</b>	<b>(5,142)</b>	<b>(78,481)</b>	<b>(84,070)</b>	<b>(86)</b>	<b>(84,156)</b>
<b>Transactions with owners in their capacity as owners</b>									
Equity-settled share-based payments (note 23)	-	-	-	-	-	723	723	-	723
Options exercised (note 20)	1	-	-	-	-	(1)	-	-	-
Equity dividends paid	-	-	-	-	-	-	-	(519)	(519)
<b>At 31 March 2025</b>	<b>4,915</b>	<b>173,723</b>	<b>32,399</b>	<b>(412)</b>	<b>(2,088)</b>	<b>(5,293)</b>	<b>203,244</b>	<b>5,631</b>	<b>208,875</b>

# Consolidated balance sheet

As at 31 March 2026

	Not e	2026 £000	2025 £000	2024 £000
<b>Non-current assets</b>				
Property, plant and equipment	8	17,579	41,407	53,147
Intangible assets	9	11,047	17,698	59,243
Right-of-use assets	10	30,027	50,229	46,849
Long-term assets	13	-	2,241	3,684
Deferred tax assets	11	1,322	1,009	30,986
<b>Total non-current assets</b>		<b>59,975</b>	<b>112,584</b>	<b>193,909</b>
<b>Current assets</b>				
Assets held for sale	8	-	1,394	1,415
Inventory	12	44,081	133,480	131,080
Trade and other receivables	13	23,031	65,582	70,947
Income tax receivable		1,055	1,710	1,998
Derivative financial assets	24	243	1	54
Cash and cash equivalents	14	54,678	105,526	124,712
<b>Total current assets</b>		<b>123,088</b>	<b>307,693</b>	<b>330,206</b>
<b>Total assets</b>	2	<b>183,063</b>	<b>420,277</b>	<b>524,115</b>
<b>Non-current liabilities</b>				
Loans and borrowings	15	(228)	(92)	(647)
Lease liabilities	10	30,349	46,098	41,011
Deferred income	16	133	1,630	1,455
Provisions	17	5,335	1,964	2,216
Other financial liabilities	18	229	11,869	11,338
Deferred tax liabilities	11	59	58	121
<b>Total non-current liabilities</b>		<b>35,877</b>	<b>61,527</b>	<b>55,494</b>
<b>Current liabilities</b>				
Bank overdraft	14	481	40,618	50,447
Loans and borrowings	15	(192)	(555)	(555)
Lease liabilities	10	3,231	10,447	12,359
Deferred income	16	96	203	169
Provisions	17	809	1,346	5,965
Income tax payable		573	6,699	9,785
Trade and other payables	19	23,954	65,577	68,234
Other financial liabilities	18	11,657	25,540	29,390
<b>Total current liabilities</b>		<b>40,609</b>	<b>149,875</b>	<b>175,794</b>
<b>Total liabilities</b>	2	<b>76,486</b>	<b>211,402</b>	<b>231,288</b>
<b>Net assets</b>		<b>106,577</b>	<b>208,875</b>	<b>292,827</b>
<b>Equity</b>				
Share capital	20	4,915	4,915	4,914
Share premium		-	172,383	172,383
Capital redemption reserve		-	1,340	1,340
Merger reserve		-	32,399	32,399
Hedging reserve		168	(412)	35
Translation reserve		6,543	(2,088)	3,054
Retained earnings		88,875	(5,293)	72,466
<b>Equity attributable to owners of the Parent Company</b>		<b>100,501</b>	<b>203,244</b>	<b>286,591</b>
Non-controlling interests		6,076	5,631	6,236
<b>Total equity</b>		<b>106,577</b>	<b>208,875</b>	<b>292,827</b>

The consolidated financial statements were approved by the Board of Directors on 15 June 2026 and were signed on its behalf by:

**Rohan Cummings**  
Director

# Consolidated cash flow statement

Year ended 31 March 2026

	Note	2026 £000	2025 £000
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year			
Continuing operations		5,350	4,443
Discontinued operations		(117,667)	(82,595)
<b>Loss for the year including discontinued operations</b>		<b>(112,317)</b>	<b>(78,152)</b>
<i>Adjustments for:</i>			
Loss on disposal of subsidiary's net assets including reclassification of translation reserve	4	108,461	-
Depreciation of property, plant and equipment	8	4,134	8,376
Depreciation of right-of-use assets	10	4,982	12,159
Amortisation of intangible assets	9	338	1,904
Impairment of property, plant and equipment, right-of-use assets and intangible assets	8, 9, 10	1,504	5,485
Goodwill impairment	9	-	37,760
Finance cost	6	2,126	1,517
Income tax charge	7	1,085	33,934
Profit on disposal of property, plant and equipment		(3,554)	(3,562)
Profit on recycling of translation reserve		(405)	-
Profit on disposal of leases		-	(55)
Equity-settled share-based payments – expense	23	628	686
<b>Operating profit after adjustments for non-cash items</b>		<b>6,982</b>	<b>20,052</b>
Change in trade and other receivables		11,348	2,639
Change in inventory		1,144	(4,971)
Change in trade and other payables, provisions and deferred income		(13,119)	(6,168)
<b>Cash generated from operations</b>		<b>6,355</b>	<b>11,552</b>
Tax paid		(3,794)	(7,502)
Interest and similar charges paid		(844)	(2,206)
<b>Net cash inflow from operating activities</b>		<b>1,717</b>	<b>1,844</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		4,940	6,931
Proceeds from sale of division, net of cash	4	(7,899)	-
Acquisition of intangible assets	9	(196)	(486)
Acquisition of property, plant and equipment	8	(2,672)	(4,845)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(5,827)</b>	<b>1,600</b>
<b>Cash flows from financing activities</b>			
Lease liabilities principal repayments	10	(4,580)	(12,935)
Loan arrangement fees	14	(880)	-
Dividends paid to non-controlling interests		-	(519)
<b>Net cash outflow from financing activities</b>		<b>(5,460)</b>	<b>(13,454)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(9,570)</b>	<b>(10,010)</b>
Cash and cash equivalents and bank overdrafts at beginning of the year	14	64,908	74,265
Effect of exchange rate fluctuations on cash held		(1,141)	653
<b>Cash and cash equivalents and bank overdrafts at end of the year</b>	<b>14</b>	<b>54,197</b>	<b>64,908</b>

# Notes to the consolidated financial statements

Year ended 31 March 2026

## 1 Accounting policies

### Basis of preparation

The principal activities of the Group are the design, manufacture and distribution of creative consumer products, including celebration goods, stationery, gift packaging and craft items, supplied to major retailers and distributors globally.

The consolidated financial statements of IG Design Group plc have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the accounting policies below. The Group financial statements are presented in pound sterling, and all values are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis (see critical accounting judgements and estimates section below). Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if relevant.

For the purposes of these financial statements, 'Design Group' or 'the Group' means IG Design Group plc ('the Company') and its subsidiaries. The Company's ordinary shares are listed on the Alternative Investment Market (AIM).

The financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value and defined benefit pension plans where plan assets are measured at fair value and obligations are valued in accordance with IAS 19 Employee Benefits.

The accounting policies used in the preparation of these financial statements are detailed below. These policies have been consistently applied to all financial years presented.

#### *Presentation currency*

The presentation currency of the Group is pound sterling (previously US dollars).

The functional currency of the Parent Company is pound sterling as it is located in the United Kingdom and substantially all of its cash flows, assets and liabilities are denominated in pound sterling, as well as its share capital.

#### *Seasonality of the business*

The business of the Group is seasonal and although revenues accrue relatively evenly in both halves of the year, working capital requirements including inventory levels increase steadily in the first half from July and peak in October as manufacturing and distribution of Christmas products builds ahead of distribution. The second half of the year sees the borrowing of the Group decline and move to typically a cash positive position as the Group collects its receivables through January to March.

#### *Going concern*

The Group financial statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Group has adequate resources to continue trading for a period of at least twelve months from the date of this report. This expectation is based on the Directors' assessment of the Group's current financial position and future cash flow forecasts over the going concern period. The assessment also considers the structure of the Group's current borrowing facilities. In forming this view, the Directors have also considered the Group's liquidity headroom, its ability to adapt to changes in market conditions, and its capacity to manage principal business risks over the forecast period.

On 11 July 2025, the Group entered into a new Receivables Finance facility with HSBC and NatWest, replacing its previous Asset Backed Lending (ABL) arrangement. The new facility is a minimum three-year agreement and provides funding capacity based on the level of eligible receivables across participating Group companies. The facility is subject to certain operational covenants but not financial covenants.

In connection with the implementation of this new facility, the Group's existing £15.0 million overdraft facility was cancelled.

Further details of the facility, including cash balances and borrowings, are provided in notes 14 and 15.

The Group also has access to supplier financing arrangements offered by certain customers, which it may utilise at specific times of the year. These arrangements are subject to the continuing support of the customers' banking partners and could therefore be withdrawn at short notice. Under the terms of the Group's Receivables Finance facility, the use of such supplier financing arrangements requires prior written consent from the facility lenders.

The Directors have assessed detailed forecasts through to 30 September 2027. Following the disposal of the DG Americas division, these reflect reduced volatility in profitability and cash generation across the remaining Group, and continued progress towards more consistent and robust financial performance. The forecasts also take into account the seasonal nature of the Group's operations and working capital cycle.

These forecasts have been sensitised to reflect severe but plausible adverse scenarios. Specifically, the scenarios considered the following risks:

- a potential loss of significant trading with a major customer, modelled as an estimated £27 million reduction in sales, with associated impacts on cash flow, facility availability and working capital;
- a sustained period of inflation in freight rates, resulting in approximately £5.6 million of additional costs and related cash outflows; and

- the occurrence of a cyber security incident during peak trading periods, modelled as a temporary £16 million reduction in receivables, affecting both liquidity and availability under the Group's receivables-based facility.

In the severe but plausible combined scenarios modelled, and before considering any mitigating actions, our forecast shows sufficient liquidity headroom.

Based on this assessment, the Directors have formed a judgement that there is a reasonable expectation the Group will have adequate resources to continue in operational existence for the foreseeable future.

#### *Changes in accounting policies*

There have been no changes to accounting policies during the year.

#### *Other standards and interpretations*

The Group adopted the following new standards and amendments at the start of the year, which did not have any material impact on the Group's financial statements:

- Lack of Exchangeability - Amendments to IAS 21 (effective for annual periods beginning on or after 1 January 2025).

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions:

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after 1 January 2027);
- IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027); and
- Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027).

## **Restatement of comparative information**

In reporting its FY2026 results, the Group has adopted pound sterling as its presentation currency, replacing US dollars, and has applied this change retrospectively in accordance with IAS 8. The change follows a review of the Group's reporting framework in light of its evolving structure, particularly the disposal of DG Americas, which has significantly reduced the proportion of US dollar-denominated revenues and profits.

Comparative information throughout the annual report and financial statements has been translated into GBP using the same principles, and is therefore presented as if the financial statements had always been presented in GBP. As such, comparatives in the primary statements, the notes to the financial statements and where comparatives exist in narrative disclosure in the annual report and financial statements should be read as having been represented compared to those published in the prior year.

Assets and liabilities have been translated at the closing rate at each reporting date, income and expenses at the relevant average monthly exchange rates, and all resulting exchange differences have been recognised in the translation reserve. Equity components denominated in pound sterling remain at historical exchange rates. The currency translation reserve was set to the pound sterling value at 31 March 2020 (as disclosed in the FY2020 financial statements) and has then been recalculated each year as if the Group had reported in pound sterling since that date.

## **Basis of consolidation**

### *(i) Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. The financial statements of subsidiaries, which we consider the Group to have control, are included in the consolidated financial statements from the date that control commences until the date that control ceases.

### *(ii) Transactions eliminated on consolidation*

Intragroup balances and any unrealised gains and losses or income and expense arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

### *(iii) Business combinations*

Business combinations are accounted for using the acquisition method as at the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the result is negative, a 'bargain purchase' gain is recognised immediately in the income statement. Provisional fair values allocated at a reporting date are finalised within twelve months of the acquisition date.

## Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or is a subsidiary acquired exclusively with a view to resale. Discontinued operations are presented separately from continuing operations in the consolidated income statement as a single amount comprising the post-tax results of the discontinued operation and the post-tax gain or loss recognised on its disposal.

The assets and liabilities of a disposal group when classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are presented separately in the consolidated balance sheet.

Comparative information for the prior period has been re-presented, where relevant, to reflect the classification of the disposed business as a discontinued operation, consistent with the current period presentation.

## Foreign currency

Items included in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('functional currency').

The consolidated financial statements are presented in pound sterling (previously US dollars).

### *(i) Foreign currency transactions*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency of the entity at the exchange rate prevailing at that date and recognised in the income statement unless hedge accounting criteria apply (see policy for financial instruments).

### *(ii) Financial statements of foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into pound sterling at the exchange rate prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates prevailing at the dates of the transactions.

Share capital, share premium, capital redemption reserve and merger reserve are denominated in pounds sterling, the Parent Company's functional currency.

### *(iii) Net investment in foreign operations*

Exchange differences on retranslation at the closing rate of the opening balances of overseas entities are taken to other comprehensive income. They are released into the income statement upon disposal of the entities.

