Sosandar Plc

Annual Report

For the year ended

31 March 2026

Company Registration Number: 05379931

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CHAIRMAN'S STATEMENT

For the year ended 31 March 2026

I'm delighted to report on a year of strong progress for Sosandar, which marks a further step forward in the delivery of our strategy and is testament to the strength of the foundations we have built. Having deliberately reset the business three years ago - prioritising margin quality, profitability and cash generation over short-term volume - FY26 demonstrates that this disciplined approach is now delivering profitable growth alongside increased financial resilience.

During the year, the Group delivered total revenue of £42.3 million, an increase of 14% year-on-year, while maintaining a clear focus on margin enhancement and profitability. Gross margin increased to 64.0%, reflecting continued improvement in intake margins and a sustained move away from discount-led trading. We delivered adjusted profit before tax of £0.4 million, in line with market expectations and a further improvement on the prior year.

Our own website, which remains central to the Sosandar brand, continued to perform strongly, with revenue growth of 24% year-on-year. This performance was driven by increased traffic, improved conversion and higher order volumes from both new and returning customers, highlighting the ongoing appeal of our product proposition and the effectiveness of our marketing strategy. Demand remained strong across all categories, demonstrating our ability to translate trends into a distinctive Sosandar aesthetic that resonates with customers.

Sosandar is now firmly established as a multi-channel retailer, with products sold through our own website, through highly reputable third-party partners and our store estate. Trading through partners such as NEXT remained robust, with Sosandar continuing to perform as one of the top-selling brands across these platforms, providing valuable reach and complementary exposure alongside our direct-to-consumer channel. Our stores are now all in their second year of trading, with performance strengthening across the portfolio.

The year also highlighted the benefits of our diversified channel mix. Following the cyber incident atM&S, trading through this partner was temporarily disrupted, however the strength of our own-site performance and other third-party partners ensured the business remained resilient throughout this period. Activity has since normalised and stock intake has returned to pre-incident levels.

Sosandar ended the year with net cash of £8.4 million, even after returning £1.8 million to shareholders through share buybacks. The Board remains committed to disciplined capital allocation. The decision to undertake buybacks reflects our confidence in the long-term prospects of the business and the strength of the balance sheet.

At the heart of Sosandar's success is our product: high-quality, versatile, head-to-toe outfitting at a compelling mid-market price point. This is delivered by a talented and dedicated team across the business, whose commitment and creativity continue to underpin our progress. I would like to thank all our colleagues for their contribution over the year.

The Board remains confident in Sosandar's strategy and long-term opportunity. The delivery achieved in FY26, combining revenue growth, sustained margins and a robust cash position, supports our belief that the foundations are firmly in place to deliver sustainable, profitable and cash-generative growth over the medium to long term. Our priorities remain clear: to deliver profitable growth through the performance of our own site, supplemented by other channels that drive more customers to the Sosandar brand.

CHAIRMAN'S STATEMENT

For the year ended 31 March 2026

On behalf of the Board, I would like to thank our shareholders for their continued support.

Nicholas Mustoe
Chairman

9 July 2026

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2026

AT A GLANCE

Quality product with a distinctive style

- Sexy and chic, flattering and wearable
  - Customers know Sosandar consistently delivers quality products at a mid-market price point for all their wardrobe needs

Large and underserved addressable market

- 20 million women in the 35+ age demographic in the UK
  - Every woman in the UK buys clothes, with fashion being the second largest retail consumer category in the UK. 11p in every pound spent on retail in the UK is on clothing

Multi-channel growth strategy

- Accessing the addressable market through all channels
  - Own site is the bedrock of the brand, top selling brand with third-party partners, own stores attracting new customers, able to leverage brand equity through licensing

Informed by industry knowledge and data insights

- Know how to keep women shopping at Sosandar
  - Proven marketing strategy, alongside quality products, driving customer acquisition and high levels of repeat orders

Agile and scalable business

- Supported by an expert team and strong operating infrastructure
  - Economics of the model become increasingly attractive as Sosandar scales

Delivering sustainable growth

- Improving margins and profitability
  - Underpinned by a robust balance sheet and disciplined capital allocation

CO-CEO'S STATEMENT

FY26 has been an important year for Sosandar. It is the year in which we have clearly and consistently demonstrated that the strategic decisions we made to prioritise margin quality, profitability and cash generation while repositioning the brand as a full-price, multi-channel retailer were the right ones.

Over the last 18 - 24 months, we asked customers to change their shopping behaviour: to stop waiting for the next promotion and to return to a more "normalised" way of shopping with us. That was a deliberate choice, and it required patience and discipline. The result is that FY26 delivered what we expected: a return to strong revenue growth, achieved alongside sustained margins and improving profitability - proving we can do all three at the same time.

Strategic focus delivering strong financial performance

The Group delivered revenue of £42.3m, up 14% year-on-year, driven by a particularly strong performance on our own website, where revenue increased 24% year-on-year. This was supported by higher traffic, improved conversion and increased order volumes from both new and existing customers. Our focus on margin also delivered, with gross margin further increasing to 64.0% (FY25: 62.1%).

CO-CEO'S STATEMENT (continued)

This stronger mix of growth and margin delivered a meaningful step forward in underlying profitability, with adjusted profit before tax of £0.4m (2025: £0.2m), in line with market expectations. Adjusted profit before tax includes the impact of the store estate (store estate loss of £0.9m) which as expected continues to weigh on profitability until they mature. Refer to the Financial Review from page 7 for further detail.

Importantly, the business remained cash generative and ended the year with net cash of £8.4m, even after returning £1.8m to shareholders through share buybacks.

The Sosandar brand: built on quality of product with a distinctive style and customer loyalty

Sosandar has always been a 'brand' first. Our customers come to us because they recognise our distinctive Sosandar aesthetic - sexy and chic, flattering and wearable - and because our products consistently deliver quality at a mid-market price point.

We also believe our brand stands out in the sector because of how we interact with our customers: we present fashion through an upbeat, real-life lens - imagery that reflects confidence. This tone is not superficial; it contributes to loyalty and engagement over time, helping customers feel connected to the brand as well as the product.

Sosandar continues to perform strongly across all categories, from occasion wear to casualwear, reflecting our ability to translate trends into our signature aesthetic and meet customers' needs across multiple moments and occasions.

Refined and predictable marketing strategy driving customer loyalty

A key driver of our return to growth, alongside the strength of the product offering, has been the success of Sosandar's marketing activity.

Our marketing strategy is differentiated by its tight alignment to product, brand and customer insight, rather than volume-led customer acquisition. We focus on reaching a clearly defined audience, style-conscious women looking for quality, wearable fashion through distinctive, lifestyle-led content. This approach, combined with disciplined, data-driven targeting, enables us to attract higher-quality customers with stronger lifetime value rather than purely driving traffic. A key differentiator is our continued use of curated print brochures, which have proven highly effective in both engaging existing customers and attracting new ones, reinforcing brand identity.

Importantly, our physical stores and curated third-party partnerships also act as powerful brand-building and discovery channels, introducing Sosandar to new customers in a considered way that reinforces brand credibility. This integrated model which spans digital, print, stores and partners, creates a more premium and consistent customer journey, supporting new customer acquisition and long-term engagement without reliance on heavy promotional activity.

We have seen new and existing customers shop more frequently now that they are accustomed to paying full price. As customers adjusted to fewer discounts, we worked to re-ignite lapsed shoppers and increase the frequency and breadth of purchase among returning customers, as well as increasing marketing spend in a measured way to attract new customers to the brand.

Multi-channel growth: own site at the core, with powerful partner reach

Sosandar's own website remains the cornerstone of the brand and our flagship destination, where customers can engage with the full Sosandar lifestyle and product range. FY26's performance demonstrates the strength of this channel, with own-site revenue up 24% year-on-year.

Alongside our own site, our third-party partner model continues to deliver reach, credibility and incremental demand, with Sosandar remaining one of the top-selling brands across key partners including NEXT. As expected, trading with M&S has gradually resumed following their cyber incident, with stock intake now back to pre-incident levels.

This combination of strong direct-to-consumer performance at attractive margins, supported by high-quality partner distribution, is the heart of our growth strategy. As we have said consistently, we are building a brand with multiple routes to market, anchored in product relevance and customer loyalty.

Our store estate continued to mature during FY26, with a positive uplift in performance as locations moved into their second year of trading. We have also reinforced an important learning: market town locations are performing most strongly, while shopping centre locations take longer to mature.

We view stores as an important part of our multi-channel model, both as a brand showcase and as a way to introduce Sosandar to new customers. However, we remain clear on the economics. As expected, stores continue to weigh on profitability until they mature. Our priority is therefore to drive profitability in every location before considering further openings. In line with this approach, we do not currently anticipate any further new store openings in the FY27 financial year.

Our licensing agreement with NEXT is still in a nascent stage however we have seen strong sales in categories such as home fragrance and rugs, which are more conducive to impulse purchases rather than big ticket items such as sofas and furniture. Our partners are still learning what types of products resonate with customers and it is important to note that there is no capital expenditure required from Sosandar in producing the products, so there is little risk to the venture.

Building a model with meaningful operating leverage

As Sosandar scales, the economics of the model become increasingly attractive. Over recent years we have built a capable team and the core operating infrastructure needed to support our business. With revenue growing, we believe there is meaningful opportunity for profit to grow faster than revenue over time, because much of the cost base required to operate the business is already in place and does not need to rise in line with sales.

In practice, this means we can grow by doing more of what we already do well: designing great product, marketing it intelligently, and selling it across our channels without needing proportionate increases in headcount, content creation or fixed infrastructure.

Well placed to continue delivering profitable growth

Looking ahead, we have entered FY27 with positive momentum and trading since the year end has been in line with expectations. In the first quarter, net revenue increased by 22% to £11.6m, reflecting continued strong performance across the business. We have continued to make progress on margin, with gross margin increasing further to 65.2%, underlining the strength of our product proposition and the benefits of the disciplined approach we have taken over the last two years.

Own-site revenue grew by 7%, with continued progress across our key customer and trading metrics. While this represents a moderation against the exceptional growth delivered in FY26, this was anticipated given the prior year comparator marked the first period of renewed growth following the strategic decision around pricing, promotions and marketing investment. Trading across our third-party partners remains strong, with all major partners performing ahead of the prior year, including M&S following the return to normal trading conditions.

We continue to prove out the thesis that we expected when we started the journey of improving margin and profitability, we have never been more confident in the long-term opportunity for Sosandar. Our priorities remain focused on growing the core online and partner business at attractive margins; continue to deliver product that resonates with our broad customer demographic; and maintaining disciplined capital allocation while retaining flexibility to invest behind the brand.

FINANCIAL REVIEW

KPIs

	Year ended 31 March 2026 £'m	Year ended 31 March 2025 £'m	Change
Revenue	**£42.3**	£37.1	14%
Gross Profit	**£27.0**	£23.1	17%
Gross Margin	**64.0%**	62.1%	186 bps
Adjusted Administrative Expenses[1]	**£26.6**	£22.9	16%
Adjusted Profit before tax[1]	**£0.4**	£0.2	142%
Statutory Profit / (Loss) before tax[2]	**Nil**	(£0.1)	N/A
EBITDA[3]	**£2.1**	£1.0	105%

[1] Adjusted figures excludes the effect of year specific transactions that are either one-off in nature and / or unreflective of the underlying trading performance of the Group which includes impairment of non-financial assets in FY26 and warehouse transition costs in FY25. More details are provided in note 3.

[2] Statutory profit before tax for the year ended 31 March 2026 was £31k.

[3] EBITDA is calculated as profit/(loss) before tax, adjusted for finance income/costs, depreciation, amortisation, share based payments and impairment.

FINANCIAL REVIEW (continued)

Sosandar.com KPIs

	Year ended 31 March 2026	Year ended 31 March 2025	Change
Sessions	**15,074,564**	13,584,784	11%
Conversion rate	**2.68%**	2.42%	26bps
Number of orders	**404,614**	328,574	23%
AOV[1]	**£109**	£114	-4%
Active customers[2]	**204,492**	177,201	15%
Average Order Frequency[3]	**1.98**	1.85	7%

[1] *Average Order Value is calculated on own site sales only, inclusive of shipping charges and VAT*

[2] *Active customers is the number of individual customers who purchased from Sosandar.com in the last 12 months*

[3] *Average Order Frequency is the total number of orders in the last 12 months divided by the number of active customers*

Our focus for FY26 was to deliver a year of growth in revenue, particularly on our own website, further increase gross margin and improve our profitability. We have delivered against these objectives, in spite of the significant impact of losing revenue through M&S following their cyber incident in April 2025, at the beginning of our financial year. Our performance is therefore extra pleasing, and gives us confidence that FY27 will be similarly strong with a full and normalised year through M&S. Profit has been impacted by physical stores, which are currently weighing on PBT, although revenue is lifting as each location moves into the second year of trading.

We have also been cash generative in the year and have purchased £1.8m of shares at an average price of 7.17p, equating to 10% of the total issued share capital. 24.8m shares are held in treasury at 31 March 2026 and further approval was granted on 1st April 2026 to make further purchases up to a maximum of 22.4m shares.

We are in a strong financial position to deliver sustained growth in revenue and profit, following the strengthening of our foundations over the previous couple of years.

Income Statement

Revenue +14% to £42.3m

The Group recognised revenue for the year of £42.3m, representing an increase of 14% compared with the previous financial year (£37.1m). Revenue through our own channels (own website and stores) was £21.5m which is 31% up year on year. Third-party revenue was flat in the year, although this is materially affected by the cyber incident at M&S.

Returning to growth on our own website was the number one objective following the strategic decision to reduce the level of promotional activity which commenced two years ago. As our customers have become used to the new norm, we have seen growth in orders from both new and repeat customers, with KPIs showing growth. Importantly, the growth in revenue has been delivered with substantially higher gross margin, which has resulted in the gross margin for the Group improving by over 600bps in just two years (FY24 57.6%). Active customers increased by 15% and the Average

FINANCIAL REVIEW (continued)

Order Frequency increased by 7% which also reflects the increased investment in marketing, which is paying back on first order as a result of the gross margin being so much higher than in the past.

As we end the financial year, all of our retail stores have now been open and trading for more than one year. It is really pleasing that we are seeing an uplift in revenue year on year as each store matures and more new customers are being introduced to the Sosandar brand as a result of the stores existing. However, the store estate is weighing on profitability, impacting PBT by £0.9m in the financial year. Stores in market town locations are performing most strongly, with shopping centre locations taking longer to mature. It is these shopping centre locations that are having the largest impact on profitability and is why we do not anticipate further openings in the near term, until we see locations move to break even and into profitability.

Revenue through our third-party channels was maintained at £20.8m (FY25: £20.7m), being heavily impacted by the cyber incident at M&S. We had zero revenue for a period of 11 weeks from late April to early July. Following the M&S website becoming active again, trading was at a reduced level due to the restrictions on how much stock could be ingested into their warehouse. As a result, the impact of reduced revenue was experienced for the entirety of the Autumn / Winter season with stock levels only returning to normalised levels in February 2026 in the lead up to the Spring / Summer season 2026.

Trading through our other third-party partners has been strong in FY26, as we continue to be one of the top selling brands in each of them, including NEXT who continue to be our largest partner.

Gross Margin +186 bps to 64.0%

The strategic focus on improving gross margin has resulted in a further step up in the year, increasing to 64.0% (FY25: 62.1%). Following the reduction in price promotional activity on our own website, the gross margin has now increased in two years by over 600 bps (FY24: 57.6%).

