design group

2025

IG Design Group plc

Annual Report and Financial Statements

What's **inside?**

Alternative performance measures (APMs): We use both statutory reported and adjusted measures in our strategic report. Adjusted measures, in management's view, reflect the underlying performance of the business and provide a more meaningful comparison of how the business is managed and measured day-to-day. The definition of adjusted measures is provided in our alternative performance measures section on page 104.

We are Design Group

Some of our key partners

Net cash of

$84.8m

(2024: $95.2m)

Revenue of

$729.3m

with over 1 billion units

Top 20 customers make up

68%

of Group revenue

At a glance

We are all around the world

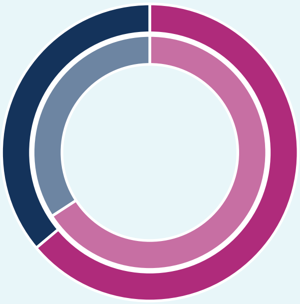
We have over 4,340 customers worldwide[(a)]

We have operations in 5 countries[(a)]

We sell to 70 countries[(a)]

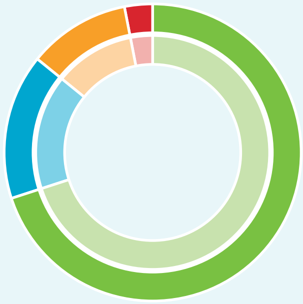
We have 730 employees globally[(a)]

Revenue by customer destination



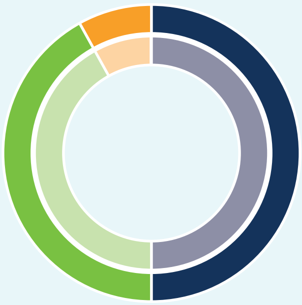
Americas	Rest of World
64%	36%
2024: 66%	2024: 34%

Revenue by customer channel



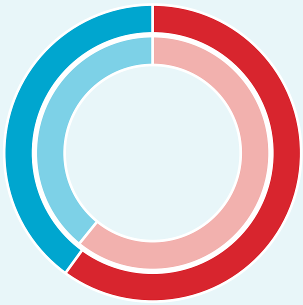
Value & mass	Independents	Specialist	Online
70%	16%	11%	3%
2024: 70%	2024: 16%	2024: 11%	2024: 3%

Revenue by season



Everyday	Christmas	Minor seasons
50%	42%	8%
2024: 50%	2024: 42%	2024: 8%

Revenue by source



Sourced	Manufactured
60%	40%
2024: 61%	2024: 39%

(a) Following the divestment of DG Americas in May 2025.

Investment case

Creating long-term value

1.

We create long-standing partnerships

Our commitment to collaboration and to developing the capabilities needed to succeed together with our stakeholders ensures shared growth and long-term success.

2.

We continuously innovate

Innovation is at the heart of our products, driving the development of new designs and solutions that adapt to evolving market trends.

3.

We are diversified by product and geography

Our broad product portfolio and global presence across 70 countries position us as a one-stop-shop for customers worldwide. This enables us to leverage local expertise, respond to regional trends, and drive growth across multiple markets.

4.

We are environmentally focused

We promote sustainability by reducing our environmental footprint and offering eco-friendly, ethically sourced product solutions that support a greener future.

5.

We have a financially robust balance sheet

Our robust balance sheet and strong net cash position provides reassurance, stability, resilience, and the flexibility to invest in future growth opportunities.

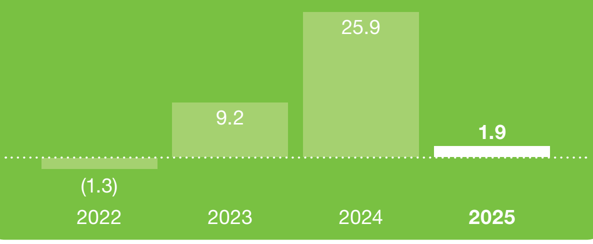
Highlights

Sustained profit growth

Our Target:
Deliver sustained profit growth

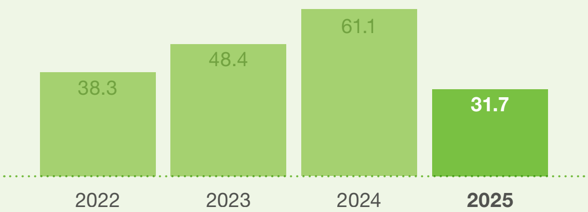
How we are achieving it:
Turnaround through organic growth and acquisitions

How we measure our progress:
Adjusted profit/(loss) before tax[a] ($m) **$1.9m | (93)%**

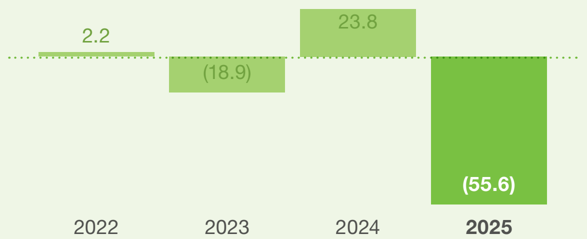


Key performance indicators

Adjusted EBITDA[a] ($m) **$31.7m | (48)%**



Reported profit/(loss) before tax ($m) **$(55.6)m | (333)%**

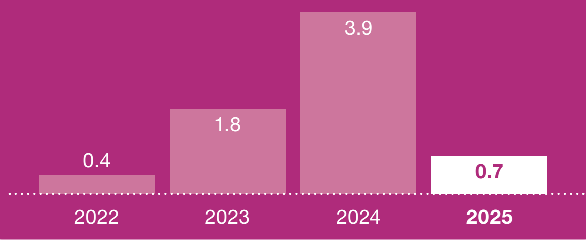


Recover margins

Our Target:
Deliver margin resilience

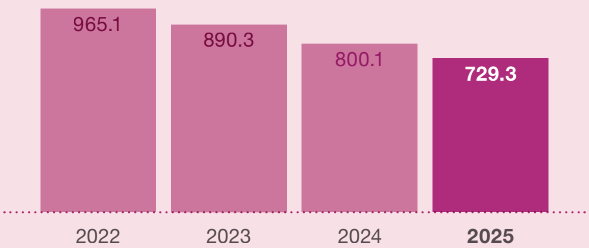
How we are achieving it:
Strengthening our operating model

How we measure our progress:
Adjusted operating margin[a] (%) **0.7% | (3)%**

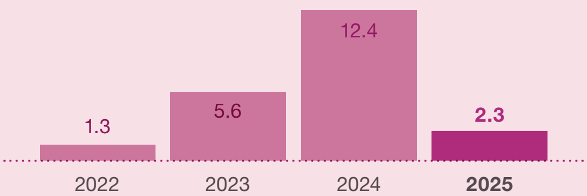


Key performance indicators

Revenue ($m) **$729.3m | (9)%**



Return on capital employed[a] (%) **2.3%**



(a) For definitions please refer to the use of non-GAAP measures (APMs) section in note 1 of the accounts on page 104.

Generate cash

Our Target:

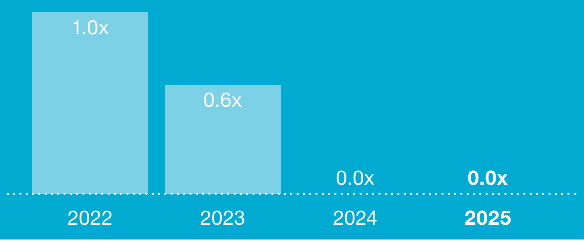
Sustain long-term average leverage below 1.0x

How we are achieving it:

Robust working capital management

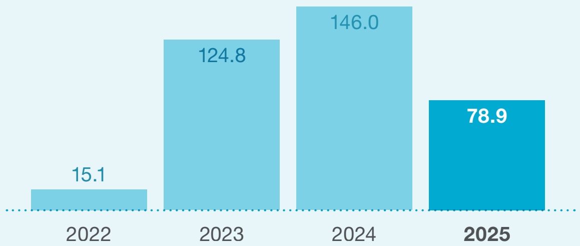
How we measure our progress:

Average leverage[a] **0.0x**

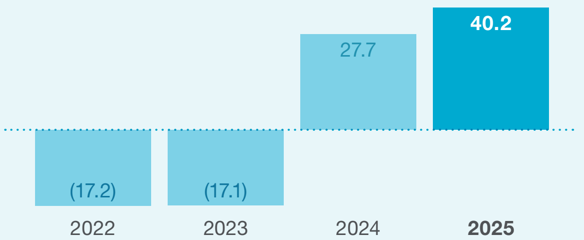


Key performance indicators

Cash conversion[a] (%) **78.9%**



Average bank cash/(debt) ($m) **$40.2m**



Statement from the Chair

Stewart Gilliland
Interim Executive Chair

It has been a challenging year for the Group, particularly for DG Americas, where performance was significantly impacted by a difficult trading environment marked by subdued consumer demand, reduced retailer orders, customer bankruptcies and supply chain disruption. However, the decisive post-period sale of DG Americas has helped us to fortify our overall business model, allowing us to operate a simpler, profitable and cash generative Group. I would like to thank my colleagues for their exceptional commitment during this testing period.

Operating results

The impact of cautious ordering by retail customers was felt by both divisions, but particularly by DG Americas which was affected by the challenging US retail environment, a number of our customers experiencing bankruptcy and now more recently the evolving tariff situation. DG International, though impacted by macro pressures beyond the division's control, remained resilient. Cost savings were also achieved through the planned closure of in-house manufacturing in China which has strengthened DG International's position going forward.

In parallel, the sale of US property has strengthened our cash position, reinforcing the Group's foundations for future growth.

DG Americas

In recent years, we have taken steps to stabilise and strengthen DG Americas in the face of a persistently tough market. A prolonged period of reduced consumer demand led to a decline in order volumes, putting pressure on the business. These pressures were compounded at the end of 2024 by a series of customer bankruptcies, most notably the collapse of the division's fourth largest customer.

In 2025, the situation deteriorated further following the introduction of new US import tariffs, which significantly increased the cost of doing business and added further uncertainty to an already fragile market.

Against this backdrop, the Board concluded that continued ownership of DG Americas was no longer in the best interests of the Company. The disposal marks a decisive step to safeguard the Group's future and reduce exposure to ongoing risk. The Board acted decisively and at pace to protect the wider Group from both further financial exposure at a crucial time in the Group's working capital cycle and also the escalating risks of prolonged underperformance.

DG International

The divestment allows us to focus fully on DG International – a cash-generative business with strong growth potential and a historically stable customer base. Like the rest of the sector, the division was affected by the challenging trading environment, particularly over the Christmas period when, as was widely reported, customer demand was subdued. Certain categories were also more widely impacted by supply chain disruption and higher freight rates.

As with all businesses in these uncertain times, whilst there may be further external challenges, following the disposal of DG Americas, the business is now better positioned to withstand these and pursue growth. With our focus no longer diverted by challenges in North America, we can concentrate fully on strengthening the more streamlined DG International and prioritise revenue generation.

We are now reviewing the Group's strategy to define a clear direction so we can capitalise on the opportunities ahead.

Board

Post-period end, Paul Bal stepped down from his role as CEO, having first joined the business in 2022. I would like to once again thank him for his hard work during his tenure, and his positive contribution continues to be felt, especially in relation to the recent successful divestiture of DG Americas. The search for a new permanent CEO has already begun.

In January we announced the appointment of John Gittins as a Non-Executive Director. John commenced in March and brings with him 20 years of experience within both FTSE and AIM companies. Also in January, Claire Binyon, Non-Executive Director, stepped down from the Board.

Conclusion

Whilst it has been a difficult year for the Group, we are now well placed to focus on the more streamlined, profitable, and cash-generative DG International. With its strong heritage and historically stable relationships with major retailers, the business is set for future growth, and we are committed to seizing the many opportunities that lie ahead.

Stewart Gilliland

Interim Executive Chair

28 July 2025

Our purpose

Making moments **special**

Our key inputs

- **Our people**
  A passionate, skilled, diverse and innovative team
- **Our products**
  Trusted brands and a broad portfolio of products
- **Our relationships**
  Strong and trusted relationships with our customers and suppliers
- **Our financial strength**
  Robust balance sheet

What we do[a]

Innovative product design & development
70 designers, across three countries, producing thousands of designs a year

Responsible sourcing and manufacturing
Over 22,000 SKUs manufactured and sourced annually

Distribution and fulfilment
Delivering over 550 million units annually to customers through optimised channels

Market insight
Using consumer and market analytics to inform our decision making and enhance customer relationships

(a) Figures are presented following the divestment of DG Americas.

Our values underpin all we do

A **passion** for creativity, excellence and innovation

People with integrity and ethics working together

Our vision

There when you create and celebrate your special moments

Our mission

Providing preferred products and solutions through insight, creativity and partnership

Our goals

- Be the partner of choice to our customers and suppliers
- Champion a creative and winning culture
- Deliver consistent returns to our investors

Our product categories:

- **Celebrate**

64%

47%	Gift packaging
10%	Party
7%	Goods not for resale

- **Create**

36%

18%	Craft
5%	Stationery
13%	Homeware

Creating shared value[a]

Shareholders

Long-term growth in dividends and share price

0.0p Dividend for the year ended 31 March 2025

Employees

Training and development, strong teams and relationships

730 Number of direct employees

Customers

Innovative and trusted brands at the best prices across the globe

over 4,340 Number of customers

Environment

Recognising the need to reduce our impact

5,591 Tonnes CO_2 scope 1 and 2 emissions

Communities

Initiatives supporting local communities and national charities

$0.4m Donations raised for charity

(a) Figures are presented following the divestment of DG Americas.

Delivery at **pace** with a customer focus

Responsibility to the **planet** and future generations

Executive review

Stewart Gilliland
Interim Executive Chair

Rohan Cummings
Chief Financial Officer

Overview

FY2025 proved to be a challenging year for the Group, particularly for the DG Americas division. It was largely shaped by the continuing headwind of lower consumer demand in the US market, resulting in an increasingly competitive retail environment where customer orders were reduced, pricing was challenged, and some of our customers struggled. In particular, the bankruptcy of the division's fourth largest customer had a material impact on our results for the year. DG International experienced softness in consumer demand in certain markets, particularly in the Independents channel, as well as pressure on pricing in the competitive retail environment. However, its results were also impacted by specific challenges such as supply chain disruption at one of our major customers in continental Europe. Group revenue for the year was down nearly 9% to $729.3 million (FY2024: $800.1 million). Sea freight rates were elevated, especially at the start of the year, which also weighed on margins. Consequently, adjusted operating profit was significantly reduced to $5.2 million (FY2024: $31.1 million). Adjusted profit before tax at $1.9 million (FY2024: $25.9 million), reflects lower net finance costs from continued strong cash management. The Group ended the year with a strong net cash position of $84.8 million (FY2024: $95.2 million).

The experiences in the US market prompted the commencement of a review in early 2025 of the strategic options for DG Americas. The objective was to restructure the division, remove the more structurally challenged businesses and categories through either sale or closure to retain a less complex, more stable and profitable business. However, the early April 2025 announcement and introduction of a new regime of trade tariffs on imports into the US market created significant additional uncertainty and volatility, particularly due to the reliance on Chinese imports by DG Americas. This immediately impacted future orders, as retail customers exercised caution and awaited more clarity from the US administration. The tariffs further increased the cost and risk of doing business in the US. This resulted in the need for a fast and more radical response given the seasonal working capital requirements of the division and the potential impact on the wider Group. Therefore, on 30 May 2025, the Group announced the sale of the DG Americas division. The remaining Group is now simpler, more profitable and cash-generative, made up of businesses in the UK, continental Europe and Australia.

Board changes

Paul Bal stepped down from his role as CEO, following the successful disposal of DG Americas, with Stewart Gilliland assuming the role of Interim Executive Chair. The search for a replacement is underway and in the meantime Stewart will be supported by the broader executive team. The Board would like to thank Paul for his hard work and commitment to the Group over his tenure.