Exchange differences arising on foreign currency borrowings and derivatives designated as qualifying hedges are taken to other comprehensive income to the extent that they are effective. They are released into the income statement on maturity or disposal of the hedge.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income in the translation reserve. The cumulative translation differences previously recognised in other comprehensive income (or where the foreign operation is part of a subsidiary, the parent's interest in the cumulative translation differences) are released into the income statement upon disposal of the foreign operation or on loss of control of the subsidiary that includes the foreign operation. Other exchange differences are taken to the income statement.

## Financial instruments

Interest-bearing loans and borrowings and other financial liabilities (excluding derivatives and put options over non-controlling interests) are held at amortised cost, unless they are included in a hedge accounting relationship.

Derivatives are measured initially at fair value. Subsequent measurement in the financial statements depends on the classification of the derivative as follows:

### *(i) Fair value hedges*

Where a derivative is used to hedge the foreign exchange exposure of a monetary asset or liability, any gain or loss on the derivative is recognised in the income statement.

### *(ii) Cash flow hedges*

Where a derivative is designated as a hedging instrument in a cash flow hedge, the change in fair value is recognised in other comprehensive income to the extent that it is effective and any ineffective portion is recognised in the income statement. Where the underlying transaction results in a financial asset, accumulated gains and losses are recognised in the income statement in the same period as the hedged item affects profit or loss.

Where the hedged item results in a non-financial asset, the accumulated gains and losses previously recognised in other comprehensive income are included in the initial carrying value of the asset.

### *(iii) Unhedged derivatives*

The movements in the fair value of unhedged derivatives are charged/credited to the income statement.

The potential cash payments relating to put options issued by the Group over the non-controlling interest of subsidiary companies acquired are measured at estimated fair value and accounted for as financial liabilities. Subsequent to initial recognition, any changes to the carrying amount of non-controlling interest put option liabilities are recognised through equity.

## Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank overdrafts that are repayable on demand. These form an integral part of the Group's cash management and are included as part of cash and cash equivalents in the statement of cash flows. See notes 14, 15 and 24.

## Loans and borrowings

Loans and borrowings are initially measured at cost (which is equal to fair value at inception) and are subsequently measured at amortised cost using the effective interest method.

## Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, which is generally equivalent to recognition at nominal value less impairment loss calculated using the expected loss model.

The Group applies a simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables, including those due in greater than twelve months, by making an accounting policy election. For any receivables not expected to be paid, an expected credit loss of 100% is recognised at the point this expectation arises. For all other receivables, the expected loss is calculated based on 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 the Group's historical experience and informed credit assessment and including forward-looking information.

## Trade and other payables

Trade payables are non-interest bearing and are recognised initially at fair value and subsequently at amortised cost.

## Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment or other assets have different useful lives, they are accounted for as separate items. The carrying values of property, plant and equipment and other assets are periodically reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Property, plant and equipment are depreciated over their estimated remaining useful lives on a straight-line basis using the following estimated useful lives:

Land and buildings	
– Freehold land	Not depreciated
– Buildings	25-30 years or life of lease
Plant and equipment	4-25 years
Fixtures and fittings	3-5 years
Motor vehicles	4 years

The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each balance sheet date. Included within property, plant and equipment are assets with a range of depreciation rates. These rates are tailored to the nature of the assets to reflect their estimated useful lives.

Where the Group identifies assets held for sale, they are held at the lower of current value and fair value less costs to sell.

## Lease liabilities and lease right-of-use assets

The Group leases various offices, warehouses, equipment and motor vehicles. Rental contracts are typically made for fixed periods of one to 20 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases greater than twelve months in length, and those not of low value, are recognised as a lease right-of-use asset with the associated future lease payment terms recognised as a lease liability. The right-of-use assets and the associated lease liabilities are recognised by unwinding the future lease payments at the rate implicit to the lease or, if the rate implicit to the lease cannot be readily determined, at the relevant incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease right-of-use assets are amortised over their useful economic lives or the lease term, whichever is shorter. The lease liabilities are derecognised by applying the future lease payments.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Rentals associated with leases that are of low value or less than twelve months in length are expensed to the income statement on a straight-line basis. The associated lease incentives are amortised in the income statement over the life of the lease.

On acquisition, right-of-use assets and lease liabilities are recognised in accordance with IFRS 16. The acquired lease liability is measured as if the lease contract was a new lease at the acquisition date. The right-of-use asset is measured at an amount equal to the recognised lease liability.

The right-of-use asset is adjusted to reflect any favourable or unfavourable terms of the lease relative to market terms.

Right-of-use assets are impaired in line with the impairment accounting policy below.

## Intangible assets

### (i) Goodwill

Goodwill is stated at cost less any impairment losses.

Acquisitions are accounted for using the purchase method. For acquisitions that have occurred since 1 January 2004, goodwill represents the difference between the fair value of the assets given in consideration and the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. For acquisitions made before 1 January 2004, goodwill is included on the basis of its deemed cost, which represents the amount previously recorded under UK GAAP.

The Group has expensed costs attributable to acquisitions in the income statement. Given their one-off nature, these costs are generally presented within adjusting items.

### (ii) Acquired intangible assets

An intangible asset acquired in a business combination is recognised at fair value. Intangible assets principally relate to customer relationships, which are valued using discounted cash flows based on historical customer attrition rates, and trade names/brand, which are valued using an income approach.

The cost of intangible assets is amortised through the income statement on a straight-line basis over their estimated useful economic life and as these are assets directly attributed to the acquisition of a business, the amortisation costs are also presented within adjusting items.

### (iii) Other intangible assets

Other intangible assets which are not acquired through a business combination are recognised at cost, to the extent it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably, and amortised on a straight-line basis over their estimated useful economic life.

Intangibles are amortised over their estimated remaining useful lives on a straight-line basis as follows:

Goodwill	Not amortised
Computer software	3-5 years
Trade names	3-5 years
Customer relationships	3-15 years
Other intangibles	3-5 years

## Impairment

All assets are reviewed regularly to determine whether there is any indication of impairment. Goodwill is tested for impairment annually.

An impairment loss is recognised whenever the carrying amount of a non-financial asset or the cash-generating unit (CGU) to which it belongs exceeds its recoverable amount, being the greater of value in use and fair value less costs to sell and is recognised in the income statement. Value in use is estimated based on future cash flows discounted using a pre-tax discount rate based upon the Group's weighted average cost of capital.

Financial assets are assessed for impairment using the expected credit loss model which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

The reversal of an impairment loss should be recognised if there has been a sustainable change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Impairment losses relating to goodwill are not permitted to be reversed.

The assumptions used in impairment testing are consistent with the principal risks and uncertainties described in the Strategic Report, including exposure to consumer demand and input cost volatility.

## Inventories

Inventories are valued at the lower of cost (on a weighted average basis) and net realisable value. For work-in-progress and finished goods, cost includes an appropriate proportion of labour cost and overheads based on normal operating capacity. For acquisitions, inventory acquired will be assessed for fair value in accordance with IFRS 3 and if applicable an uplift applied to inventory on hand relating to sales orders already attached to the acquired inventory. The unwind of the uplift in value is treated as an adjusting item.

## Income tax

Income tax in the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using the applicable tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in prior years. Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases and the carrying amounts of assets and liabilities in the financial statements.

The following temporary differences are not provided for: initial recognition of goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset or liability is settled, using the applicable tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are impaired to the extent that it is no longer probable that the related tax benefits will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## Revenue

Revenue from the sale of goods is recognised in the income statement net of expected discounts, rebates, refunds, credits, price concessions or other similar items, when the associated performance obligation has been satisfied, and control of the goods has been transferred to the customer.

The Group recognises revenue on sales of Gift packaging, Party, Goods not for resale, Craft, Stationery and Homeware consumable products across three reporting segments post disposal of DG Americas.

Typically, the products that we supply form the only performance obligations within a customer agreement, and although the Group can provide ancillary services such as merchandising, these are not separately identifiable obligations. Each customer arrangement/contract is assessed to identify the performance obligations being provided to the customer. Where distinct performance obligations are deemed to exist, an element of revenue is apportioned to that obligation.

Revenue from sales is recognised based on the price specified in the contract, net of any estimated volume discounts, rebates and sell-through provisions. Accumulated experience is used to estimate and provide for these discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for these items payable to customers based on sales made in the period. No significant element of financing is deemed present as the majority of sales are made with credit terms of 30-120 days, consistent with market practice.

A part of the Group's businesses sell goods on a 'free-on-board' (FOB) basis, where the Group as the seller makes its goods ready for collection at its premises on an agreed upon sales date and the buyer incurs all transportation and handling costs and bears the risks for bringing the goods to their chosen destination. In this situation, revenue is recognised on collection by the customer.

Where the Group operates non-FOB terms with customers, revenue is recognised when the control of the goods has been transferred to the customer. These terms include consignment stock agreements, where revenue is recognised upon the customer removing goods from consignment stock.

## Finance income and costs

Finance income and expense is recognised in the income statement as it accrues. Finance costs comprise interest payable, finance charges on finance leases, interest on lease liabilities, amortisation of capitalised fees and unwinding of discounts on provisions. Net movements in the fair value of derivatives which have not been designated as an effective hedge, and any ineffective portion of fair value movement on derivatives designated as a hedge, are also included within finance income or expense.

## Supplier financing

The Group is party to supplier financing arrangements with one of its key customers. This arrangement is considered non-recourse factoring and on receipt of payment from the banks the associated trade receivable is derecognised in accordance with IFRS 9.

## Segment reporting

A segment is identified on the basis of internal reports that are regularly reviewed by the Board in order to allocate resources to the segment and assess its performance.

## Pensions

### (i) Defined contribution schemes

Obligations for contributions to defined contribution pension schemes are expensed to the income statement as incurred.

### (ii) Defined benefit schemes

The Netherlands subsidiary operates an industrial defined benefit fund, based on average wages, that has an agreed maximum contribution. The pension fund is a multi-employer fund and there is no contractual or constructive obligation for charging the net defined benefit cost of the plan to participating entities other than an agreed maximum contribution for the period that is shared between the employer (4/7) and the employees (3/7). The Dutch Government is not planning to make employers fund any deficits in industrial

pension funds; accordingly, the Group treats the scheme as a defined contribution scheme for disclosure purposes. The Group recognises a cost equal to its contributions payable for the period.

Up until the disposal of DG Americas division in May 2025, the Group also administered a defined benefit scheme of one of DG Americas subsidiaries in the UK. The net obligation for this scheme was calculated by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods; that benefit was discounted to determine its present value and the fair value of the scheme assets was deducted. The calculation used to be performed by a qualified independent actuary.

## Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which they are granted. The fair value is determined by using an appropriate pricing model. The fair value cost is then recognised over the vesting period, ending on the date on which the relevant employees become fully entitled to the award.

The quantum of awards expected to vest and the relevant cost charged is reviewed annually such that at each balance sheet date the cumulative expense is the relevant share of the expected total cost, pro-rated across the vesting period.

No expense is recognised for awards that are not expected to ultimately vest, for example due to an employee leaving or business performance targets not being met. The annual expense for equity-settled transactions is recognised in the income statement with a corresponding entry in equity.

In the event that any scheme is cancelled, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The Group calculates this charge based on the number of the awards expected to achieve the performance conditions immediately before the award was cancelled.

Employer social security charges are accrued, where applicable, at a rate which management expects to be the prevailing rate when share-based incentives are exercised and is based on the latest market value of options expected to vest or those already vested.

Deferred tax assets are recognised in respect of share-based payment schemes when deferred tax assets are recognised in that territory.

## Investment in own shares

The shares held in the Group's Employee Benefit Trust (IG Employee Share Trustee Limited) for the purpose of fulfilling obligations in respect of share option plans are treated as belonging to the Company and are deducted from its retained earnings. The cost of shares held directly (treasury shares) is also deducted from retained earnings.

## Provisions

A provision is recognised when there is a probable legal or constructive obligation as a result of a past event and a reliable estimate can be made of the outflow of resources that will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

## Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants in respect of capital expenditure are included within deferred income on the balance sheet and are released to the income statement on a straight-line basis over the expected useful lives of the relevant assets.

## Dividends

Dividends are recognised as a liability in the period in which they are approved by the shareholders of the Company (final dividend) or paid (interim dividend).

## Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Costs directly attributable to the arrangement of new borrowing facilities are included within the fair value of proceeds received and amortised over the life of the relevant facilities. Other borrowing costs, which can include costs associated with the extension of existing facilities, are expensed in the period they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## Like-for-like comparators

Figures quoted at like-for-like exchange rates are calculated by retranslating the prior year figures at the current year exchange rates.

### *Use of non-GAAP measures (APMs)*

These financial statements include alternative performance measures (APMs) that are presented in addition to the standard GAAP metrics. The Directors believe that these APMs provide important additional information regarding the underlying performance of the business including trends, performance and position of the Group. APMs are used to enhance the comparability of information between

reporting periods and segmental business units by adjusting for factors which affect IFRS measures, to aid the understanding of the Group's performance. Consequently, APMs are used by the Directors and management for strategic and performance analysis, planning, reporting and reward setting.