The primary reason for the increase in gross margin is the trading strategy on our own website. Additionally, intake margins have improved, in part reflecting the strengthening of Sterling against the US Dollar, leading to lower landed costs for stock. We have also reduced slightly the number of stock suppliers that we work with, leading to larger volumes being concentrated with each supplier resulting in improved prices being agreed.

Adjusted Administrative Expenses +16% to £26.6m

Adjusted administrative expenses (excluding the effect of year specific items) increased by 16% to £26.6m (FY25: £22.9m) compared to a 14% increase in revenue.

Administrative expenses as a percentage of revenue increased marginally to 63% (FY25: 62%), which reflects spend increasing in order to drive growth in revenue coupled with a full year of costs for all 6 retail stores.

Following a year of low spend in FY25 (£1.1m), we have increased the investment in marketing which has delivered an excellent result with own website revenue growing by 24%. Marketing spend in FY26 was £2.4m which is mostly allocated to social channels, notably Meta and Google, coupled with the reintroduction of consumer brochures. In the year, three brochures were sent, one in Spring and two in Autumn. The objective of our marketing activity is to recruit new customers to Sosandar, and to engage with existing customers, encouraging them to purchase more frequently throughout the year. Increasing the spend is anticipated in FY27 and beyond with the quantum being the result of continued discipline, ensuring that the Cost Per Acquisition and Cost Per Order are maintained at a level which results in the pay back that we expect.

The cost of physical retail stores including fit out depreciation was £2.4m in FY26 (FY25: £1.2m) which reflects the first full year of trading for all six stores.

The cost of fulfilment which includes warehousing and customer order delivery costs increased by 10% to £4.1m (FY25: £3.8m). This increase reflects the increase in throughput as the revenue was higher. Importantly, this cost as a percentage of revenue reduced from 10.2% to 9.8% reflecting economies of scale and efficiency benefits being delivered by our new warehouse provider, Torque Logistics. We moved to Torque in February 2025, so FY26 is the first full year where they have supported us. They have performed well, meeting all agreed KPIs ensuring our customers receive their orders quickly and processing stock receipts in a timely manner. Cost benefit has been realised following the warehouse move, with improved KPIs and lower delivery costs.

Other administrative costs increased by 5% to £17.6m (FY25: £16.9m). Overall, costs have been well controlled with focus being to spend in areas that will drive growth in revenue, specifically marketing. The increase in other administrative costs is predominantly due to two factors: foreign exchange losses and share based payments. A loss on foreign exchange is due to rates on forward contracts between GBP and USD being below the rate on the date USD stock invoices are paid. The total loss in the year was £0.3m (FY25: Nil). Additionally, the surrender and issuing of new share options resulted in an incremental cost to FY26 amounting to £0.2m more than in FY25.

Store Impairment £0.3m

During the year, a non-cash impairment charge of £0.3m has been recognised relating to tangible fixed assets and the notional right of use assets created as a result of the application of the IFRS 16 accounting standard. The impairment is excluded from the Adjusted PBT as it is not reflective of the underlying trading performance of the Group. More details are provided in note 11.

Statement of Financial Position

The statement of financial position has been strengthened in the year and remains robust. As at 31 March 2026, the Group had net assets of £16.9m (FY25: £17.9m) and a net current asset position of £13.9m (FY25: £14.5m).

In September, approval was granted at a General Meeting allowing for the cancellation of the Company's share premium account in order to create distributable reserves. This was a preliminary step in order to provide the distributable reserves required to have the ability and flexibility to return value to Shareholders. Additionally, further approval was granted allowing the Company to make purchases of ordinary shares in the capital of the Company up to a maximum of 10% of the Company's

FINANCIAL REVIEW (continued)

issued share capital. Subsequently, the full 10% authority has been utilised, with 24,822,651 shares being held in treasury at 31 March 2026, costing a total of £1.8m. Post the end of the financial year, a further approval was granted to allow for another 10% to be purchased.

After spending £1.8m on the share buyback, the cash balance at 31 March 2026 was £8.4m (FY25: £7.3m). There remains no bank indebtedness. Strong trading coupled with reducing inventory during the year are the primary reasons for the strengthened cash balance. Additionally, there was substantially lower CAPEX outlay in FY26, following the opening of the retail store estate in FY25 (£1.7m).

Inventory, net of provisions reduced in the year, from £11.1m in FY25 to £10.0m in FY26. The reported inventory balance includes stock on hand at the main warehouse, at our stores and at third-party concession partners, stock in transit and the right to return asset which covers post year end returns. Following the strategic change of reducing price promotional activity on our own website and the subsequent reduction in revenue in FY25, carry over stock was higher entering into FY26. Strong sell through in FY26 was achieved from carry over and newly purchased stock, resulting in closing inventory being lower year on year. Whilst the lower level of inventory did not have a material effect on revenue, we do expect inventory levels to rise by a greater percentage than revenue in FY27 in order to rebuild the level of carry over stock.

Within inventory, the right to return stock, covering the post year end returns, was maintained at £0.6m (FY25: £0.6m).

Trade and other payables increased marginally to £7.2m (FY25: £7.1m). Whilst there is nothing of note to report, it is worth highlighting that payments continue to be made in full and on time and there has been no change in the average payment terms for stock in the year.

Trade and other receivables decreased to £3.5m (FY25: £3.8m) which includes amounts owing from concession and wholesale customers. The reduction reflects the timing of payments from concession partners which were just after year end last year, whereas this year they are before. No change to payment terms were made during the year and the vast majority of payments continue to be received on time and in full.

Non-current assets decreased to £5.7m (FY25: £6.8m), which includes the right of use asset (FY26: £3.1m vs FY25: £4.1m) which largely relates to the six retail stores opened in FY25.

Investment in fixed assets and intangibles has been much lower in FY26 following the CAPEX outlay in FY25 relating to the stores being opened. Additionally, investment in the Enterprise Resource Planning (ERP) project is ongoing. Stage 1 went live in March 2025 and stage 2 will go live in FY27. Stage 1 covers all stock flows and integrations between our various systems. Stage 2 covers all finance elements with the cost incurred in FY26 being £0.1m.

Cashflow

The Group had a net cash position as at 31 March 2026 of £8.4m (FY25: £7.3m). As highlighted already, the Group's cash position improved during the year, even after the £1.8m incurred buying back shares.

The cash balance is healthy, with the forecast for FY27 to be cash generative, reflecting continued growth in revenue and EBITDA.

Risk Factors

There are a number of risks and uncertainties associated with the business. The Board believes the following are the principal risks along with the mitigating actions being applied.

External Risks		
Risk Factor	Impact	Mitigating Actions
Economic - Macro	• Uncertainty in the economy, as a result of world events leading to inflation or the fear of inflation. Cost of living and squeezing of disposable incomes could lead to reduced consumer spending on clothing which could lead to a reduction in revenue.	• The typical customer of the business tends to have a higher level of disposable income and therefore able to withstand economic turbulence. Therefore, the business is able to trade well through periods of high inflation or wider economic downturn. The product range and price points are diverse covering all main wardrobe needs of the target demographic and can be agile to manage any situation.
Route to Market (Channel)	• Currently, the vast majority of revenue is being generated online which makes up 40% of consumer spending on clothing in the UK. The 60% of consumer spending which is transacted in physical retail stores is not being fully capitalised on to the extent of the proportion of overall spend.	• Risk could be mitigated by expanding routes to market including more physical retail, which could be own stores and / or through third-party partners. Sosandar has six own retail stores which opened in the 2024/25, increasing access to customers through a physical format. • Already, a substantial amount of trading takes place through multiple third-party platforms in addition to Sosandar.com. This includes some of the UK's largest retailers, such as NEXT and M&S.
Route to Market (Geographical)	• The vast majority of revenue is generated in the UK therefore a deterioration of the UK economy specifically could have an adverse impact on revenue if consumer confidence and spending reduce.	• Expansion into new international markets commenced in FY24 with third-party partnership in Australia and plus being able to deliver to 100 countries from Sosandar.com through the tie-up with Global-e. Further expansion into international markets would reduce the risk of the majority of revenue being generated in the UK. However, expanding in international markets has its own risks, with greater costs and engaging with customers who may have different product tastes.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2026

External Risks		
Risk Factor	Impact	Mitigating Actions
Warehouse catastrophic incident	• All stock purchased by the business is receipted into one main warehouse, operated by a third-party logistics provider. • A catastrophic incident, such as a fire could result in a large proportion of stock being damaged or lost.	• The third-party logistics provider is reputable with a large number of fashion brands choosing them as their partner. • The warehouse has all required detection equipment in place and Sosandar insurance partner has inspected the site for checking everything is in order to prevent such a catastrophic incident from occurring.
Fashion	• As trends change there is a risk that design does not keep up with customer requirements for the latest fashion.	• The business operates a model whereby product is landing into the warehouse daily. Working to tight lead times that allow the design team to track the latest catwalk and commercial fashion trends. These are then fed into the product development cycle to ensure that customers have access to the latest trends at affordable prices.
Competition	• From new or existing competitors. • Loss of revenue. • Reduction in margin and profitability if competitors increase discounting resulting in consumers shopping elsewhere.	• The business is agile and can adjust its strategy according to all external factors including those of its competitors. • The business has an increasingly loyal and growing active customer database which allows the business to engage with them regularly through e-mail and brochures.
Foreign exchange	• The business purchases stock in both USD and GBP. Adverse currency rate movements could impact margins.	• A detailed forward-looking purchase plan to identify any potential currency exposure. • RRP's can be increased to offset any significant pressure on cost prices • Forward contracts are utilised to forward fix the US Dollar rate up to 9 months prior to estimated stock payment dates.
Negative online reviews	• Negative comments on social platforms could influence purchasing decisions for new visitors.	• A dedicated customer service team, led by a highly experienced leader are able to support customers with any questions or issues that they have. The Trustpilot score is currently 'Excellent' which provides customers with the confidence to purchase from Sosandar.

Internal risks		
Risk Factor	Impact	Mitigating Actions
Suppliers	• The business relies on its outsourced manufacturing supplier base to provide the final product. Loss of suppliers through insolvency, disaster or ceasing of working relationship could impact short term supply. • Non-compliance with labour or environmental requirements could interrupt supply chain and cause reputational damage. • Product supplied could be of insufficient quality for sale.	• Purchases are spread over a number of suppliers to avoid over dependency on any single supplier and as the business is growing and increasing order quantities the potential supplier base is widening. • All design is done in-house with detailed specification packs provided for each product which helps on-board new suppliers quickly. • All suppliers are asked to confirm adherence with the business code of conduct. • Independent supplier audits are conducted at least once every two years, ensuring compliance with working practices and ethics. • Each product goes through an extensive sampling process and final quality control process to ensure it is suitable for sale.
Systems / Cyber	• System outages would prevent the business from operating and therefore would see a reduction in revenue during this time. • GDPR could impact ability to work with data providers who help identify prospective customers for marketing purposes. • Data breaches could impact reputation and business continuity.	• The business has agreements with external partners to manage and support its systems and they would ensure that any outage is minimised. • The main website is hosted in the cloud, allowing for automatic scaling to maintain speed and robustness in periods of high demand. • Restricted access to sensitive data which is only held in systems which have MFA (Multi-Factor Authentication) enabled with any sharing of such information being through secure means. • Dedicated cyber insurance policies are in place which include specialist resource and plans to minimise the impact of any cyber-attacks.

Internal risks		
Risk Factor	Impact	Mitigating Actions
Key employees	• The loss of one or more of our key employees could have an adverse impact on the business and inhibit its ability to grow as planned	• The remuneration committee are responsible for ensuring that key employees are rewarded sufficiently to retain and motivate on an ongoing basis. • There is a Long Term Incentive Plan in place for the board plus the other members of the senior leadership team in the form of share options.
Working capital	• The Group requires a strong cash balance in order to grow. The working capital needs include investment in inventory, customer acquisition, product development and operations.	• The business has detailed forecasting models including sensitivity scenarios so that robust decisions can be made, balancing growth potential with risk mitigation. • The cash balance is strong (£8.4m at 31 March 2026) and the business has been generating cash in the last financial year. This allows the business to manage peaks and troughs in the balance as a result of any change in trading performance. • Weekly and monthly cash flow projections are reviewed by senior management and actions taken where necessary, with all key members of staff aware of the cash flow objective.

Sosandar: A responsible fashion business

As a responsible business, we are conscious of the impact our operations have on our diverse network of employees, customers, suppliers, manufacturers, shareholders and the communities in which they work.

We are committed to having an increasingly positive impact through every aspect of our business as we progress against our three key areas of focus. These consist of:

- Ethical Operations

  A fair, transparent and collaborative supply chain

- Environmental Sustainability

  Minimising the footprint left on the natural world

- Fabulous Sosandar

  An inclusive and uplifting workplace

Ethical Operations

As we continue to scale as a business, we remain committed to working with suppliers who share our core values of social responsibility and ethical operations. This remains a central tenet of our strategy and we are focused on constantly improving how we work to ensure that our levels of corporate governance consistently improve. In this regard, we routinely review ethical operations within our supply chain at Board level, overseen by our Head of Sourcing, to ensure that our high standards are maintained across all levels of our business, our partners and those within our supply chain.

Transparency in our supply chain

As part of our commitment to ethical sourcing within our supply chain, we continue to work in line with our robust "Code of Conduct" which encompasses essential aspects of ethical and social compliance. Amongst others, this includes stringent policies on child labour, which all of our 60 global suppliers are required to adhere to.

This commitment reflects our dedication to ensuring the highest standards of ethics and social responsibility throughout our supply chain are both maintained and advanced as we grow as a business.

At Sosandar, we hold social responsibility at the very core of our ethos and, as we challenge ourselves to be a more conscientious and socially impactful business, accountability around our progress is important. In order to enhance transparency and ensure better accountability, we continue to utilise independent audits through organisations including SMETA (Sedex Members Ethical Trade Audit) and BSCI (Business Social Compliance Initiative), which serve as robust measures to verify and maintain compliance within our global supply chain. By employing these review processes, we reinforce our commitment to upholding our own high standards and ensuring the integrity of our operations.

Third-Party Partners

Working with third-party partners is an essential element of our sales strategy and as a business, we implement a high level of criteria to ensure that our own social values are aligned with any potential partner.

We currently work with multiple third-party partners including NEXT and M&S. Each of these partners maintain their own stringent Environmental, Social and Governance (ESG) policies and we are proud to continue working with them as we grow our brand.

Environmental Sustainability

Reducing our environmental impact is a key focus area for Sosandar. We regularly examine the raw materials and components used in our products, seeking opportunities to source and produce them in a more sustainable manner. Our ongoing commitment to sustainability drives us to explore ways to enhance the sourcing and production processes for greater environmental responsibility and we will continue to do so as we progress on our growth journey.

Minimising the use of air freight in favour of more environmentally friendly methods of transporting stock remains part of our ongoing agenda.

Environmental Sustainability (continued)

We are committed to amending our practices to find the right balance of transportation methods while taking into consideration cost, lead time and environmental impact. Having increased the amount of our stock that is now being transported via sea freight shipping, we have also increased the consolidation of inbound shipments which further reduces our impact.

Minimising waste

Since foundation, we have been determined to create clothing that is long-lasting and minimises waste within the fashion industry. Sosandar products are made to the highest standards, using quality materials that ensure durability and longevity.

We are proud to continue working with Smart Works, a charity which delivers an invaluable service to women across Greater Manchester, delivering high quality and sustainable clothing to women in need. Through this partnership, we seek to combat clothing waste and make a tangible difference within the fashion industry.