The Group welcomed John Gittins to the Board as a Non-Executive Director in March 2025. This followed Claire Binyon stepping down in January 2025. Mark Tentori, Senior Independent Director and Audit Committee Chair, will not be seeking re-election as he will be stepping down from the Board at the conclusion of the forthcoming AGM in line with governance best practice, since he has been a member of the Board for over nine years. At this stage, the intent is for John Gittins to take over as Audit Committee Chair and Clare Askem to become Senior Independent Director.

Divestment of DG Americas

The Group successfully delivered the divestment of the DG Americas business at the end of May 2025. The Group received a nominal consideration and will be entitled to 75% of any future net proceeds realised by the buyer, with no ongoing recourse on the Group. The transaction has enabled the Group to exit a structurally challenged and loss-making part of the Group. This constitutes a material change in the Group's revenue (DG Americas being 60% of Group revenue), global physical footprint, and product offering. The timing and nature of the transaction has mitigated further adverse financial and operational impact the Group would otherwise have experienced, and has protected the profitable and cash-generative DG International division and the remainder of the Group.

Outlook and strategy

There are some immediate challenges to address in the current year which include the impact of new tariffs on continued export sales from the UK to the US. There has also been ongoing disruption within a major customer's supply chain network in continental Europe, which is now largely resolved, and continued softness in the Australian consumer market. The Group is therefore targeting revenue in FY2026 of $270-280 million, with an adjusted operating margin of 3-4%. Beyond this, the Group is targeting low single digit revenue growth and an improvement in adjusted operating margin to 4-5%. The Group expects to maintain cash in excess of $40 million, which will increase in line with profits. The Board remains encouraged by the orderbook representing 87% of FY2026 budgeted revenues (81% at this stage last year). For completeness, two months of DG Americas' trading will be included in the Group results for the year, alongside transaction costs, and further non-cash impairment and/or loss on disposal of these operations.

Looking ahead, the Group continues with its businesses in the UK, continental Europe and Australia. These businesses have less complex models, and a strong heritage that benefits from long-established and stable relationships with the major retailers. DG International combines well-structured product ranges with a strong focus on design and innovation, supported by a geographically diverse market footprint, trading with over 70 countries.

A greater focus of resources will support the continuing businesses to achieve sustainable growth in revenue, profits and margins over the coming years, especially looking to under-served categories and channels across its markets. This focus on growing the core of the business, along with financial discipline, will allow the Group to deliver consistently on its targets. The Group has a strong balance sheet, with an average cash position maintained throughout the year, despite typical seasonal working capital fluctuations. Taken together, these improved attributes form a powerful strategic and operational combination. Therefore, the Group will start to generate cash and return to creating value.

Capital allocation remains focused on supporting organic growth, complemented by selective investment in strategic opportunities. While the Board does not recommend a dividend for FY2025, shareholder distributions will continue to be kept under review in line with the Group's performance and capital needs.

Summary FY2025 results

Group revenue declined by nearly 9%, with both the DG Americas and DG International divisions impacted by the softer consumer demand and therefore cautious ordering by our retail customers. DG Americas' revenue declined by 12%, and the segment reported an adjusted operating loss, primarily driven by the lower volumes exacerbated by customer bankruptcies.

DG International proved more resilient, with revenue down 3% and adjusted operating margins of 10% (FY2024: 11%) despite being impacted by higher freight costs and competitive pricing pressures. The closure of inefficient manufacturing in China was executed as planned, delivering cost savings in H2, and will contribute improved profitability in DG International in the future. Despite some near-term pressures, the Group remains focused on profitable growth through unlocking opportunities in under-served product categories and channels across its markets.

Adjusting items, as they relate to profit before tax, totalled $57.5 million for the year (FY2024: $2.1 million), primarily driven by the recognition of a non-cash impairment of $54.2 million relating to DG Americas' assets. The remainder largely relates to integration and restructuring costs, including those associated with the closure of the manufacturing facility in China. Whilst these items have impacted reported results, they are non-recurring in nature and have therefore been classified as adjusting items.

The Group ended the year with a net cash balance of $84.8 million (FY2024: $95.2 million), reflecting a $10.4 million year-on-year decrease. This reduction was primarily driven by reduced profitability and by working capital, particularly within DG International, partially offset by proceeds from the sale of a distribution facility in DG Americas as part of the division's site consolidation project.

Executive review continued

Summary FY2025 results continued

Despite the typical seasonal working capital fluctuations, the Group maintained a higher average cash position throughout the year, demonstrating continued financial discipline and effective cash flow management.

Although the Group seeks to return to profitable sales growth, in the face of increased macroeconomic and geopolitical uncertainty, the Board is not recommending a dividend in respect of the year ended 31 March 2025.

Regional highlights

Group revenue declined by 9%, with adjusted operating profit down at $5.2 million (FY2024: $31.1 million), predominantly driven by the decline in DG Americas. The split between the DG Americas and DG International divisions is as follows:

	Revenue			Adjusted operating profit/ (loss)			Adjusted operating margin	
Segments	FY2025 $m	FY2024 $m	Change %	FY2025 $m	FY2024 $m	Change %	FY2025 %	FY2024 %
DG Americas	**439.5**	500.3	(12.1)	**(15.5)**	6.8	(328.9)	**(3.5)**	1.4
DG International	**289.8**	299.8	(3.3)	**28.1**	32.3	(12.7)	**9.7**	10.8
Eliminations/Central costs	**–**	–		**(7.4)**	(8.0)			
Total	**729.3**	800.1	(8.8)	**5.2**	31.1	(83.2)	**0.7**	3.9

Design Group Americas

DG Americas, which accounts for 60% of the Group's revenue, declined by 12% to $439.5 million (FY2024: $500.3 million), reflecting a continuation of a very challenging market. The revenue decline was driven by a competitive US retail environment, whereby more cautious consumer spending prompted retail customers to further reduce order volumes and seek better pricing. Resulting retail customer bankruptcies further impacted sales, with the most notable being the division's fourth largest customer entering Chapter 11 protection and then liquidation during the year. Insolvencies among US retailers accounted for approximately 20% of the DG Americas revenue decline.
DG Americas took a disciplined approach to credit risk maintained throughout the year, carefully balancing commercial opportunities with prudent exposure management to higher-risk accounts. While DG Americas did secure new business wins during the year, these were not sufficient to fully offset the lost revenue. The revenue decline affected all product categories given the discretionary nature of many of these. Gift packaging and stationery were particularly affected, with consumers prioritising essential spending in a more cautious economic and geopolitical climate, particularly in the run-up to and beyond the November 2024 US presidential elections. Encouragingly, online sales grew, reflecting some early success in our strategic focus on expanding our e-commerce capabilities.

The decline in revenue driven by market softness, coupled with the consequences of retail customer bankruptcies, especially where it involved inventory on consignment, had a significant impact on the year's profitability, resulting in an adjusted operating loss of $15.5 million (FY2024: $6.8 million profit). Profitability was further impacted by rising raw material, manufacturing, and freight costs, which could not be fully offset through pricing due to challenging market conditions. The reduction in sales further reduced operating leverage and overhead recovery, also hitting margins. Turnaround initiatives were taken to mitigate these impacts, including a $7.0 million reduction in staff costs following two restructuring initiatives. Ongoing site consolidation progressed, with the sale of a surplus distribution facility, generating proceeds of $8.4 million and a related profit of $4.9 million, recognised within adjusting items. In addition, good working capital management continued, with value unlocked through tighter inventory and receivables management, supporting cash flow through better efficiency and greater discipline.

Design Group International

DG International represents 40% of the Group's revenue, generating $289.8 million this year (FY2024: $299.8 million), a 3% decline, reflecting a combination of challenging consumer and trading conditions across certain markets. The trading environment was particularly difficult during the critical Christmas period in the UK and Australia, with the division's overall seasonal sales down 6% year-on-year.

Greetings cards and party ranges within our Celebrate category were hardest hit as consumer demand for more discretionary purchases was subdued. In the latter part of the year, the Homeware category sales were impacted, falling by 5%, driven by supply chain disruption at one of our major customers in continental Europe, which limited their ability to replenish stock and place new orders. The Value & Mass channel, which accounts for 74% of segment revenues, declined by $10.0 million due to these factors, as well as ongoing competition, especially as softer consumer demand results in more cautious ordering by our retail customers. The Independents channel in the UK and Australia also struggled reflecting the ongoing lower consumer demand.

Adjusted operating profit was $28.1 million (FY2024: $32.3 million), down 13%, with the adjusted operating margin softening to 9.7% (FY2024: 10.8%). Profitability was most notably impacted by significantly higher freight rates between the Far East and Europe, particularly in the first half of the year due to the Middle East crisis, which significantly increased the cost of goods. In addition to lower sales volumes, competitive pressures in several markets led to reduced pricing to maintain volume and customer relationships.

As disclosed last year, the strategic decision to exit inefficient manufacturing in China was implemented as planned during the year, with the second half of the year benefitting from the elimination of associated operating costs, avoiding the usual seasonal losses and supporting improved profitability in line with expectations.

The DG International division consumed cash in the year due to working capital outflows. This was primarily due to logistics challenges at a major retail partner delayed shipments in H2 and led to increased inventory levels, compounded by unusually low stock levels at March 2024 following earlier freight-related disruptions.

Looking ahead, while the external environment remains uncertain, the DG International team is taking decisive actions to adapt, focusing on driving growth through widening and deepening retailer partnerships, improving cost efficiency, and enhancing product and channel strategies. These efforts position the segment for long-term recovery and sustainable growth when markets begin to stabilise and recover. Furthermore, under-served categories and channels are under review as opportunities for growth.

Our products, brands and channels

The Group is well-positioned to be the partner of choice for our retail customers providing a diverse, yet complementary, product portfolio. As regulatory and societal requirements become more onerous, we believe that we are best placed to reliably service an increasingly complex marketplace for our product categories. Last year, we restructured our assortment to better reflect our strategic direction, centred around two key themes: ‘Celebrate’ and ‘Create’. This redefinition, aligned with changes to our organisational structures, enhances our ability to focus on commercial and competitive opportunities. Each theme is further divided into three distinct product categories, ensuring clarity and alignment within our business. This is set out in the table below:

Revenue by product category	FY2025		FY2024[a]		Change %
Gift packaging	**47%**	**$343.0m**	46%	$364.5m	(6)%
Party	**10%**	**$69.6m**	11%	$85.8m	(19)%
Goods not for resale	**7%**	**$54.1m**	7%	$59.3m	(9)%
Celebrate	**64%**	**$466.7m**	64%	$509.6m	(8)%
Craft	**18%**	**$130.6m**	18%	$142.1m	(8)%
Stationery	**5%**	**$38.3m**	6%	$48.0m	(20)%
Homeware	**13%**	**$93.7m**	12%	$100.4m	(7)%
Create	**36%**	**$262.6m**	36%	$290.5m	(10)%
Total		**$729.3m**		$800.1m	(9)%

(a) Following the redefinition of product categories, updates have been applied across local systems, resulting in some restatements of prior year figures as presented above.

The Group’s total revenue declined by 9%, with the downturn being broad-based and impacting all categories. All categories maintained their relative share of total revenue, suggesting consistent consumer behaviour patterns. Gift packaging remains the Group’s largest product category, representing 47% of the Group’s portfolio. It demonstrated relative resilience, with revenue declining by 6% year-on-year. Notably, within this category, giftwrap revenue held steady, highlighting the continued focus on our core manufactured product category. The Stationery and Party categories experienced the steepest declines, with revenue falling by 20% and 19% respectively, along with a reduction in their share of the portfolio. These declines reflect reduced consumer discretionary spending across all markets. Craft maintained its 18% share of revenue, with an 8% decrease aligning with the Group’s overall performance. Within Craft, whilst general craft and activity ranges saw softer demand, this was partially offset by some growth in sewing patterns. Homeware increased its share of the portfolio, despite a 7% decline in revenue that was primarily due to the supply chain disruption in the continental Europe market.

Executive review continued

Our products, brands and channels continued

Revenue by customer channel	FY2025		FY2024		Change %
Value & Mass	**70%**	**$513.8m**	70%	$559.7m	(8)%
Independents	**16%**	**$116.3m**	16%	$130.7m	(11)%
Specialists	**11%**	**$76.5m**	11%	$88.5m	(14)%
Online	**3%**	**$22.7m**	3%	$21.2m	7%
Total		**$729.3m**		$800.1m	(9)%

The customer channel mix remained consistent year-on-year, with the revenue decline impacting most channels. Value & Mass and Independents continued to dominate the revenue base, making up 86% of total revenue. Value & Mass was particularly impacted by customers reducing order sizes as a result of softer consumer demand, as well as heightened competition amongst retailers. The Independents channel faced weaker demand across most markets and categories, particularly in Australia. Notably, Online was the only channel to grow, up 7%, reflecting both the continued momentum in many digital commerce platforms as well as our strategic focus on this channel as a source for future growth.

Revenue by season	FY2025		FY2024		Change %
Everyday	**50%**	**$364.7m**	50%	$396.9m	(8)%
Christmas	**42%**	**$307.5m**	42%	$337.2m	(9)%
Minor seasons	**8%**	**$57.1m**	8%	$66.0m	(13)%
Total		**$729.3m**		$800.1m	(9)%

Seasonality patterns remain unchanged, with Christmas continuing to be a key trading period. Softer demand affected order volumes throughout the year.

Revenue by brand	FY2025		FY2024		Change %
Customer own brand/bespoke	**49%**	**$357.7m**	51%	$407.7m	(12)%
DG brand	**38%**	**$280.5m**	38%	$307.1m	(9)%
Licensed	**13%**	**$91.1m**	11%	$85.3m	7%
Total		**$729.3m**		$800.1m	(9)%

Our brand revenue mix reflects deliberate strategic execution to drive long-term value growth. DG branded products maintained their 38% share of total revenue, highlighting consistent performance and our ongoing work to enhance segmentation and market relevance. Licensed revenue increased in share, with revenue up 7%, demonstrating the success of our strategy to increase category value through targeted licensed offerings that enhance consumer appeal. We extended our relationships in this area, in some cases through collaborations with our larger customers. Customer own brand/bespoke declined by 12% as we continue to re-balance our portfolio towards higher margin, strategically aligned segments.

Sustainability

Design Group's sustainability approach, 'Helping Design a Better Future', continues to guide our strategic approach across three core pillars: People, Product, and Planet. Sustainability is embedded throughout our operations from product innovation and ethical sourcing to supply chain management and corporate governance, as we aim to drive positive environmental and social impact while enhancing our business resilience.

Over the past year we have continued in line with this approach, our key sustainability performance indicators (KPIs) and progress against them are detailed in the FY2025 sustainability report. These metrics reflect our commitment to tracking our performance, driving accountability, and aligning our efforts with stakeholder expectations and regulatory requirements.

We recognise that sustainability is an ongoing journey. While we are proud of the progress we have made, our next priority is to accelerate the development of clear, measurable targets that will guide our long-term goals and commitments. Through transparency and a commitment to continuous improvement, we remain focused on integrating sustainability meaningfully across our business.

People

Our people are at the core of our business and are key to our success. As a global organisation, our ability to attract, retain and develop skilled and engaged employees is fundamental to delivering creativity, innovation, operational excellence and sustainable growth. This year we experienced a voluntary turnover rate of 14%, continuing a three-year downward trend that reflects the strength of our employee experience and workplace culture. We remain committed to creating an inclusive, safe, and empowering environment where individuals feel safe, valued, supported and developed. This year's global engagement survey, with a 78% participation rate, provided valuable insight into employee sentiment which was strong across the Group. The survey also highlighted opportunities where we can continue to improve as an employer, for which tailored action plans are being implemented across all business units. The roll-out of LinkedIn Learning globally has equipped our teams with flexible, development tools, promoting a culture of continuous learning essential for adaptability in a rapidly evolving market.

We believe that investing in our people is not only the right thing to do, but also essential to unlocking further innovation, building resilience and delivering shareholder value. These people-focused achievements support our broader growth strategy by enhancing engagement, retention and organisational capability whilst also helping us attract talent for the future.