The APMs and their definitions are:

- adjusted EBITDA – profit/(loss) before finance charges, tax, depreciation, amortisation, impairment (EBITDA) and adjusting items;
- adjusted gross profit – gross profit before adjusting items;
- adjusted operating profit/(loss) – profit/(loss) before finance charges, tax and adjusting items;
- adjusted operating margin – adjusted operating profit divided by revenue;
- adjusted profit/(loss) before tax – profit/(loss) before tax and adjusting items;
- adjusted profit/(loss) after tax - profit/(loss) after tax, before adjusting items and associated tax effect;
- adjusted tax – tax before adjusting items;
- diluted adjusted earnings/(loss) per share – diluted earnings/(loss) per share before adjusting items and associated tax effect;
- basic adjusted earnings/(loss) per share – basic earnings/(loss) per share before adjusting items and associated tax effect;
- adjusted overheads – selling costs, administration expenses, other operating income, profit/(loss) on disposal of property, plant and equipment (overheads) before adjusting items;
- adjusted cash generated from operations – cash generated from operations before the associated cash impact of adjusting items;
- net cash – cash and cash equivalents, bank overdrafts and loan arrangement fees;
- return on capital employed – adjusted operating profit divided by monthly average net capital employed (where capital employed is net assets excluding net cash and intangible assets);
- average leverage – average bank debt (being average debt measured before lease liabilities) divided by adjusted EBITDA reduced for lease payments;
- cash conversion – adjusted cash generated from operations divided by adjusted EBITDA.

Adjusting items are items that are material and/or, in the judgement of the Directors, of an unusual or non-recurring nature. These items are adjusted to present the performance of the business in a consistent manner and in line with how the business is managed and measured on a day-to-day basis. They are gains or costs associated with events that are not considered to form part of the core operations or are considered to be a non-recurring event (although they may span several accounting periods) including fair value adjustments to acquisitions. Adjusting items are separately presented by virtue of their nature, size and/or incidence.

### Adjusting items

These adjusting items analysis relates to continuing operations:

	Integration and restructuring (cost)/income	Profit on disposal of property	Provisions for DG Americas commitment s	Adjustin g items
Year ended 31 March 2026	£000	£000	£000	£000
Cost of sales	(778)	-	-	(778)
Administration expenses	(839)	-	(3,832)	(4,671)
Other operating income	406	2,965	-	3,371
<b>Adjustments to operating (loss) /profit</b>	<b>(1,211)</b>	<b>2,965</b>	<b>(3,832)</b>	<b>(2,078)</b>
Other finance (expenses)/income	(197)	-	-	(197)
<b>Adjustments to profit/(loss) before tax</b>	<b>(1,408)</b>	<b>2,965</b>	<b>(3,832)</b>	<b>(2,275)</b>
Adjusting tax credit	311	-	-	311
	<b>(1,097)</b>	<b>2,965</b>	<b>(3,832)</b>	<b>(1,964)</b>

	Adjusting items £000
Year ended 31 March 2025	£000
Cost of sales	(1,115)
Administration expenses	(4,604)
<b>Adjustments to operating profit/(loss)</b>	<b>(5,719)</b>
Other finance (expenses)/income	(191)
<b>Adjustments to profit/(loss) before tax</b>	<b>(5,910)</b>
Adjusting tax credit	137
	<b>(5,773)</b>

All adjusting costs incurred in the year ending 31 March 2025 relate to continuing operations' integration and restructuring items.

Adjusting items

relate to the following transactions:

#### Integration and restructuring (cost)/income

In order to realise synergies from acquisitions or existing businesses, integration and restructuring projects are respectively undertaken that aim to deliver future savings and efficiencies for the Group. These projects are outside of the normal operations of the business and

typically incur one-off costs to ensure successful implementation: therefore, management classifies them as adjusting items. The integration and restructuring costs incurred in FY2026 and FY2025 mainly relate to DG UK and DG Australia segments.

In FY2026 integration and restructuring costs of £1.2 million (2025: £5.7 million) recognised within operating profit related to:

- ongoing DG UK reorganisation activities, including consolidation of Far East sourcing operations (£0.6 million cost);
- reclassification of exchange differences to income statement on closure of Huizhou operations in China (£0.4 million credit); and
- DG Australia warehouse relocation costs and legacy lease obligations (£1.0 million).

In FY2025 integration and restructuring costs of £5.7 million were recognised, primarily within administrative expenses (£4.6 million) and cost of sales (£1.1 million).

These costs were mainly attributable to:

- the closure of the China manufacturing site (£4.5 million);
- DG UK reorganisation and site-related costs; and
- DG Australia relocation activities, including warehouse double-running costs.

In FY2026 the £0.2 million (2025: £0.2 million) of finance expenses relate to the legacy DG Australia lease liability.

#### *Disposal of property*

In FY2026 a profit of £3.0 million was recognised within other operating income in relation to the disposal of the surplus Hirwaun (Wales) site. Associated site holding and maintenance costs of £0.1 million were incurred in the year (2025: £0.1 million).

#### *Provisions for DG Americas commitments*

Following the disposal of DG Americas, certain Group commitments relating to DG Americas leases were identified, and provisions were established to cover probable future payments. These obligations became apparent during the progression of the Chapter 11 proceedings, which remain ongoing. As a result, a provision has been recognised representing management's best estimate of the expenditure required to settle these obligations.

This provision reflects the expected shortfall after considering anticipated recoveries through the Chapter 11 process, as well as the impact of commercially viable actions to mitigate this exposure. However, the estimate remains subject to uncertainty, particularly regarding the timing of cash outflows and the extent to which mitigation efforts will be successful. The ultimate outcome may therefore differ depending on final recovery levels and the effectiveness of mitigation strategies. The position will be reassessed as further information becomes available.

#### **The cash flow effect of adjusting items**

There was a £1.9 million net adjusting items cash inflow in the current period (2025: £3.8 million net outflow).

#### *Key accounting judgements and estimates*

The following provides information on those policies that management considers key because of the level of judgement and estimation required, which often involves assumptions regarding future events which can vary from what is anticipated. The Directors believe that the financial statements reflect appropriate judgements and estimates and provide a true and fair view of the Group's performance and financial position.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## **Accounting judgements**

### (i) Adjusting items

Judgement is required to determine whether items are appropriately classified as adjusting items and that the values assigned are appropriate. Adjusting items relate to impairments of assets, costs associated with acquisitions or disposals, and significant items by virtue of their size or incidence. Adjusting items are approved by the Board.

### (ii) Taxation

Judgement is required in determining the Group's tax assets and liabilities. Deferred tax assets have been recognised to the extent that management believe that they are recoverable based on profit projections for future years.

These forecasts are consistent with those used elsewhere in the financial statements (including impairment). Note 11 provides information on the gross temporary differences and unused tax losses on which deferred tax assets have not been recognised.

## **Accounting estimates**

### (i) Lease asset impairments

The impairment assessment requires management to make estimates regarding expected sublease income, vacancy periods, discount rates, and the likelihood and timing of lease exit or subtenant arrangements, based on current market conditions and property-specific factors. The impairments are assessed at each reporting date and if necessary reversed should there be available subtenants for the properties, or early termination agreed with the landlord.

In 2025 the Group impaired the right-of-use assets in respect of several properties that the Group has exited as part of DG Americas integration.

### (ii) Provision for slow-moving inventory

The Group has guidelines for providing for inventory which may be sold below cost due to its age or condition.

The Directors assess the inventory at each location and in some cases decide that there are specific reasons to provide more than the guideline levels or less if there are specific action plans in place which mean the guideline provision level is not required. Determining the level of inventory provision requires an estimation of likely future realisable value of the inventory in various time frames and comparing with the cost of holding inventory for those time frames.

This is an estimate and is based on best data at the time of recognition. Regular monitoring of inventory levels, the ageing of inventory and the level of the provision is carried out by the Directors to reassess this estimate. The assumptions made in relation to the current period are consistent with those in the prior year.

### (iii) Provision for pre-acquisition duties

In prior years, management recognised a provision relating to custom duties, interest and penalties associated with DG Americas pre-acquisition periods. Such recognition was based on significant estimates, interpretations of relevant regulations and external advice. In FY2025, following further clarification with the relevant authorities, part of the exposure was settled, and the remaining provision was released to income.

### (iv) Impairment of goodwill/intangible assets/property, plant and equipment

The impairment assessment requires management to make estimates in determining recoverable amounts, including forecast cash flows, appropriate discount rates and, where relevant, assumptions regarding market valuations, expected disposal proceeds and costs to sell.

The Group tests goodwill annually for impairment or more frequently when there are indicators that it may be impaired. Impairment occurs when the carrying amount of an asset exceeds its recoverable amount. The recoverable amounts of cash-generating units (CGU) are determined as the higher of value in use (VIU) and fair value less costs to sell (FVLCTS).

No impairment was identified for any CGUs in FY2026. Further details are provided in note 9.

An impairment loss of £42.0 million was recognised during the year ended 31 March 2025. This included £37.8 million relating to goodwill on the acquisition of DG Americas, £1.3 million in intangible assets, and £2.9 million in plant and equipment. The impairment was determined based on the fair value of assets less costs to sell. DG Americas division was sold in FY2026 and loss on this disposal was recognised in the income statement.

## 2 Segmental information

The Group has one material business activity, being the design, manufacture and distribution of various celebration and creative products. Following the disposal of DG Americas, the Group has introduced new reporting segments, and previously disclosed segments have been re-presented to reflect the current structure.

The Group operates under three reporting segments, which are reviewed and evaluated by the Chief Operating Decision Makers. These segments are:

- **DG UK:** Includes operations in Wales, Newport Pagnell and the Group's sourcing offices in Asia.
- **DG Europe:** Comprises operations in the Netherlands and Poland.
- **DG Australia:** Represents the Group's joint venture in Australia.

In addition, **Central and eliminations** cover Group head office activities and consolidation adjustments.

Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Financial performance of each segment is measured on adjusted operating profit before management recharges. Interest and tax are managed on a Group basis and not split between reportable segments. However, the related financial liability and cash have been allocated out into the reportable segments as this is how they are managed by the Group.

Inter-segment receivables and payables are not included within segmental assets and liabilities as they eliminate on consolidation.

	DG Europe £000	DG UK £000	DG Australia £000	Central and eliminations £000	Continuing Group £000	DG Americas £000	Total Group £000
<b>Year ended 31 March 2026</b>							
Revenue – external	102,880	81,460	33,534	-	<b>217,874</b>	21,770	<b>239,644</b>
– inter-segment	-	520	-	(520)	-	-	-
<b>Total segment revenue</b>	<b>102,880</b>	<b>81,980</b>	<b>33,534</b>	<b>(520)</b>	<b>217,874</b>	<b>21,770</b>	<b>239,644</b>
<b>Segment profit/(loss) before adjusting items</b>	<b>11,487</b>	<b>3,130</b>	<b>1,755</b>	<b>(6,757)</b>	<b>9,615</b>	<b>(6,679)</b>	<b>2,936</b>
Adjusting items (note 1)	-	2,198	(841)	(3,435)	<b>(2,078)</b>	(109,964)	<b>(112,042)</b>
<b>Operating profit/(loss)</b>	<b>11,487</b>	<b>5,328</b>	<b>914</b>	<b>(10,192)</b>	<b>7,537</b>	<b>(116,643)</b>	<b>(109,106)</b>
Finance income					<b>772</b>	65	<b>837</b>
Finance costs					<b>(1,970)</b>	(993)	<b>(2,963)</b>
Income tax					<b>(989)</b>	(96)	<b>(1,085)</b>
<b>Profit/(loss) for the year ended 31 March 2026</b>					<b>5,350</b>	<b>(117,667)</b>	<b>(112,317)</b>

<b>Balances at 31 March 2026</b>							
<b>Segment assets</b>	<b>53,643</b>	<b>50,302</b>	<b>30,603</b>	<b>48,515</b>	<b>183,063</b>	<b>-</b>	<b>183,063</b>
<b>Segment liabilities</b>	<b>(17,687)</b>	<b>(37,388)</b>	<b>(17,302)</b>	<b>(4,109)</b>	<b>(76,486)</b>	<b>-</b>	<b>(76,486)</b>
Capital expenditure additions							
– property, plant and equipment	787	938	784	6	2,515	157	2,672
– intangible assets	-	196	-	-	196	-	196
– right-of-use assets	1,983	2,585	69	-	4,637	44	4,681
Depreciation – property, plant and equipment	1,454	1,916	293	16	3,679	455	4,134
Impairment – property, plant and equipment	1,504	-	-	-	1,504	-	1,504
Amortisation – intangible assets	12	110	21	-	143	195	338
Depreciation – right-of-use assets	971	1,219	1,607	-	3,797	1,185	4,982
Cost of sales	84,426	66,500	26,514	(681)	176,759	23,903	200,662
Profit/(loss) on disposal of property, plant and equipment	-	2,964	(18)	-	2,946	608	3,554