Recycling

As part of our ongoing environmental strategy, we remain committed to minimising waste by utilising recyclable, carbon neutral and sustainable consumer packaging where possible. 100% of our inbound polybags are made from fully recycled materials and in addition to this, our consumer bags are made from sugar cane.

We continue to use a dedicated packaging supplier for all of our product suppliers to order from, ensuring full transparency and ensuring that all packaging is made from recycled materials.

Fabulous Sosandar

Our team

At Sosandar, our people are at the centre of everything we do and we would like to take this opportunity to sincerely thank all of them for their continued diligence and dedication.

We have worked hard to make Sosandar an open and enjoyable workplace for all of our staff and we are very proud of the inclusive and open culture we have created. It is the commitment and hard work of our people that has allowed us to become the company we are today and they will continue to be the backbone of our business as we scale.

We are pleased to be an equal opportunity employer, recruiting from a varied pool of talent and we are dedicated to ensuring that all applicants and employees are treated with fairness and equality, without any form of preferential treatment. Promoting this inclusivity is very important to us as a business and it will continue to be so in the future.

Looking forward

As a business we are committed to having a positive impact on our society, the environment, and our team. We acknowledge there is increasing interest from a wide range of stakeholders on the various positive impacts that the business has and what we are doing to improve outcomes. As we continue on our growth journey, we will further expand our activity, with an ambition to increase the positive, lasting impact Sosandar has on the fashion industry.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. They must make decisions in good faith that they believe will most likely promote the success of the Group for the benefit of its shareholders. In making these decisions the Directors must consider, amongst other things:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the reputation for a high standard of business conduct; and
- the need to act fairly between members of the Company.

Key Stakeholders	How we engage
Employees	The team remains relatively small with 84 head office and 41 retail employees in total as at March 2026. The culture of the company places a high emphasis on communication, engagement and collaboration which includes an open-door policy from the co-CEO's and wider senior management team. All employees are in the office at least three days per week with many in four or five days. We recruit employees who want to be in the office as they share our values that we are a stronger business for the benefits that collaborative working brings. On a daily basis there will be multiple meetings, many of which are cross functional in nature. In addition the leadership team regularly present to all staff progress and strategic changes being made by the business. Our Human Resources team play a pivotal role in supporting all members of staff, including helping with personal and collective development. Employees are encouraged to provide ideas and feedback on an ongoing basis, which includes an annual anonymous staff survey which has a very high response rate, with themes and actions presented back to staff afterwards. The Appreciation Station continues to be a great success, allowing the whole business to celebrate successes, teamwork or acts of kindness periodically throughout the year.
Shareholders	As an AIM listed business, we have a dedicated investor website, which was relaunched in 2023, and contains all key information and RNS updates. We also conduct regular presentations with investors, both institutional and retail around the time of key trading updates. Presentations are made available online for those who did not have the opportunity to attend in a live capacity. Throughout the year, the management team have welcomed several institutional shareholders to the offices to gain a greater depth of understanding about the business, including having the opportunity to meet employees that otherwise they would not meet.

Section 172 Statement (continued)

Key Stakeholders	How we engage
Suppliers	We have a dedicated sourcing team, whose role it is to ensure ongoing assessment and onboarding of new suppliers. In addition, we have personal relationships with suppliers from all levels and across multiple departments within our business. In terms of stock suppliers, multiple visits have been made to their premises throughout the year and key suppliers have also visited our UK head office which further cements the strong relationships that we have. Regular internal communication takes place to update key stakeholders of all matters relating to our suppliers.
Customers	Our customers are at the heart of everything we do. We use email and social platforms to update them about new products and our customer service team provide feedback on the direct interactions that they have with our customers. Our TrustPilot score is rated as ‘Excellent’ with frequent 5 star reviews being posted for the ways in which we service the customer on a daily basis.

Significant events/decisions 2026

Event/Decision	Key Stakeholders	Actions & Impact
Own Stores	All stakeholders	• All Sosandar stores have now been open for more than one year • A total of six stores opened in FY25, the first being in Chelmsford in August 2024, and the last two to open being in February 2025 (Bath and Harrogate) • Three stores are in market towns and three are in shopping centre locations • The reason for opening stores is to increase brand awareness and ultimately revenue, as 60% of spend on womenswear is transacted in physical retail stores • Focus during FY26 has been on growing revenue so that the estate and each location can move towards delivering a positive contribution. • In FY26, the estate weighed on overall profitability, with market towns performing better and shopping centres less well • The current plan is to pause on more new openings until the existing stores move towards profitability

Section 172 Statement

Significant events/decisions 2026 (continued)

Event/Decision	Key Stakeholders	Actions & Impact

Drive growth in own site revenue	All stakeholders	• Decision made in 2024 to substantially reduce price promotions in order to focus on improved margin and profitability
		• Own Site returned to growth in FY26, with revenue being up by 24%
		• Increased investment in marketing with higher levels of spend on digital (Meta and Google) plus the reintroduction of consumer brochures in FY26 for the first time in two years
		• A new customer's first order is profitable at the higher gross margin
		• Improved own site KPIs vs FY25:
		  o Sessions up 11%
		  o Conversion up 26 bps
		  o Orders up 23%
		  o Average order frequency up 7%
		  o Average Order Value -4%
		  o Active customers up 15%
		• Gross Margin substantially higher on own site, resulting in overall Gross Margin in FY26 of 63.9% (FY25: 62.1%)

Cyber incident at M&S	All stakeholders	• Cyber incident at our second largest concession partner in April 2025 • Zero turnover for eleven weeks • Disruption continued for the entire Autumn / Winter season, with lower levels of stock being ingested into M&S due to logistical and administrative restrictions • Stock ingested in Q4 for the Spring / Summer season returned to normalised levels • Whilst Sosandar has a significant cyber insurance policy, it is not currently possible to insure against incidents at third-parties • The impact of the lost revenue in FY26 was material (£1m revenue vs FY25 and substantially more compared to the internal forecast)

Section 172 Statement

Significant events/decisions 2026 (continued)

Event/Decision	Key Stakeholders	Actions & Impact
Cost of living / Macro economics	All stakeholders	• The cost of living has remained high in FY26. Whilst inflation has reduced from its peak, the cost of everyday items has remained high • Disposable income for consumers has been reduced, resulting in spending on non-essential items being reduced • Consumers have continued to be more discerning in their spending habits, ensuring that any products being purchased are absolutely the ones that they want • The Sosandar consumer tends to have a higher level of disposable income and therefore able to withstand economic turbulence. Therefore, the business is able to trade well through periods of high inflation or wider economic downturn • The average price point of a Sosandar product is mid-market and therefore items remain affordable for the target customer • The product range is diverse in terms of both category mix and price point which means the consumer remains well served by Sosandar
New warehouse provider	All stakeholders	• Following the move to a new warehouse provider in February 2025, the business has now completed the first full year in the new warehouse • The new provider is Torque Logistics who replaced GXO who the business worked with since the business commenced trading • Torque Logistics have multiple sites and support multiple apparel and footwear businesses • The first full year has been successful, with all customers being serviced well • Whilst the primary reason for the move was for service, there has also been a cost benefit due to operational efficiencies being realised

Julie Lavington

Signed by:

Julie Lavington

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Director

9 July 2026

GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Corporate governance

The Directors recognise the importance of robust corporate governance and, following admission, have undertaken to take account of the requirements of the 2023 Quoted Companies Alliance Corporate Governance Code (QCA) to the extent that they consider it appropriate, having regard to the Group's size, board structure, stage of development and resources.

The QCA Code recommends that the Board of Directors should include a balance of Executive and Non-Executive Directors, such that no individual or small company of individuals can dominate the board's decision making.

Board membership

Name	Role	Classification	Membership during the year to 31 March 2026	Membership as at the date of the Annual Report
Nicholas Mustoe	Chairman	Non-Executive	No Change	No Change
Alison Hall	Co-CEO	Executive	No Change	No Change
Julie Lavington	Co-CEO	Executive	No Change	No Change
Stephen Dilks	CFO	Executive	No Change	No Change
Adam Reynolds	Non-Executive	Non-Executive	Chair Audit Committee	Chair Audit Committee
Andrew Booth	Non-Executive	Non-Executive	Chair Remuneration Committee	Chair Remuneration Committee

The Group has an Audit Committee and a Remuneration Committee. The Group does not have, or need, a Nomination Committee at this time. As the Group grows, the Board will actively consider adding additional Directors.

Directors Responsibilities

Introduction

The Board of Sosandar Plc seeks to follow best practice in corporate governance as appropriate for a Group of our size, nature and stage of development. As a public company listed on AIM, we are cognisant of the trust placed in the Board by institutional and retail investors, employees and other stakeholders. We recognise the importance of an effectively operating corporate governance framework.

The Board follow the principles of the 2023 Quoted Companies Alliance Corporate Governance Code (QCA) to support the Group's governance framework. The Directors acknowledge the importance of the ten principles set out in the QCA Code and this statement briefly sets out how we currently comply with the provisions of the QCA Code. The Board considers that it does not depart from any of the principles of the QCA code.

Principle

How we follow the QCA Code:

1. Establish a purpose, strategy and business model which promotes long-term value for shareholders

Sosandar intends to build long-term shareholder value by targeting an underserved market of women looking for trend-led, affordable, quality clothing with a premium aesthetic. We design and manufacture clothing and footwear for all occasions with fashion forward styles designed to flatter. Our strategy is to build a loyal customer base, focusing on customer growth and retention, by reaching the customer in whatever way they wish to shop, including both online and in store. The focus on driving long-term value for all stakeholders through improving gross margins has started to deliver improved results, demonstrated by improved profit before tax and a return to revenue growth.

2. Promote a corporate culture that is based on ethical values and behaviours

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value.

The Group carefully assesses each of the companies it works with to ensure the requisite standards and values are in place. All new suppliers must confirm in writing that they adhere to a specific code of conduct before commencing to trading with Sosandar.

The Group's policies set out its zero tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

3. Seek to understand and meet shareholder needs and expectations

The Directors recognise the importance of engaging with its shareholders and reports formally to them when its full-year and half-year results are published. The executive team meet with both institutional and retail shareholders regularly, and this has included hosting shareholders at meetings at the Head Office where other members of the leadership team are available to meet. In addition, all shareholders are welcome at the Annual General Meeting which is held in person.

Investors may contact the Group directly through the investor enquiries email address noted on the Group's website sosandar@almastrategic.com. Investors may also receive Investor Email Alerts from the Group by signing up at https://www.sosandar-ir.com/investors/regulatory-news/ .

4. Take into account wider stakeholder and social and environmental responsibilities and their implications for long-term success

The Directors recognise their responsibility not only to shareholders and employees, but to a wider group of stakeholders (including, inter alia, customers and suppliers) and the communities in which we operate.

Sosandar Plc is committed to the highest standards of corporate social responsibility in its activities, as outlined in more detail in the annual report and accounts.

Suppliers

We outsource manufacturing to more than 50 subcontractors around the world including China, India, Turkey, Brazil, Romania and Spain. All suppliers are asked to confirm they adhere to the ethical trade guidelines. The breadth of strong supplier relationships mitigates the risk of over reliance on a small number of specific contacts. The output from suppliers is regularly reviewed to ensure continued success.

Customers

We provide frequent new product ranges to ensure constant newness for our customers. Our in-house designers react quickly to changing customer demand to ensure the Group is on the cutting edge of fashion, while tailoring garments to fit customers.

5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has identified what we believe to be a sensible approach to risk management for a group of our size. We outline the principal risks we face, along with what we do to mitigate those risks, in detail on pages 12 to 15 of our Annual Report and Accounts.

Minimising risk on any activity or business process is always at the heart of any decisions taken. For example, internal controls exist around cash management and supplier interactions with segregation of duties ensuring that no single employee can process payments.

This area is subject to regular review as our business and the risks we face evolve.

6. Establish and maintain the board as a well-functioning, balanced team led by the chair

The Board includes a balance of Executive and Non-Executive Directors, with three Non-Executive Directors, one of whom are judged to be independent, and three Executive Directors.

The Board's activities are supported by both Audit and Remuneration Committees.

All the Directors have appropriate skills and experience for the roles they perform at the Group, including as members of Board Committees.

Directors are subject to re-election at least every three years in accordance with the Articles of Association.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional Non-Executive Directors as the Group fulfils its growth objectives.

7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.

The Board members have diverse and relevant skills and experience. This includes the appropriate balance of sector, financial and public market experience to shape the strategic direction and corporate governance of the Group.

In addition the Board has access to external advisors where necessary.

The Board and Committees receive training as appropriate. In particular, the members of the Audit Committee maintain technical competence from appropriate bodies to keep them abreast of the latest accounting, auditing, tax and reporting developments.

The Directors also receive regular briefings and updates from the Group's NOMAD in respect of continued compliance with, inter alia, the AIM Rules and the Market Abuse Regulation.

The roles and responsibilities of specific Directors and Board Committees are available on our website.

The Board formally meets multiple times per year including at least three times per year in person.

Each sub-Committee has terms of reference outlining the specific responsibilities delegated to it. The terms of reference of each Committee can be found in the corporate governance section of the Group website.

More details of the skills and experience of the Directors are provided in the Annual Report on pages 30 to 32 as well as the website.

8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Evaluation of the performance of the Group's Board has historically been implemented in an informal manner.

The chairman reviews Board and Director performance during the year, which includes but is not limited to: financial targets; adherence to Group policies, effectiveness of management as well as attendance and contribution at Group meetings.

On an ongoing basis, Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current Board members.

9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board recognises the importance of designing a remuneration policy that attracts, retains and motivates high-calibre talent to deliver the goals shared by all stakeholders.

The remuneration committee oversees the remuneration policy for the Group, including assessing all factors which are relevant including looking at comparable companies and benchmarking studies. The objective of the remuneration packages awarded to executives is to be competitive, to include significant long-term incentives which are performance related in order to align with external stakeholder interests. More details on remuneration can be found on pages 70-71.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

The Group communicates progress throughout the year through Regulatory News Service announcements and in more detail when releasing its interim financial statements and Annual Report and Accounts. All historical Annual Reports and other governance related material, including notices of all general meetings, since the Group's formation, are available on the Group's website.

Results of shareholder votes are made public on the Group's website after the meetings concerned.

Board meeting attendance

The Group holds a combination of in person Board meetings and regular virtual update calls which works well to ensure there is a frequent flow of communication between the Directors. The Directors are responsible for formulating, reviewing and approving the Group's strategy, budget and major items of capital expenditure.

	Board	Audit	Remuneration
Total In Year	**21**	**2**	**-**
Alison Hall	18	-	-
Julie Lavington	19	-	-
Stephen Dilks	20	2	-
Nicholas Mustoe	21	2	-
Adam Reynolds	20	1	-
Andrew Booth	20	-	-
Lesley Watt[1]	13	1	-

[1]*Stepped down from the Board 28 January 2026*

Sub Committees

Audit Committee

The Audit Committee, comprises of Adam Reynolds and Nicholas Mustoe. Adam Reynolds became the interim chair on 28th January 2026 following the resignation from the Board by Lesley Watt who was the previous chair. The audit committee met twice during the year.

The committee has the following key responsibilities:

- Reviewing and monitoring financial reporting;
- Evaluating the internal control environment
- Leading the relationship with the external auditors.