Product

Our products are central to our value proposition, and how we design, produce, source, and package them has a direct impact on our environmental footprint and reputation. As a business rooted in creativity and manufacturing, product innovation remains central to our sustainability impact. We are proud to be offering sustainable product ranges and packaging at a time when long-term environmental responsibility remains essential, especially amongst our smaller, remaining customer base, even amid shifting global sentiment and priorities. With nearly half of our revenue coming from single-use products, there is a key opportunity for us to support the transition to a circular economy where our products are made from recycled materials and designed to be reused or recycled at the end of their life. This year we expanded our Smartwrap™ plastic-free giftwrap solution across additional markets, including the UK and the US. Smartwrap™ sales in FY2025 have grown over 300% and contribute to a saving of over 91 tonnes of plastic in the year, whilst delivering a high-quality product with strong commercial appeal. Our product sustainability strategy focuses on reducing single-use plastics and improving recyclability. In FY2025, 68% of single-use products and 76% of packaging were fully recyclable, supported by continued investment in eco-design and material innovation. Despite the fall in Group revenue, the percentage of recyclable product ranges and packaging remained in line or marginally improved on prior year, showing that we remain focused on the sustainability of our single-use items and packaging.

Our commitment to sustainability is highlighted by targeted capital investment in sustainable solutions, and we remain committed to continuing this approach to further localise production, expand our portfolio of eco-friendly products, and reduce carbon emissions across our value chain, all while closely aligning with our customers' evolving sustainability priorities.

Planet

As a company with manufacturing operations and a global supply chain, we are aware of our environmental footprint and the risks associated with climate change. Our environmental strategy continues to progress, with improvements in emissions reduction, waste minimisation, and climate-related risk analysis. Operationally, waste to landfill was reduced to 31%, supported by strong zero waste to landfill policies in our UK and European manufacturing sites. Furthermore, solar installations in Mexico and local manufacturing investments further illustrate our commitment to reducing greenhouse gas emissions. The roll-out of the Group-wide ESG platform last year enabled the reporting of Scope 1 and 2 emissions. The next project initiated by the Sustainability Forum is the measurement of Scope 3 emissions in preparation for setting Science-Based Targets in the coming year which align with stakeholder expectations.

Executive review continued

Detailed financial review

The Group's financial results are summarised below, setting out both the reported and the adjusted results.

	FY2025			FY2024		
	Reported $m	Adjusting items $m	Adjusted $m	Reported $m	Adjusting items $m	Adjusted $m
Revenue	729.3	—	729.3	800.1	—	800.1
Gross profit	100.9	6.0	106.9	141.6	0.5	142.1
Overheads	(154.5)	52.8	(101.7)	(112.6)	1.6	(111.0)
Operating (loss)/profit	(53.6)	58.8	5.2	29.0	2.1	31.1
Net finance costs	(2.0)	(1.3)	(3.3)	(5.2)	—	(5.2)
(Loss)/profit before tax	(55.6)	57.5	1.9	23.8	2.1	25.9
Tax	(43.7)	37.2	(6.5)	13.3	(21.8)	(8.5)
(Loss)/profit after tax	(99.3)	94.7	(4.6)	37.1	(19.7)	17.4

	FY2025 Reported $m	FY2025 Adjusting items $m	FY2025 Adjusted $m	FY2024 Reported $m	FY2024 Adjusting items $m	FY2024 Adjusted $m
Operating (loss)/profit	(53.6)	58.8	5.2	29.0	2.1	31.1
Goodwill impairment	48.7	(48.7)	—	—	—	—
Depreciation and impairment of PPE and software	17.6	(6.2)	11.4	13.5	—	13.5
Depreciation and impairment of right-of-use assets	16.3	(1.2)	15.1	16.0	0.5	16.5
Amortisation of acquired intangibles	1.8	(1.8)	—	1.8	(1.8)	—
EBITDA	30.8	0.9	31.7	60.3	0.8	61.1
Diluted (loss)/earnings per share	(104.6)c	99.0c	(5.6)c	36.6c	(20.3)c	16.3c

Revenue for the year ended 31 March 2025 declined by 9% to $729.3 million (FY2024: $800.1 million), reflecting the continued impact of macroeconomic headwinds on consumer behaviour and an increasingly competitive retail landscape across key markets. Both the DG Americas and DG International divisions experienced revenue declines, with the reduction more pronounced in DG Americas, where the same underlying challenges were felt more acutely.
DG Americas revenue declined by 12%, driven by the loss of customer accounts, weaker consumer demand, and further compounded by customer bankruptcies during the year. DG International revenue declined by 3%, or 5% on a constant currency basis, with foreign exchange movements partially offsetting the underlying drop. The decline in DG International was primarily driven by heightened competitive pressures, which led to lost business where pricing was unsustainable, or margin compression where pricing was maintained to preserve key customer relationships. Reduced consumer demand and supply chain disruptions at a major customer also contributed to lower order volumes.

Adjusted gross margin decreased to 14.7% (FY2024: 17.8%) partly due to higher freight costs associated with the Red Sea disruptions, particularly during the first half of the year. Additionally, reduced operating leverage in DG Americas due to lower manufacturing volumes adversely impacted margins. A highly competitive retail environment also pressured pricing and margins across the Group. These challenges offset the benefits of cost-saving measures executed during the year, such as restructuring initiatives.
These cost-saving initiatives resulted in improved adjusted overheads year-over-year. Consequently, the adjusted operating profit declined to $5.2 million (FY2024: $31.1 million) in the year, with adjusted operating margin falling to 1% (FY2024: 4%). This decline reflects the combined impact of the factors discussed above, as well as customer bankruptcies, which not only reduced sales and margins but also reduced profitability through higher inventory write-downs and debtor provisions.

Adjusted net finance costs decreased to $3.3 million (FY2024: $5.2 million), benefitting from a stronger average net cash position throughout the year.

Adjusted profit before tax was $1.9 million (FY2024: $25.9 million) with the decline largely reflecting the combined pressures on gross margin and operating profitability. The Group recorded a reported loss before tax of $55.6 million (FY2024: profit before tax of $23.8 million). This result includes adjusting items of $57.5 million (FY2024: $2.1 million) which are primarily due to the non-cash write-down of DG Americas' assets.

The Group reported an adjusted loss after tax of $4.6 million (FY2024: profit after tax of $17.4 million), with the reported loss after tax for the year at $99.3 million (FY2024: profit after tax at $37.1 million), reflecting the adjusting item relating to the derecognition of deferred tax assets in DG Americas.

Adjusting items

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

The Group's adjusting items in the year to 31 March 2025 is a net charge before tax of $57.5 million (FY2024: $2.1 million). The details of adjusting items are included below:

	FY2025 $m	FY2024 $m
Impairment of assets	(54.2)	—
Integration and restructuring cost	(6.4)	(0.3)
Release of provisions for pre-acquisition duties	4.9	—
Amortisation of acquired intangibles	(1.8)	(1.8)
Total	**(57.5)**	(2.1)

An impairment charge of $54.2 million (FY2024: $nil) was recognised in the year, comprising $48.7 million against goodwill arising from the acquisition of DG Americas, $1.7 million relating to intangible assets, and $3.8 million in plant and machinery. The impairment was triggered by the Chapter 11 bankruptcy of DG Americas' fourth-largest customer, alongside a broader deterioration in the business's trading performance. In response, the Group revised its long-term cash flow forecasts for DG Americas to reflect the expected impact on future performance. Following this, the recoverable amount was assessed using a fair value less costs to sell (FVLCTS) approach. This resulted in a write-down of assets to their revised recoverable value. Further detail is provided in note 9 of the consolidated accounts.

During FY2025, the Group incurred $6.4 million (FY2024: $0.3 million) in integration and restructuring costs, reflecting initiatives aimed at delivering operational efficiencies across multiple geographies. These costs were primarily associated with post-acquisition integration, site rationalisation, and organisational restructuring. In DG Americas, restructuring activities included workforce alignment, the consolidation of warehousing operations, lease-related adjustments, and efforts to simplify the legal entity structure. This business also completed the sale of a surplus distribution facility, delivering a profit on disposal. We also progressed the closure of the Huizhou manufacturing facility, incurring costs associated with severance, asset write-downs, and site security during the wind-down period.

In addition, reorganisation efforts in DG UK and its Far East sourcing offices incurred costs associated with operational consolidation and the preparation of a legacy site for sale. Integration and restructuring costs also include the relocation of DG Australia's warehouse operations, which gave rise to transition-related expenses and temporary dual-site running costs.

Separately, $0.4 million was paid to settle a historic DG Americas foreign subsidiary customs matter, with the remaining $4.9 million provision released following regulatory closure.

A further $1.8 million (FY2024: $1.8 million) was recognised for amortisation of acquired intangible assets, excluded from adjusted results due to their non-trading nature.

Please see Use of non-GAAP measures (APMs) section in note 1 of the accounts for further details.

Taxation

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

The Group's adjusted tax charge for the year is $6.5 million (FY2024: $8.5 million) against an adjusted profit before tax of $1.9 million (FY2024: $25.9 million). This equates to an adjusted effective tax rate of 338.3% (FY2024: 32.9%). Deferred tax assets relating to the entities in the UK (both UK trading and PLC) and DG Americas are not being recognised due to the lack of sufficient compelling evidence to suggest their recognition currently.

Consequently, the absence of tax relief on current year tax losses in the US, inflates the adjusted effective tax charge for the Group. The profits in DG Europe and DG Australia, which are considerable contributors to adjusted profit before tax are taxed 25.8% and 30% respectively. Further details of this tax charge are set out in note 7 of the accounts.

The taxation charge included in adjusting items of $37.2 million mainly relates to the derecognition of deferred tax assets in DG Americas on the basis that there is insufficient evidence to support future utilisation.

Tax paid in the year was $9.6 million (FY2024: $5.2 million). This is $4.4 million higher than the prior year, reflecting temporary payment timing differences. Had this timing difference not occurred, the payments would have been lower than the prior year, reflective of profits in the Group's tax-paying jurisdictions against the previous year.

Earnings per share

Diluted adjusted loss per share at 5.6 cents (FY2024: earnings per share at 16.3 cents) is lower year-on-year driven by the decline in profit after tax. Diluted loss per share at 104.6 cents (FY2024: earnings per share at 36.6 cents) significantly declined, reflective of the DG Americas' impairment, coupled with weaker underlying performance and higher tax charge. Further details are set out in note 21 of the accounts.

Dividend

Although the Group seeks to return to more profitable sales growth, in the face of increased macroeconomic and geopolitical uncertainty, the Board is not recommending a dividend in respect of the year ended 31 March 2025.

Executive review continued

Return on capital employed

Maximising return on capital employed remains a focus point across all business units. In FY2025, adjusted return on capital employed declined to 2.3% (FY2024: 12.4%), primarily reflecting the reduction in profitability over the year. Whilst we continued to focus on managing working capital and improving capital efficiency, these improvements were not sufficient to offset the impact of lower earnings. We remain committed to enhancing capital returns through operational efficiency.

Cash flow and net cash

The Group ended the year with a net cash balance of $84.8 million (FY2024: $95.2 million), representing a year-on-year decrease of $10.4 million. This reduction was primarily driven by lower profitability, increased working capital requirements, and higher integration and restructuring costs (reported as adjusting items), which together significantly reduced cash generated from operations. While tax payments were higher, this was partially offset by lower interest and lease payments. In addition, proceeds from a property sale and a reduction in capital expenditure also contributed positively to the year-end cash position.

Cash flow	FY2025 $m	FY2024 $m
Adjusted EBITDA	31.7	61.1
Add back for share-based payment charge	0.9	1.5
Movements in working capital	(7.6)	26.7
Adjusted cash generated from operations	25.0	89.3
Adjusting items within cash generated from operations	(8.8)	(1.9)
Cash generated from operations	16.2	87.4
Adjusting items within investing and financing activities	8.6	—
Capital expenditure (net of disposals of property, plant and equipment)	(6.5)	(9.9)
Acquisition of business	—	(0.5)
Tax paid	(9.6)	(5.2)
Interest paid	(2.6)	(4.5)
Lease liabilities principal repayments	(16.7)	(18.4)
Dividends paid (including those paid to non-controlling interests)	(0.7)	—
Purchase of own shares	—	(3.5)
FX and other	0.9	(0.7)
Movement in net cash	(10.4)	44.7
Opening net cash	95.2	50.5
Closing net cash	84.8	95.2

Working capital

There was a working capital absorption of $7.6 million in the year compared to the significant release achieved in the prior year. This adverse result was primarily attributable to the European operations, where a key retail partner experienced supply chain disruptions in the latter part of the year. These disruptions led to reduced sales call-offs and consequently increased inventory levels. This was further compounded by unusually low stock levels at March 2024, as buffer inventory had been drawn down earlier in the year to address freight-related disruptions. The negative impact from Europe offset progress made in improving working capital efficiency across the rest of DG International and DG Americas.

The Group continues to take a disciplined approach to credit risk management, with active monitoring of debtors and customer credit profiles. Despite the challenging trading environment and high number of customer insolvencies in the year, particularly in the US, doubtful debt write-offs remained low at 0.4% of revenue (FY2024: 0.2%), reflecting the effectiveness of our ongoing efforts to mitigate credit risk.

Capital expenditure

Capital expenditure of $6.5 million was lower than the prior year (FY2024: $9.9 million), driven by lower levels of investment in DG Americas, coupled with high levels of site consolidation spend in previous years.

Average leverage

Average leverage remains a key metric for the Group, reflecting the seasonality of working capital requirements and the importance of maintaining adequate headroom within our banking facilities during peak funding periods. As at 31 March 2025, average leverage was 0.0 times (FY2024: 0.0 times), supported by an average net cash position of $40.2 million over the year, up from $27.7 million in FY2024.

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

Banking facilities

During the year, the $125 million Asset Backed Lending (ABL) facility with HSBC and NatWest was supplemented by an agreement to extend its maturity to June 2027 at reduced maximum level of $100 million. This facility was cancelled on 30 May 2025, following the disposal of DG Americas. On 11 July 2025, the Group entered into a new Receivable Finance Facility with the same banks. This £40 million facility has an initial minimum period of 36 months and provides funding based on a borrowing base linked to eligible receivables across participating Group companies. The facility does not include financial ratio covenants but is subject to certain operational covenants.

Further details are set out in note 15 of the accounts.

Foreign exchange exposure management

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

Translational FX exposure – The Group's reporting currency is US dollars and the translation exposure is the result of the requirement for the Group to report its results in one currency. This necessitates the translation of our regional business units' local currency financial results into the Group's adopted reported currency. To aid comparability between periods, constant currency figures are provided by retranslating the prior year's results using current year exchange rates.

In FY2025, currency movements had a modest favourable impact. On a constant currency basis, the revenue decline would have been $3.8 million higher, and the decline in adjusted profit before tax would have been $0.6 million greater, had FY2024 results been translated at FY2025 rates.

Transactional FX exposure – This FX exposure is managed carefully by the Group as it can result in additional cash outflows if not managed appropriately. In response to this risk the Group adopts an active hedging policy to ensure foreign exchange movements remain mitigated as far as possible. In addition, a reasonable proportion of this hedging is achieved through natural hedges whereby our purchases and sales in US dollars are offset. The balance of our hedging is achieved through forward exchange contracts and similar derivatives.

Financial position and going concern basis

The Group's net assets decreased by $99.3 million to $270.2 million at 31 March 2025 (FY2024: $369.5 million). The Directors have continued to pay close attention to their assessment of going concern in preparation of these financial statements. The Group is appropriately capitalised at the year end with a net cash position of $84.8 million.

The Directors of the Group have performed an assessment of the overall position and future forecasts for the purposes of going concern. The going concern assessment has been performed using the Group's FY2026 and FY2027 budgets and plans. These forecasts have been reviewed in detail by the Board and take into account the seasonal working capital cycle of the business. They have been sensitised to reflect severe but plausible adverse downturns in the current assumptions including the potential impact of the loss of a significant portion of the business with one of our major customers, as well as a recurrence of previous freight rate inflation or a cyber-attack, beyond those risks already factored into the budgets and plans.