	DG Europe £000	DG UK £000	DG Australia £000	Central and eliminatio ns £000	Continuin g Group £000	DG Americas £000	Total Group £000
Year ended 31 March 2025							
Revenue – external	101,054	92,706	31,611	-	225,371	341,735	567,106
– inter-segment	57	641	-	(698)	-	-	-
<b>Total segment revenue</b>	<b>101,111</b>	<b>93,347</b>	<b>31,611</b>	<b>(698)</b>	<b>225,371</b>	<b>341,735</b>	<b>567,106</b>
Segment profit/(loss) before adjusting items	14,448	5,553	1,631	(5,645)	15,987	(13,021)	2,966
Adjusting items (note 1)	-	(5,175)	(544)	-	(5,719)	(39,975)	(45,694)
Operating profit/(loss)	14,448	378	1,087	(5,645)	10,268	(52,996)	(42,728)
Finance income					1,156	1,690	2,846
Finance costs					(2,426)	(1,937)	(4,363)
Income tax					(4,555)	(29,352)	(33,907)
Profit/(loss) for the year ended 31 March 2025					4,443	(82,595)	(78,152)
Balances at 31 March 2025							
Segment assets	61,774	67,316	29,711	54,208	213,009	207,268	420,277
Segment liabilities	(21,419)	(39,888)	(17,456)	(34,793)	(113,556)	(97,846)	(211,402)
Capital expenditure additions							
– property, plant and equipment	574	1,801	653	12	3,040	1,805	4,845
– intangible assets	35	451	-	-	486	-	486
– right-of-use assets	175	582	13,491	-	14,248	4,011	18,259
Depreciation – property, plant and equipment	1,353	2,173	214	22	3,762	4,614	8,376
Impairment – property, plant and equipment	-	593	-	-	593	2,909	3,502
Amortisation – intangible assets	16	19	27	-	62	1,842	1,904
Impairment – intangible assets	-	-	-	-	-	1,337	1,337
Impairment – goodwill	-	-	-	-	-	37,760	37,760
Depreciation – right-of-use assets	938	1,739	1,228	8	3,913	8,246	12,159
Impairment – right-of-use assets	-	-	-	-	-	646	646
Cost of sales	79,872	73,336	24,669	(952)	176,925	312,100	489,025
Profit/(loss) on disposal of property, plant and equipment	9	(48)	18	50	29	3,551	3,580

The Group's information about its segmental assets (non-current assets excluding deferred tax assets and other long-term assets) and revenue by customer destination are detailed below:

	Non-current assets	
	2026 £000	2025 £000
USA <sup>(a)</sup>	-	51,070
UK	21,943	21,557
Netherlands	19,541	19,733
Australia	16,750	16,610
Other	419	364
	<b>58,653</b>	<b>109,334</b>

(a) Overseas entities were included within the DG Americas operating segment. The overseas entities element was not material, and the information was not readily available.

#### Revenue by customer destination

	2026 £000	2025 £000	2026 %	2025 %
Europe	103,233	100,967	47%	45%
UK	53,257	55,709	24%	25%
Americas	25,316	33,869	12%	15%
Rest of the world	36,068	34,826	17%	15%
	<b>217,874</b>	<b>225,371</b>	<b>100%</b>	<b>100%</b>

All revenue arose from the sale of goods.

### 3 Operating profit

Included in the income statement are the following charges that relate to continuing operations:

	Note	2026 £000	2025 £000
Depreciation of tangible fixed assets	8	3,679	3,762
Impairment of tangible fixed assets	8	1,504	593
Amortisation of intangible assets	9	143	62
Depreciation of right-of-use assets	10	3,797	3,913
Sub-lease rental income	10	742	330
Provision for obsolete and slow-moving inventory	12	1,472	1,021
Reversal of previous write-downs of inventory	12	321	513
Release of deferred grant income		66	66
Loss on foreign exchange		182	65

This analysis of operating profit and adjusting items relates to continuing operations:

	2026 £000	2025 £000
Operating profit analysed as:		
Adjusted operating profit	9,615	15,987
Adjusting items	(2,078)	(5,719)
<b>Operating profit</b>	<b>7,537</b>	<b>10,268</b>

#### Other operating income

	2026 £000	2025 £000
<i>Continuing operations</i>		
Profit/(loss) on disposal of property, plant and equipment	2,946	(24)
Sub-lease rental income	742	330
Recycling of cumulative foreign currency translation differences on dissolution of Huizhou	405	-
Grant income	66	66
Other	8	18
	<b>4,167</b>	<b>390</b>

#### Auditors' remuneration

	2026 £000	2025 £000
Amounts receivable by auditor and its associates in respect of:		
Audit of these financial statements	1,087	1,406
Audit of financial statements of subsidiaries pursuant to legislation		
– Overseas subsidiaries	73	78
Other audit-related assurance services	1	96
	<b>1,161</b>	<b>1,580</b>

### 4 Discontinued operations

On 30 May 2025, the Group completed the sale of its wholly owned subsidiary, IG Design Group Americas, Inc., the holding company of the Group's US division (DG Americas), to HUK 168 Limited, a special purpose vehicle owned by the Hilco Capital group (the 'buyer').

Under the terms of the share purchase agreement, the Company received a nominal upfront payment of \$1 and is entitled to 75% of any future net proceeds realised by the buyer from a sale or realisation of DG Americas or its assets, after agreed deductions and to the extent such proceeds are not retained for DG Americas working capital purposes. As at 31 March 2026, and as the buyer progresses with the sale and realisation of the DG Americas assets, the fair value measured as the expected cash flows from the future proceeds was estimated at £nil.

A loss on sale of DG Americas of £110.2 million was recognised in the consolidated income statement in the current year.

	2026 £000
Consideration received	-
Fair value of contingent consideration	-
Total consideration	-
Carrying amount of net assets sold	(97,648)
Cost to sell	(1,707)
Loss on sale before tax and reclassification of translation reserve	<b>(99,355)</b>
Reclassification of translation reserve	(10,813)
Income tax on sale	-
Loss on sale after income tax	<b>(110,168)</b>

The carrying amounts of assets and liabilities at the date of disposal on 30 May 2025 were as follows:

	2026 £000
Non-current assets	47,376

Inventory	86,913
Trade and other receivables	33,436
Cash and cash equivalents	7,899
Income tax receivable	-
<b>Total assets</b>	<b>175,624</b>
Trade and other payables	(51,895)
Lease liabilities	(23,204)
Income tax payable	(2,877)
<b>Total liabilities</b>	<b>(77,976)</b>
<b>Net assets of the disposal group</b>	<b>97,648</b>

In accordance with IFRS 5.32, management has determined that the disposal of DG Americas represents the disposal of a separate major geographical area. As such, the results of DG Americas have been classified as a discontinued operation. The financial performance and cash flow information for the current reporting period includes the results of DG Americas for the two-month period ended 30 May 2025. Comparative reporting periods present the full results for those respective periods.

	<b>2026</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
Revenue	21,770	341,735
Expenses	(29,173)	(394,951)
Loss before income tax	(7,403)	(53,216)
Income tax charge	(96)	(29,379)
Loss after tax	(7,499)	(82,595)
Loss on disposal	(110,168)	-
<b>Loss from discontinued operations</b>	<b>(117,667)</b>	<b>(82,595)</b>
Net cash (outflow)/inflow from operating activities	(18,236)	118
Net cash (outflow)/inflow from investing activities	(6,249)	4,298
Net cash outflow from financing activities	(1,269)	(9,741)
<b>Net decrease in cash and cash equivalents generated by discontinued operations</b>	<b>(25,754)</b>	<b>(5,325)</b>
	<b>Pence</b>	<b>Pence</b>
Basic loss per share from discontinued operations	(123.4)	(86.7)
Diluted loss per share from discontinued operations	(122.4)	(85.7)

Refer to note 21 (Loss)/earnings per share for the weighted average number of shares used in calculation of losses per share from discontinued operations.

During the period, DG Americas sold a property in Berwick, Pennsylvania that was previously classified as held for sale. The net proceeds were £1.8 million.

## 5 Staff numbers and costs

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

<i>Continuing operations</i>	Number of employees	
	<b>2026</b>	<b>2025</b>
Selling and administration	<b>260</b>	292
Production and distribution	<b>477</b>	513
Temporary and agency staff	<b>89</b>	270
	<b>826</b>	1,075

Staff costs are presented for continuing operations only. Staff costs attributable to discontinued operations amounting to £12.8 million (2025: £84.2 million) are included within the results of discontinued operations disclosed in note 4.

The aggregate payroll costs of these persons were as follows:

		<b>2026</b>	<b>2025</b>
	Note	<b>£000</b>	<b>£000</b>
Wages and salaries		<b>35,218</b>	34,417
Share-based payments	23	<b>801</b>	518
Social security costs		<b>4,083</b>	3,412
Other pension costs		<b>2,240</b>	2,213
Temporary employee costs		<b>3,812</b>	5,141
		<b>46,154</b>	45,701

For information on Directors' remuneration, please refer to the section titled 'Directors' remuneration' within the Directors' remuneration report which forms part of the audited financial statements.

## 6 Finance income and costs

### Finance income

	2026	2025
<i>Continuing operations</i>	£000	£000
Interest receivable on bank deposits	766	1,048
Derivative financial instruments at fair value through the income statement	6	108
	<b>772</b>	<b>1,156</b>

#### Finance costs

	2026	2025
<i>Continuing operations</i>	£000	£000
Lease liability interest	(1,502)	(945)
Amortisation of loan arrangement fees	(256)	(581)
Interest payable on bank loans and overdrafts	(141)	(837)
Unwinding of fair value discounts	(71)	(63)
	<b>(1,970)</b>	<b>(2,426)</b>
Net finance cost	<b>(1,198)</b>	<b>(1,270)</b>

Finance income and finance costs attributable to discontinued operations amounting to £65,000 and £993,000 (2025: £1,690,000 and £1,937,000) are included within the results of discontinued operations disclosed in n4. The total Group net finance cost amounted to £2,126,000 (2025: £1,517,000).

## 7 Income tax charge/(credit)

#### Recognised in the income statement

	2026	2025
	£000	£000
<b>Current tax charge</b>		
Current year	1,303	4,436
Adjustments in respect of previous years	-	250
	<b>1,303</b>	<b>4,686</b>
<b>Deferred tax charge/(credit)</b>		
Derecognition/(recognition) of deferred tax assets	-	29,322
Origination and reversal of temporary differences	(218)	(67)
Adjustments in respect of previous periods	-	(7)
	<b>(218)</b>	<b>29,248</b>
<b>Total tax charge in income statement</b>	<b>1,085</b>	<b>33,934</b>
<b>Tax attributable to:</b>		
Continuing operations	989	4,555
Discontinued operations	96	29,379
<b>Total tax charge on adjusting items in continuing operations</b>		
Total tax on profit/loss before adjusting items	1,300	4,692
Total tax on adjusting items	(311)	(137)
<b>Total tax charge in income statement</b>	<b>989</b>	<b>4,555</b>

#### Reconciliation of effective tax rate

	2026	2025
	£000	£000
Profit from continuing operations before income tax	6,339	8,998
Loss from discontinued operations before income tax	(117,571)	(53,243)
Loss before tax	<b>(111,232)</b>	<b>(44,245)</b>
Loss before tax multiplied by the standard rate of corporation tax of 25% in the UK (2025: 25%)	<b>(27,808)</b>	<b>(11,061)</b>
Effects of:		
Income not taxable	(268)	(970)
Expenses not deductible for tax purposes	29,040	116
Differences between UK and overseas tax rates	27	369
Movement in uncertain tax provisions	(1,612)	176
Derecognition of deferred tax assets	-	29,322
Other items	(29)	123
Adjustments in respect of previous periods	-	242
Utilisation of prior year losses for which no deferred tax asset was recognised	305	-
Current year losses for which no deferred tax asset is recognised	1,430	15,617
<b>Total tax charge in income statement</b>	<b>1,085</b>	<b>33,934</b>

#### OECD Pillar Two

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates.

For the year ended 31 March 2026, the Group has performed an assessment to determine its potential exposure to Pillar Two top-up taxes. This assessment relied primarily on the Transitional Safe Harbour provisions, which use information from the Group's Qualified Country-by-Country (CbC) Reports and Financial Statements.

Based on the assessment performed, the Group has qualified for a **nil top-up tax** charge in substantially all jurisdictions of operation by meeting one or more of the following transitional tests:

- De Minimis Test: Jurisdictions where the Group has revenue of less than €10 million and profit before tax of less than €1 million.
- Simplified Effective Tax Rate (ETR) Test: Jurisdictions where the simplified ETR (calculated using qualified data) is at least 16% for the 2026 financial year.
- Routine Profits Test: Jurisdictions where the Group's profit is less than or equal to the substance-based income exclusion.