During the year ended 31 March 2026 and up to the date of the Annual Report, the specific actions taken by the audit committee have included:

- Reviewing and approving the 2026 Annual Report and financial statements. As part of this review, the Audit Committee received a report from the external auditors and had a follow up meeting where matters relating to the report and statements were discussed.
- Advised the Board on matters relating to the Annual Report and financial statements and provided answers to any questions that were asked.
- Review of the external auditors planning document, with particular focus on the timetable, audit approach, materiality and assessment of significant risks.
- Appraising the suitability of the external auditors and subsequently recommending their appointments and the associated fees. Auditors will be rotated at least every 10 years in line with current regulations. The current auditors, Saffery LLP, have been in place for 4 financial years.
- Assessing recommendations and audit findings from the prior year Audit Committee Report

Remuneration Committee

The Remuneration Committee comprises of Andrew Booth who is the chair person, and Nicholas Mustoe. Lesley Watt was also a member of the Remuneration committee up to the date of her resignation from the Board.

The committee did not meet during the year, as the remuneration for the financial year ending 31 March 2026 was set in the previous year and the remuneration for the new financial year, ending 31 March 2027 was discussed in a meeting in April 2026.

The remuneration committee has the responsibility for:

- Reviewing the remuneration of the Executive Directors
- Making recommendations to the Board on bonus scheme, long term incentive plans, benefits and employee retention strategies
- Monitoring and recommending on matters relating to remunerations at all levels of the organisation

Directors' remuneration

The Group operates a remuneration policy with the remuneration committee taking responsibility for all matters relating to Executive team and Non-Executive Directors.

Executive Directors

The remuneration policy on executive director remuneration is designed to ensure that there is alignment between shareholder and executive interests. The desire to sufficiently retain and motivate the executive is achieved through a combination of a competitive base salary and long term incentives.

Basic Salary

The remuneration committee review basic salaries annually. The basic salaries for all executive directors have remained the same for the full duration of the financial year. Julie Lavington and Alison Hall have a basic salary of £280,000 and Stephen Dilks has a basic salary of £204,000. The last revision to salaries for the executive directors commenced in April 2025.

Annual Bonus

Currently there are no short term bonus plans in place however this remains under review by the remuneration committee.

Pension

The Group operates a defined contribution pension scheme which is available to all employees following successful completion of the probationary period. The assets of the scheme are held separately from those of the Group in independently administered funds.

The pension contributions made to Julie Lavington and Alison Hall during the year ending 31 March 2026 remained unchanged as 12% of basic salary.

The pension contributions made to Stephen Dilks during the year ending 31 March 2026 remained unchanged as 8% of basic salary.

Long Term Incentive Plan

The Group has a share ownership compensation scheme for Directors and senior employees of the Group to further align their interests with those of the shareholders. During the year an element of the share incentive scheme was restructured. Working in conjunction with h2g Remuneration Advisory who are an independent remuneration consultancy, the changes have been designed to maintain appropriate incentives for the Senior Management Team and Co-CEOs. The changes involve the issuing of new options to the Senior Management Team, including Stephen Dilks. The number of awards held by the Co-CEOs has been maintained, however the performance criteria of unvested options has been revised to better reflect current market conditions. The total net increase in the number of share options is 4,880,000, representing 1.97% of the Company's total shares in issue. The share options granted will vest at various future dates based on agreed commercial criteria and are detailed in the tables below and in note 18.

Non-Executive Directors

The remuneration policy on Non-Executive Director remuneration is determined by the Remuneration Committee. The remuneration is set according to the level of contribution, relevant experience and specialist knowledge. For the year ending 31 March 2026, the Non-Executive remuneration was maintained at £45,000 per annum for the Chairman and £30,000 for all the remaining Non-Executive Directors.

The Directors of the Group held the following beneficial interests in the shares and share options of Sosandar Plc at 31 March 2026 and 31 March 2025:

		Share Options			
31-Mar-26	**Ordinary shares of 0.01p each**	**Ordinary shares of 0.01p each**	**Option exercise Price £**	**Expiry**	**Share based payment P&L charge**
Alison Hall	5,309,343	5,655,629	0.073	18/12/2035	-
		5,725,971	0.000	18/06/2031	188,372
Julie Lavington	5,309,343	5,655,629	0.073	18/12/2035	-
		5,725,971	0.000	18/06/2031	188,372
Nicholas Mustoe	4,905,981	400,000	0.151	01/11/2027	-
Adam Reynolds	3,219,901	800,000	0.151	01/11/2027	-
Andrew Booth	150,000	-	N/A	N/A	-
Stephen Dilks	-	1,800,000	0.073	18/12/2035	22,911

		Share Options			
31-Mar-25	**Ordinary shares of 0.01p each**	**Ordinary shares of 0.01p each**	**Option exercise Price £**	**Expiry**	**Share based payment P&L charge**
Alison Hall	5,309,343	1,655,629	0.151	01/11/2027	-
		9,725,971	0.000	18/06/2031	109,804
Julie Lavington	5,309,343	1,655,629	0.151	01/11/2027	-
		9,725,971	0.000	18/06/2031	109,804
Nicholas Mustoe	4,905,981	400,000	0.151	01/11/2027	-
Adam Reynolds	2,419,901	800,000	0.151	01/11/2027	-
Andrew Booth	150,000	-	N/A	N/A	-
Lesley Watt	43,184	-	N/A	N/A	-
Stephen Dilks	-	720,000	0.000	18/06/2031	19,765

Further details with regards to Executive and Non-Executive remuneration is detailed in note 7.

Biographical details of the Directors

Nicholas Mustoe - Non-Executive Chairman

Nick started his career in 1981 working in advertising for agencies Foote Cone and Belding and Lowe Howard Spink. In that time Nick worked across many clients including Tesco, Heineken, Whitbread, Vauxhall, Wicks, Weetabix, Bauer Publishing and Hanson Group Companies.

In 1993 Nick led a breakaway start up agency called Mustoe Merriman Levy which he ran as an independent agency for 15 years, with a brief period under the ownership of Japanese multi-national Hakuhodo. During this time the agency managed client accounts including Kia Cars, Danone, Lloyds Pharmacy, Doctor Marten, Bauer Publishing, Coca Cola and Unilever.

In 2008, Mustoe Merriman Levy merged with a leading PR agency Geronimo to form Kindred, a PR and social media agency. Nick subsequently led an MBO of Kindred in 2010 and continues to lead the company as Chairman.

Nick is also Chairman of Sandown Park Racecourse for The Jockey Club.

Alison Hall – Co Chief Executive Officer and Co-Founder

Former fashion magazine editor, Alison Hall, is co-founder and joint CEO of Sosandar.

Prior to founding Sosandar in 2015, Alison was editor of Look magazine. After its launch in 2007, Alison helped it grow to become a leading fashion magazine title. Alison has been a highly influential fashion editor, and has twice been awarded the Editor of the Year (Women's Magazines (weekly or fortnightly)) accolade by the British Society of Magazine Editors. During her tenure at Look, Alison designed successful clothing ranges for several of the UK's top retailers.

Starting out as a reporter for regional newspapers, Alison began her magazine career at EMAP's Slimming magazine. Recruited by Bliss magazine as deputy editor in 2001, Alison was promoted to acting editor, and six months later moved to More magazine as editor, where she successfully implemented a major relaunch of the title. Alison has also been a fashion contributor to both local and national radio and TV shows.

Julie Lavington – Co Chief Executive Officer and Co-Founder

Former fashion magazine publishing director, Julie Lavington, is co-founder and joint CEO of Sosandar.

Biographical details of the Directors (continued)

In 2007, Julie launched Look magazine, a leading UK women's fashion publication. During her tenure, Julie steered Look to have a multi-platform presence with a wide social media reach. She diversified into producing successful Look branded clothing ranges with leading UK fashion retailers. Julie was awarded the prestigious Publisher of the Year Award in 2010 by the Professional Publishers Association. From August 2014, Julie was also publishing director of UK InStyle magazine a global fashion brand published in 17 countries worldwide.

Prior to her role at Look and InStyle, Julie was publishing director of the TV portfolio at H. Bauer from 2001 to 2006, where she took TV Choice from fledgling brand to market leader. She has also held publishing roles on numerous women's brands, including Marie Claire, after starting her career in advertising sales following a modern languages degree at Durham University. Julie is experienced in consumer research, sales and marketing, logistics and manufacturing, the development of customer-focused businesses, and in the recruitment and development of multi-disciplined teams.

Stephen Dilks – Chief Financial Officer

Stephen joined Sosandar in September 2020 as Finance Director and was appointed Chief Financial Officer in May 2021. Stephen is CIMA qualified and has a broad skillset gained across a number of roles in highly complex organisations with a blend of financial, commercial and strategic experience.

Prior to joining Sosandar, Stephen spent eleven years at Regatta, the last four as Finance Director. During his time at Regatta, Stephen supported the Group's consistent double-digit growth across multiple brands, countries and channels including wholesale, own retail, concessions and online. He was also the finance lead for several key strategic projects including the Group's Brexit planning and the implementation of group wide new IT systems.

Stephen has also worked at Kraft Foods and The Co-Operative Group where he held a broad range of financial and commercial roles.

Adam Reynolds – Non-Executive Director

Adam began his career in the City in 1980 with stockbrokers Rowe Rudd. He later joined Public Relations business Basham & Coyle heading their Investor Relations Division. In 2000, he established his own PR/IR and Corporate Finance firm, which listed on AIM in November 2000 and was then sold in 2004.

Adam was approached in 2005 to become Non-Executive Chairman of International Brand Licensing Plc. In 2009, Adam brought David Evans and Julian Baines – the two leading diabetes specialists in the UK – into the company and the business changed direction. Today it is known as EKF Diagnostics Plc. In 2012, Adam was introduced to Autoclenz Plc through an institutional fund manager. In November 2012, Adam launched a successful agreed bid with the management for the business to be taken private. Adam is a director and shareholder of this business.

Adam is currently Chairman of ProBiotix Plc, MyHealthChecked Plc and Autoclenz Ltd.

Biographical details of the Directors (continued)

Andrew Booth - Non-Executive Director

Andrew is a 20 year digital marketing veteran working with hypergrowth companies, starting with gettyimages in 1999 developing his career throughout the rise from Aim to Nasdeq, to NYSE becoming Vice President of Marketing. Following the sale of gettyimages in 2008 for $2.4BN to Hellman and Friedman, Andrew joined Time Out as Group Marketing Director leading the migration of digital with the customers and growth of the worldwide brand prior to stock market listing.

Thereafter he became Chief Marketing Officer for the Hut Group spanning all brands, all customer facing activity globally. In 2014 Andrew joined Laterooms.com, part of TUI PLC as Chief Marketing Officer / Chief Revenue officer, working also as part of the sales team. Andrew remains within the plural environment focused on brands that are utilising technology to significantly drive change and growth with customers. In addition to Sosandar Andrew works with global brands such as Rolls Royce, JCB, Hyundai and a number of North West based private equity companies focused on digital growth through data.

GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Directors Report

The Directors present their Annual Report and Financial Statements for the year ended 31 March 2026.

Principal activity

The principal activity of the Group is the sale of womenswear fashion, footwear and accessories through its own website, Sosandar.com, through its own retail stores, and through selected third-party partners.

Business review and future outlook

The performance for the financial year as well the Group's strategy, business model and future intentions is covered in the Chairman's and CEO statements on pages 2 to 7.

Financial results

The Group's financial performance and position is covered in the financial review on pages 7 to 11 and in the consolidated financial statements on pages 48 to 51.

Going concern

After making appropriate enquiries, the Directors consider that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. As part of their enquiries the Directors have reviewed cash forecasts for the Group and Company's operations for the 12 months from the date of approval of the financial statements. The Group and Company has adequate cash to cover its corporate overheads and management costs over this year but management continues to monitor these costs and manage cashflows. Refer to note 2 for further information.

Dividends

The Board is focused on reinvesting all surplus cash generated in continuing to grow the business in its stated strategic objectives including the opening of physical retail stores. Therefore, no dividend payment will be made for the year ended 31 March 2026 (2025: £nil).

Directors

The Directors who served on the Board during the year and to the date of this report are as follows:

Alison Hall
Julie Lavington
Stephen Dilks
Nicholas Mustoe
Adam Reynolds
Andrew Booth
Lesley Watt (resigned 28 January 2026)

Details of Director shareholders are contained in the corporate governance report.

GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Substantial shareholdings

As at 23 June 2026 the following held 3% or more of the share capital of the Company:

Rank	Shareholder	No of shares at 23-Jun-26	% Issued Capital
1	Schroder Investment Mgt (London)	44,256,794	17.83%
2	Mr Nigel Wray	24,201,393	9.71%
3	Hargreaves Lansdown Asset Mgt (Bristol)	14,287,410	5.76%
4	Dowgate Capital	13,600,363	5.48%
5	GPIM (London)	12,489,204	5.03%
6	Interactive Investor (Manchester)	11,705,937	4.72%
7	EdenTree Investment Mgt (London)	11,520,909	4.64%
8	William Currie Investments	8,724,058	3.51%
9	eQ Asset Management	8,000,000	3.22%

Based on 248,226,513 ordinary shares on 23 June 2026.

As at 31 March 2026 the following held 3% or more of the share capital of the Company:

Rank	Shareholder	No of shares at 31-Mar-26	% Issued Capital
1	Schroder Investment Mgt (London)	44,308,752	17.85%
2	Mr Nigel Wray	24,201,393	9.75%
3	Hargreaves Lansdown Asset Mgt (Bristol)	15,966,890	6.43%
4	EdenTree Investment Mgt (London)	11,520,909	4.64%
5	Interactive Investor (Manchester)	10,738,576	4.33%
6	GPIM (London)	10,611,981	4.28%
7	William Currie Investments	8,724,058	3.51%
8	Dowgate Capital	8,122,570	3.27%
9	eQ Asset Management	8,000,000	3.22%

Based on 248,226,513 ordinary shares on 31 March 2026.

Events after the reporting period

Further information on events after the reporting period is set out in note 24.

Disclosure in the strategic report

Information in respect of research and development, environmental actions and future developments can be found in the company's strategic report in accordance with s414C(11) of the Companies Act 2006 as the directors consider this to be of strategic importance to the Group.

Principal risks and uncertainties

The principal risks and uncertainties of the business are discussed in the Strategic Report and in note 22.

Overseas legal entities

The Group has one overseas subsidiary; Sosandar (Europe) Limited which was incorporated in February 2024.

Auditor

A resolution for the reappointment of Saffery LLP as auditor of the Group is to be proposed at the next Annual General Meeting.

Streamlined Energy and Carbon Reporting

Sosandar is committed to being as efficient as possible with regards to energy usage and greenhouse gas emissions. For the financial year ending 31 March 2026, the Group is reporting under the Streamlined Energy and Carbon Reporting legislation (SECR).

Sosandar PLC is submitting this SECR report at a group level for all UK entities.

For the financial year ending 31 March 2026, the reporting entities consumed 235,067 kWh (2025: 75,070 kWh) of energy associated with Scope 1 and 2 greenhouse gas emissions. Electricity consumption accounted for all of the reported energy use, and this is classified as Scope 2 emissions.

The greenhouse gas emissions associated with the above supplies have been calculated to be 41,607 kg/CO2e. Scope 2 emissions were 100% of this and were entirely associated with electricity purchases. The reporting entities consumed 5,755 kg/CO2e (2025: 4,631 kg/CO2e) from Scope 3 emissions and were associated with employee travel where the Group is responsible for the fuel costs.

SECR regulations require the Group to report an energy intensity metric, and we have chosen to use annual turnover as the divisor for our intensity metric. Our CO2e per million pounds of gross turnover were 1,120 kg per million pounds.