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

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

Non-adjusting post balance sheet events

On 30 May 2025, the Group completed the disposal of its wholly owned subsidiary, Design Group Americas, Inc., the holding company of the Group's US division, to HUK 168 Limited, a special purpose vehicle owned by the Hilco Capital group. Under the terms of the share purchase agreement, the Group received a nominal consideration and will be entitled to 75% of any future net proceeds realised by the buyer from a sale or realisation of DG Americas or its assets, after agreed deductions and to the extent such proceeds are not retained for DG Americas' working capital purposes. The Buyer will retain the remaining 25% of any such proceeds. There is no ongoing recourse on the Group, and no certainty that any further proceeds will be received.

The disposal enabled the Group to exit a structurally challenged and loss-making part of the business ahead of its seasonal peak working capital cycle. It simplified operations and allowed management to refocus on stronger-performing markets in the UK, continental Europe, and Australia.

On 11 July 2025, the Group secured a new three-year receivables finance facility of £40 million, supported up by the UK and Netherlands receivables. The facility provides committed funding to support the Group's ongoing working capital requirements and replaces the previous ABL facility, which was terminated following the completion of the DG Americas disposal.

Rohan Cummings
Director

28 July 2025

Our **strategy**

During the year progress was made in delivering the Group strategy articulated on the following page, as evidenced by the strategy in action case studies.

However, there were a number of macroeconomic factors which resulted in the strategic review of the DG Americas business.

Following the successful divestment of the DG Americas business at the end of May 2025, the Group has exited a structurally challenged and loss-making part of the Group. The timing and nature of the transaction has mitigated further financial and operational impact the Group would otherwise have experienced and has protected the profitable and cash-generative DG International division of the Group.

Looking ahead, the Group continues with its businesses in the UK, continental Europe and Australia. These businesses have less complex models, and a strong heritage that benefits from long-established and stable relationships with the major retailers. DG International combines well-structured product ranges with a strong focus on design and innovation, supported by a geographically diverse market footprint, trading with over 70 countries.

A greater focus of resources will support the continuing businesses to achieve sustainable growth in revenue, profits and margins over the coming years, especially looking to under-served categories and channels across its markets. This focus on growing the core of the business, along with financial discipline, will allow the Group to deliver consistently on its targets. The Group has a strong balance sheet, with an average cash position maintained throughout the year, despite typical seasonal working capital fluctuations. Taken together, these improved attributes form a powerful strategic and operational combination. Therefore, the Group will start to generate cash and return to creating value.

Enabling us to **win together**

Through excellent partnering

- Identifying and developing the required capabilities

Bringing consumer-focused solutions

- Brand and product development
- A better shopper experience

By growing our categories

- Sustainable products and solutions

By being the **partner of choice** that is:

Strategic

- Purposeful
- Providing good value

Adaptive

- Design-led
- Innovative

Dependable

- Resilient supply chain
- Responsible

Strong

- Talent-rich
- Flexible footprint

Collaborative

- Open-minded
- Learning

Informed

- Data driven
- Seasoned

Our strategy in action

An invisible solution: Smartwrap™

We have a long history in giftwrap. It has always been a core part of Design Group's Celebrate category. Historically, plastic shrinkwrap was used to secure rolls. For years consumers tacitly accepted the unnecessary and planet-unfriendly waste from plastic shrink-wrap as the only option for delivering a clean and secure roll.

Initial attempts to replace this plastic with paper-based alternatives failed. Using multiple labels caused tearing in handling, and retailers faced damaged stock and poor in-store presentation. Consumers picked through rolls looking for undamaged ones, which often made the situation worse.

We needed to change how giftwrap was packaged.

By removing plastic and simplifying materials, we created a solution built for stores and shaped by growing consumer demand for sustainable choices. A team of experts within our European business came together to tackle the challenge. We designed, tested and delivered a new packaging format: Smartwrap™.

Innovative by design

Smartwrap™ uses no plastic or excess packaging. A new, additional process step combines a clever fold with a single branded label to securely hold each roll. The fold protects the wrap on the shelf, and the peelable label ensures clean removal, preventing tearing when opened. We reduced damage and waste, maximised paper use, and delivered a neater, more efficient product.

The difference on shop shelves is apparent.

This unique solution is protected by patent, meaning only Design Group can offer it. We can manufacture at scale thanks to our deep knowledge and expertise in giftwrap production.

Driving real impact

This year, Smartwrap™ has removed over 91 tonnes of plastic waste. Rolls stay intact on shelves, withstand handling, and deliver a better experience for the consumer.

Leading the way

Smartwrap™ now leads the market in sustainable giftwrap packaging. It reinforces our position as category innovators and sets a new benchmark for environmentally responsible design.

Links to our strategic capabilities

Strategic | Adaptive | Dependable

91
tonnes of plastic saved

24%
of Group giftwrap sales

Turnover of
$47.2m

Smartwrap™ combines a clever fold with a single label. The fold protects the wrap on the shelf.

Smartwrap™

Our strategy in action continued

Empowering our people through learning: LinkedIn Learning launch

Our strategy calls for the building and maintenance of strong talent and capabilities that show us to be collaborative in our approach and engagement, and well informed in an ever-changing world. To support these efforts, we've launched LinkedIn Learning across our global workforce – directly responding to what we heard in our 'Your Voice. Our Future' employee engagement survey.

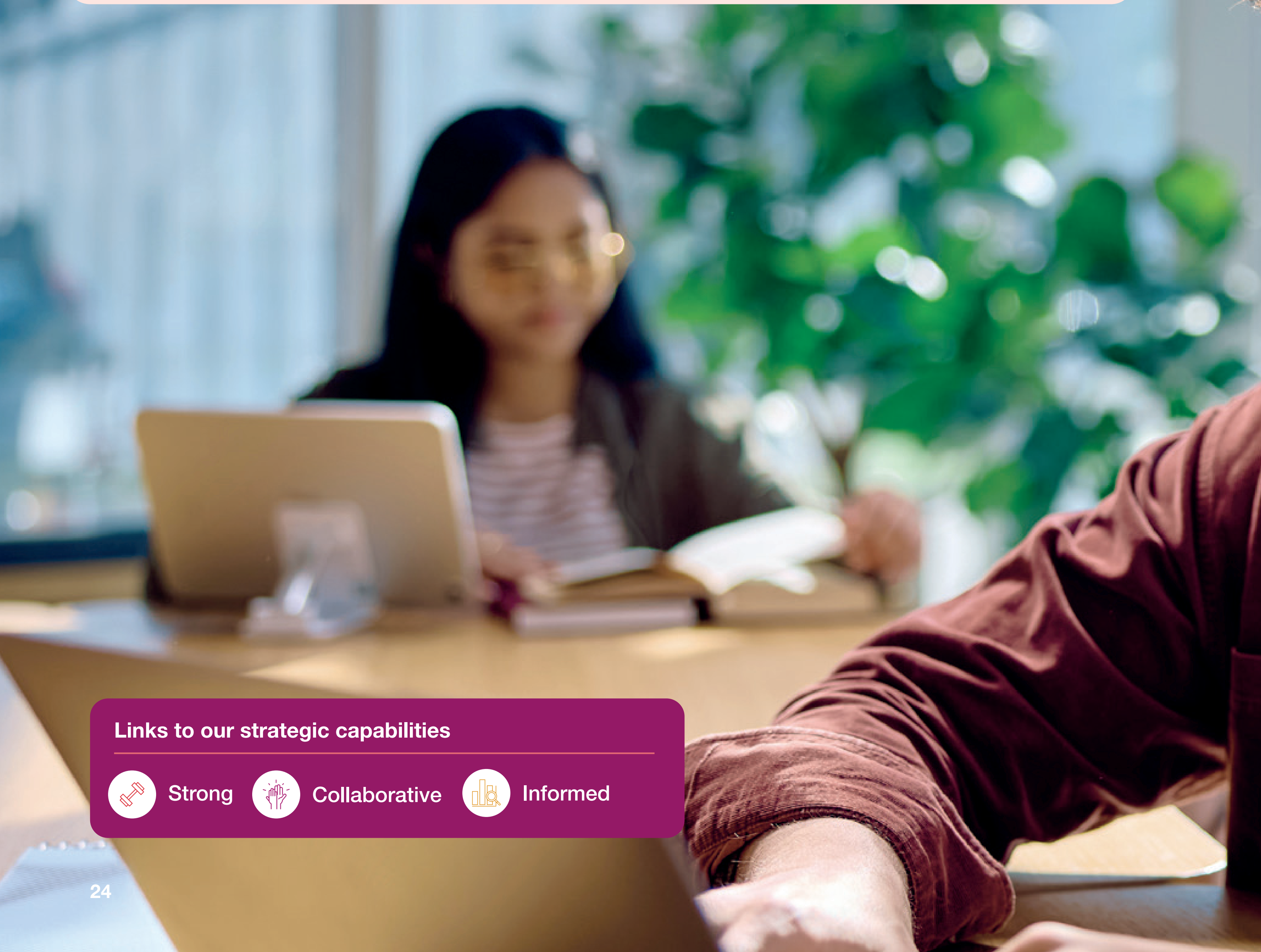
In the survey, Design Group team members highlighted a want for greater access to flexible, high-quality learning.

Now, every colleague has full access to LinkedIn Learning's extensive library, supporting the development of both current capabilities and future skills. This empowers the whole of Design Group to grow, adapt, and thrive in a fast-changing world, both at a corporate and personal level.

The response has been overwhelmingly positive, with colleagues everywhere praising the platform for its ease of use, relevant content, and real-world value.

We're also backing this up through investing time. We have formally committed to making space during the working week for learning and development because continuous growth isn't just a personal responsibility, it is a shared priority. This makes Design Group a partner of choice for our customers, suppliers and employees.

This rollout is a major step forward in building a culture of continuous learning at every level of Design Group.



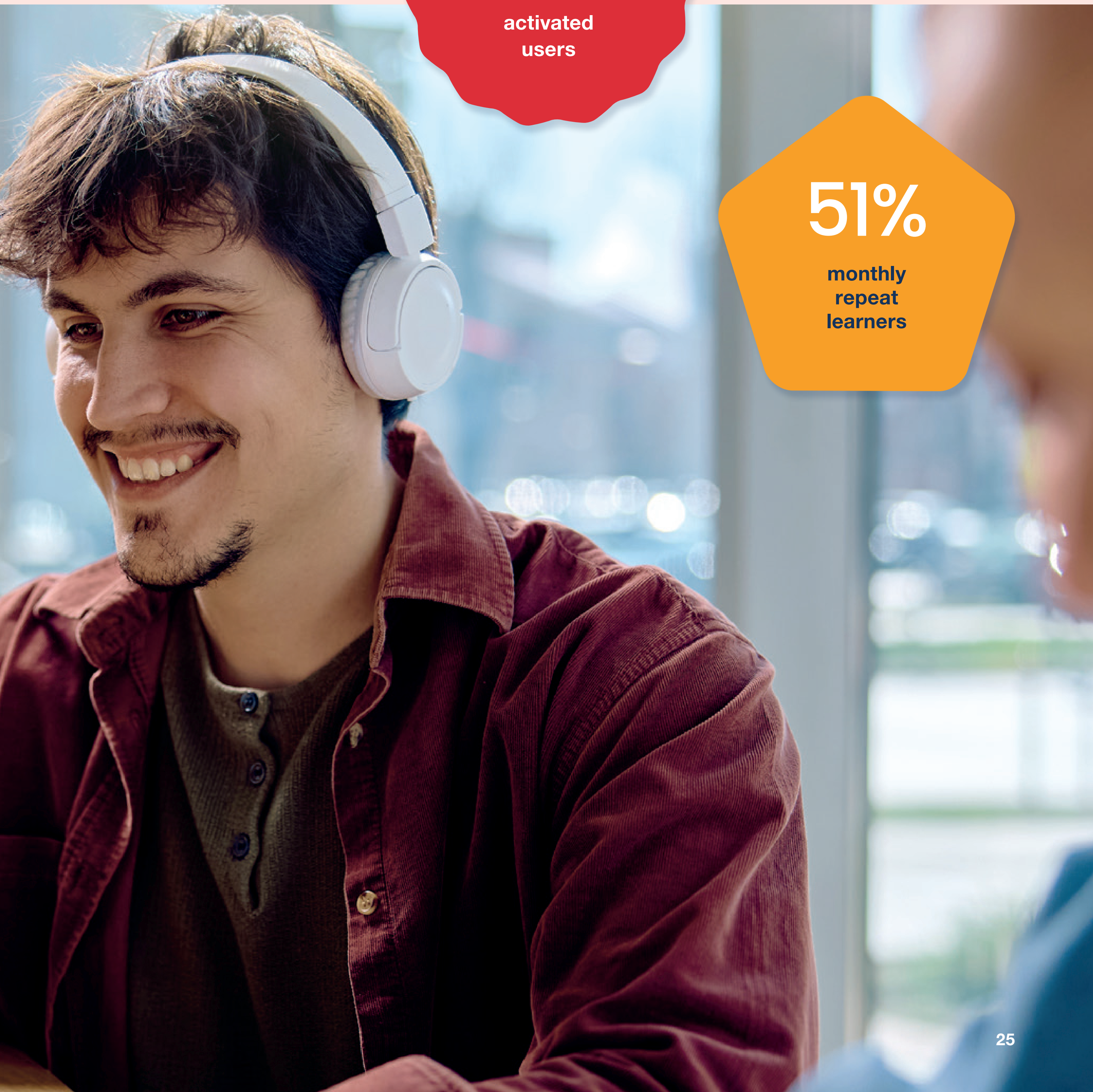
Links to our strategic capabilities

Strong | Collaborative | Informed

3,075
total hours used

1,078
activated users

51%
monthly repeat learners



Sustainability

Helping design a better future

Sustainability is more than a responsibility, it's an opportunity to create lasting, positive change. Our approach, 'Helping design a better future', articulates how we set and deliver on our environmental, social, and governance (ESG) commitments, ensuring that ethical and sustainable practices are embedded in everything we do. As a leader in our industry, we recognise the power of our scale and people to drive innovation and influence change, and we continuously challenge ourselves to minimise our environmental impact.

Underpinned by key United Nations Sustainable Development Goals (SDGs), our sustainability strategy combines all four of our core values – people, passion, and pace, with a responsibility to our planet for future generations. It can be summarised as focus across three pillars: People, Product and Planet.

Sustainability is a journey, and while we're proud of how far we've come, we know there's more to do. The following pages provide insights into our performance and progress within each of the three pillars of our ESG framework, as well as our compliance with Companies Act Non-Financial and Sustainability Information Statement (NFSIS). Beyond compliance, we encourage creativity to develop, produce, and supply more sustainable solutions for our customers and communities.

Our sustainability journey involves continuing to develop relevant key performance indicators (KPIs), setting ambitious yet achievable targets, and integrating sustainability throughout our organisation. Transparency, continuous improvement, and measurable goals will be the foundation of our approach – ensuring that today's efforts build a better tomorrow.

United Nations Sustainable Development Goals (SDGs)

People

People are at the heart of our success

- Employee engagement, talent and skills
- Health, safety and wellbeing
- Diversity, equality and inclusion
- Giving back to our communities

Read more on pages 28 to 33

Product

Sustainable by design

- Sustainable sourcing
- Sustainable products and packaging

Read more on pages 34 to 37

Planet

Innovating to reduce our environmental footprint

- Reducing our environmental footprint
- Design with the environment in mind

Read more on pages 38 and 39

Link to our strategy

Our approach to sustainability, ‘Helping design a better future’, is embedded within our values and our wider business strategy, ensuring that sustainability is not just a responsibility but a driver of long-term success. By integrating sustainability throughout the organisation, from operations and supply chains to product, packaging and logistics innovation, we stay faithful to our core values while also enhancing our competitive edge in an evolving, increasingly mindful world. This approach not only reduces our environmental impact but also strengthens business resilience, mitigates risks and unlocks new growth opportunities.