As a result of applying these safe harbours, the Group has determined that there is no material exposure to Pillar Two top-up taxes for the year ended 31 March 2026, and no current tax expense has been recognised in this regard.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

## 8 Property, plant and equipment

	Land and buildings		Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
	Freehold £000	Leasehold £000				
<b>Cost</b>						
Balance at 1 April 2024	33,945	4,476	96,439	5,489	1,892	142,241
Additions	207	67	4,113	386	72	4,845
Transfer to assets held for sale	(2,765)	(1,329)	(9,784)	(652)	(182)	(14,712)
Transfer to intangible assets	-	-	(360)	-	-	(360)
Disposals	(592)	(527)	(1,680)	(277)	(145)	(3,221)
Effect of movements in foreign exchange	(605)	(78)	(1,681)	(71)	(61)	(2,496)
Balance at 31 March 2025	30,190	2,609	87,047	4,875	1,576	126,297
Additions	230	70	2,070	249	53	2,672
Transfer from intangible assets	-	-	-	114	-	114
Derecognition on disposal of division	(13,008)	(1,964)	(39,544)	(413)	(205)	(55,134)
Disposals	(532)	(149)	(10,246)	(1,135)	(437)	(12,499)
Effect of movements in foreign exchange	(122)	(76)	(787)	63	48	(874)
<b>Balance at 31 March 2026</b>	<b>16,758</b>	<b>490</b>	<b>38,540</b>	<b>3,753</b>	<b>1,035</b>	<b>60,576</b>
<b>Depreciation and impairment</b>						
Balance at 1 April 2024	(17,495)	(4,094)	(62,027)	(4,039)	(1,439)	(89,094)
Depreciation charge for the year	(1,318)	(168)	(6,427)	(335)	(128)	(8,376)
Impairments	-	-	(3,502)	-	-	(3,502)
Transfer to assets held for sale	534	1,241	9,293	587	148	11,803
Disposals	534	524	1,392	281	130	2,861
Effect of movements in foreign exchange	311	79	969	16	43	1,418
Balance at 31 March 2025	(17,434)	(2,418)	(60,302)	(3,490)	(1,246)	(84,890)
Depreciation charge for the year	(774)	(66)	(2,876)	(281)	(137)	(4,134)
Impairments	-	-	(1,504)	-	-	(1,504)
Transfer from intangible assets	-	-	-	(114)	-	(114)
Disposals	532	149	10,198	1,135	437	12,451
Derecognition on disposal of division	6,693	1,883	25,724	(3)	191	34,488
Effect of movements in foreign exchange	78	75	636	(51)	(32)	706
<b>Balance at 31 March 2026</b>	<b>(10,905)</b>	<b>(377)</b>	<b>(28,124)</b>	<b>(2,804)</b>	<b>(787)</b>	<b>(42,997)</b>
<b>Net book value</b>						
At 31 March 2025	12,756	191	26,745	1,385	330	41,407
<b>At 31 March 2026</b>	<b>5,853</b>	<b>113</b>	<b>10,416</b>	<b>949</b>	<b>248</b>	<b>17,579</b>

In FY2026, two properties previously classified as assets held for sale were disposed of: a property in Berwick, Pennsylvania (DG Americas), with a net book value of £1.3 million, and a property in Hirwaun, Wales (DG International), with a net book value of £0.1 million. The disposals resulted in a profit of £0.6 million on the Berwick property and £3.0 million on the Hirwaun property.

Depreciation is charged to cost of sales, selling costs or administration costs within the income statement depending on the department to which the assets relate.

No fixed assets creditors were included in Other financial liabilities (note 18) (2025: £nil) as at the end of the financial year.

### Impairment

The £1.5 million impairment charge relates to the write-down of assets in DG Europe. This reflects the reassessment of certain machinery where recoverable amounts are estimated to be below carrying value due to diminished expected economic benefits.

### Security

Certain fixed assets of the Company are subject to fixed charges under the Group's Receivables Finance facility. These charges are granted in favour of a security agent acting on behalf of the lenders as part of a wider security package supporting the facility. (see note 15 for further details).

## 9 Intangible assets

	Goodwill	Computer software	Trade names	Customer relationships	Other intangibles	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
Balance at 1 April 2024	82,417	10,272	4,179	19,010	269	116,147
Additions	-	486	-	-	-	486
Transfer from fixed assets	-	360	-	-	-	360
Disposals	-	(552)	(177)	(640)	(4)	(1,373)
Effect of movements in foreign exchange	(1,430)	(227)	(101)	(455)	(9)	(2,222)
Balance at 31 March 2025	80,987	10,339	3,901	17,915	256	113,398
Additions	-	196	-	-	-	196
Transferred to tangible fixed assets	-	(114)	-	-	-	(114)
Disposals	-	(905)	(1)	-	-	(906)
Derecognition on disposal of division	(43,464)	(7,592)	(3,717)	(17,212)	(143)	(72,128)
Effect of movements in foreign exchange	(1,315)	(259)	(146)	(684)	(1)	(2,405)
<b>Balance at 31 March 2026</b>	<b>36,208</b>	<b>1,665</b>	<b>37</b>	<b>19</b>	<b>112</b>	<b>38,041</b>
<b>Amortisation and impairment</b>						
Balance at 1 April 2024	(33,854)	(9,504)	(4,143)	(9,294)	(109)	(56,904)
Amortisation charge for the year	-	(373)	(13)	(1,380)	(138)	(1,904)
Impairment	(37,760)	(49)	-	(1,288)	-	(39,097)
Disposals	-	492	177	640	4	1,313
Effect of movements in foreign exchange	331	215	101	241	4	892
Balance at 31 March 2025	(71,283)	(9,219)	(3,878)	(11,081)	(239)	(95,700)
Amortisation charge for the year	-	(135)	(12)	(190)	(1)	(338)
Transfer to tangible fixed assets	-	114	-	-	-	114
Disposal	-	905	1	-	-	906
Derecognition on disposal of division	43,464	7,336	3,717	10,835	143	65,495
Effect of movements in foreign exchange	1,699	250	149	425	6	2,529
<b>Balance at 31 March 2026</b>	<b>(26,120)</b>	<b>(749)</b>	<b>(23)</b>	<b>(11)</b>	<b>(91)</b>	<b>(26,994)</b>
<b>Net book value</b>						
At 31 March 2025	9,704	1,120	23	6,834	17	17,698
<b>At 31 March 2026</b>	<b>10,088</b>	<b>916</b>	<b>14</b>	<b>8</b>	<b>21</b>	<b>11,047</b>

Computer software relates to purchased software and people costs associated with the implementation of software.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	2026	2025
	£000	£000
UK and Asia	2,073	2,073
Europe	5,257	5,065
Australia	2,758	2,566
	<b>10,088</b>	<b>9,704</b>

All goodwill balances have arisen as a result of acquisitions and are not internally generated.

### Impairment

The Group tests goodwill annually for impairment, or more frequently, when there are indicators that it may be impaired.

Goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the related business combinations. This represents the lowest level at which goodwill is monitored for internal management purposes. The recoverable amounts of CGUs are determined as the higher of value in use (VIU) and fair value less costs to sell (FVLCTS).

The Group has prepared detailed cash flow forecasts for each CGU covering a three-year period. These forecasts, approved by management and the Board, are based on historical performance, current trading conditions and management's expectations for future developments. The forecasts incorporate assumptions on sales growth, EBITDA margins, and overhead costs.

Climate change is recognised as a risk that could affect future cash flows and the recoverable amounts of CGUs, including goodwill. The Group's current modelling primarily captures immediate, quantifiable impacts of climate-related risks. Medium and long-term effects are not yet fully reflected due to inherent uncertainty. The Group will continue to monitor and refine its assessment of the impact of climate change in future reporting periods.

The key assumptions used in the VIU calculations include sales growth, EBITDA margins, discount rates, and long-term growth rates. Long-term growth rates do not exceed the long-term economic growth expectations for the countries in which the CGUs operate. Discount rates used are pre-tax rates that reflect current market assessments of the time value of money and risks specific to each CGU.

For the year ended 31 March 2026, the Group's post-tax weighted average cost of capital (WACC) was 11.3% (2025: 11.2%). Pre-tax discount rates used in the impairment testing were derived from this WACC and adjusted for relevant jurisdictional tax rates.

Pre-tax discount rates used were:

	2026	2025
UK and Asia	15.0%	15.0%
Europe	15.1%	15.1%

Australia	16.1%	15.9%
-----------	-------	-------

Long-term growth rates used were:

	2026	2025
UK and Asia	2.0%	2.0%
Europe	2.0%	2.0%
Australia	2.4%	2.5%

No impairment was identified for any CGUs as the recoverable amount exceeded the carrying amount of tested assets. Management performed sensitivity analysis to assess the impact of changes in key assumptions. A 100 basis-point increase in the discount rate, a 0.5% reduction in terminal growth rate, and a 7.5% reduction in forecast cash flows and reallocation of central costs against remaining CGUs post DG Americas sale were applied. Under these stress-tested scenarios, all CGUs maintained sufficient headroom, and no impairment was required.

An impairment loss of £42.0 million was recognised during the year ended 31 March 2025. This included £37.8 million relating to goodwill on the acquisition of DG Americas, £1.3 million in intangible assets, and £2.9 million in plant and equipment. The impairment was triggered by a deterioration in DG Americas' performance, including the Group's fourth-largest customer entering Chapter 11 bankruptcy. DG Americas division was subsequently sold in FY2026 and relevant loss on disposal was recognised in the Income Statement.

The Directors are satisfied that the assumptions used in the impairment assessment are appropriate and supported by external benchmarks and internal projections. They do not believe that reasonably possible changes in key assumptions would lead to impairment in any other CGUs.

## 10 Right-of-use assets and lease liabilities

### Right-of-use assets

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Net book value at 1 April 2024	45,966	430	258	195	46,849
Additions	17,031	835	376	17	18,259
Disposals	(787)	-	-	-	(787)
Depreciation charge	(11,523)	(339)	(190)	(107)	(12,159)
Impairment	(646)	-	-	-	(646)
Effect of movements in foreign exchange	(1,241)	(12)	(4)	(30)	(1,287)
<b>Net book value at 31 March 2025</b>	<b>48,800</b>	<b>914</b>	<b>440</b>	<b>75</b>	<b>50,229</b>
Additions	3,734	328	345	274	4,681
Derecognition on disposal of division	(19,590)	(477)	(1)	(29)	(20,097)
Disposals	-	-	(8)	(16)	(24)
Depreciation charge	(4,460)	(217)	(246)	(59)	(4,982)
Effect of movements in foreign exchange	224	(15)	6	5	220
<b>Net book value at 31 March 2026</b>	<b>28,708</b>	<b>533</b>	<b>536</b>	<b>250</b>	<b>30,027</b>

In the prior year, the Group entered into a new lease in DG Australia for a warehouse facility, resulting in the recognition of a right-of-use asset of £13.5 million. Additions include lease modifications and extensions of £2.2 million (2025: £3.0 million).

No impairment charges were recognised during the year. Impairment charges in 2025 of £646,000 related to discontinued operations.

### Income statement

The income statement shows the following charges relating to leases for continuing operations:

	2026 £000	2025 £000
Interest expense (included in finance costs)	1,502	945
Depreciation charge	3,797	3,913
Expense relating to short-term leases	207	79

Low-value lease costs were negligible in the year.

At 31 March 2026, the Group had no estimated lease commitments for leases not yet commenced.

### Movement in lease liabilities

	2026 £000	2025 £000
Balance at 1 April	56,545	53,372
Cash flow – financing activities	(4,580)	(12,935)
Additions	4,682	18,250
Derecognition on disposal of division	(22,844)	-
Disposals	(22)	(854)
Effect of movements in foreign exchange	(201)	(1,288)
<b>Balance at 31 March</b>	<b>33,580</b>	<b>56,545</b>

2026 2025

	£000	£000
Non-current liabilities	30,349	46,098
Current liabilities	3,231	10,447
	<b>33,580</b>	<b>56,545</b>

Total cash outflow in relation to leases is as follows:

	2026 £000	2025 £000
Included in financing activities – payment of lease liabilities	4,580	12,935
Included in interest and similar charges paid	1,641	1,760
	<b>6,221</b>	<b>14,695</b>

During the year, sub-lease income from right-of-use assets was £742,000 (2025: £330,000).

Non-cancellable operating lease rentals are receivable as follows:

	2026 £000	2025 £000
Less than one year	722	715
Between one and five years	1,782	1,179
	<b>2,504</b>	<b>1,894</b>

## 11 Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment and intangible assets £000	Tax losses carried forward £000	Doubtful debts £000	Other timing differences <sup>(a)</sup> £000	Total £000
At 1 April 2025	47	-	5	899	951
Credit to income statement	103	-	3	112	218
Credit to equity	9	-	1	84	94
<b>At 31 March 2026</b>	<b>159</b>	<b>-</b>	<b>9</b>	<b>1,095</b>	<b>1,263</b>
Deferred tax liabilities	(70)	-	-	(5)	(75)
Deferred tax assets	229	-	9	1,100	1,338
	<b>159</b>	<b>-</b>	<b>9</b>	<b>1,095</b>	<b>1,263</b>

	Property, plant and equipment and intangible assets £000	Tax losses carried forward £000	Doubtful debts £000	Other timing differences <sup>(a)</sup> £000	Total £000
At 1 April 2024	3,831	18,128	1	8,905	30,865
(Charge)/credit to income statement	(3,701)	(17,764)	4	(7,787)	(29,248)
Charge to equity	(83)	(364)	-	(219)	(666)
<b>At 31 March 2025</b>	<b>47</b>	<b>-</b>	<b>5</b>	<b>899</b>	<b>951</b>
Deferred tax liabilities	47	-	5	903	955
Deferred tax assets	-	-	-	-	-
	<b>47</b>	<b>-</b>	<b>5</b>	<b>903</b>	<b>955</b>

(a) Other timing differences include a deferred tax asset closing balance of £441,000 (2025: £378,000) in respect of provision for inventory and £280,000 (2025: £114,000) in respect of leases.