Our energy consumption has been calculated based upon metered kWh consumption stated on invoiced supplies in all instances.

Our reporting incorporates all Scope 1 and 2 supplies, and the Group's greenhouse gas emissions have been calculated using the relevant conversion factor published by the UK Government in their GHG Conversion Factors for Company Reporting and is based on HM Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (October 2025).

Streamlined Energy and Carbon Reporting (continued)

	Unit of measurement FY26	**FY26**
Energy consumption used to calculate emissions - electricity	kWh	Kg CO2e
Scope 1 - direct emissions from controlled/ own sources (combustion of gas)	-	-
Scope 2 - indirect energy emissions from purchased electricity, heat, steam and cooling	235,067	41,607
	Miles	Kg CO2e
Scope 3 – other indirect emissions from energy use and related emissions from business travel in rental cars or employee-owned vehicles where they are responsible for purchasing the fuel	20,823	5,755
Total emissions		47,362
Revenue (£'m)		42.277
Intensity ratio (CO2e/£m revenue)		1,120.28

	Unit of measurement FY25	**FY25**
Energy consumption used to calculate emissions - electricity	kWh	Kg CO2e
Scope 1 - direct emissions from controlled/ own sources (combustion of gas)	-	-
Scope 2 - indirect energy emissions from purchased electricity, heat, steam and cooling	75,070	15,543
	Miles	Kg CO2e
Scope 3 – other indirect emissions from energy use and related emissions from business travel in rental cars or employee-owned vehicles where they are responsible for purchasing the fuel	17,120	4,631
Total emissions		20,174
Revenue (£'m)		37.132
Intensity ratio (CO2e/£m revenue)		543.31

Streamlined Energy and Carbon Reporting (continued)

During FY26 the Group has continued to work on the following initiatives to minimise energy usage;

- Where practical, reducing the use of air freight and using alternative freight methods, such as sea and rail
- Continuing to work with suppliers to reduce carbon emissions by reducing consumption and exploring alternative options
- Enabling for recycling of waste at both head office and our warehouse
- Working with SmartWorks, a local charity, to donate clothing thereby avoiding waste and associated emissions

Ongoing goals that the Group are focused on are:

- Streamlining processes, from source to customer to reduce emissions
- Through continuous development and responsible business practices, we aim to contribute to a sustainable future for both our stakeholders and the communities where we operate

Directors' responsibilities

The Directors are responsible for preparing the strategic report, directors' report and financial statements in accordance with applicable law and UK adopted international accounting standards.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and the profit or loss of the company for that period.

In preparing these financial statements the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Disclosure of information to the auditors

At the date of approving this report, each Director confirms that, so far as that he / she is aware, there is no relevant audit information of which the Group and Company's auditors are unaware and she/he has taken all the steps that he ought to have taken as a Director in order to make her/himself aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

For and on behalf of the Board:

Signed by:
Julie Lavington
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Julie Lavington
Director
9 July 2026

INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of Sosandar PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the parent company as at 31 March 2026 and of the group's profit for the year then ended;

- have been properly prepared in accordance with UK-adopted international accounting standards; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Our approach to the audit

We tailored the scope of the audit work to ensure we obtained sufficient, appropriate evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls and the industry in which the group operates.

The group consists of three legal entities, two incorporated and operating in the UK, and one incorporated in the Republic of Ireland. The results of these components are consolidated in the group financial statements. Sosandar PLC and Thread 35 Limited have been subject to a full scope audit by the group audit team, whilst Sosandar (Europe) Limited was deemed a non-material component. For one of the components, Thread 35 Limited, a full scope audit was completed and covered substantially all of the group's revenue, profit and net assets. For Sosandar (Europe) Limited, one specific area has been audited by Saffery LLP, being the confirmation of the year end bank balance for the purposes of the consolidated results. We also tested the consolidation process and related adjustments.

INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 MARCH 2026

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed risk of management override of internal controls, including evaluating whether there was any indication of bias or override of controls by the Directors that represented a risk of material misstatement.

Key audit matters

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

Key Audit Matter	**How our scope addressed this matter**
Valuation & existence of inventory At 31 March 2026, the group held inventory of £9,977k (2025: £11,090k), net of provisions totalling £735k (2025: £446k). The nature of the industry that the group operates in carries a higher inherent risk of inventory becoming obsolete due to changing fashion tastes and trends. There is significant judgement involved in determining whether a provision for impairment is required to reflect the reduced net realisable value of obsolete inventory. There is also uncertainty arising from the necessity to estimate costs, such as freight and duty, which lends itself to the need to align the underlying stock management system and the general ledger. Due to the significance of inventory to the group and other users of the financial statements, we consider this to be a key audit matter.	Our audit procedures included the following: • We obtained an understanding of management's provisioning policy which is based on the last goods received note and the percentages of inventory purchased that were converted to sales. • We assessed the obsolescence percentages applied and determined it was appropriate with reference to sales and purchases made during the year, returned inventory salvage rates, and any indicators of potentially damaged inventory identified from our attendance at inventory counts. • We tested the mathematical integrity of management's provision calculation by recalculation. We validated the inputs into the model, including verifying the quantity and values for various elements making up the overall inventory provision and confirmed the accuracy of the data used with

	references to purchase and sales reports. • We carried out testing on a sample of inventory lines to ensure that inventory is held at the lower of cost or selling price less costs to sell with reference to sales orders. • We assessed the existence of inventory held by concession partners by receiving third-party stock listings and corroborating any variances to supporting documentation, including return to vendor reports received from concession partners. • We attended inventory counts at two store locations, as well as the main warehouse, to observe the physical inventory count procedures and perform independent test counts. We reviewed and challenged managements reconciliation between underlying inventory systems and amounts recorded in the general ledger. We compared a sample of estimated freight and duty costs to actual charges to corroborate the appropriateness of reconciling adjustments. Based on our audit procedures we have not identified any material misstatements arising from the valuation of inventory.
Carrying value of investment in the subsidiary At 31 March 2026 the parent company holds an investment in the subsidiary of £16,349k (2025: £15,911k). The directors' assessment of indicators of impairment includes significant estimates and assumptions around identifying future cash flows and rates of future growth.	Our audit procedures included the following: • We assessed management's annual review for indicators of impairment and, where relevant, evaluated the impairment assessment by comparing the recoverable amount of the investment, calculated using a discounted cash flow model based on forecast revenue and EBITDA, to its carrying value.

Due to the significance of the carrying value of the investment in the subsidiary to the parent company, we consider this to be a key audit matter.	• We challenged the weighted average cost of capital estimated by management, and performed a recalculation based on industry data. We confirmed that when the updated WACC was applied to the sensitivity assessment the conclusions of the impairment assessment remained appropriate. • We verified that management's impairment assessment has used consistent cash flows that adequately represented forecast trading performance. • We performed sensitivity analysis on revenue, operating expenditure and the discount rate. • We compared the projected activity to actual results and compared the calculation of the discount rate used to external data. • We considered whether forecasts were consistent with our understanding of the business and any other corroborative or contradictory evidence regarding assumptions used. • We reviewed disclosure made in the notes to the financial statements. Based on our audit procedures we have not identified any material misstatements arising from the carrying value of investment in the subsidiary.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, as set out below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

We determined group materiality to be £530,000 (2025: £470,000), based on 1.25% of group revenue. The materiality of the parent company was determined to be £270,000 (2025: £165,000) based on 1.5% of gross assets of the company.

Performance materiality is used to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Performance materiality was set at 75% of planning materiality for both the group and the individual entity. We also set a level of triviality based on 5% of planning materiality; any uncorrected audit differences below these levels were not reported to the Audit Committee, unless warranted under qualitative grounds.

Materiality was determined at the planning stage based upon unaudited management accounts. This was reviewed throughout the audit process to ensure it remained appropriate for the financial statements as a whole. A final review was performed with reference to these financial statements of the group and individual components; planning materiality was deemed to still be appropriate; thus no changes were made.

Conclusions relating to going concern

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

- obtaining, critically appraising and assessing for arithmetical accuracy the directors formal going concern assessment, including the group’s cash flow forecasts for the period to 31 March 2028 and considering the completeness and accuracy of the future cash flows assessed against historical results and existing contractual arrangements;
- considering the reasonableness of assumptions used by the directors in the preparation of the cash flow forecast which included comparing the 2026 actual results to the forecasts made in the prior year;

- understanding the assumptions applied in the directors' sensitivity analysis applied to the base case scenario to derive their blended downside scenario, including assumptions around revenue growth, funding options and cost management opportunities, and comparing these to historical trends and market data, applying further sensitivities where appropriate;

- reviewing the adequacy of disclosures made within the financial statements on the going concern basis of preparation; and

- discussing events after the reporting date with the directors to assess their impact on the going concern assumption.

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

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

Use of our report

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

DocuSigned by:
DP Laurent
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Diane Petit-Laurent FCA (Senior Statutory Auditor)

for and on behalf of Saffery LLP

Statutory Auditors

Trinity
16 John Dalton Street
Manchester
M2 6HY

9 July 2026

CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

		Year ended 31 March 2026			Restated[1] Year ended 31 March 2025		
	Notes	Result before store impairment £'000	Store impairment £'000	Total £'000	Result before warehouse transition £'000	Warehouse transition £'000	Total £'000
Revenue	4	42,278	-	42,278	37,132	-	37,132
Cost of sales		(15,232)	-	(15,232)	(14,067)	-	(14,067)
Gross profit		**27,046**	**-**	**27,046**	**23,065**	**-**	**23,065**
Administrative expenses		(26,618)	(346)	(26,964)	(22,884)	(223)	(23,107)
Operating profit/(loss)		**428**	**(346)**	**82**	**181**	**(223)**	**(42)**
Finance income		161	-	161	109	-	109
Finance costs	6	(212)	-	(212)	(134)	-	(134)
Profit/(loss) before taxation		**377**	**(346)**	**31**	**156**	**(223)**	**(67)**
Income tax credit/ (expense)	8	324	-	324	(477)	-	(477)
Profit/(loss) for the year		**701**	**(346)**	**355**	**(321)**	**(223)**	**(544)**
Other comprehensive income		-	-	-	-	-	-
Total comprehensive profit/(loss) for the year		**701**	**(346)**	**355**	**(321)**	**(223)**	**(544)**
Earnings/(loss) per share (pence):							
Basic	9			**0.14**			**(0.21)**
Diluted	9			**0.14**			**(0.21)**

The notes on pages 55 to 86 form part of these financial statements.

[1]The prior year loss per share (pence) has been restated from (0.22) to (0.21). Refer to note 9 for further details.

The Directors assess the underlying performance of the Group based on Adjusted Profit Before Tax which is £0.4m (FY25 £0.2m). This measure reflects the underlying trading performance of the Group and excludes the effect of transactions that are year specific including impairment of right of use and tangible assets relating to retail stores. Please see note 3 for detailed reconciliations of the alternative performance measures.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Assets			
Non-current assets			
Intangible assets	10	853	747
Property, plant and equipment	11	4,376	5,876
Deferred income tax asset	8	452	128
Total non-current assets		**5,681**	**6,751**
Current assets			
Inventories	13	9,977	11,090
Trade and other receivables	15	3,452	3,835
Cash and cash equivalents	16	8,397	7,284
Total current assets		**21,826**	**22,209**
Total assets		**27,507**	**28,960**
Equity and liabilities			
Equity			
Share capital	17	248	248
Share premium	17	-	52,619
Capital Reserves		4,648	4,648
Other reserves		2,191	1,753
Treasury Shares	17	(1,788)	-
Reverse acquisition reserve		(19,596)	(19,596)
Retained earnings		31,234	(21,740)
Total equity		**16,937**	**17,932**
Current liabilities			
Trade and other payables	19	7,241	7,096
Lease liability	20	643	571
Total current liabilities		**7,884**	**7,667**
Non current liabilities			
Lease liability	20	2,686	3,361
Total non current liabilities		**2,686**	**3,361**
Total liabilities		**10,570**	**11,028**
Total equity and liabilities		**27,507**	**28,960**

The financial statements were approved and authorised for issue by the Board of Directors on 9 July 2026 and were signed on its behalf by:

DocuSigned by:

Stephen James Dilks

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Stephen Dilks
Director
Company Number: 05379931

The notes on pages 55 to 86 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities			
Group profit/(loss) before tax		31	(67)
Adjustments for:			
Share based payments	18	438	268
Depreciation and amortisation	10, 11	1,237	802
Impairment	11	346	-
Finance costs	6	212	134
Finance income		(161)	(109)
Disposal of intangibles		-	3
Disposal of tangibles		-	7
Working capital adjustments:			
Change in inventories		1,113	(170)
Change in trade and other receivables		383	(1,067)
Change in trade and other payables		164	2,020
Net cash flow from operating activities		**3,763**	**1,821**
Cash flow from investing activities			
Purchase of property, plant and equipment	11	(23)	(1,717)
Purchase of intangibles	10	(196)	(424)
Initial direct costs on right of use asset		-	(463)
Bank interest paid	6	(1)	(1)
Net cash flow from investing activities		**(220)**	**(2,605)**
Cash flow from financing activities			
Finance income		152	109
Payments for treasury shares	17	(1,788)	-
Lease payment	20	(794)	(354)
Net cash flow from financing activities		**(2,430)**	**(245)**
Net change in cash and cash equivalents		**1,113**	**(1,029)**
Cash and cash equivalents at beginning of year	16	7,284	8,313
Cash and cash equivalents at end of year	16	**8,397**	**7,284**

The notes on pages 55 to 86 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Share capital £'000	Share premium £'000	Treasury shares £'000	Reverse acquisition reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Other reserves £'000	Total £'000
Balance at 31 March 2024		**248**	**52,619**	**-**	**(19,596)**	**4,648**	**(21,196)**	**1,485**	**18,208**
Loss for the year		-	-	-	-	-	(544)	-	(544)
Share-based payments	18	-	-	-	-	-	-	268	268
Balance at 31 March 2025		**248**	**52,619**	**-**	**(19,596)**	**4,648**	**(21,740)**	**1,753**	**17,932**
Profit for the year		-	-	-	-	-	355	-	355
Capital reduction[1]		-	(52,619)	-	-	-	52,619	-	-
Purchase of treasury shares[2]		-	-	(1,788)	-	-	-	-	(1,788)
Share-based payments	18	-	-	-	-	-	-	438	438
Balance at 31 March 2026		**248**	**-**	**(1,788)**	**(19,596)**	**4,648**	**31,234**	**2,191**	**16,937**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses.

Reverse acquisition reserve relates to the effect on equity of the reverse acquisition of Thread 35 Limited.

Capital redemption reserve represents the aggregate nominal value of all the deferred shares repurchased and cancelled by the Company. The reserve is non-distributable.

Retained earnings represent the cumulative loss of the Group attributable to equity shareholders.

Other reserve relates to the charge for share-based payments in accordance with International Financial Reporting Standard 2.

[1] A capital reduction was completed during the financial year following the Court approval on 14 October 25.

[2] The Company started a share buy-back programme during the year – refer to note 17 for further information.