Partner of choice

Building a sustainable future starts with strong partnerships. We are committed to fostering relationships with all our key stakeholders – customers, suppliers, investors, and banking partners – to continue building a sustainable Group.

With our customers, we seek to align agendas. We collaborate to develop product ranges that embody sustainable values, driving responsible business practices.

At the same time, we work closely with suppliers to source responsibly, prioritise ethical production and minimise environmental impact. By continuously adapting and improving our approach, we aim to contribute to the fight against unethical practices, climate change, reduce pollution, and support biodiversity.

Winning together

Sustainability is a shared journey, and we believe in achieving progress, working in step with our retail partners. By offering innovative, sustainable products and packaging solutions, we help shape consumer habits and drive positive change. Through collaboration, innovation and a shared commitment to sustainability, we can create a lasting impact delivering both business success and a better future for our planet.

Link to our business model

The environment is one of our key stakeholders which we see as an integral part of our agenda going forward.

Sustainability continued
People

People are at the **heart of our success**

People

We value the hard work and creativity of all our teams and recognise that Design Group would not be what it is without their talent and dedication. We wish to create a working environment where our employees feel supported and valued, with their achievements recognised and rewarded. Though our Group operations are varied in many ways, each part of Design Group globally is committed to operating in a responsible and sustainable manner, with a focus on having a positive impact in every interaction we have.

United Nations Sustainable Development Goals (SDGs)

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES

Employee engagement, talent and skills

Why it's important to us:

We are committed to ensuring that we are providing a positive employee experience and creating a culture that is open and honest, where everyone feels respected, valued and heard and contributes to our success.

Our key performance indicators:

Employee turnover

14%

FY2024: 15%
FY2023: 20%
FY2022: 24%

Definition: The voluntary turnover of permanent employees in the year (%)

Why chosen: It is important to us that we create an environment where our employees enjoy coming to work

Employee turnover, at 14%, has decreased for the third year in a row which is a testament to the positive working environment we are creating. Our values remain at the heart of our business, and we have continued to make progress this year in developing employee engagement practices across all levels of the business.

This year, we invested in a new online survey platform to launch our second global employee survey – 'Your Voice. Our Future'. Designed to give all colleagues a meaningful platform to share their views, the survey achieved an impressive 78% global participation rate. This strong response reflects the deep engagement and commitment of our teams to help shape our future together. The survey focused on three key areas: engagement, intent to stay, and inclusion. We were pleased to see strong results across the Group. Employees reported a clear understanding of expectations, a sense of teamwork and collaboration, and a widespread recognition that safety remains a top priority, particularly in higher-risk environments. Many also told us that they feel respected at work and able to have open, honest conversations with their managers which are great foundations of a positive workplace culture.

Encouragingly, we also saw a strong intent to stay, reflecting a shared belief in our direction and values.

The survey also helped shine a light on areas where we can continue to grow and make progress. These include: enhancing recognition, especially for hourly paid employees; providing more opportunities for development; providing better support through organisational change; ensuring clarity around business decisions and the reasons behind them; and helping staff to see how their individual roles connect to our strategic objectives.

Every business unit has taken ownership of the results, creating tailored action plans that respond to their own insights and priorities. These plans are already being implemented, with leaders and teams working together to deliver lasting improvements. We are incredibly grateful to everyone who took part and engaged with 'Your Voice. Our Future' and we are also excited to keep building on this momentum, making sure that every voice continues to be heard, and that we keep growing stronger, together.

Vera Sum, Head of Operations, DG Americas

"Working for sourcing companies for the last two decades, I've picked up a lot of experience and connections within the industry. The journey hasn't always been easy. In the early days, I was working fulltime and tackling accountancy exams at the same time. Those and other experiences enabled me to develop my knowledge, skills and network and get to where I am now."

Vera lives in Hong Kong and has worked for companies across Europe and America. "That international background helps me to encourage my team at Design Group to take ownership and navigate cultural differences positively and with nuance."

Don't be afraid of change

Vera is adaptable and eager to embrace change. She is inspired by her previous CFO who, she says, "always embraced new ideas and new technology". "He was one of the first to adopt handheld gadgets in the workplace." This future-facing mindset has stayed with her throughout her career. "I love being ahead of the curve. Someone recently pointed out an online course about AI. I said, 'Oh, yes please, that would be great', and signed up."

Encourage empathy

Vera's advice for individuals just starting their careers is, "Set yourself up with up-to-date knowledge and skills, and continue on that pathway, but don't lose your empathy along the way. Achievement shouldn't come at the expense of other people, it's important to remember the pressures on your team, and yourself, and encourage valuable connections."

Sustainability continued
People

Health, safety and wellbeing

Why it's important to us:
We are committed to providing our employees with a safe and healthy working environment.

Our key performance indicators:

Number of accidents

58

FY2024: 72
FY2023: 83
FY2022: 116

Definition: The number of accidents in the year across our global manufacturing, warehouse and office facilities. An accident is where first aid or other medical treatment was required

Why chosen: Keeping people safe and healthy is a moral and a business imperative that applies to all who work for and visit Design Group

Ensuring a safe working environment is fundamental to employee wellbeing, operational resilience, and maintaining a strong workplace culture. We are pleased to report that the number of accidents across our sites has decreased for the third consecutive year, demonstrating the ongoing success of our safety initiatives, increased awareness, and consistent focus on prevention. The biggest improvement in the year was driven by DG Americas where monthly safety meetings were implemented across their sites, covering topics such as the importance of PPE, heat stress awareness, and general health and safety best practices.

The positive trend reinforces our belief that a proactive approach to safety not only reduces incidents but also supports overall performance and employee engagement.

Over the past year, we have maintained a strong focus on both physical and mental wellbeing. Across the Group, we ran targeted wellbeing campaigns throughout the year, including 'Fit for February', Women's Health Week, and Men's Health Week, all of which supported our broader ambition to build a healthier, safer, and more informed workforce.

Lucy Regan, Head of Product Development and Sourcing, DG UK

"Stepping into this role has been my biggest personal achievement" Lucy says, reflecting on twelve years working up from product management into leadership.

"I wouldn't be where I am today without the team that's around me, not just my immediate team, but across the board. In my years with IGDG, I have been able to take a rollercoaster ride across loads of operational and commercial functions. Through it all, the company has been really supportive in creating key steps to get me where I am today."

More collaborative than ever
Lucy is inspired by the company culture at IG Design Group, she says, "Our workplace culture is shifting in a positive way, we're more collaborative than we've ever been. There's a willingness to ensure that if somebody sees a future, even without a direct step up, we'll work with them and find ways to offer development opportunities."

She adds that the inclusion of more women in our senior management, particularly Emily Thomas-Hey who started as Design Group UK's first female director in 2018, powerfully illustrates this year's International Women's Day theme, 'accelerated action'.

Try new things
Lucy's message to anyone starting out in their career, is to "Pave your own path, be willing to try new things, and follow whatever route it takes to reach your goals, embracing guidance from your peers. You don't need to feel like there are always clear steps of progression. There are always opportunities to expand, and your journey can be whatever you want it to be. It'll come in its own, unique form, and that's okay."

Diversity, equality and inclusion

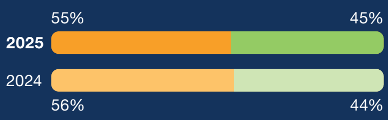
Why it's important to us:

Our international culture promotes diversity, equality and inclusion and in line with our Group values, we aim to treat everybody with dignity and respect. We strive for a workplace that offers opportunity, is fair and inclusive and upholds the highest standards of integrity and human rights.

Our key performance indicators:

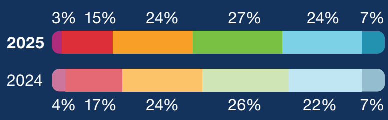
All employees

Gender diversity



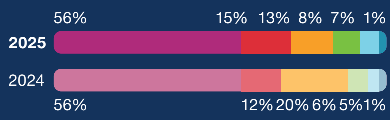
- Female: **1,247** | 1,495
- Male: **1,016** | 1,192

Age diversity



- 18–24: **77** | 99
- 25–34: **349** | 453
- 35–44: **513** | 649
- 45–54: **617** | 697
- 55–64: **538** | 605
- 65+: **169** | 184

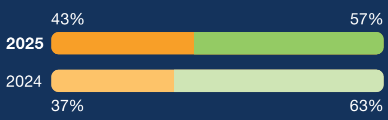
Ethnic diversity



- White: **1,278** | 1,504
- Other/Not available: **345** | 346
- Asian: **302** | 528
- Hispanic/Latino: **171** | 153
- Black: **148** | 139
- Two or more races: **19** | 17

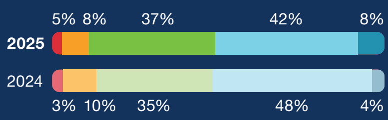
Senior management team

Gender diversity



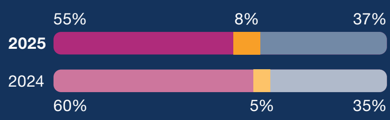
- Female: **17** | 15
- Male: **23** | 25

Age diversity



- 25–34: **2** | 1
- 35–44: **3** | 4
- 45–54: **15** | 14
- 55–64: **17** | 19
- 65+: **3** | 2

Ethnic diversity



- White: **22** | 24
- Asian: **3** | 2
- Other/Not available: **15** | 14

Note that senior management team (SMT) is as defined locally across the Group. These figures also include the Board as at 31 March 2025. For more detail on the latest Board diversity, please see page 60

Why chosen: Our aim is to create equal opportunities for all. At Design Group we recognise that having a diverse workforce enables us to innovate and make better decisions and helps us meet the needs of our employees, customers, consumers, communities and shareholders

Our strength as a team lies in our diversity, and by recognising and appreciating the contributions of every individual, we create a workplace that is not only more vibrant but also more innovative and successful. We take particular pride in our improvement in gender representation across senior management globally in the year.

Across the Group, the annualised full-time equivalent salary of women is almost equal to that of men, with a small median pay gap of 1%. Although half of our workforce is hourly paid, with pay rates being gender-neutral, the biggest driver of our low gender pay gap is strong female representation at senior and mid-senior levels across the Group.

Thirdly, market-driven factors, such as the generally higher salary levels in the US compared to other regions, influence the global gender pay gap. Similarly, the senior management team pay gap is skewed in favour of females as a result of a high representation of females in senior leadership roles in the US. The Board is committed to gender equality and wishes to maintain a fair approach to pay management across the Group going forward.

Sustainability continued
People

Diversity, equality and inclusion continued

This year, we marked International Women's Day with a powerful global celebration under the campaign theme 'Accelerate Action'. The event shone a spotlight on the incredible female talent across our business, highlighting the achievements, leadership, and impact of women in our organisation. More than just a celebration, the campaign featured inspirational stories of personal growth, resilience, and the courage to overcome barriers, bringing to life the real experiences of our colleagues around the world. It was a moment to not only honour the contributions of women in our workforce but to reaffirm our commitment to building a more inclusive and equitable workplace where everyone can thrive.

Kate Richards, Financial Controller, PLC

"An important factor in my journey is my dyslexia" Kate says. "I was diagnosed at a very young age. It was obvious that something wasn't right. I struggled to read, but I'd finish a maths question quicker than anyone else." Kate's dyslexia brought challenges, but also spurred her on. "I didn't want it to define me, so I felt I had to work harder to achieve the same as other people."

Re-finding focus

After leaving school, Kate started working at a solicitor's office, where she was mentored by an accountant. "I came into that job a little bit lost. My mentor saw potential in me, gave me practical help to find accountancy courses and job opportunities, and enabled me to refocus. I'm so lucky to have people who have mentored, supported and pushed me into opportunities where I've gained leadership experience. That's led me to where I am today."

Accelerated action

"The culture at IG Design Group is probably one of the best I've ever worked in. We're very people focused and always motivating each other to achieve more."

One of the key steps of accelerated action Kate has seen at IG Design Group has been a growing discussion around the menopause. "Our HR Manager, Sarah, organised a webinar and issued a Menopause policy as part of Women's Health week, and it really opened my eyes. I think this is something that needs to be considered more in our workplace cultures."

With weaknesses there are strengths

To anyone starting out in their career while managing dyslexia, Kate says "of course it gets frustrating at times, but don't let that hold you back. Maybe achieving your goals will involve working a little bit harder than other people, but it's worth it. Maybe this also means you can see things slightly differently than other people, with its weaknesses there are also strengths."

Giving back to our communities

Why it's important to us:

In line with one of our core values, we endeavour to be good citizens and aspire to give back to the communities we are part of, with the aim of building a more considerate and sustainable place to work.

Our key performance indicators:

Charitable donations

$0.7m

FY2024: $1.2m
FY2023: $1.8m
FY2022: $0.7m

Definition: The total value of cash and inventory donated to charity over the year

Why chosen: The communities where our Group businesses are based, and where many of our team members call home, are important to us. We aim to give back in all of the communities where Design Group is present, continuously taking actions and promoting initiatives that create a positive impact

We recognise that our success is linked with the wellbeing and prosperity of the communities we operate in. We want to support local initiatives that are important to us wherever we are based. By partnering with local organisations, we can make a meaningful and sustainable impact in our local communities.

Our total charitable donations of cash and inventory were lower this year, reflecting a shift in priorities and a more targeted approach to community engagement, particularly in the US. While the overall value of contributions has reduced, we continue to support causes closely aligned with our values, including wellbeing, education, and local community initiatives. As we adapt to evolving business needs, we remain committed to making a meaningful impact where it matters most. We continue to support charity days whereby employees donate time to local causes.

Across the Group we encourage charitable giving and volunteer efforts, for example DG Americas donated more than $100,000 in products to local police departments, fire stations, recovery centres, and schools in the year.

Our teams also dedicate time to meaningful volunteer activities such as participating in Read Across America by visiting local elementary schools to read to students.

We remain dedicated to our partnership with the Trussell Trust in the UK with a total donation of £100,000 in the year generated from the sale of Tom Smith products, and additional business donations. Further to this, over the festive period in the UK we ran a food bank drive with donations delivered to local food banks near each location, employees volunteered across three days at Noah's Ark Children's Hospital, supporting their Santa's Grotto and toy collection initiative, and we contributed to the Salvation Army's Christmas Present Appeal, helping support families in need.

José van Tilburg, MD, Anchor

"I need to pinch myself sometimes" José says, 15 years on from her start at Anchor International as maternity cover for a sales assistant. "If this is real, how did I end up as Managing Director? I never, ever dreamed this would happen so soon, but I really enjoy it and I think our products are great. I feel so lucky!"

Big shoes to fill

The decision to take on the position of MD wasn't an easy one for José. "The timing wasn't perfect; I had just become a mother. But I decided to do it anyway: if I didn't do it now, my chance would be gone." José also felt she had big shoes to fill. "Our previous MD, Ron Vroegindeweij, is great at reframing negative situations for positive outcomes, presenting next steps and moving on. This always helped me to keep things in perspective, and it's an approach I continue to implement with my team."

The joy of creativity

The team is another reason José has stayed with Anchor International. "The people here are really great. We're a small company, only 26 people, but we're very open and straightforward, which I love.

The joy of our work, to me, comes when I walk into a store and see people buying a product we created. It's so satisfying, when you started with a blank sheet and ended up with a product that people are excited about. That's the ultimate kick, to say, 'Look, that's my invention'."

Making the moment right

Drawing on her own experiences to advise others facing career decisions, José says, "Don't wait for the right moment, it will never come; instead, make the moment right. Just jump in."

Sustainability continued
Product

Sustainable by design

Product

We recognise that the nature of many of our products makes it even more important that we leverage our creativity and innovation to offer sustainable collections to our customers and beyond. As the world develops, populations are consuming more, which becomes an issue when a large proportion of goods are not only single-use but also not recycled.

This leads to more waste going to landfill and being burned, contributing to global warming and contamination of our oceans. Design Group are committed to promote positive change; to use sustainable sources, to design sustainable ranges and reduce the use of single-use plastics across both our products and their packaging.