Deferred tax is presented net on the balance sheet in so far as a right of offset exists.

	2026 £000	2025 £000
Net deferred tax asset	1,322	1,009
Net deferred tax liability	(59)	(58)
	<b>1,263</b>	<b>951</b>

Deferred tax assets and liabilities are treated as non-current as it is expected that they will be recovered or settled more than twelve months after the reporting date.

The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

As at 31 March 2026, there are no deferred tax assets in respect of tax losses carried forward (2025: £nil).

At the end of the year, in the UK there are gross temporary differences of £4.2 million (2025: £3.8 million) and unused tax losses, with no expiry date, of £24.1 million (2025: £24.3 million) on which deferred tax assets have not been recognised. Deferred tax assets are not being recognised due to the lack of sufficient compelling evidence to suggest their recognition at this time.

No deferred tax liability (2025: £nil) has been recognised on remitted earnings or on dividends declared and not paid. If all unremitted earnings were repatriated with immediate effect, the full potential tax liability which has not been recognised in respect of unremitted earnings is £24,000 (2025: £112,000).

Included within current tax liabilities is £0.5 million (2025: £6.3 million) in respect of uncertain tax positions. As an international business, the Group is exposed to the income tax laws of the jurisdictions in which it operates. These laws are complex and subject to different interpretations by taxpayers and tax authorities. The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management professional judgement supported by external advisers where necessary. The amount consists of various tax risks which individually are not material. The position is reviewed on an ongoing basis, and it is possible the amounts paid will be different from the amounts provided, but this is not expected to be material. No deferred tax charge was recognised through the statement of changes in equity and there are no deferred tax balances with respect to cash flow hedges.

## 12 Inventory

	2026	2025
	£000	£000
Raw materials and consumables	6,175	19,991
Work in progress	5,742	22,692
Finished goods	32,164	90,797
	<b>44,081</b>	<b>133,480</b>

During the year, materials, consumables, changes in finished goods and work-in-progress of £148.1 million (2025: £155.3 million) were recognised as an expense and included in cost of sales.

Inventory provisions have been assessed as at 31 March 2026 and overall an expense of £1.5 million has been recognised in the year (2025: £1.0 million). This consists of the addition of new provisions for slow-moving and obsolete inventory of £1.8 million (2025: £1.6 million), and the release of previous slow-moving and obsolete inventory provisions amounting to £0.3 million (2025: £0.6 million) due to inventory either being used or sold.

As at 31 March 2026, inventory provisions for continuing operations were £5.4 million against a gross inventory value of £49.5 million (2025: £4.7 million provisions, £56.7 million gross inventory value).

This provision estimate is subject to potential material change, for example if market conditions change because expected customer demand fluctuates, or shipping delays reduce our ability to deliver on time and in full.

Further to this, we performed a sensitivity analysis, assessing the impact of a movement of 7% in either direction. 7% reflects the highest movement level in five years and this was over Covid-19 which saw exceptional movements. The results indicated a potential stock provision movement of £0.4 million. However, given that every year-on-year movement since Covid-19 has been much lower, we believe the risk of a material movement is low.

## 13 Long-term assets and trade and other receivables

Long-term assets are as follows:

	2026	2025
	£000	£000
Acquisition indemnities	-	502
Security deposits	-	496
Insurance-related assets	-	1,243
	-	2,241

Acquisition indemnities related to previous acquisitions made by a DG Americas business and indemnities provided by the seller. Security deposits related to leased properties and insurance-related assets included a corporate-owned life insurance policy.

Trade and other receivables are as follows:

	2026	2025
	£000	£000
Trade receivables	20,913	59,198
Prepayments, other receivables and accrued income	1,842	6,081
VAT receivable	276	303
	<b>23,031</b>	<b>65,582</b>

Certain subsidiaries of the Group are party to supplier financing arrangements with key customers and the associated balances are recognised as trade receivables until receipt of the payment from the bank, at which point the receivable is derecognised. At 31 March 2026, nothing had been drawn down on this arrangement (2025: £nil).

Under the terms of the Receivables Finance arrangements, certain trade receivables are assigned to a receivables trustee. The Group retains exposure to credit risk and therefore continues to recognise the receivables on its balance sheet.

Please see note 15 for more details of the banking facilities.

There are no trade receivables in the current year (2025: £nil) expected to be recovered in more than twelve months.

The Group's exposure to credit and currency risks and provisions for doubtful debts related to trade and other receivables is disclosed in note 24.

## 14 Cash and cash equivalents/bank overdrafts

	2026 £000	2025 £000
Cash and cash equivalents	54,678	105,526
Bank overdrafts	(481)	(40,618)
<b>Cash and cash equivalents and bank overdrafts per cash flow statement</b>	<b>54,197</b>	<b>64,908</b>

As of 31 March 2025, cash and cash equivalents included £44.9 million held within the HSBC cash pooling facility. The cash pooling facility was no longer available at 31 March 2026.

Cash and cash equivalents included £47.9 million (2025: £53.6 million) of cash deposits and £6.8 million (2025: £6.1 million) of cash held in bank.

As of 31 March 2025, bank overdrafts included £40.2 million overdrafts within the cash pooling facility and £0.4 million of other overdraft facilities.

### Net cash

	2026 £000	2025 £000
Cash and cash equivalents	54,197	64,908
Loan arrangement fees	420	647
<b>Net cash as used in the financial review cash flow statement</b>	<b>54,617</b>	<b>65,555</b>

The Group's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities is disclosed in note 24.

Certain cash balances are subject to control arrangements under the Group's Receivables Finance facilities.

The bank loans and overdrafts are secured by a fixed charge on certain of the Group's land and buildings, a fixed charge on certain of the Group's book debts and a floating charge on certain of the Group's other assets. See note 15 for further details of the Group's loans and overdrafts.

### Changes in net cash

	Loan arrangemen t fees £000	Other assets cash/bank overdrafts £000	Total £000
Balance at 1 April 2024	1,202	74,265	75,467
Cash flows	-	(10,010)	(10,010)
Amortisation of loan arrangement fees	(555)	-	(555)
Effect of movements in foreign exchange	-	653	653
Balance at 31 March 2025	647	64,908	65,555
Cash flows	880	(1,671)	(791)
Amortisation of loan arrangement fees	(256)	-	(256)
Derecognition of disposal of subsidiary	(851)	(7,899)	(8,750)
Effect of movements in foreign exchange	-	(1,141)	(1,141)
<b>Balance at 31 March 2026</b>	<b>420</b>	<b>54,197</b>	<b>54,617</b>

## 15 Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	2026 £000	2025 £000
<b>Non-current liabilities</b>		
Secured bank loans	-	-
Loan arrangement fees	(228)	(92)
	(228)	(92)
<b>Current liabilities</b>		
Current portion of secured bank loans	-	-
Loan arrangement fees	(192)	(555)
	(192)	(555)

### Financing facilities

At 31 March 2026, the Group had access to a Receivables Finance facility with HSBC and NatWest. This facility was entered into on 11 July 2025 and provides up to £40.0 million of funding based on a borrowing base linked to eligible receivables across participating Group companies. Availability is determined by reference to the value of eligible receivables, subject to eligibility criteria and concentration limits. The facility has an initial minimum term of 36 months.

The Receivables Finance facility does not include financial ratio covenants but is subject to certain operational covenants.

The facility is supported by a security package provided by participating Group undertakings. This includes the assignment of receivables to a receivables trustee together with fixed and floating charges over assets, including bank accounts and other property, under debentures and equivalent local law security documents. These security arrangements are held by a security agent on behalf of the lenders.

The Group cancelled its Asset Backed Lending (ABL) facility on 30 May 2025 following the disposal of DG Americas. This facility had previously been amended in April 2025 to extend its maturity to June 2027 and reduce the maximum facility amount to \$100.0 million. During FY2025 the Group had an unsecured overdraft facility provided by HSBC of £8.5 million. This facility was replaced with £15.0 million overdraft facility on 30 May 2025 and was subsequently cancelled on introduction of the Receivables Finance facility. No additional committed facilities were entered into or cancelled during FY2026.

At 31 March 2026, the amount drawn under the facility was nil (2025: drawdown under the ABL facility - nil).

### Interest costs and fees

Under the Receivables Finance facility, the Group incurs a discount charge on financed receivables. The discount is calculated daily on the Discounting Account Balance at a rate equal to the applicable Base Rate plus a margin of 1.75% per annum. Base Rates are defined as:

- GBP – Bank of England base rate;
- EUR – European Central Bank base rate; and
- USD – Upper limit of the Federal Reserve federal funds target rate.

Additional arrangement and service fees apply; no non-utilisation or commitment fees are charged.

Loan arrangement fees represent the unamortised costs in arranging the Group facilities. These fees are being amortised on a straight-line basis over the terms of the facilities.

### Supplier financing arrangements

The Group participates in supplier financing arrangements with several key customers. Balances arising under these arrangements are recognised as trade receivables until receipt of payment from the customer's financing bank, at which point the receivable is derecognised. These arrangements do not modify the underlying payment terms with customers.

## 16 Deferred income

	2026 £000	2025 £000
<b>Included within non-current liabilities</b>		
Deferred grant income	133	1,630
<b>Included within current liabilities</b>		
Deferred grant income	66	197
Other deferred income	30	6
	<b>96</b>	<b>203</b>

The deferred grant income is in respect of government grants relating to the development of the Penallta site in Wales. Deferred income is being released in line with the depreciation of the assets for which the grant is related to.

## 17 Provisions

	Properties £000	Duties, interest and penalties £000	Other £000	Total £000
Balance at 1 April 2024	3,505	4,329	347	8,181
Provisions made in the year	191	-	121	312
Provisions released during the year	(128)	(3,850)	(210)	(4,188)
Unwinding of fair value discounts	63	-	-	63
Provisions utilised during the year	(463)	(324)	(67)	(854)
Effect of movements in foreign exchange	(43)	(154)	(7)	(204)
<b>Balance at 31 March 2025</b>	<b>3,125</b>	<b>1</b>	<b>184</b>	<b>3,310</b>
Provisions made in the year	4,147	-	266	4,413
Provisions released during the year	-	-	(100)	(100)
Unwinding of fair value discounts	70	-	-	70
Provisions utilised during the year	(10)	-	-	(10)
Derecognition on disposal of division	(1,493)	(1)	-	(1,494)
Effect of movements in foreign exchange	(54)	-	9	(45)
<b>Balance at 31 March 2026</b>	<b>5,785</b>	<b>-</b>	<b>359</b>	<b>6,144</b>

  

	2026 £000	2025 £000
Non-current	5,335	1,964
Current	809	1,346
	<b>6,144</b>	<b>3,310</b>

The properties provision include £3.8 million of provisions related to Group lease commitments post DG Americas disposal and £2.0 million of dilapidation provisions.

Following the disposal of DG Americas, certain Group commitments relating to DG Americas leases were identified, and provisions were established to cover probable future payments. These obligations became apparent during the progression of the Chapter 11 proceedings, which remain ongoing. As a result, a provision has been recognised representing management's best estimate of the expenditure required to settle these obligations, with settlement expected within the next five years. The £3.8 million provision reflects the expected Group's obligation after considering anticipated recoveries through the Chapter 11 process and commercially viable actions to mitigate leases exposure. However, the estimate remains subject to uncertainty, particularly regarding the timing of cash outflows and the extent to which mitigation efforts will be successful. The ultimate outcome may therefore differ depending on final recovery levels and the effectiveness of mitigation strategies. A sensitivity analysis has been performed on the key assumptions underpinning the provision, indicating that a reasonably possible change in commercial assumptions could result in an increase or decrease in the obligation of approximately 20%. The provision is expected to be utilised over a period of five years, although the timing of outflows remains uncertain due to the ongoing Chapter 11 process, anticipated recoveries and mitigation actions.

The position will be reassessed as further information becomes available.

The estimated reinstatement costs relate to two of the Group's leasehold properties under fully repairing leases (2025: 16 properties).

The £1.9 million non-current balance (2025: £1.6 million) relates to a lease expiring in 2036; the remainder relates to provisions unwinding between one and five years.

The duties, interest and penalties provision represented the potential liabilities relating to pre-acquisition duties owed by a foreign subsidiary of the DG Americas division and has been resolved in FY2025.

## 18 Other financial liabilities

	2026 £000	2025 £000
<b>Included within non-current liabilities</b>		
Rebates and customer claims	-	9,811
Employee costs	112	827
Other creditors and accruals	117	1,231
	<b>229</b>	<b>11,869</b>
<b>Included within current liabilities</b>		
Employee costs	5,466	8,582
Rebates and customer claims	1,893	8,256
Property costs	-	1,875
Goods in transit	673	2,057
Other creditors and accruals	3,549	4,357
	<b>11,581</b>	<b>25,127</b>
Forward foreign exchange contracts carried at fair value through the hedging reserve	76	413
	<b>11,657</b>	<b>25,540</b>

## 19 Trade and other payables

	2026 £000	2025 £000
Trade payables	22,914	63,152
Other payables including social security	800	2,220
VAT payable	240	205
	<b>23,954</b>	<b>65,577</b>

## 20 Share capital

	Ordinary shares	
	2026	2025
In thousands of shares		
In issue at 1 April	98,308	98,279
Options exercised during the year	-	29
<b>In issue at 31 March – fully paid</b>	<b>98,308</b>	<b>98,308</b>
	2026 £000	2025 £000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £0.05 each	4,915	4,915

Of the 98.3 million shares in the Company, 2.9 million (2025: 3.0 million) are held by IG Employee Share Trustee Limited (the 'Employee Benefit Trust').