The notes on pages 55 to 86 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Assets			
Non-current assets			
Investments	12	16,349	15,911
Loans to subsidiaries	14	39	87
Total non-current assets		**16,388**	**15,998**
Current assets			
Trade and other receivables	15	98	557
Loans to subsidiaries	14	63	-
Cash and cash equivalents	16	1,694	4,472
Total current assets		**1,855**	**5,029**
Total assets		**18,243**	**21,027**
Equity and liabilities			
Equity			
Share capital	17	248	248
Share premium	17	-	52,619
Other reserves		2,191	1,753
Treasury shares	17	(1,788)	-
Capital redemption reserve		4,648	4,648
Retained earnings		12,805	(39,280)
Total equity		**18,104**	**19,988**
Current liabilities			
Trade and other payables	19	139	121
Total current liabilities		**139**	**121**
Non-current liabilities			
Loans to subsidiaries	14	-	918
Total non-current liabilities		**-**	**918**
Total liabilities		**139**	**1,039**
Total equity and liabilities		**18,243**	**21,027**

In accordance with the provisions of the Companies Act 2006, the Company has not presented a statement of profit or loss and other comprehensive income. The Company's loss for the year was £534k (2025: £7,545k profit).

The financial statements were approved and authorised for issue by the Board of Directors on 9 July 2026 and were signed on its behalf by:

DocuSigned by:

Stephen James Dilks

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Stephen Dilks
Director
Company Number: 05379931

The notes on pages 55 to 86 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Cash flows from operating activities			
(Loss)/profit before tax		**(534)**	**7,545**
Adjustments for:			
Impairment of investment		-	19,771
Intercompany loan (reinstatement)/provision		48	(26,672)
Finance income		(79)	(1,128)
Working capital adjustments:			
Change in trade and other receivables		458	(549)
Change in trade and other payables		(897)	60
Net cash flow from operating activities		**(1,004)**	**(973)**
Cash flow from investing activities			
Loans to subsidiaries		(63)	(217)
Net cash flow from investing activities		**(63)**	**(217)**
Cash flow from financing activities			
Finance income		77	1,128
Payments for treasury shares		(1,788)	-
Net cash flow from financing activities		**(1,711)**	**1,128**
Net change in cash and cash equivalents		(2,778)	(62)
Cash and cash equivalents at beginning of year	16	4,472	4,534
Cash and cash equivalents at end of year	16	**1,694**	**4,472**

The notes on pages 55 to 86 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Share capital £'000	Share premium £'000	Treasury shares £'000	Other reserves £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 March 2024		**248**	**52,619**	**-**	**1,485**	**4,648**	**(46,825)**	**12,175**
Profit for the year		-	-	-	-	-	7,545	**7,545**
Share-based payments	18	-	-	-	268	-	-	**268**
Balance at 31 March 2025		**248**	**52,619**	**-**	**1,753**	**4,648**	**(39,280)**	**19,988**
Loss for the year		-	-	-	-	-	(534)	**(534)**
Capital reduction[1]		-	(52,619)	-	-	-	52,619	**-**
Purchase of treasury shares[2]	17	-	-	(1,788)	-	-	-	**(1,788)**
Share-based payments	18	-	-	-	438	-	-	**438**
Balance at 31 March 2026		**248**	**-**	**(1,788)**	**2,191**	**4,648**	**12,805**	**18,104**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses.

Other reserves relate to the charge for share-based payments in accordance with International Financial Reporting Standard 2. The cumulative share-based payment expense recognised in the consolidated statement of comprehensive income is £438k. The cumulative share payment expense recognised in the parent company statement of comprehensive income is nil (2025: nil).

Retained earnings represent the cumulative loss of the Company attributable to the equity shareholders.

Capital redemption reserve represents the aggregate nominal value of all the deferred shares repurchased and cancelled by the Company. The reserve is non-distributable.

[1] A capital reduction was completed during the financial year following the Court approval on 14 October 25.

[2] The Company started a share buy-back programme during the year – refer to note 17 for further information.

The notes on pages 55 to 86 form part of these financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1 General information

Sosandar Plc (the 'Company') is a public company limited by shares incorporated in England and Wales. Details of the registered office, the officers and advisers to the Company are presented on the Company Information page at the end of this report. The Company is listed on the AIM market of the London Stock Exchange (ticker: SOS).

The principal activity of the Group in the year under review was that of a clothing manufacturer and distributor via internet and mail order as well as retail stores.

The principal activity of the Company is that of a holding company.

2 Significant accounting policies

Basis of preparation

The consolidated financial statements consolidate those of the Company and its subsidiaries (together the 'Group' or 'Sosandar'). The consolidated financial statements of the Group and the individual financial statements of the Company are prepared in accordance with applicable UK law and UK adopted international accounting standards (IFRSs) and as applied in accordance with the provisions of the Companies Act 2006. The Directors consider that the financial information presented in these Financial Statements represents fairly the financial position, operations and cash flows for the year, in conformity with IFRS.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in Chairman's Statement on pages 2-3. The financial position of the Group, its cash flows and liquidity position are described in the financial statements and associated notes. In addition, note 22 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

In order to assess the going concern of the Group, the directors have reviewed the Group's bank balances, cash flows, the annual budgets and forecasts, including assumptions concerning revenue growth, marketing spend, expenditure commitments and capital requirements with regards to their impact on cash flow. These cash flow and profit and loss forecasts show the Group expect an increase in revenue based on the assumptions set out in note 12 of the financial statements. This results in their being sufficient surplus headroom to deliver the forecasts. Management continue to monitor costs and manage cashflows against these forecasts including when sensitising for a drop in revenue.

At 31 March 2026, the Group had a cash balance of £8.4m and is therefore in a strong position, with sufficient working capital to take advantage of opportunities in FY27 and beyond. This substantiates the view that the Group is a going concern.

The directors continue to monitor the Group's going concern basis against the backdrop of both internal and external events. External events are constantly monitored, which over the last twelve months has included relatively high inflation and pressure on household budgets. Whilst at a macro level, this has impacted consumer spending, the Group has not experienced a material downturn in activity. Prioritising cash during the year has been a key priority, with the balance remaining strong and therefore the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for the foreseeable future.

Should the underlying assumptions of the working capital model prove invalid, and the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classifications of recorded asset amounts or liabilities that may be necessary should the Group and Company be unable to continue as a going concern.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings; all subsidiaries have a reporting date of 31 March.

Subsidiaries are all entities which fall within the definition of control under IFRS 10; an investor controls an investee when the investor 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.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

In November 2017, Sosandar Plc ('Company') acquired the entire issued share capital of Thread 35 Ltd ('legal subsidiary') for a consideration of £6,281,618, satisfied by the issue of shares of £1,603,422 and cash of £4,678,196.

As the legal subsidiary is reversed into the Company (the legal parent), which originally was a publicly listed cash shell company, this transaction cannot be considered a business combination, as the Company, the accounting acquiree, does not meet the definition of a business under IFRS 3 'Business Combinations'. However, the accounting for such capital transaction should be treated as a share-based payment transaction and therefore accounted for under IFRS 2 'Share-based payment'.

2 Significant accounting policies (continued)

Any difference in the fair value of the shares deemed to have been issued by Thread 35 Ltd (accounting acquirer) and the fair value of Sosandar Plc's (the accounting acquiree) identifiable net assets represents a service received by the accounting acquirer.

Although the consolidated financial information has been issued in the name of Sosandar Plc, the legal parent, it represents in substance continuation of the financial information of the legal subsidiary.

The assets and liabilities of the legal subsidiary are recognised and measured in the Group financial statements at the pre-combination carrying amounts and not restated at fair value.

The retained earnings and other reserves balances recognised in the Group financial statements reflect the retained earnings and other reserves balances of the legal subsidiary immediately before the business combination and the results of the period from 1 April 2017 to the date of the business combination are those of the legal subsidiary only.

The equity structure (share capital and share premium) appearing in the Group financial statements reflects the equity structure of Sosandar Plc, the legal parent. This includes the shares issued in order to affect the business combination.

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in pounds sterling (£), which is the Group's presentation currency and the Company's functional currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

2 Significant accounting policies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to UK adopted international accounting standards (IFRSs) effective as of 1 April 2023 have been applied by the Group.

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	Effective date, annual period beginning on or after
Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

The members are evaluating the impact that these standards have on the financial statements of the Sosandar PLC.

2 Significant accounting policies (continued)

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented an income statement nor a statement of comprehensive income for the Company alone.

Calculation of share-based payment charges

The charge related to equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions. Please see note 18.

Where the terms and conditions of the options are modified, the fair value of the options is measured immediately before and after the modification and any increase in the fair value of the options is expensed over the remaining vesting period. In the case where options have already vested, the increase in the fair value of the options is recognised immediately as an expense.

Depreciation of property, plant and equipment and amortisation of other intangible assets

Depreciation and amortisation are provided to write down assets to their residual values over their estimated useful lives. The determination of these residual values and estimated lives, and any change to the residual values or estimated lives, requires the exercise of management judgement. Please see notes 10 and 11.

Revenue recognition

Revenue is recognised at the point where legal title in the goods passes from the Group to the customer. This includes the price paid for the goods as well as any delivery charge where applicable. Typically, legal title is passed when the goods are despatched from the warehouse and as the invoice is created. It is impractical to recognise on delivery, and the difference due to this timing is immaterial. The point of recognition and the point of return is the same for both direct and third-party sales.

Revenue is reported after making deduction for actual and anticipated returns, relevant vouchers and sales taxes.

Sales returns in the period are recognised as a deduction to revenue based on expected levels of returns. A provision is made for outstanding returns at the period end. Accumulated experience (including historical returns rates) is used to estimate and provide for such returns. The provision is recorded as a reduction in revenue with a corresponding entry against contract liabilities which is included within trade and other payables. Inventory expected to come back as a result of returns is recorded as a reduction in cost of sales with a corresponding entry to increase inventories.

Revenue is generated on Sosandar’s own website, through its own stores and through third-party partners.

2 Significant accounting policies (continued)

Alternative Performance Measures

In reporting financial information, the Group presents an alternative performance measure ('APM') of adjusted profit before tax which is not defined or specified under IFRS. Adjusted profit before tax is used as an APM to show the underlying trading performance of the Group as it eliminates gains or losses that are year specific and are not part of the Group's day to day business operations. This is consistent with how the business performance is planned and reported within internal management reporting and also facilitates year on year comparison. Adjusted profit before tax is calculated by excluding adjusting items from statutory profit before tax. Refer to note 3 for the reconciliation of adjusted profit before tax to statutory profit before tax.

Adjusted Items

Adjusted items are items of income and expenditure which are year specific and material to the current financial year. Adjusted items also include impairment of non-financial assets. These are presented separately in the consolidated income statement, as the Directors believe that this presentation helps to facilitate year on year comparison and is consistent with how the business performance is planned and reported internally.

Intangible assets

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Costs are capitalised where the expenditure will bring future economic benefit to the company. Intangible assets have finite useful lives.

Amortisation is recognised within administrative expenses in the statement of comprehensive income so as to write off the cost of assets less their residual values over their useful economic lives.

The following annual rates are used:

Website	20% Straight line
Trademark	20% Straight line
Software	33% Straight line

Assets Under Construction will be amortised when the assets are in use.

Any impairment in value, or reversal of an impairment, is recognised within the income statement.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

2 Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation on property, plant and equipment is calculated using the straight-line and reducing balance methods to write off their cost over their estimated useful lives at the following annual rates:

Plant and Machinery	15% Straight line
Computer Equipment	33.33% Straight line
Fixture and Fittings	20% Straight line
Office Equipment	20% Straight line
Leasehold Improvements	20% Straight line
Right of Use Asset	20% Straight line

Any impairment in value, or reversal of an impairment, is recognised within the income statement.

Equity

Equity instruments issued by the Group are recorded at the value of the proceeds received, net of direct issue costs, allocated between share capital and share premium.

Where the Company purchases its own equity instruments, for example as the result of a share buy-back, the consideration paid, including any directly attributable costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled.

Inventories

Inventories are valued at the lower of cost and net realisable value, on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of the business less applicable variable selling expenses. Provisions are made for obsolescence, mark-downs and shrinkage.

Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and other attributable costs, less trade discounts.

Taxation - *Income tax*

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

Pension costs

The Group contributes to a defined contribution scheme for employees. The costs of these contributions are charged to the statement of comprehensive income on an accruals basis as they become payable under the scheme rules.

2 Significant accounting policies (continued)

Investments

Investments in subsidiary companies are stated at cost less any provision for impairment. Investments are accounted for at cost unless there is evidence of a permanent diminution in value, in which case they are written down to their estimated realisable value. Any such provision, together with any realised gains and losses, is included in the statement of comprehensive income.

Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amounts of its non-financial assets including its investment, property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. The directors consider an individual retail store to be a CGU. The carrying value represents each CGU's specific assets, as well as the right of use assets, plus an allocation of corporate assets where these assets can be allocated on a reasonable and consistent basis.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognised when the Group and Company have a present obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material.

2 Significant accounting policies (continued)

Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group and Company at the statement of financial position date approximated their fair values, due to the relatively short-term nature of these financial instruments.

Trade payables and other non-derivative financial liabilities

Trade payables and other creditors are non-interest bearing and are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and other receivables

Trade and other receivables are recognised initially at transaction price and subsequently measured at their cost when the contractual right to receive cash or other financial assets from another entity is established.

Trade receivables are considered past due when they have passed their contracted due date. Trade receivables are assessed for impairment based upon the expected credit losses model. The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure, expected credit losses on a collective basis are grouped based on similar credit risk and aging.

2 Significant accounting policies (continued)

Financial assets and liabilities

The Group classifies its financial assets at inception as measured at amortised cost. The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, are added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership.

In a transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment losses from contracts with customers

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired, in line with IFRS 9. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. Any measurement of expected credit losses under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money.

2 Significant accounting policies (continued)

Impairment losses from contracts with customers
The Group considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The amount of loss is recognised in the statement of comprehensive income.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through the statement of comprehensive income to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Leases
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right of use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture less than £5k.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas identified by the Group are as follows:

Contract liabilities - refund accruals

Accruals for sales returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period in which the original revenue is recorded. These accruals are reviewed regularly and updated to reflect management's latest best estimates, although actual returns could vary from these estimates. The accrual for refunds totalled £1,767k (2025: £1,654k) and a right to returned goods asset recognised of £637k (2025: £629k). A performance obligation is deemed for returns and refunds. A 14 day return policy is noted for a full refund through Sosandar.com and up to 30 days on third-party retailer websites.

Whilst not a key source of estimation uncertainty, the directors believe it is relevant to disclose the impact of changes to the estimate. A difference of 1%pt in the sales returns rate has an impact of +/- £120k (2025: +/- £110k) on the refund provision, and +/- £46k (2025: +/- £41k) on the right to returned goods asset.

A provision is made to write down any slow-moving or obsolete inventory to net realisable value. The provision is £560k at 31 March 2026 (2025: £407k). Whilst not a key source of estimation uncertainty, the directors believe it is relevant to disclose the impact of changes to the estimate. A difference of 1%pt in the provision as a percentage of gross inventory would give rise to a difference of +/- £100k in gross profit (2025: +/- £107k). Management continually review the provision and monitor it against industry standards, and as such have adjusted the provision for stock in quarantine in the financial year.

Impairment of non-financial assets - investments

In order to assess the impairment of the investment in the subsidiary, the Directors use a value in use calculation. The value in use is calculated based on five-year cashflow projections. The key assumptions used for the value in use calculation for the year ended 31 March 2026 are the sales growth rates, gross margin rates, changes in the operating costs base, long-term growth rates and the risk-adjusted pre-tax discount. The pre-tax discount rate is derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium, and a risk adjustment (beta) rate. The weighted average cost of capital and growth rates used were as follows:

	2026	2025
	%	**%**
WACC (Weighted Average Cost Of Capital)	15.9	19.3
Compound annual revenue growth rate	8	6

Critical accounting judgements and key sources of estimation uncertainty (continued)

The Directors' assessment of the estimates on future revenues and EBITDA growth in future years is a key source of estimation uncertainty. The estimations are based on the budgeted investment and expansion of our clothing and footwear ranges, increased stocking levels and continued investment in marketing channels to acquire new customers.