United Nations Sustainable Development Goals (SDGs)

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Sustainable product and packaging

Why it's important to us:

Successfully designing, promoting and selling our sustainable greetings collections means we are encouraging a circular economy which reduces waste and the impacts of production, consumption and disposal on the environment.

We're proud to be offering sustainable product ranges and packaging at a time when long-term environmental responsibility remains essential, even amid shifting global priorities. This is a key opportunity for us to support the transition to a circular economy where our products are made from recycled materials and designed to be reused or recycled at the end of their life.

Our key performance indicators:

Fully recyclable product ranges

68%

FY2024: 66%
FY2023: 59%
FY2022: 56%

Definition: The proportion of Design Group's single-use[(a)] products which are fully recyclable

(a) Single-use products are those which are intended to, or likely to, be used only once before being disposed of. Single-use products make up 49% of Group sales (FY2024: 49%, FY2023: 55%, FY2022: 51%)

Our key performance indicators:

Fully recyclable packaging

76%

FY2024: 76%
FY2023: 75%
FY2022: 69%

Definition: The proportion of Design Group's consumer sales packaging which is fully recyclable

Why chosen: We aim to leverage our design and innovation skills to continue to develop new, sustainable ideas to promote to our customers

This year we revised the KPI methodology in this section from sales value ($) to a unit-based calculation, to eliminate the impact of price and margin mix, providing a clearer view of the underlying performance. All KPIs have been restated for all years accordingly.

Single-use products account for nearly half of total Group sales. Of these, 68%, including items such as giftwrap and greeting cards, are fully recyclable, either through household collection or supermarket recycling points. This reflects our ongoing commitment to advancing a circular economy. This year, the proportion of fully recyclable products saw a slight improvement, primarily due to a reduction in DG Americas sales, improving the mix. This was partially offset by changes in our product mix such as a shift within DG International towards more activity-based products and fewer paper-based Stationery and Party ranges, which typically have higher recyclability.

Equally important to our sustainability efforts is the recyclability of our product packaging. In FY2025, 76% of the Group's packaging was recyclable, in line with last year. Over the past few years we've made meaningful progress across the Group in both reducing overall packaging and increasing its recyclability.

During the year, a major US customer transitioned from plastic bow bags to more sustainable cardboard box formats, a change that not only reduces single-use plastic but also improves recyclability.

Our commitment to innovation and sustainable design has been key to our progress. One standout example is the development of Smartwrap™, our shrink-free giftwrap, which eliminates the use of plastic from the product and packaging while maintaining both product quality and commercial appeal. Following a successful launch in continental Europe, the Smartwrap™ rollout is underway across the rest of the DG International segment, including successful adoption by major UK national retailers and entry into the US market. The rollout of Smartwrap™ has eliminated 91 tonnes of plastic. Looking ahead, in the year we invested capital into local bag manufacturing capabilities in Europe, which will not only reduce reliance on imported goods, but also reduce transport-related emissions. We remain focused on balancing environmental responsibility with evolving consumer preferences. Continued investment in sustainable innovation, will be central to maintaining high levels of recyclability across our ranges.

Sustainability continued

Product

Sustainable product and packaging continued

Rachael Milward, General Manager of Independents, DG Australia

"I've always needed to be in a job that combines interacting with people and being creative" Rachael says, looking back on her self-made career journey. That journey began when she left school at sixteen. "16-year-old me never would have dreamed that I could be in a role like this."

Why I've stayed here

"The people at Design Group are one of the reasons I've stayed in this company for so long. When looking for a business to work in, always look for good culture: a place full of people who will support you in reaching your goals. That's why I've stayed with Design Group for 20 years."

Excited by creativity

Rachael thrives on creativity. "My creativity came from my Mum and Nanna. When I was very young, my Nanna would look after me, while my Mum worked. We'd see things in the market and then recreate them at home through crafting. Now I love to do the same."

Rachael can express and grow her creativity in plenty of ways at Design Group. "I'm inspired by Franke Pynakker, co-owner of IG Design Group Australia, and Shane Timmerman, our CEO. They're both very creative, always moving outside the box to develop inspiring products and take the business in new directions."

Better together

Thinking back to the start of her career, Rachael shares her advice for others in a similar position. "Set your sights on your goals and never give up. The dream is to love what you do, to get up each morning and look forward to getting to work. That can become reality if you have a team of people who like to share ideas and get excited together about projects. It's always better together."

Sustainable sourcing

Why it's important to us:

The integrity of our product starts with responsible sourcing from both an environmental context as well as a social one. As a business where paper is one of our largest raw material purchases, we are committed to ensuring that only sustainable sources of paper are used, and to go beyond compliance and certify high standards of forest management. Our values extend to the fair working conditions and human rights at all stages in our supply chain.

Our key performance indicators:

Supplier audits

394 audits across — FY2024: 592

391 suppliers — FY2024: 365

Definition: The number of ethical audits carried out across our supplier base in the year

Why chosen: We understand that managing a diverse global supplier base requires close, ongoing engagement to ensure compliance with regulations and respect for human rights. Conducting ethical audits provides valuable insight into supplier practices and helps us uphold fair working conditions throughout our supply chain

The number of supplier audits decreased this year (from 592 in FY2024), reflecting our ongoing efforts to consolidate sourcing operations across the Group and drive greater efficiency and synergies. This reduction is not a reflection of our standards, as we remain firmly committed to compliance, with both customer and regulatory requirements, maintaining integrity, and ensuring our core values are embedded throughout our supply chain.


I AM 100% RECYCLABLE
PARTNER
PARTNER

Sustainability continued

Planet

Innovating to **reduce our footprint**

Planet

We believe we have a responsibility to protect and preserve our planet and its environment for future generations and that our success as a Group significantly depends on it. The global climate change threat is a result of many years of unsustainable activity by the world's growing population. We have the ambition to reduce our impact on our surroundings to promote the longevity of the planet for future generations. This will be a journey for the Group as we learn of new methods to improve our operations to reduce greenhouse gas emissions and to reduce waste sent to landfill.

United Nations Sustainable Development Goals (SDGs)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Reducing our environmental footprint

Why it's important to us:

A large part of Group operations is manufacturing-based, and our operational excellence continually drives efficiency improvements. We consider climate change in all our activities and strive to reduce our environmental footprint with our carbon footprint continually under review.

Our key performance indicators:

Waste sent to landfill

31%

FY2024: 33%
FY2023: 28%
FY2022: 29%

Definition: The proportion of waste sent to landfill at our operational facilities

Why chosen: It is important that we employ the most sustainable practices where we can. Reducing the waste sent to landfill reflects our commitment to minimising our operational impact and directly reduces our carbon footprint

The proportion of operational waste sent to landfill this year reduced, despite site consolidation efforts in DG Americas, where restructuring projects are expected to contribute to higher waste volumes. As previously noted, while the consolidation supports long-term efficiency, it may temporarily limit reductions in landfill waste. UK and continental European sites continue to demonstrate strong performance, maintaining zero waste to landfill.

As a result, the Group's overall landfill percentage is largely influenced by activity within DG Americas.

The UK Government has introduced new recycling legislation for businesses, effective 1 April 2025, aimed at reducing waste and promoting recycling efforts. Our UK business is meeting the requirements, including the segregation of waste streams, specific recycling practices and training and awareness for our teams demonstrating our commitment to sustainability.

Reducing our carbon footprint

Our key performance indicators:

Scope 1 and 2 emissions

2%

FY2024: 4%

Definition: The direct emissions from owned or controlled sources (Scope 1) and indirect emissions from purchased electricity, steam, heating, and cooling (Scope 2), as a percentage of revenue

Why chosen: Measuring Scope 1 and 2 emissions helps us understand and manage the emissions from our direct operations and energy usage, which allows us to implement targeted strategies to reduce our environmental footprint, supporting the transition to a low-carbon economy

Last year we reported Group greenhouse gas emissions categorised into Scope 1 and Scope 2 emissions for the first time, supported by the investment in a Group-wide ESG data management and reporting platform. This year emissions have reduced largely as a result of ongoing site consolidation projects in DG Americas, as well as the strategic decision taken to exit China manufacturing.

We continue to make progress in reducing our carbon footprint through strategic investments in local manufacturing and technology. By increased local production of giftwrap and bags, we significantly reduce the need for long-distance freight, which in turn lowers transport-related emissions. This approach not only contributes to our carbon reduction efforts but also strengthens supply chain resilience and supports local economies across our global footprint.

Additionally, enhancements in manufacturing efficiency and process automation have further reduced energy consumption and waste, reinforcing our commitment to more sustainable operations.

While efforts have been made to ensure the reliability of the information provided, there may be inherent uncertainties, including accuracy and completeness, of the reported data. We are committed to continuously improving our environmental reporting practices and may seek external assurance in future reporting periods to enhance the credibility and reliability of its disclosures. We have embarked on a project to measure our Scope 3 emissions, aiming to report on those and submit Science-Based Targets in the coming years.

Our climate-related financial disclosures

Introduction

At Design Group, we recognise that climate change presents both challenges and opportunities for our business. Understanding the climate-related risks and opportunities, assessing their financial implications across different scenarios and timeframes, and then addressing these impacts is essential to building long-term resilience.

This report outlines how we integrate climate considerations into our decision making, detailing the Board's oversight, our approach to risk management, and the strategies we are implementing to mitigate risks and drive sustainable growth. We also share the key metrics we use to measure our progress.

In compliance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, this report meets the disclosure requirements under Section 414CB of the Companies Act 2006. We acknowledge that some areas of our climate reporting are still developing. We are in the process of measuring Group-wide Scope 3 emissions (Metrics & Targets (b)), which will in turn allow us to define our climate-related targets (Metrics & Targets (c)) in the coming years.

Non-Financial and Sustainability Information Statement (NFSIS)

Recommendation	Recommended disclosures	Page reference
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) A description of the company's governance arrangements in relation to assessing and managing climate risks and opportunities	Page 42
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	b) A description of how the company identifies, assesses and manages climate risks and opportunities	Page 42
	c) A description of how processes for identifying, assessing and managing climate risks are integrated into the company's overall risk management process	Page 42
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	d) A description of: The principal climate risks and opportunities arising in connection with the company's operations The time periods by reference to which those risks and opportunities are assessed	Pages 43 to 48
	e) A description of the actual and potential impacts of the principal climate risks and opportunities on the company's business model and strategy	Pages 43 to 48
	f) An analysis of the resilience of the company's business model and strategy, taking into consideration different climate scenarios	Page 43
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	g) A description of the targets used by the company to manage climate risks and to realise climate opportunities and of performance against those targets	Pages 48 to 49
	h) A description of the key performance indicators used to assess progress against targets used to manage climate risks and realise climate opportunities and of the calculations on which those key performance indicators are based	Pages 48 to 49

Sustainability continued

Our climate-related financial disclosures

Governance

Board of Directors
Chair:
Stewart Gilliland
Number of meetings in FY2025:
1 which had a formal ESG update on the agenda

↓

Sustainability Forum
Chair:
Paul Bal, CEO
Number of meetings in FY2025:
5

↓

Business units

Board level

The Board holds ultimate responsibility for sustainability, including the management of climate change risks and opportunities. Through delegation to the Audit Committee, the Board ensures that climate-related risks are reviewed within the framework of overall risk management, with these risks and opportunities incorporated into the Group's risk register. The Board is kept informed on regulatory requirements, product sustainability, and operational efficiencies through a formal update, as well as by the CEO and Operating Board. At year end, the Board reviews the external sustainability report and key performance indicators (KPIs). Additionally, the Board examines capital expenditure proposals that integrate ESG considerations.

The Board benefits from the expertise of Non-Executive Directors, some of whom have overseen the submission of net-zero targets to the Science-Based Targets Initiative in their external appointments. This experience will be invaluable as the Group moves forward with setting its own emissions reduction targets.

Executive management level

The Sustainability Forum is a cross-Group committee, chaired by the Group CEO, Paul Bal, with representatives from each territory. Over the past year, the Forum has convened five times. One of its purposes is to develop a commercially driven response to climate change and its associated risks and opportunities. The Forum fosters a Company-wide, sustainable mindset by promoting education and sharing best practices across the business units.

Climate-related risks and opportunities are discussed at the Forum through ongoing dialogue with business units at the local level. The Forum, in turn, provides regular updates to the Board both informally through the CEO and Operating Board, as well as in the formal reports.

Management level

Each business unit is accountable for identifying, assessing, and managing sustainability-related risks and opportunities on a local level. They also handle the day-to-day management and decision making concerning our three sustainability pillars: People, Product, and Planet.

The ESG reporting tool, introduced last year, improves the accuracy and efficiency of Scope 1 and 2 emissions reporting across business units while also laying the groundwork for future Scope 3 emissions tracking. Designed as a bottom-up solution, it empowers each business unit with greater oversight and ownership of its carbon footprint, fostering accountability and supporting a more comprehensive sustainability strategy.

Risk management

Integration of climate-related risks into risk management

Climate-related risks are embedded within our Group's broader risk management framework, ensuring they are factored into strategic planning, decision making, and long-term business resilience.

Our approach to climate risk and opportunity identification follows a bottom-up assessment from each business unit, followed by a top-down review and evaluation of key transition and market risks at a Group level, which is presented to the Audit Committee.

Assessment of physical climate risks

To evaluate physical climate risks, we leverage industry-leading models and databases widely adopted in the risk and insurance sectors. The analysis covers the Group's footprint across 54 separate locations, modelling each asset's exposure to a range of climate hazards over multiple time horizons (2025, 2030, 2050, 2100). Physical assets are considered exposed if they are located in an area where a climate hazard may occur. The level of exposure is defined by both the severity of the hazard and the full financial value of the asset value within the area of material climate hazard intensity (where material is defined as medium to very high climate hazard intensity). This year, the exercise to quantify the financial value at risk (i.e. impact) was not undertaken, given the risk profile is not expected to differ materially from prior year. However, this means the risk scales used in this analysis slightly differ from those in our Group enterprise risk management framework. The overall conclusions are broadly consistent with those from the prior year.

Assessment of transition climate risks

Transition risks and opportunities are assessed through the Group's enterprise risk management framework, ensuring alignment with our overall risk landscape. Eleven key transition risk drivers are assessed in terms of their financial impact and likelihood against the Group's risk scales, which are now embedded into our ongoing risk management framework. This reinforces our commitment to proactively managing climate-related risks and opportunities and their consideration within our strategy, planning and decision making.

Design Group defines its time horizons for climate-related risks and opportunities as follows: short-term (up to 2027), medium-term (2027–2030), and long-term (beyond 2030). These timeframes are aligned with climate science, strategic planning, and the lifespan of our assets, ensuring they provide a meaningful period for assessing and responding to climate-related risks.

Our approach to climate scenario analysis

We have undertaken detailed climate risk scenario analysis based on the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) mapped to the latest IPCC AR6 report's Shared Socioeconomic Pathways (SSPs).

- **'Net Zero' 2050 Scenario RCP 2.6/ IPCC SSP1** which is associated with c.1.5°C temperature rise from pre-industrial times by the end of the century
- **'Middle of the Road' Scenario RCP 4.5/IPCC SSP2** which is associated with 2-3°C temperature rise from pre-industrial times by the end of the century
- **'Hothouse World' Scenario RCP 8.5/IPCC SSP5** which is associated with >4°C temperature rise from pre-industrial times by the end of the century

The limitations and assumptions of scenario analysis are:

1. Scenarios may only provide high-level global and regional forecasts
2. Not all risks are easily subject to scenario analysis
3. Scenario analysis requires analysis of specific factors and modelling them with fixed assumptions
4. Impacts are to be considered in the context of the current financial performance and prices
5. Gross impacts are assumed to occur without the Group responding with any mitigating actions, which may reduce the impact of risks
6. Impacts are modelled to occur in a linear fashion, when in practice dramatic climate-related impacts may occur suddenly after tipping points are breached
7. The analysis considers each risk and scenario in isolation, when in practice climate-related risks may occur in parallel as part of a wider set of potential global impacts

Strategy

Assessing climate-related risks and opportunities in business, strategy, and financial planning

An overview of our transition risks, their potential impact, and our response strategies can be found in the tables on pages 46 and 47.