Long Term Incentive Plan (LTIP) options exercised during FY2025 resulted in 29,000 ordinary shares issued at nil cost. Options exercised in FY2026 were satisfied by shares held by the Employee Benefit Trust.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### Capital reorganisation (Parent Company)

On 12 March 2026, the Company completed a court-approved capital reorganisation designed to increase distributable reserves at the parent company level.

The capital reorganisation comprised:

- the capitalisation of £14.9 million of merger reserve and £1.6 million of retained earnings into newly issued deferred shares;
- the subsequent cancellation of those deferred shares; and
- the cancellation of the Company's share premium account and capital redemption reserve.

All components of the capital reorganisation were equity-only transactions and had no impact on Group profit or loss, total equity, net assets, cash flows or earnings per share.

## 21 Earnings per share

	2026	2025
	£000	£000
<b>Total (loss)/earnings</b>		
<b>(Loss)/earnings</b>		
Loss attributable to equity holders of the Company	(112,337)	(78,450)
<b>Adjustments</b>		
Adjusting items (net of non-controlling interest effect)	112,574	44,293
Tax relief on adjustments (net of non-controlling interest effect)	(155)	28,991
<b>Adjusted earnings/(loss) attributable to equity holders of the Company</b>	<b>82</b>	<b>(5,166)</b>
	<b>2026</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
<b>Earnings attributable to continuing operations</b>		
<b>Earnings</b>		
Earnings attributable to equity holders of the Company	5,330	4,145
<b>Adjustments</b>		
Adjusting items (net of non-controlling interest effect)	1,756	5,543
Tax relief on adjustments (net of non-controlling interest effect)	(155)	(26)
<b>Adjusted earnings attributable to equity holders of the Company</b>	<b>6,931</b>	<b>9,662</b>
	<b>2026</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>
<b>Number of shares</b>		
<b>In thousands of shares</b>		
Issued ordinary shares at 1 April	98,308	98,279
Shares relating to share options	59	28
Less: shares held by Employee Benefit Trust	(2,965)	(3,026)
<b>Weighted average number of shares for the purposes of calculating basic EPS</b>	<b>95,402</b>	<b>95,281</b>
Effect of dilutive potential shares – share awards	655	1,083
<b>Weighted average number of shares for the purposes of calculating diluted EPS</b>	<b>96,057</b>	<b>96,364</b>

Earnings per share are calculated as follows:

	2026	2025
	pence	pence
<b>Total (loss)/earnings</b>		
<b>(Loss)/earnings per share</b>		
Basic loss per share	(117.8)	(82.3)
Impact of adjusting items (net of tax)	117.9	76.9
<b>Basic adjusted earnings/(loss) per share</b>	<b>0.1</b>	<b>(5.4)</b>
Diluted loss per share	(116.9)	(81.4)
<b>Diluted adjusted earnings/(loss) per share</b>	<b>0.1</b>	<b>(5.4)</b>
	<b>2026</b>	<b>2025</b>
	<b>pence</b>	<b>pence</b>
<b>Earnings attributable to continuing operations</b>		
<b>Earnings per share</b>		
Basic earnings per share	5.6	4.4
Impact of adjusting items (net of tax)	1.7	5.7
<b>Basic adjusted earnings per share</b>	<b>7.3</b>	<b>10.1</b>
Diluted earnings per share	5.5	4.3
<b>Diluted adjusted earnings per share</b>	<b>7.2</b>	<b>10.0</b>

Adjusted (loss)/earnings per share are provided to reflect the underlying earnings performance of the Group.

### **Basic (loss)/earnings per share**

Basic EPS is calculated by dividing the profit/loss for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the period, excluding own shares held by the Employee Benefit Trust.

### **Diluted (loss)/earnings per share**

Diluted EPS is calculated by dividing the profit/loss for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of the potentially dilutive shares.

Options are dilutive at the level of profit from continuing operations and so, in accordance with IAS 33, have been treated as dilutive for the purpose of diluted EPS. The diluted loss per share is lower than basic loss per share because of the effect of losses on discontinued operations.

## 22 Dividends paid and proposed

No dividends were paid in the current year (2025: nil). The Directors are recommending a 1.0 pence final dividend in respect of the year ended 31 March 2026, payable on 9 October 2026.

## 23 Employee benefits

### Post-employment benefits

In the prior year, the Group operated a defined benefit pension scheme with plan assets of £2.6 million and a defined benefit obligation of £0.7 million, resulting in a surplus of £1.9 million. In accordance with IAS 19, the surplus on the plan was not recognised on the basis it was not expected to be recovered, as the Group did not have an unconditional right to any refund. During the current year, the scheme was disposed of as part of the sale of the US business and the Group has no further obligations in respect of it.

### Long Term Incentive Plans

The Group operates a Long Term Incentive Plan (LTIP). Under the LTIP, nil cost options and conditional awards over ordinary shares of 5 pence each ('ordinary shares') in the capital of the Company are awarded to Executive Board Directors of the Company and other selected senior management team members within the Group. During the year, awards were granted under the 2025-2028 LTIP scheme.

The performance period for each award under the LTIP is three years. The cost to employees of ordinary shares issued under the LTIP if the LTIP vests is nil. In principle, the number of ordinary shares to be granted to each employee under the LTIP will not be more than 265% (and 325% in exceptional cases) of the relevant employee's base annual salary. The maximum opportunity available under the 2022-2025, 2023-2026, 2024-2027 and 2025-2028 schemes is up to 125% of base salary for the CEO and CFO.

As at 31 March 2026, the 2.9 million ordinary shares held in the Employee Benefit Trust are intended to be used to satisfy the exercise of share options by employees.

### Vested LTIP schemes – outstanding options

	2026		2025	
	Weighted average exercise price pence	Number of options	Weighted average exercise price pence	Number of options
Outstanding at 1 April	nil	-	nil	28,272
Options vesting during the year	nil	190,449	nil	-
Exercised during the year	nil	(118,446)	nil	(28,272)
Outstanding at 31 March	nil	72,003	nil	-
Exercisable at 31 March	nil	72,003	nil	-

### Scheme details for plans in vesting periods during the year

During the financial year to 31 March 2026, there were four LTIP awards still within their vesting period (2025: three).

#### Awards

	2022-2025	2023-2026	2024-2027	2025-2028
Grant date	Aug 2022, Dec 2022, Feb 2023	Aug 2023, Nov 2023, Dec 2023	Aug 2024, Dec 2024	Sep 2025
Fair value per share (£)	1.14	1.06	1.58	0.43
Number of participants	39	43	44	25
Initial award	2,567,747	2,477,864	1,530,958	2,404,619
Lapses and forfeitures	(2,128,127)	(1,149,614)	(705,127)	(68,874)
Cash-settled awards	(249,171)	(117,161)	(33,057)	-
Exercises	(118,446)	-	-	-
<b>Outstanding options as at 31 March 2026</b>	<b>72,003</b>	-	-	-
<b>Potential to vest as at 31 March 2026</b>	-	<b>1,211,089</b>	<b>792,774</b>	<b>2,335,745</b>
Vested/potential to vest as at 31 March 2025	1,826,847	1,753,743	1,284,633	-
Weighted average remaining contractual life of options outstanding at the end of the year	6.4	5.8	7.5	9.5

The grant date fair value of the LTIP awards granted in the year, assuming they are to vest in full, is £1.0 million.

The grant date fair values of the 2025-2028 scheme were determined using the following factors:

Share price (£)	0.55
Exercise price	nil
Expected term	3 years (additional 2 years for holding period)
Risk-free interest rate	3.99% (4.14% for awards with holding period)
Expected dividend yield	0%

### LTIP performance targets

Individuals were granted performance share awards under the 2022-2025, 2023-2026, 2024-2027 and 2025-2028 schemes. Some individuals were also awarded restricted share awards which are not subject to any performance condition (other than an underpin condition) and the vesting is dependent on a continued service requirement. The vesting of performance share awards are subject to a continued service requirement. The extent of vesting is subject to outturn against performance conditions.

The performance share awards are weighted two-thirds towards a Relative Total Shareholder Return (TSR) metric and one-third towards an Earnings Per Share metric as the performance measures. The TSR metric is a measurement of TSR by the Group relative to a peer group of the FTSE SmallCap, excluding Investment Trusts.

An underpin condition was also applied to the awards that allows the Remuneration Committee to reduce vesting levels if it determines that vesting outcomes reflect unwarranted windfall gains from share price movements.

### Share-based payments charges/(credits)

The total charge/(credit) recognised for the year arising from equity-settled share-based payments is as follows:

	2026	2025
	£000	£000
(Credit)/charge in relation to the 2022-2025 LTIP scheme	(12)	162
Charge in relation to the 2023-2026 LTIP scheme	193	247
Charge in relation to the 2024-2027 LTIP scheme	274	314
Charge in relation to the 2025-2028 LTIP scheme	173	-
Equity-settled share-based payments charge	628	723
Social security credit	-	(37)
<b>Total equity-settled share-based payments charge</b>	<b>628</b>	<b>686</b>
Continuing operations	801	518
Discontinued operations	(174)	169

Deferred tax assets are recognised on share-based payment schemes when deferred tax assets are recognised in that territory (see note 11).

### Social security charges/(credits) on share-based payments

Social security is accrued, where applicable, at a rate which management expects to be the prevailing rate when share-based incentives are exercised and is based on the latest market value of options expected to vest or having already vested.

The total social security accrual outstanding at the year-end in respect of share-based payment transactions was £99,000 (2025: £107,000).

## 24 Financial instruments

### a. Fair value of financial instruments

Derivative financial instruments comprise forward foreign exchange contracts measured at fair value using observable market inputs (Level 2). The Group uses forward foreign exchange contracts to manage transactional currency risk.

At 31 March 2026, these comprised assets of £243,000 (2025: £1,000) and liabilities of £76,000 (2025: £413,000).

The carrying values of other financial assets and liabilities approximate their fair values.

### b. Credit risk

#### Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. The Group's exposure to credit risk is managed by dealing only with banks and financial institutions with strong credit ratings. The Group's financial credit risk is primarily attributable to its trade receivables.

The main customers of the Group are large and mid-sized retailers and wholesalers of greetings products, service merchandisers and trading companies. The Group has established procedures to minimise the risk of default of trade receivables including detailed credit checks undertaken before new customers are accepted and rigorous credit control procedures after sale. These processes have proved effective in minimising the level of provisions for doubtful debts required.

#### Exposure to credit risk

The carrying amount of financial assets represents the Group's maximum exposure to credit risk of £75.8 million (2025: £167.0 million), of which £20.9 million (2025: £59.2 million) relates to trade receivables.

The ageing of trade receivables at the balance sheet date was:

	2026			2025		
	Expected loss rate	Gross	Provisions for doubtful debts	Expected loss rate	Gross	Provisions for doubtful debts
	%	£000	£000	%	£000	£000
Not past due	-	17,835	-	0.8	40,849	(345)
Past due 0-60 days	2.1	2,142	(45)	0.2	13,274	(27)
61-90 days	7.2	660	(47)	22.5	2,684	(605)
More than 90 days	53.2	786	(418)	36.7	5,325	(1,957)
	2.3	21,423	(510)	4.7	62,132	(2,934)

The decrease in expected loss rate is reflective of lower credit risk associated with the Group's customers post DG Americas disposal.

The Group (continuing operations) has a concentration of credit risk with its largest customers. At 31 March 2026, the Group's largest customer accounted for 33% (2025: 35%) of the total Group trade receivables.

Revenue from the largest customer represented 23% (2025: 23%) of total Group revenue. In the year ended 31 March 2026, total sales to that customer were £50.8 million (2025: £51.0 million). Group sells to one more customer that represents 13% (2025: 16%) of total continuing Group revenue.

The Group's credit exposure is geographically diversified with no single country representing a material proportion of total trade receivables.

## Expected credit loss assessment

Expected credit losses on trade receivables are measured using the simplified approach under IFRS 9, with lifetime expected credit losses recognised for all balances. The Group applies a provisioning matrix based on historical loss experience, adjusted as necessary to reflect current conditions and forward-looking macroeconomic factors at the reporting date. The assessment incorporates reasonable and supportable information, including customer credit quality, ageing profiles and relevant external data. Management exercises judgement in determining expected losses, taking into account factors such as external credit ratings, available financial information and recent trading performance of customers. Given the short-term nature of trade receivables, the measurement of lifetime expected credit losses is not significantly sensitive to the timing of default.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2026 £000	2025 £000
Balance at 1 April	2,934	1,971
Charge for the year	10	2,359
Reversed	(167)	(21)
Utilised	(2,048)	(1,341)
Derecognition on disposal of division	(154)	-
Effects of movement in foreign exchange	(65)	(34)
<b>Balance at 31 March</b>	<b>510</b>	<b>2,934</b>

The allowance account for trade receivables is used to recognise expected credit losses. Receivables are written off against the allowance balance when the Group concludes that there is no reasonable expectation of recovering the outstanding amount.