The Directors have performed a sensitivity analysis to assess the impact of downside risk of the key assumptions underpinning the projected results of the Group. The projections and associated headroom used for the Group is sensitive to the EBITDA growth assumptions that have been applied.

Impairment of non-financial assets - property, plant and equipment and intangible assets

In assessing the impairment of property, plant and equipment and intangible assets, management estimates the recoverable amount of each asset or cash-generating unit based on the expected future cashflows discounted using a suitable discount rate. Estimation uncertainty arises due to the assumptions made about future operating results, mainly revenue growth rates, and also the determination of a suitable discount rate. During the year, a total impairment charge of £346k (2025: £nil) was recognised relating to two of the store CGUs. The impairment charge has been apportioned between the fixtures and fittings and right of use assets associated with the relevant CGUs. Refer to note 11 for further detail on the judgements and estimates involved in the impairment assessment alongside the related sensitivity analysis.

Share-based compensation

The Group has issued equity-settled share-based payments to employees. The fair value of the employee and suppliers' services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to other reserves within equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement takes into account conditions attached to the vesting and exercise of the equity instruments.

The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

Critical accounting judgements and key sources of estimation uncertainty (continued)

On 17 December 2025, the Group awarded new share options totalling 18,171,258 ordinary shares with an exercise price of 7.25 pence to its Executive Directors and Senior Management Team. Some of the existing options granted, totalling 13,291,258 were cancelled as part of these arrangements. Under IFRS 2, we must consider whether the new share options are replacement equity instruments for the cancelled options. The Group designated the new share options as replacement awards for the cancelled awards on their grant date and as such the replacement awards have been accounted for as a modification as per IFRS 2.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and Company intends to settle its current tax assets and liabilities on a net basis.

3 Adjusted Profit Before Tax

Adjusted profit before tax is an alternative performance measure (‘APM’) used to show the underlying trading performance of the Group. It is calculated by excluding adjusting items from statutory profit before tax. Refer to the Alternative Performance Measures section within the Accounting Policies for further information.

3 Adjusted Profit Before Tax (continued)

The following table reconciles the adjusted profit before tax to profit before tax per the statement of comprehensive Income.

	Year Ended 31 March 2026 £'000	Year Ended 31 March 2025 £'000
Adjusted profit before tax	**377**	**156**
Adjusted items		
Impairment charge[1]	(346)	-
Warehouse transition[2]	-	(223)
Statutory profit before tax	**31**	**(67)**

[1] The impairment charge in the current year relates to the impairment of the Group's right of use assets and fixed assets relating to the stores following an impairment review at the year end (see note 11 for further information).

[2] The warehouse costs in the prior year related to the warehouse move from GXO to Torque Logistics in February 2025. The transition costs incurred included labour costs to pick and pack all stock at GXO and receive and put away at Torque as part of the transfer, transport costs to move the stock and redundancy costs where GXO employees did not transfer to Torque. This cost, while not directly incurred by the Group was a contractual obligation in the agreement with GXO.

4 Revenue

The directors have considered the requirement of IFRS 15 with regards to disaggregation of revenue and do not consider this to be required as the Group only has one operating segment which is retail sales.

The income recognition for delivery receipts, commissions on partner-fulfilled sales and wholesale revenue are in line with that of retail sales and linked to dispatch/delivery to customers.

Due to the nature of its activities, the Group is not reliant on any individual major customers.

The major geographical market of the Group is the UK.

	Year ended 31-Mar 2026 £'000	Year ended 31-Mar 2025 £'000
UK	41,941	36,633
Rest of World	337	499
Total	**42,278**	**37,132**

4 Revenue (continued)

Disaggregation of revenue based on distribution channels is as follows:

	Year ended 31-Mar 2026 £'000	Year ended 31-Mar 2025 £'000
Own Channels[1]	21,524	16,430
Third-Party Channels[2]	20,754	20,702
Total	**42,278**	**37,132**

[1] Own Channels includes Sosandar.com and own stores
[2] Third-Party Channels includes concession and wholesale

5 Operating profit/(loss)

	31 March 2026 £'000	31 March 2025 £'000
Operating profit/(loss) is stated after charging/(crediting):		
Operating lease rentals	5	44
Auditors' remuneration:		
Audit fee – group and parent company	124	124
Legal and other fees	320	206
Depreciation and amortisation	1,237	802
Impairment of property, plant and equipment	346	-
Foreign currency loss	287	33
Share based payment	438	268

6 Finance cost

	31 March 2026 £'000	31 March 2025 £'000
Interest on the lease	211	133
Other interest	1	1
Total	**212**	**134**

7 Employees

	31 March 2026 £'000	31 March 2025 £'000
Aggregate Directors' emoluments including consulting fees	1,023	801
Wages and salaries	4,055	3,989
Social security costs	635	464
Pension costs	152	224
Share-based payments	438	268
Total	**6,303**	**5,746**

7 Employees (continued)

	31 March 2026 Nos.	31 March 2025 Nos.
Directors	7	7
Senior Management[1]	6	11
Retail	45	22
Head Office	68	72
Total	**126**	**112**

[1] Employees categorised as Senior Management has changed in the year. In FY26, senior management in head office have been categorised as Senior Management whereas in FY25 this also included retail store managers given it was the first full year of trading for each store.

Directors' remuneration

Details of emoluments received by Directors of the Group for the year ended 31 March 2026 are shown in the table below.

Details of the share options held by each Director can be found in the Group Directors' Report on page 29.

The share-based payment charge related to directors was £400k (2025: £239k).

	2026 Base Salary	2026 Pension	2026 Other Benefits	2026 Total	2025 Total
	£	£	£	£	£
Alison Hall	**280,000**	**33,600**	**12,503**	**326,103**	**291,232**
Julie Lavington	**280,000**	**33,600**	**12,732**	**326,332**	**292,621**
Stephen Dilks	**204,000**	**16,320**	**11,917**	**232,237**	**206,565**
Nicholas Mustoe	**45,000**	**-**	**-**	**45,000**	**45,000**
Adam Reynolds	**30,000**	**-**	**-**	**30,000**	**30,000**
Andrew Booth	**30,000**	**-**	**-**	**30,000**	**30,000**
Lesley Watt[1]	**25,000**	**-**	**-**	**25,000**	**30,000**
Total	**894,000**	**83,520**	**37,152**	**1,014,672**	**925,418**

[1] *Stepped down from the Board 28 January 2026*

Key management personnel excluding directors, received emoluments for the year of £882k (2025: £1,092k). This includes payments in lieu of notice equalling £nil (2025: £67k).

	31 March 2026 £'000	31 March 2025 £'000
Wages and salaries	783	980
Pension costs	43	47
Other Benefits	18	36
Share-based payments	38	29
Total	**882**	**1,092**

8 Income tax

a) Analysis of charge in the period

	31 March 2026 £'000	31 March 2025 £'000
Deferred tax		
Origination and reversal of timing differences	(323)	477
Adjustments in respect of prior years	(1)	-
Total deferred tax (credit)/charge	**(324)**	**477**

b) Factors affecting the tax charge for the period

	31 March 2026 £'000	31 March 2025 £'000
Profit/(loss) on ordinary activities before taxation	31	(67)
Tax at the UK corporation tax rate of 25% (2025: 25%)	8	(17)
Expenses not deductible for tax purposes	148	70
Adjustments in respect of prior years	(1)	(2)
Fixed asset differences	(19)	4
Movement in deferred tax not recognised	(460)	422
Tax charge/(credit) on profit/loss on ordinary activities	**(324)**	**477**

The deferred tax asset recognised in the accounts has been calculated using the current year tax rate of 25% (2025: 25%). The unrecognised deferred tax asset amounts to £4,151k (2025: £4,611k) and has been calculated at the tax rate of 25%. The deferred tax asset has been recognised due to the expectation that it will be reversed in future years.

9 Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year:

	31 March 2026	Restated[2] 31 March 2025
Profit/(loss) after tax attributable to equity holders of the parent (£'000)	355	(544)
Weighted average number of ordinary shares in issue[1]	253,863,599	260,015,643
Fully diluted average number of ordinary shares in issue	253,863,599	260,015,643
Basic earnings/(loss) per share (pence)	**0.14**	**(0.21)**
Diluted earnings/(loss) per share (pence)	**0.14**	**(0.21)**

Where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The calculations of basic and diluted earnings per share is based on the weighted average number of ordinary shares only and excludes the effect of outstanding share options.

9 Earnings/(loss) per share (continued)

[1] The weighted average number of ordinary shares in issue used in the basic earnings/(loss) per share includes a weighted average of 11,693,055 (2025: 11,789,130) of vested options with an exercise price of par and also a weighted average number of treasury shares of (6,055,969) (2025: nil). As per IAS 33 these must be included within the weighted average number of ordinary shares when calculating basic EPS.

[2] In line with IAS 33, The weighted average number of ordinary shares and fully diluted average number of ordinary shares in issue in the prior year was restated to reflect the weighted average number of the nil exercise price vested share options during FY25, which were 11,789,130. As a result of the inclusion of this, basic loss per share (pence) and diluted loss per share (pence) was restated from (0.22) to (0.21).

10 Intangible Assets

	Website £'000	Trademark £'000	Software £'000	Assets under Construction £'000	Total £'000
Cost					
At 1 April 2024	228	10	141	281	660
Additions	-	7	362	55	424
Transfers	-	-	267	(267)	-
Disposals	(185)	-	-	(3)	(188)
At 31 March 2025	43	17	770	66	896
Amortisation					
At 1 April 2024	228	2	39	-	269
Charge for the year	-	4	61	-	65
Disposals	(185)	-	-		(185)
At 31 March 2025	**43**	**6**	**100**	**-**	**149**
Carrying value 31 March 2025	**-**	**11**	**670**	**66**	**747**
Cost					
At 1 April 2025	43	17	770	66	896
Additions	-	12	40	144	196
Transfers	-	-	17	(11)	6
At 31 March 2026	**43**	**29**	**827**	**199**	**1,098**
Amortisation					
At 1 April 2025	43	6	100	-	149
Charge for the year	-	6	90	-	96
At 31 March 2026	**43**	**12**	**190**	**-**	**245**
Carrying value 31 March 2026	**-**	**17**	**637**	**199**	**853**

Assets under construction are costs relating to the ERP implementation project.

The transfer of £6k total is a transfer from tangible assets (see note 11).

11 Property, plant and equipment – Group

	Computer Equipment £'000	Fixtures and fittings £'000	Right of use asset £'000	Total £'000
Cost				
At 1 April 2024	241	623	1,102	1,966
Additions	13	1,704	3,994	5,711
Transfers	-	(7)	-	(7)
At 31 March 2025	**254**	**2,320**	**5,096**	**7,670**
Accumulated depreciation				
At 1 April 2024	164	370	523	1,057
Charge for year	49	198	490	737
At 31 March 2025	213	568	1,013	1,794
Carrying value 31 March 2025	**41**	**1,752**	**4,083**	**5,876**
Cost				
At 1 April 2025	254	2,320	5,096	7,670
Additions	4	19	-	23
Disposals	(189)	(7)	(34)	(230)
Transfers	1	(7)	-	(6)
At 31 March 2026	**70**	**2,325**	**5,062**	**7,457**
Accumulated depreciation				
At 1 April 2025	213	568	1,013	1,794
Charge for year	29	398	714	1,141
Impairment[1]	-	109	237	346
On disposals	(186)	(3)	(11)	(200)
At 31 March 2026	**56**	**1,072**	**1,953**	**3,081**
Carrying value 31 March 2026	**14**	**1,253**	**3,109**	**4,376**

The transfer of £6k is a transfer to intangible assets (see note 10).

[1] The right of use asset and fixtures and fittings relating to two stores were impaired by £346k following an impairment review at the balance sheet date. This has been recognised in the statement of comprehensive income within administrative expenses.

Impairment testing

During the year, the Group has recognised an impairment charge of £346k relating to the store CGUs. This includes £237k against the right of use assets and £109k against the fixtures and fittings in the specific CGUs.

The Group considers each individual store to be a CGU for impairment testing purposes as these are identified as the smallest group of assets for which independent cashflows can be allocated. The value of the CGU is made up from the carrying values of the right of use asset, the fixed assets located within the store, an allocation of central assets and where appropriate the associated lease liability and dilapidations provision. At the balance sheet date, it was noted that stores were weighing on profitability and although they are still in their early stages, this is considered as an indicator of impairment and as such an impairment review was performed.

11 Property, plant and equipment – Group (continued)

The recoverable amount of each store is determined based on their VIU (except for one store which is fair value less cost of disposal – see separately below). The VIU for each store is based on the Group's latest budget and forecast cashflows covering a 3 year period which have regard to historical performance and knowledge of the current market, alongside the Group's views on the future achievable growth. Beyond this period, cashflows are extrapolated using a medium-term growth rate based on management's future expectations. The cashflows for each CGU also include:

- Click & Collect sales given the direct link to the individual CGU
- A central costs allocation based on the support provided to each store by the Head Office
- A marketing recharge on the basis that the store provides a wider benefit to the Group due to them being a mechanism to increase brand awareness and increase revenue on the website
- Ongoing capital expenditure required to maintain the store

The key assumptions used in determining the recoverable amounts were:

- Revenue growth rates - the cashflows beyond the 3 year period covered by the budget are extrapolated using the Group's current view of achievable revenue growth being 5% year on year.
- Pre-tax discount rate - the rate used to discount the forecast cashflows is 11%. This has been determined based on comparable assets in the market.
- Length of cashflow - for leases with a term of 10 years, the length of the cashflows have been aligned with the lease term. For leases with shorter terms, we have considered the forecast profitability of the CGU and the likelihood of extending the lease beyond their initial term.
- Marketing recharge - the marketing benefit of the store has been estimated based on incremental revenue generated on Sosandar.com in the locations where stores are located.

The recoverable amount of one of the stores was based on its fair value less cost of disposal. The fair value is based on level 3 inputs which are management's best estimate based on the expected useful life of assets and prior disposal experience.

Sensitivity analysis

The cash flows used within the impairment model are based on assumptions which are sources of estimation uncertainty and small movements in these assumptions could lead to further impairments. Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in these key assumptions. Based on the sensitivity analysis, a 1% increase/decrease in the discount factor would result in an increase/(decrease) in the impairment charge of £24k/(£5k) respectively. A 1% decrease in the 5% medium term revenue growth rate would result in an increase in the impairment charge of £62k.

12 Non-current assets

Investments in subsidiaries:

	Company	
	2026	**2025**
	£'000	**£'000**
Cost at 1 April	35,682	7,694
Additions during the year	438	27,988
Cost at 31 March	**36,120**	**35,682**
Impairment at 1 April	**(19,771)**	**-**
Impairment	**-**	**(19,771)**
Impairment at 31 March	**(19,771)**	**(19,771)**
Carrying value as at 31 March	**16,349**	**15,911**

The additions during the year are in respect of the share-based payment expense of £438k (2025: £268k) which was issued in the Parent Company on behalf of its subsidiary, Thread 35 Limited and therefore represents a capital contribution during the year. More information can be found in note 18. The further additions in the year ending 31 March 2025 are the reinstatement of the intercompany loan with Thread 35 Limited and its subsequent impairment in the year.