Our evaluation of climate-related hazards across our global operations indicates that the Group's short-term exposure to physical climate risks remains low to very low. However, this exposure is expected to rise moderately over the medium to long term. While climate-related opportunities are currently limited, they hold some potential for impact over the medium term, albeit at a low to medium level. Given the complexities of long-term forecasting, there is a high degree of uncertainty in predicting both risks and opportunities beyond this timeframe.

Building resilience in a changing climate

We have quantified our exposure to climate risks and opportunities where feasible, such as evaluating potential financial impacts of carbon pricing. However, much of our current analysis remains qualitative.

At present, we believe that major financial or budgetary shifts due to climate change are unlikely to be necessary. Any mitigation strategies will be embedded within our existing business model and addressed through ongoing operational improvements and capital investments.

As new data and insights emerge, we will continue to refine our approach, actively monitoring climate-related risks and integrating our findings into the Group's broader risk management framework to ensure long-term resilience.

Climate-related physical risks

With numerous sites around the world, including offices and manufacturing sites, the Group has a large and diverse geographical footprint. We have undertaken a comprehensive physical risk assessment using geospatial risk modelling software to evaluate the exposure of the Group's 54 locations to natural hazards, and how these risks may change under various scenarios for global temperature rise by 2030, 2050, and 2100. The Group's Total Insured Value (TIV) at each location is used as an approximation of asset value exposed to climate hazards.

Overall, the Group's exposure to physical climate risk is currently assessed as low to medium, with corresponding low financial risk, under the most extreme scenario (RCP 8.5, or the 'Hothouse World' scenario). The most significant climate-related physical risk hazards are heat and precipitation, as shown in the table overleaf, alongside other identified risks.

Sustainability continued

Our climate-related financial disclosures

Strategy continued

Climate-related physical risks continued

Hazard	Exposure (not financial impact): Current climate/ 2030 RCP 2.6	Exposure (not financial impact): 2050 Hothouse World (RCP 8.5)	Commentary	Consequence/ mitigation
Heat stress	Medium	High	Currently, 43% of assets have material exposure (over 80 heatwave days per year), increasing to 58% by 2050. By 2050, four sites (none of which are within our top 15) are at risk of very high exposure (over 180 heatwave days per year).	Given the majority of our facilities are air conditioned, the most likely financial consequence may be increased electricity spend to: reduce the risk of operational disruption; cool buildings and machinery; and improve working conditions for employees.
Drought	Medium	Medium	The proportion of the portfolio exposed to material drought stress (at least three months of drought per year), is 28% currently, and 26% by the end of the century.	Given our operations are not water intensive, direct operational impact is limited. The potential consequences are limited to indirect regional impacts caused by lack of water supply, or increased costs of raw materials passed on by suppliers.
Precipitation	Medium	High	The proportion of portfolio with material exposure (at least two days of rainfall exceeding 30mm per year) increases from 50% to 73% by 2050. This includes six of our key 15 sites by 2050.	Precipitation increases the risk of flash floods and surface water run-off. By 2050, the frequency, severity and disruption of which is expected to increase. Insurance expected to cover flooding impacts, however costs could increase/ availability could decrease.
Flooding (all types)	Low	Medium	The majority of assets are currently at very low risk of river flooding. However, 25% of the portfolio has material exposure (at least 2% likelihood of a flood in the decade), both currently and by 2050. However, an increase in frequency and severity (even if no increase in portfolio exposure) could be expected. Limited coastal flood and sea level rise exposure (3%) in all timeframes considered.	Limited exposure increase, however, frequency of hazard increase. It is reasonable to assume impacts would be covered by insurance, however costs could increase/ availability could decrease.
Windstorm	Low	Low	Extratropical windstorm risk profile remains similar today and in future scenarios, with 42% of the portfolio exposed to severe gusts of wind (exceeding 121 km/h). However, one of these is a key site. There is no evidence to suggest that intensities or frequencies will increase significantly over time under future emissions scenarios.	Potential consequences include operational and supply chain disruption and damage to assets, the latter of which is expected to be covered by insurance.

To address potential disruptions and exposures, site managers are engaged to assess risks and ensure appropriate mitigations are in place. Importantly, our business model offers inherent flexibility, with a large proportion of our sales from sourced products rather than manufactured in-house, which reduces reliance on any single facility. In addition, growing collaboration across our operational footprint enables us to share expertise, best practices, and resources between sites. Together, these factors help mitigate downtime at a key location and limit the impact on our ability to meet contractual obligations or maintain business continuity. We also maintain business interruption and continuity insurance at all sites to provide further protection in the event of disruption.

To ensure a more complete review of our climate risk exposures, especially given the large proportion of sales from third-party manufactured goods, we have also conducted the same climate-related physical risk assessment on our key suppliers. This analysis will be used within our engagement with our suppliers to help ensure business continuity.

Climate-related transition risks

We have identified seven key climate-related transition risks and two opportunities, assessed under the net zero/RCP 2.6 scenario which is the scenario where transition risk is considered most extreme. These risks and opportunities are outlined in the table on the following pages.

In addition to the risks presented below, several other risks were assessed as part of our risk register but fell below the materiality threshold. These included challenges in attracting and retaining talent, potential difficulties in securing capital if sustainability standards are not met, the risk of a credit rating downgrade due to climate-related concerns, and exposure to climate-related litigation. Each of these risks was deemed to have a minor impact in the short, medium and long term, with mitigation strategies in place across the Group to address them effectively.

Our assessment indicates that in the short-term overall exposure to transition risks remains low, with most risks considered unlikely or very unlikely. In the medium term (2030), transition risk exposure increases, both in impact and likelihood, generally reaching a medium level. This could be further amplified by a disorderly transition to net zero. Medium risks in this period include the costs to transition to lower emission technology and increased cost of materials.

Design Group defines likelihood, frequency, and financial impact of risks and opportunities as follows:

	Likelihood		Frequency	Impact	
5	Very likely	100%	More than once per year	Very high	>$10m
4	Likely	50%-100%	Once every 1 to 2 years	High	$5m-$10m
3	Possible	20%-50%	Once every 2 to 5 years	Medium	$2.5m-$5m
2	Unlikely	10%-20%	Once every 5 to 10 years	Low	$1m-$2.5m
1	Very unlikely	<10%	Less than once every 10 years	Very low	<$1m

Sustainability continued

Our climate-related financial disclosures

Strategy continued

Climate-related transition risks continued

Transition risks	Impact 2027	Impact 2030	Realisations
1. Carbon pricing			
Sub-component: Policy and Legal **Description:** Under a 1.5°C scenario, external pricing of greenhouse gas emissions are expected to increase, impacting Group direct operating costs.	Impact 2 Likelihood 1	Impact 3 Likelihood 3	• Progressing energy efficiency initiatives to reduce energy consumption and emissions • Packaging optimisation to reduce vehicle journeys • Project launched in the year to measure Scope 3 emissions • Biofuel for incoming sea freight to reduce emissions within trading European business • Renewable energy options being explored
2. Enhanced climate-related reporting obligations			
Sub-component: Policy and Legal **Description:** Additional emissions-related reporting requirements may come into effect for the Group in the short to medium term, e.g. Scope 3 emissions reporting, in line with the ISSB standards, updates to UK SECR and CSRD. This could add a significant reporting burden and an increase to spending on emissions reporting.	Impact 1 Likelihood 3	Impact 1 Likelihood 4	• Project launched in the year to measure Scope 3 emissions and set Science-Based Targets • ESG data management and reporting software to facilitate data collection • EU proposed omnibus package reduces the immediate European business reporting requirements
3. Mandates and regulation of existing products and services			
Sub-component: Policy and Legal **Description:** New regulation relating to sustainability, recyclability, or circularity of materials could impact on the cost of the Group's products and services. There is the risk of regulatory fines and reputational damage if mandates are not adhered to.	Impact 1 Likelihood 2	Impact 2 Likelihood 4	• Key component of our sustainability approach • Focus on designing new sustainable products and targeting reduced single-use plastic, successful initiatives so far include packaging-free gift cards and Smartwrap™ • Suppliers need to prove recycled content • Monitoring of local regulation • 90% of packaging in UK is already made from recycled material and a high proportion of products already sustainable in Europe too • External consultants engaged to review reporting requirements

Key: 5 Very likely/Very high 4 Likely/High 3 Possible/Medium 2 Unlikely/Low 1 Very unlikely/Very low

Transition risks	Impact 2027	Impact 2030	Realisations
4. Costs to transition to lower emission technology			
Sub-component: Technology **Description:** The requirement to invest in new technology to decrease the emissions released as part of the manufacturing process.	Impact 2 Likelihood 1	Impact 3 Likelihood 3	• Warehouse and operations teams working to transition to LED lighting and high-speed doors to improve temperature regulation • Investment in new machinery approved after taking account of ESG considerations • Investment in new machinery to: improve efficiency, reduce waste, and reduce imports in favour of local supply. Capital investment also allocated for more efficient processes during the consolidation of manufacturing sites • Renewable energy options being explored
5. Shift in customer/consumer values			
Sub-component: Market **Description:** Consumers are becoming increasingly aware of climate change and its impacts.	Impact 2 Likelihood 2	Impact 3 Likelihood 3	• More sustainable packaging implemented, and reducing packaging content where possible • Sourcing strategy, including monitoring of solutions or alternatives for reducing single-use plastic in packaging and single-use products • Designing and producing specifically sustainable ranges such as the Eco Nature™ collection
6. Increased cost of raw materials			
Sub-component: Market **Description:** More companies will commit to using more sustainable materials with a lower carbon footprint, including reducing plastic use. This increase in demand is expected to exceed supply, forcing up the price of alternative materials. Fuel and electricity costs are also projected to rise.	Impact 1 Likelihood 2	Impact 3 Likelihood 3	• Diverse supply base • Some degree of costs could be passed on to the customer • Product innovation where possible will be used to select less carbon-intensive components
7. Emissions offset			
Sub-component: Market **Description:** Though supply of carbon credits currently exceeds demand, as more companies commit to net zero, the demand for carbon credits is likely to increase resulting in higher prices.	Impact 1 Likelihood 1	Impact 2 Likelihood 3	• The Group only uses a relatively small amount of carbon offsets and they do not play a major role in our current carbon reduction strategy • Where offsets are used, they are from reputable, locally based sources to control the risk of reputational damage as scrutiny around offsets increases

Key: 5 Very likely/Very high 4 Likely/High 3 Possible/Medium 2 Unlikely/Low 1 Very unlikely/Very low

Sustainability continued

Our climate-related financial disclosures

Strategy continued

Climate-related opportunities

Two key climate-related opportunities have been identified. In the medium term, the Group could stand to benefit from reduced operating costs if the transition to lower emission technologies is made. There could also be opportunities arising from shifts in customer values, capitalised through a diverse eco-product portfolio and a well-resourced sustainability team in comparison to competitors.

Transition opportunities	Impact 2027	Impact 2030	Realisations
1. Cost savings from transition to lower emission technology			
Sub-component: Technology **Description:** Energy savings from investments in more efficient technology. Conversion to solar by 2030 would reduce this operational cost.	Impact 1 Likelihood 1	Impact 1 Likelihood 2	• Investment in new machinery to improve efficiency and capacity • Investigation of solar and wind technologies in exploratory stages • Energy efficiency being reviewed and capital investment allocated to more efficient processes
2. Shift in customer/consumer values			
Sub-component: Market **Description:** Taking advantage of emerging customer requirements/trends. Our global manufacturing footprint gives an advantage if import of goods becomes unpopular. The Group is a market leader on sustainable alternatives.	Impact 1 Likelihood 1	Impact 1 Likelihood 3	• Implementing more sustainable packaging and reducing plastic content • Creating more awareness among our customers of our in-house manufacturing capabilities • Producing specifically sustainable ranges of our products, including the Eco Nature™ ranges and Smartwrap™

Key: 5 Very likely/Very high 4 Likely/High 3 Possible/Medium 2 Unlikely/Low 1 Very unlikely/Very low

Metrics and targets

Design Group uses a range of metrics to evaluate climate-related risks and opportunities. These are measured through the KPIs established within our ‘helping design a better future’ framework, which, along with definitions, are covered in more detail on pages 26 to 39. To provide a clearer view of the underlying performance, some KPIs have been restated to reflect updated methodology, with prior years updated accordingly.

	Link to identified climate risk/ opportunity	FY2025	FY2024	FY2023	FY2022
Fully recyclable product ranges	O2, R3, R5	68%	66%	59%	56%
Single-use products as % of Group sales	O2, R3, R5	49%	49%	55%	51%
Fully recyclable packaging	R3, R5	76%	76%	75%	69%
Waste sent to landfill	R1	31%	33%	28%	29%
Scope 1 and Scope 2 emissions as a percentage of revenue	O1, R1, R4	2%	4%		

The above metrics cover the majority of the climate risks and opportunities identified, particularly those with a more material impact.

In line with last year we are reporting our greenhouse gas emissions categorised into Scope 1 and Scope 2 emissions, calculated in accordance with the Greenhouse Gas Protocol, under the guidance of the Companies Act. Scope 1 emissions encompass direct emissions from sources owned or controlled by the Group such as the combustion of fossil fuels. Scope 2 emissions represent indirect emissions associated with the consumption of purchased electricity. Total Scope 1 and Scope 2 emissions have reduced in the year largely driven by site consolidation projects in DG Americas and China, and the investment in solar panels at the DG Americas' Mexico site. Following the investment in a Group-wide ESG data management and reporting platform last year, this year we have embarked on a project to measure our Scope 3 emissions. We are committed to continuously improving our environmental reporting practices and may seek external assurance in future reporting periods to enhance the credibility and reliability of its disclosures. While efforts have been made to ensure the reliability of the information provided, there may be inherent uncertainties, including accuracy and completeness, of the reported data. Prior year Scope 1 and 2 emissions data has been updated to reflect improved data quality within DG Americas, to address enhanced methodology in line with evolving best practices in emissions reporting. The changes were made to ensure greater accuracy and consistency with current-year disclosures.

Group emissions	FY2025 tCO_2e	FY2024 tCO_2e
Scope 1	**6,265**	15,230
Scope 2	**11,510**	13,662
Total	**17,775**	28,892

Targets to manage climate-related risks and opportunities and performance against targets

Over the past year we have continued to progress the Group's approach to sustainability and the associated key performance sustainability indicators. In the coming years, our priority will be to measure our Scope 3 emissions and to establish Group-wide targets to effectively track and drive our sustainability efforts.

UK environmental reporting

The UK businesses' total energy use and associated greenhouse gas emissions have been reviewed in accordance with the government's guidance on Streamlined Energy and Carbon Reporting. In the UK there are a range of measures in place to increase energy efficiency such as: only investing in machinery that is more efficient and less polluting than existing machinery, specifically switching to Smartwrap™ this year, and UK sites being powered by renewable electricity. In the year the UK also repaired compressed air leaks, reducing emissions. The CO_2e (carbon dioxide equivalent) emissions were calculated using available energy and mileage data collected for our Climate Change Agreement (CCA) and Energy Savings Opportunities Scheme (ESOS) for reporting purposes and converted using current factors published by the Department for Business, Energy and Industrial Strategy. The emissions cover Scope 1 and 2, as well as Scope 3 emissions from business travel. The results, focusing on the combustion of gas, the consumption of fuel for transport, and electricity use, for the year ended 31 March 2025 were:

UK emissions	FY2025 tCO_2e	FY2024 tCO_2e
Scope 1	**1,597**	1,471
Scope 2	**1,256**	1,299
Scope 3	**24**	28
Total	**2,877**	2,798

	FY2025		FY2024	
UK energy consumption	Consumption	Tonnes CO_2e	Consumption	Tonnes CO_2e
Electricity	**6,058,699 kWh**	**1,254**	5,836,293 kWh	1,207
Gas	**8,043,534 kWh**	**1,536**	8,040,507 kWh	1,471
LPG	**27,790 litres**	**43**	47,068 litres	69
Company vehicles	**158,568 miles**	**45**	218,755 miles	51
Total		**2,878**		2,798

Energy emissions ratio:

Total tonnes CO_2e/ (1) million (£) annual turnover	**29.62**	24.95

Stakeholder engagement

We value strong and open relationships where mutual trust and respect are key

Section 172 statement

As an AIM-listed company, we know that listening and considering our Shareholders' views is critical, but we are also committed to the same approach with all our key stakeholders.