## c. Liquidity risk

Liquidity risk is the risk that the Group, although solvent, will encounter difficulties in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The Group's policy with regard to liquidity ensures adequate access to funds by maintaining an appropriate mix of short-term and longer-term facilities, which are reviewed on a regular basis. The maturity profile and details of debt outstanding at 31 March 2026 are set out in note 15.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Note	Carrying amount £000	Contractual cash flows £000	One year or less £000	One to two years £000	Two to five years £000	More than five years £000
<b>31 March 2026</b>							
Other financial liabilities	18	11,810	(11,810)	(11,581)	(47)	(175)	(7)
Lease liabilities	10	33,580	(42,056)	(4,765)	(4,743)	(13,023)	(19,525)
Trade payables	19	22,914	(22,914)	(22,914)	-	-	-
Derivative financial liabilities	18	76	(6,414)	(6,414)	-	-	-
		<b>68,380</b>	<b>(83,194)</b>	<b>(45,674)</b>	<b>(4,790)</b>	<b>(13,198)</b>	<b>(19,532)</b>
<b>31 March 2025</b>							
Other financial liabilities	18	36,996	(36,996)	(25,126)	(11,699)	(169)	(2)
Lease liabilities	10	56,545	(66,385)	(12,670)	(11,561)	(21,190)	(20,964)
Trade payables	19	63,152	(63,152)	(63,152)	-	-	-
Derivative financial liabilities	18	413	(18,618)	(18,618)	-	-	-
		<b>157,106</b>	<b>(185,151)</b>	<b>(119,566)</b>	<b>(23,260)</b>	<b>(21,359)</b>	<b>(20,966)</b>

The availability of the Receivables Finance facility varied through the year, depending on the level of eligible receivables. The maximum availability was £40.0 million and as at 31 March 2026, the availability amounted to £18.6 million. During FY2025, the Group used the Asset Backed Lending (ABL) facility with the maximum limit of £96.6 million (\$125 million) and availability at 31 March 2025 of £11.9 million. Neither of these facilities were used as at the end of the financial years.

The following guarantees and trade finance facilities across several jurisdictions are recognised as contingent liabilities. These items are disclosed as contingent liabilities as they represent potential obligations dependent on future events not wholly within the Group's control, and no outflows of economic benefits are currently expected.

	31 March 2026		31 March 2025	
	Facility £000	Utilised £000	Facility £000	Utilised £000
UK Guarantee	2,500	1,520	2,750	1,520
Australia lease guarantee	2,444	2,444	2,274	2,274
UK Import line	1,000	-	1,000	-
USA Guarantee	-	-	4,252	2,304
Netherlands Guarantee (Trade and Import line)	566	456	544	191
	<b>6,510</b>	<b>4,420</b>	<b>10,820</b>	<b>6,289</b>

The Group has provided a bank guarantee of approximately A\$4.7 million in Australia in favour of the landlord of its primary distribution facility, representing up to 12 months' rent and outgoings. The guarantee is only callable on default, and no material loss is expected.

## d. Cash flow hedges

The following derivative financial instruments were designated as cash flow hedges:

(76)

(413)

	<b>2026</b>	2025
<b>Forward exchange contracts carrying amount</b>	<b>£000</b>	<b>£000</b>
Derivative financial assets	243	1
Derivative financial liabilities	(76)	(413)

The Group has forward currency hedging contracts outstanding at 31 March 2026 designated as hedges of expected future purchases in US dollars for which the Group has firm commitments, as the derivatives are based on forecasts and an economic relationship exists at the time the derivative contracts are taken out. The terms of the forward currency hedging contracts have been negotiated to match the terms of the commitments.

All contracts outstanding at the year-end crystallise within twelve months of the balance sheet date at average prices of 1.18 for US dollar to euro contracts (2025: 1.06) and 1.34 for US dollar to GBP contracts (2025: 1.30). At the year end, the Group held £10.1 million for US dollar to euro contracts (2025: £11.6 million) and £3.5 million for US dollar to GBP contracts (2025: £7.7 million) in hedge relationships.

When assessing the effectiveness of derivative contracts, the Group considers potential sources of ineffectiveness, including changes in the volume or timing of the hedged cash flows. The cash flow hedges of the expected future purchases in the year were assessed to be highly effective and as at 31 March 2026, a net unrealised profit of £1,070,000 (2025: £136,000 loss) with related deferred tax credit of £nil (2025: £nil) was included in other comprehensive income in respect of these hedging contracts. Amounts relating to ineffectiveness recorded in the income statement in the year were £nil (2025: £nil).

## e. Market risk

### Financial risk management

Market risk is the risk that changes in market prices, including foreign exchange rates, interest rates and, where relevant, equity prices, will adversely affect the Group's income or the value of its financial instruments. The Group manages foreign currency risk by hedging a proportion of its forecast sales and purchases denominated in foreign currencies, as considered appropriate by management. Hedging is primarily undertaken through foreign exchange forward contracts, which typically have maturities of less than one year. The Group also holds loans denominated in the functional currencies of certain overseas subsidiaries, which reduces exposure to foreign exchange movements on those borrowings.

The Group's exposure to foreign currency risk is set out below. Exposure is presented based on the carrying amounts of monetary financial assets and liabilities, with the exception of derivatives, which are disclosed based on their notional amounts.

		2026	2025	2026	2025
		£000	£000	£000	£000
		(9,285)	(1)	(6,006)	(726)
		(420)	(481)	(334)	(202)
		243	2,877	(504)	(1,040)
		26,988	20,913	(2,297)	61,418
		14,326	20,913	(2,297)	61,418
		8,703	2,877	(2,297)	61,418
		4,661	2,877	(2,297)	61,418
		54,678	20,913	(2,297)	61,418
		243	2,877	(2,297)	61,418
		(481)	2,877	(2,297)	61,418
		420	2,877	(2,297)	61,418
		(9,285)	2,877	(2,297)	61,418
		(504)	2,877	(2,297)	61,418
		24,386	20,913	(2,297)	61,418
		16,797	20,913	(2,297)	61,418
		4,026	2,877	(2,297)	61,418
		6,610	2,877	(2,297)	61,418
		51,819	20,913	(2,297)	61,418

The following significant exchange rates applied to pound sterling during the year:

	Average rate		31 March spot rate	
	2026	2025	2026	2025
Euro	1.15	1.19	1.15	1.20
US dollar	1.34	1.28	1.32	1.29

### Sensitivity analysis

A 10% weakening of the following currencies against pound sterling at 31 March 2026 would have affected equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis was performed on the same basis for 31 March 2025.

	Equity		Profit or loss	
	2026	2025	2026	2025
	£000	£000	£000	£000
Euro	1,527	(209)	966	(543)
US dollar	366	2,476	362	2,543

On the basis of the same assumptions, a 10% strengthening of the currencies against pound sterling at 31 March 2026 would have affected equity and profit or loss by the following amounts:

	Equity		Profit or loss	
	2026 £000	2025 £000	2026 £000	2025 £000
Euro	(1,866)	255	(1,180)	663
US dollar	(447)	(3,026)	(442)	(3,109)

#### Interest rate profile

At the balance sheet date, the interest rate profile of the Group's interest-bearing financial instruments was:

Variable rate instruments	Note	2026	2025
		£000	£000
Financial assets		54,678	105,525
Financial liabilities		(481)	(40,617)
<b>Net cash</b>	14	<b>54,197</b>	<b>64,908</b>

A change of 50 basis points (0.5%) in interest rates in respect of financial assets and liabilities at the balance sheet date would have affected equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect on financial instruments with variable interest rates and financial instruments at fair value through profit or loss. The analysis was performed on the same basis for 31 March 2025.

#### Sensitivity analysis

	2026 £000	2025 £000
<b>Equity</b>		
Increase	271	325
Decrease	-	-
<b>Profit or loss</b>		
Increase	271	325
Decrease	-	-

## f. Capital management

The Group's objective is to maintain a strong capital base to support stakeholder confidence and the long-term development of the business. Capital is monitored with reference to trading capital, defined as net assets plus net debt. Net debt comprises bank overdrafts, loans and borrowings (as shown in the statement of financial position) less cash and cash equivalents.

The Board manages the capital structure through ongoing monitoring of working capital metrics, balance-sheet reforecasts, monthly profit and loss performance, weekly cash flow forecasts and daily cash balances. Significant capital expenditure or investment decisions require approval by the Chief Financial Officer and Chief Executive Officer, or by the Board above defined thresholds. There were no changes to the Group's capital management approach during the year.

The Group's Articles permit borrowings (including letter-of-credit facilities) of up to four times equity. This internal limit forms part of the Board's capital management framework.

The Group had no externally imposed capital requirements at 31 March 2026. The Group's Receivables Finance facility is subject to operational covenants only, and these do not impose restrictions on capital structure, leverage or liquidity. Management also monitors average leverage, defined as average monthly net debt before lease liabilities relative to adjusted EBITDA after lease payments.

	Note	Equity	
		2026 £000	2025 £000
Net equity attributable to owners of the Parent Company		100,501	203,244
Net cash	14	(54,617)	(65,555)
		<b>45,884</b>	<b>137,687</b>

## 25 Capital commitments

At 31 March 2026, the Group had outstanding authorised capital commitments to purchase plant and equipment for £0.4 million (2025: £1.6 million).

## 26 Related parties

	2026 £000	2025 £000
<b>Sale of goods:</b>		
Hedlunds Pappers Industri AB	290	304
Festive Productions Ltd	57	12
	<b>347</b>	<b>316</b>

There were no outstanding debtor balances in the current year (2025: £nil).

### Identity of related parties and trading

Hedlund Import AB is under the ultimate control of the Hedlund family, who are a major shareholder in the Company. Anders Hedlund is a director of Hedlunds Pappers Industri AB which is under the ultimate control of the Hedlund family, who are a major shareholder in the Company. Festive Productions Ltd is a subsidiary undertaking of Malios Holding AG, a company under the ultimate control of the Hedlund family.

The above trading takes place in the ordinary course of business.

### Other related party transactions

Directors of the Company and their immediate relatives have an interest in 24% (2025: 24%) of the voting shares of the Company. The shareholdings of Directors and changes during the year are shown in the Directors' report.

### Directors' remuneration

	2026 £000	2025 £000
Short-term employee benefits	1,704	1,387
Share-based payments charge	236	302
	<b>1,940</b>	<b>1,689</b>

See the Directors' remuneration report for more detail.

## 27 Non-controlling interests

Set out below is the summarised financial information for each subsidiary that has non-controlling interests. IG Design Group Australia Pty Limited ('Australia') is considered a subsidiary of the Group. The Group owns 50% of the share capital but can demonstrate that it has control as required under IFRS.

	2026 £000	2025 £000
Non-controlling interest – balance sheet as at 31 March		
Non-current assets	16,732	16,536
Current assets	12,808	11,969
Current liabilities	(5,249)	(5,130)
Non-current liabilities	(12,139)	(12,114)

	2026 £000	2025 £000
Non-controlling interest – comprehensive income for the year ended 31 March		
Revenue	33,534	31,611
Profit after tax	40	596
Total comprehensive income/(loss)	850	(768)

	2026 £000	2025 £000
Non-controlling interest – cash flow for the year ended 31 March		
Cash flows from operating activities	2,311	1,989
Cash flows from investing activities	(838)	(576)
Cash flows from financing activities	(1,521)	(2,550)
Net decrease in cash and cash equivalents	(48)	(1,137)

	2026 £000	2025 £000
Non-controlling interest – movement for the year ended 31 March		
Balance as at 1 April	5,631	6,236
Share of profits for the year	20	298
Dividend paid to non-controlling interest	-	(519)
Currency translation	425	(384)
<b>Balance as at 31 March</b>	<b>6,076</b>	<b>5,631</b>

## 28 Non-adjusting post balance sheet events

On 29 April 2026, the Group completed the acquisition of 100% of the issued share capital of the Glenart group of companies ('Glenart'), comprising Glenart Trading Proprietary Limited, Marcorp Marketing Consultants Proprietary Limited and Glenart Trading Limited. Glenart is a leading design-led manufacturer and distributor in South Africa of products predominantly within the Celebrate category. The acquisition strengthens the Group's presence in the region and further enhances its product offering and customer relationships. The aggregate consideration for the acquisition is based on a multiple of Glenart's EBITDA and comprises:

- an initial cash consideration of ZAR 76.5 million (£3.4 million) paid on completion; and
- deferred consideration and additional performance related consideration linked to EBITDA payable over the three years following completion, with a minimum of ZAR 42.6 million (£1.9 million) and no maximum cap, contingent on future business performance.

The acquisition will be accounted for as a business combination under IFRS 3, with the Group recognising the identifiable assets acquired and liabilities assumed at their provisional fair values at the acquisition date. The determination of the final fair values and resulting goodwill is ongoing and will be finalised within twelve months of acquisition.

After the reporting period, the Board approved a share buyback of up to 10% of the Company's issued share capital, under the authority granted by shareholders at the 2025 AGM and to be funded from distributable reserves. All shares purchased will be cancelled, reducing the Company's issued share capital. The Company intends to commence the programme on 16 June 2026.