The subsidiaries of Sosandar Plc are as follows:

Subsidiary companies	Incorporation	Holding	Type of share held	**% Holding 2026**	% Holding 2025
Thread 35 Ltd	UK	Direct	Ordinary shares	**100**	100
Sosandar (Europe) Limited	Ireland	Direct	Ordinary shares	**100**	100

The registered office of Thread 35 Limited is 40 Water Lane, Wilmslow, SK9 5AP and the registered office of Sosandar (Europe) Limited is 5th Floor, 40 Mespil Road, Dublin 4, Ireland, D04 C2N4.

There were no other investments held by the Group.

Impairment testing

The Groups investments in its subsidiaries are tested for impairment at the balance sheet date, where indicators of impairment exist. Indicators were identified (share price) at balance sheet date. The recoverable amount of the investment in Thread 35 Ltd as at 31 March 2026 was assessed on the basis of value in use. As a result of this assessment, no impairment was identified.

The key assumptions in the calculations to assess the VIU are the future revenues and the ability to generate future cash flows. The most recent financial results approved by management for the next 5 years are assessed including capital expenditure requirements. Growth assumptions are then applied for year 6 onwards. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the cash-generating unit.

The key assumptions used for the VIU calculation for the year ended 31 March 2026 are disclosed in note 2. Critical accounting judgements and key sources of estimation uncertainty.

13 Inventories – Group

	31 March 2026 £'000	31 March 2025 £'000
Stock – finished goods	9,340	10,461
Right to returned stock	637	629
Total	**9,977**	**11,090**

The cost of inventories charged in the year as an expense equated to £15,232k (2025: £14,067k). Right to returned stock relates to the cost of products sold in the financial year but expected to be returned after the financial period.

14 Loans to and from subsidiaries

	Company	
	2026 £'000	**2025 £'000**
Non-current assets	39	87
Current assets	63	-
Non-current liabilities	-	(918)
Net Asset/(Liability)	**102**	**(831)**

15 Trade and other receivables

	Group		Company	
		Restated[1]		
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Trade receivables[1]	1,615	2,371	-	-
VAT recoverable	-	437	20	437
Other receivables	350	101	-	-
Prepayments	951	504	78	120
Accrued Income[1]	536	422	-	-
Trade and other receivables	**3,452**	**3,835**	**98**	**557**

[1]Accrued income of £422k for the year ended 31 March 2025 has been reclassified from trade receivables into accrued income.

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

Trade receivables are considered past due when they have passed their contracted due date. Trade receivables are assessed for impairment based upon the expected credit losses model. The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure, expected credit losses on a collective basis are grouped based on similar credit risk and aging. The Group does not have any non-current receivables.

15 Trade and other receivables (continued)

Payment is received up front for own channels and periodically in line with payment terms for third-party channels. There are no significant financing components which arise.

At 31 March 2026 there were 5 customers who owed in excess of 80% of the total trade debtor balance. These customers were operating within their credit terms and the directors do not foresee an increased credit risk associated with these customers.

None of the trade receivables have been subject to a significant increase in credit risks since initial recognition and as such no impairment provision has been recognised on trade receivables.

As at 31 March 2026	Current £000's	<1mth £000's	1mth £000's	2mth £000's	3mth £000's	Older £000's	Total £000's
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount	1,513	89	13	-	-	-	1,615
Expected credit loss provision	-	-	-	-	-	-	-
	1,513	**89**	**13**	**-**	**-**	**-**	**1,615**

As at 31 March 2025	Current £000's	<1mth £000's	1mth £000's	2mth £000's	3mth £000's	Older £000's	Total £000's
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount[1]	1,407	819	63	-	64	18	2,371
Expected credit loss provision	-	-	-	-	-	-	-
	1,407	**819**	**63**	**-**	**64**	**18**	**2,371**

[1]Accrued income has been reclassified from trade receivables into accrued income as at 31 March 2025.

No expected credit losses have been recognised in the parent company in either the current or prior year.

16 Cash and cash equivalents

	Group		Company	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Cash at bank	**8,397**	**7,284**	**1,694**	**4,472**

As at reporting date there is a multilateral guarantee given by Sosandar PLC and Thread 35 Ltd to HSBC UK Bank plc dated 18 April 2024.

17 Share capital and reserves

Details of ordinary shares issued are in the table below:

	Ordinary Shares			
	Number of shares issued and fully paid	**Issue Price £**	**Total Share Capital £'000**	**Total Share Premium £'000**
At 31 Mar 2025	248,226,513	0.001	248	52,619
At 31 Mar 2026	**248,226,513**	**0.001**	**248**	**-**

	Treasury Shares	
	Number of shares	**Carrying Amount £'000**
At 31 Mar 2025	-	-
At 31 Mar 2026	**24,822,651**	**1,788**

Share buy-back (treasury shares)

The Company announced the commencement of a share buy-back programme of up to 24,822,651 ordinary shares during the year which was approved in the Annual General Meeting on 18 September 2025. The total number of ordinary shares purchased and held in treasury at 31 March 2026 was 24,822,651 which represents 10% of the Company's ordinary shares. The shares were purchased at an average price of 7.2p per share with prices ranging from 5.7p to 8p per share. The total cost of £1,788k included £9k of transaction costs.

18 Share based payments

Share option plans

The Group has a share ownership compensation scheme for Directors and senior employees of the Group. On 2nd November 2017, share options over ordinary shares of 15.1p were issued. Additionally, on 25th February 2019, share options over ordinary shares of 29.2p were issued. On 21 June 2021, the Group announced the establishment of a new Long Term Incentive Plan in which it granted new nil cost options over ordinary shares of 0.1 pence each to its Executive Directors and members of the Senior Management Team. Some of the existing options granted were modified as part of these arrangements.

On 17 December 2025, the Group awarded new share options totalling 18,171,258 ordinary shares with an exercise price of 7.25 pence to its Executive Directors and Senior Management Team. Some of the existing options granted, totalling 13,291,258 were cancelled as part of these arrangements. The new options are replacements for the cancelled options and are treated as modified under IFRS 2. The total incremental fair value of the new options is £524k, of which £146k related to vested options and was recognised immediately and is included within the FY26 share based payment charge.

18 Share based payments (continued)

The remaining £378k incremental fair value is to be recognised over the vesting period through to FY31.

The options are settled in equity once exercised. If the options remain unexercised for a period after ten years from the date of grant, the options expire.

Details of the number of share options and the weighted average exercise price ("WAEP") outstanding during the period are as follows:

	31 March 2026		**31 March 2025**	
	Number ('000)	**WAEP £**	**Number ('000)**	**WAEP £**
Outstanding at 31 March 2025	**27,761**	**0.035**	**27,761**	**0.035**
Modifications in the year	**-**	**-**	**-**	-
Issuances in the year	**18,171**	**0.073**	-	-
Cancellations in the year	**(13,291)**	**0.038**	-	-
Outstanding at 31 March 2026	**32,641**	**0.055**	**27,761**	**0.035**
Exercisable at 31 March 2026	**18,118**	**0.043**	**18,118**	**0.054**

The options outstanding at 31 March 2026 had a weighted average exercise price of £0.055 and a weighted average remaining contractual life of 6.08 years.

The fair values of options granted prior to 2021 were calculated using the Black Scholes pricing model. The fair values of the options granted in June 2021 and December 2025 were calculated using the Monte Carlo model. The Group used historical data to estimate expected period to exercise, within the valuation model. Expected volatilities of options outstanding granted prior to the Company's admission to AIM were based on implied volatilities of a sample of listed companies based in similar sectors. The risk-free rate for the expected period to exercise of the option was based on the UK gilt yield curve at the time of the grant. The valuation assumes the options are exercised immediately upon vesting.

The Group recognised a charge of £438k (2025: £268k) related to equity-settled share-based payment transactions during the year. Of this, the charge recognised in the subsidiary, Thread 35 Ltd, was £438k (2025: £268k). The in-year charge of £438k includes the accelerated charge of £146k following the modification of the options in year.

18 Share based payments (continued)

The assumptions used in the valuation of the options at the grant date are as follows. There were no new share issues in the year.

	Share options FY26	Share options FY22	Share options FY19	Share options FY18
Exercise price	7.25p	0.0p	29.2p	15.1p
Share price at date of grant	7.25p	23.75p	29.2p	15.1p
Risk-free rate	0.25%	0.25%	0.25%	0.25%
Volatility	54%	42%	25%	25%
Expected Life	10 years	5 years	10 years	10 years
Fair Value	0.04	0.13	0.07	0.05

For options exercisable at year end, the exercise price ranged from 0.0p to 29.2p

19 Trade and other payables

	Group		**Company**	
	2026 £'000	**2025 £'000**	**2026 £'000**	**2025 £'000**
Trade payables	**3,633**	2,850	**24**	21
Accruals	**479**	1,056	**112**	100
Other payables	**566**	555	**3**	-
VAT payable	**685**	842	**-**	-
Contract liabilities	**1,767**	1,681	**-**	-
Deferred income	**111**	112	-	
Trade and other payables	**7,241**	7,096	**139**	121

20 Leases

The Group has property and vehicle lease contracts which are used in its day-to-day operations.

	31 March 2026 £'000	**31 March 2025 £'000**
Lease liability brought forward	3,932	622
Additions	-	3,994
Indirect costs	-	(463)
Finance cost	211	133
Lease payments	(794)	(354)
Disposals	(20)	-
Lease liability recognised in statement of financial position	**3,329**	**3,932**

	31 March 2026 £'000	**31 March 2025 £'000**
Of which		
Current lease liabilities	643	571
Non-current lease liabilities	2,686	3,361
Lease liability recognised in statement of financial position	**3,329**	**3,932**

20 Leases (continued)

In the previous financial year, the Group entered into a further six property leases, of stores, in England. Two properties have terms of five years with a break clause after three years, the remaining four properties have terms of ten years with a break clause after five years.

The lease agreements are in the name of the subsidiary company Thread 35 Ltd. The Company is a guarantor for two property leases with an outstanding liability at 31 March 2026 of £1,238k.

21 Related party transactions

There were no related party transactions in the current year.

22 Financial instruments – risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group's activities expose it to a range of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

These methods include sensitivity analysis in the case of foreign exchange and other price risks, and ageing analysis for credit risk. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular updates from the management team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being cash flow interest rate risk, foreign exchange risk, liquidity risk and capital risk. Further details regarding these policies are set out below:

22 Financial instruments – risk management (continued)

Credit risk

The Group faces low credit risk as own site customers pay for their orders in full on order of the goods. There are credit terms with third-party concession and wholesale customers.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if the Group deem there to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

Losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses. The Group will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, the Group may still choose to pursue enforcement in order to recover the amounts due.

The types of customers that the Group trades with have strong credit ratings and a robust payment history with the Group with no aged balances and as such the Group have not identified any expected credit losses from trade receivables during the period. The Group does not deem credit risk a material risk to the business.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are proactively managed in order to ensure that attractive rates of interest are received for the available funds but without affecting the working capital flexibility the Group requires.

The Group is not at present exposed to cash flow interest rate risk on borrowings as it has no debt. No subsidiary company of the Group is permitted to enter into any borrowing facility or lease agreement without the prior consent of the Company.

Foreign exchange risk

Foreign exchange risk may arise because the Group purchases stock in currencies other than the functional currency.

The Group monitors whether there is a requirement for foreign currency on a monthly basis. The Group considers this policy minimises any unnecessary foreign exchange exposure.

22 Financial instruments – risk management (continued)

Liquidity risk

Liquidity risk arises from the Group's management of working capital; it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The principal obligations of the Group arise in respect of committed expenditure in respect of its stock purchases and design. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its obligations when they become due. To achieve this aim, it seeks to maintain readily available cash balances (or agreed facilities) to meet expected requirements and to raise new equity finance if required for future development or expansion.

The Board receives regular information on cash balances and estimates for the year ahead. The Board will not commit to material expenditure in respect of its ongoing commitments prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes. For cash and cash equivalents, the Group only uses recognised banks with medium to high credit ratings.

The maturity of borrowings and other financial liabilities (representing undiscounted contractual cash-flows) is as follows:

		Group			Company
As at 31 March 2026		**Within 1 year £'000**	**1-2 years £'000**	**Over 2 years £'000**	**Within 1 year £'000**
Trade and other payables	19	7,241	-	-	139
Lease liabilities	20	643	499	2,187	-
Total		**7,884**	**499**	**2,187**	**139**

		Group			Company
As at 31 March 2025		**Within 1 year £'000**	**1-2 years £'000**	**Over 2 years £'000**	**Within 1 year £'000**
Trade and other payables	19	7,096	-	-	121
Lease liabilities	20	571	669	2,692	-
Total		**7,667**	**669**	**2,692**	**121**

22 Financial instruments – risk management

Financial assets

At the reporting date, the Group held the following financial assets, all of which were classified as financial assets at amortised cost:

		Amortised cost Group		Amortised cost Company	
	Note	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents	16	8,397	7,284	1,694	4,472
Trade & other receivables[1]	15	2,501	3,331	20	437
Total		**10,898**	**10,615**	**1,714**	**4,909**

[1] excluding prepayments

Financial liabilities

At the reporting dates, the Group held the following financial liabilities, all of which were classified as other financial liabilities at amortised cost:

		Amortised cost Group		Amortised cost Company	
	Note	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Trade payables	19	3,633	2,850	24	21
Accruals	19	479	1,056	112	100
Other payables[1]	19	566	555	3	-
Contract liabilities	19	1,767	1,681	-	-
Lease liabilities	20	3,329	3,932	-	-
Total		**9,774**	**10,074**	**139**	**121**

[1] excluding VAT

Capital risk

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

23 Net cash

The below table shows the Group's cash position including lease liabilities.

	At 1 April 2025 £'000	Cash flow £'000	Disposals £'000	Interest £'000	At 31 March 2026 £'000
Cash and cash equivalents	7,284	1,113	-	-	8,397
Lease liabilities	(3,932)	794	20	(211)	(3,329)
Net cash (including lease liabilities)	**3,352**	**1,907**	**20**	**(211)**	**5,068**

24 Post balance sheet events

On 29 June 2026, the lease relating to the Bath store was assigned to another retailer and the store was closed. As the assignment was completed after the balance sheet date, the assignment has been treated as a non-adjusting event. At the date of the assignment, the assets and liabilities associated with the lease were the right of use asset and fixtures and fittings with a combined book value of £1.1m, a lease liability of £1.0m and dilapidations provision of £0.1m. The associated assets and liabilities relating to the lease will be disposed of/released in FY27.

25 Contingent liabilities

The Company and Group has no contingent liabilities.

26 Ultimate controlling party

There is no ultimate controlling party of the Group.

COMPANY INFORMATION

Registered office	40 Water Lane Wilmslow Cheshire SK9 5AP
Registered number	05379931, England and Wales
Directors	Nicholas Mustoe – Non-Executive Chairman Alison Hall – Joint CEO Julie Lavington – Joint CEO Stephen Dilks - CFO Adam Reynolds – Non-Executive Director Andrew Booth – Non-Executive Director
Secretary	Stephen Dilks
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Nominated advisor	Strand Hanson 26 Mount Row London W1K 3SQ
Broker	Zeus Capital Limited 82 King Street Manchester M2 4WQ
Registrars	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham GU9 7XX
Solicitors	TLT LLP Eden Building Irwell Street Salford M3 5EN
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