Transparency, honesty and engagement are crucial to ensure the long-term sustainability of the Group and the Board, senior management teams and all our businesses are aligned in this view.

Section 172 of the Companies Act 2006 imposes a duty on Directors to act in a way that is most likely to promote the success of the Company whilst having regard to its stakeholders.

The Board believes that it has made decisions throughout FY2025 that have been in the best interests of the Company as a whole. It has considered the interests of relevant stakeholders in its decision making, and set out on these pages are the ways in which the Company engages and examples of how the Board has considered their views in its decision making.

How we engage with our stakeholders

Stakeholder	Engagement mechanisms
Employees	• Structured onboarding and induction programmes • Ongoing training and development, including wellbeing and personal development initiatives • Regular employee briefings including 'town halls', team briefings, one to ones • Employee engagement survey
Suppliers and Customers	• Key account managers and supporting teams • In-person and virtual regular meetings • CEO supplier visits
Communities	• Local, business unit-led community projects and fundraising
Shareholders	• Individual meetings with large institutional shareholders • Regular trading updates • Investor information and reports on our website • Annual General Meeting
Regulators	• Briefings and webinars to keep up to date • Completion of required filings and processes • Board updates on relevant changes in legislation and best practice • Retention of advisers and consultants where appropriate

Decisions made during FY2025

Appointment of new Non-Executive Director

As announced on 8 January 2025, John Gittins joined the Board on 3 March 2025 as a Non-Executive Director. As noted in the Corporate Governance report, the search for a new Non-Executive Director was predicated on the desire to ensure a line of succession for the Audit Committee Chair, whose tenure was due to pass the nine-year best practice threshold during 2025. The Board considers, in line with the QCA Code 2023, the diversity, balance of skills and expertise amongst the Board members and the degree to which these attributes enable them to fulfil their duties as Directors of the Company. The Group's long-term sustainability depends upon effective leadership and good governance, making any appointments to the Board important for future success.

Key stakeholders considered:

Articles of Association ('Articles')

Amended Articles of Association were put to Shareholders for approval at the 2024 Annual General Meeting and were passed. A review of the Articles had resulted in a number of material changes which included the ability to hold 'hybrid meetings'; flexibility to deal with untraced shares; the ability to postpone a general or Annual General Meeting; a removal of the cap on borrowing powers; and an update to the retirement by rotation of directors to allow for all directors to retire and be put forward for re-election at each Annual General Meeting in line with the QCA Code 2023. Articles that are up to date and aligned with regulatory requirements and best practice ensure that the 'constitution' of the Company sets the Directors up to operate in the most efficient way, whilst annual retirement by Directors enables Shareholders greater control over the Board that is running the Company. An effective and efficient Board ensures that decisions that are in the best interests of the Company can be made, enabling the Group to continue to operate and retain its employees.

Key stakeholders considered:

Modern Slavery Statement

The Board approved the Modern Slavery Statement for 2024 which is available on our website. The Board, and the Group as a whole, will not tolerate modern slavery in any of its forms, nor will it tolerate it in its customers or supply chain. In addition to the statement, the Board approved an anti-slavery policy during the year and training will be rolled out to the Group in FY2026.

Key stakeholders considered:

Closure of Chinese manufacturing facility

The Board approved the closure of the Huizhou manufacturing facility in China during the year. The decision was made based on evidence and considering the impacts (both positive and negative) of all relevant employees, customers, suppliers and Shareholders.

Key stakeholders considered:

See more on the Board's activities in the year in the Corporate Governance report on pages 62 to 67

Risk management

Empowering growth through disciplined risk management

Our risk management framework

Governance

Design Group operates a well-established structure for the management of risk, where responsibilities and ownership are clearly defined:

The Board
- Ownership and monitoring of risk management
- Evaluates the most significant principal risks and sets risk objectives
- Determines overall risk appetite for the Group

Audit Committee
- Responsible for advising the Board on risk exposures
- Risk review both top-down and bottom-up
- Review of internal controls that help manage risks

Operating Board
- Oversight of principal risks and mitigating actions
- Ownership of internal controls to manage risks

Group risk function
- Review and oversight of the Group's risk management process
- Monitoring, collating, calibrating and reporting of risks and mitigating actions

Business units
- Identification, assessment and mitigation associated with key risks at business unit level
- Day-to-day management of risks, considering risk as part of decision-making and management of external relationships

Risk strategy and appetite

As part of the risk management process, each principal risk is considered in the context of achieving the Group's strategy and long-term value creation.

Risk appetite represents the types and levels of risk that the Group is willing to take or accept to achieve its strategic objectives. The Board has defined a risk appetite for each principal risk category, ranging from minimal to open, depending on the nature of the risk and its potential impact on strategic objectives.

In setting our appetite, we aim to strike an appropriate balance between pursuing growth opportunities and protecting stakeholder value. Our risk appetite framework supports consistent and informed decision making across the Group and provides a structured basis for managing risks within our defined tolerance levels.

The Group's risk appetite, as well as the risk categories themselves, are reviewed regularly, taking into account the evolving external environment. This covers emerging risks such as climate-related impacts, geopolitical instability, and technology-driven disruption. It also covers trends such as the recent increase in cyber security incidents. Where appropriate, we use scenario analysis and stress testing to inform these assessments and ensure resilience under a range of outcomes.

Risk management approach

Design Group operates a decentralised model where risk management is embedded within strategic and operational decision making. Design Group's approach to risk management is essentially bottom-up, with each of our business units maintaining risk registers for their territories, identifying key risks, monitoring them, and determining mitigation plans. While the registers are tailored to local operations, the Group promotes a consistent approach across the business. Oversight is provided by the Group team and the Board through a top-down perspective, ensuring that significant strategic and operational risks are identified with consistency and appropriately managed across the Group.

The Group applies a consistent risk management framework to assess and monitor risks across its operations. Risks are evaluated using a risk impact matrix that considers both financial and non-financial factors to determine an overall risk score. Each principal risk is then assessed against the Group's defined risk appetite and reviewed in the context of our strategic objectives. This structured approach allows the Group to identify areas of elevated risk and prioritise appropriate mitigation actions.

The Group's risk management framework is underpinned by a 'three lines of defence' model. The first line of defence comprises operational teams within each business unit, who are responsible for identifying, managing, and mitigating risks as part of their day-to-day activities. The second line provides internal oversight through corporate functions that are independent of frontline operations, offering review and challenge of controls and mitigation plans. The third line of defence is delivered through outsourced internal audit, which provides the Audit Committee with independent assurance over the effectiveness of risk management across the Group.

Link to strategy key:	Strategic, Adaptive, Dependable, Strong, Collaborative, Informed
Link to business model key:	Distribution & fulfilment, Responsible sourcing & manufacturing, Innovative product design & development, Market insight
Risk level key:	Low risk, Medium risk, High risk

Emerging risks

As part of the risk management process, we regularly discuss and assess emerging risk areas to determine whether they should be elevated to principal risks and actively monitored as part of the Group's risk management process going forward.

Principal risks

Macroeconomic uncertainty

Post mitigation:

The global economic environment is very volatile as a result of geopolitical instability, on top of challenging market conditions. Newly announced international trade tariffs will challenge the resilience of our supply chain and influence consumer sentiment and spending. Macroeconomic uncertainty impacts our key cost drivers, notably raw materials, freight, and people, as well as increasing customer credit risk.

Risk movement:

Unchanged ↔

This risk remains significant. The Group continues to be impacted by a series of geopolitical and economic disruptions that have affected business conditions. On top of an overall trading environment that generally remained challenging through FY2025, further pressures on US retail emerged shortly after the year end, adding to the volatility facing some of our key customer relationships. The announcement of materially increased trade tariffs on certain imports to the US market are likely to have a very disruptive effect on the retail market and significantly reduce category value and margins. Broader global instability, including the ongoing conflict in Ukraine and disruptions in the Middle East affecting shipping through the Red Sea, also contributed to supply chain delays and increased freight costs. In Q4 FY2025, financial strain led to a number of customer insolvencies.

These macroeconomic and geopolitical challenges continue to affect suppliers, customers, consumers, and employees across our value chain. With the near-term outlook remaining uncertain, it is critical that we remain agile in responding to external market conditions while maintaining focus on our strategic priorities.

Mitigation

- Diversification strategy within our supply chain
- Diversification across regions, products, suppliers and sales channels
- Regular monitoring of economic conditions and trade developments, with impact analysis and scenario planning supported by external specialists where appropriate
- Innovation and product design to help offset rising raw material costs
- Ongoing freight contract reviews and evaluation of alternative shipping routes
- Enhanced customer credit monitoring
- Increased engagement with customers to support contract renegotiations where required
- Consideration of the strategic options available to the Group with respect to the DG Americas division

Link to strategy:

Link to business model:

Strategy

Post mitigation:

The current environment requires a strategy that is suited to the uncertainty being experienced across our markets. A lack of pace or poor execution in delivering the Group's strategy could further limit our ability to achieve growth ambitions and meet shareholder expectations.

Risk movement:

Unchanged ↔

The Group continues to operate in a very challenging environment with underperformance coupled with continued significant organisational change. Maintaining strategic focus and disciplined execution are now more critical than ever to return the business to profitability and enable long-term sustainable growth.

With the divestment of DG Americas, the focus is on delivering profitable sales growth across the UK, continental Europe and Australia. Success will require strong alignment across the Group, robust planning and commercial agility, while maintaining operational discipline.

Mitigation

- Operating Board overseeing the delivery of strategic and operational initiatives, and monitoring external developments
- Functional Forums leverage Group-wide expertise and accelerate progress
- Building the new capabilities and processes required to exploit opportunities that will deliver sustained, profitable growth
- Deployment of strategic enablers to promote alignment, culture, and long-term momentum
- Ongoing review and monitoring of long-term key performance indicators

Link to strategy:

Link to business model:

Risk management continued

Principal risks continued

Consumers

Post mitigation: Medium risk

Inability to identify and respond to changing consumer behaviours and demand trends could result in reduced revenue and pressure on margins.

Risk movement:

Unchanged ↔

While the overall risk level has not changed, it remains significant due to the ongoing cost-of-living pressures and, real or perceived, persistent inflation in our key markets. These macroeconomic factors continue to influence consumer behaviour, driving a reduction in discretionary spending.

Mitigation

- Continued emphasis on product design, innovation, quality, and service, including development of sustainable product ranges
- Maintaining a blended and diversified portfolio of products and customers across different market segments, channels and geographies
- Strong collaborative relationships with key customers to stay ahead of evolving consumer trends, and leveraging Group-wide trend analysis to support idea sharing
- Identification of market opportunities in terms of adjacent categories and channels not previously considered
- Annual budget and strategic review process incorporating market trend assessment and scenario planning

Link to strategy: Adaptive, Informed

Link to business model: Innovative product design & development, Market insight

Information security

Post mitigation: Medium risk

Risk of a cyber-attack or data breach leading to business disruption, loss of data, or reputational damage.

Risk movement:

Unchanged ↔

Cyber threats remain a key area of focus across all industries, and while there has been no material change in risk level, vigilance remains essential. The Group continues to strengthen its information security posture through governance and targeted investment. The current IT landscape benefits from a degree of protection due to the decentralised nature of systems across territories.

The Group continues to monitor emerging technology-related risks, including those associated with the growing use of artificial intelligence and automation tools. While AI adoption within the business is currently limited, we have established appropriate policies to govern use and to mandate information security controls to manage evolving risks.

Mitigation

- Group Head of IT provides strategic oversight of technology risk and ensures alignment of security priorities across the business
- Information Security policies and procedures established, supported by ongoing employee training and awareness programmes
- Dedicated IT Managers in each territory oversee local implementation and share best practice across the Group
- Regular vulnerability scanning and penetration testing
- Security Information and Event Management (SIEM) tools deployed, along with a 24/7 managed detection and response (MDR) service to enable proactive monitoring and rapid incident response
- The siloed nature of many legacy systems reduces the potential for widespread systemic exposure

Link to strategy: Strong, Informed

Link to business model: Distribution & fulfilment, Responsible sourcing & manufacturing

Link to strategy key: Strategic, Adaptive, Dependable, Strong, Collaborative, Informed

Link to business model key: Distribution & fulfilment, Responsible sourcing & manufacturing, Innovative product design & development, Market insight

Risk level key: Low risk, Medium risk, High risk

Supply chain and sourcing

Post mitigation:

An inability to secure the right terms, quality, compliance, or timely delivery from suppliers, combined with a lack of resilience in the supply chain, could lead to revenue loss and margin pressure.

Risk movement:

Unchanged

This risk remains significant due to the Group's continued reliance on suppliers in China, which increases exposure to geopolitical uncertainty and trade-related disruption. While alternative sourcing regions such as Cambodia, Vietnam, and Taiwan are being explored, China maintains influence over raw material flows into many of these markets, limiting the extent to which supply chain risk can be fully diversified.

The Group also recognises growing stakeholder and regulatory expectations around environmental, social, and ethical standards in sourcing practices. Failure to maintain appropriate oversight in this area could result in reputational damage, regulatory risk, or loss of customer confidence.

Mitigation

- Maintaining strong, collaborative supplier relationships to manage cost pressures and delivery reliability
- Expansion, diversification and ongoing review of supplier base
- Regular supplier evaluations, audits, and vendor due diligence, including legal and commercial risk assessments for new contracts
- Leveraging our sourcing offices in Asia to monitor supplier performance and maintain relationships on the ground
- Exploring alternative sourcing options in different geographies to increase supply chain flexibility

Link to strategy:

Link to business model:

People

Post mitigation:

An organisational structure or talent strategy that fails to keep pace with the needs of the business could result in an inability to deliver key objectives.

Risk movement:

Unchanged

To deliver on its goals, the Group must continue to invest in people, skills, and organisational capability. This will be critical in enabling deeper collaboration with customers, strengthening strategic partnerships, and supporting the execution of our growth strategy.

It is also critical in addressing the new opportunities with potential to offer further growth versus our traditional business model e.g. e-commerce and the Independents channel

Mitigation

- Focus on succession planning and building strong teams around key roles in each business unit
- Investment in upskilling, recruitment and capability development to close skill gaps and reduce key person dependencies
- Clear hiring policies that prioritise qualifications, relevant experience, and cultural alignment
- Emphasis on leadership development and management training to enhance capability across the Group
- Active promotion of the Group's culture, purpose, and values internally
- A focus on management development to improve competencies across the business
- Use of staff surveys, feedback mechanisms, and regular review meetings to monitor engagement and address concerns
- Implementation of cross-learning programmes for senior management to build broader organisational understanding
- Ongoing review of executive and senior leadership remuneration to ensure competitiveness and alignment with performance

Link to strategy:

Link to business model:

Risk management continued

Principal risks continued

Climate change

Post mitigation: Medium risk

An inability to effectively transition to a low-carbon economy, either by failing to meet evolving consumer expectations, comply with climate-related legislation, or by failing to respond to the physical effects of climate change, could result in business disruption, reduced revenue, and increased operating costs.

Risk movement:

Unchanged

The Group continues to make progress in sustainable product development and remains at the forefront of innovation in this area. However, our ability to accelerate change is partly shaped by the expectations of customers in our key markets, where consumer demand for sustainability-led products varies. As such, we remain agile in adapting to diverse stakeholder needs.

In relation to corporate reporting, uncertainty persists around the timing and scope of global climate disclosure frameworks. Disclosure on the Group's climate-related physical and transition risks are covered in the sustainability report on pages 42 to 49.

Mitigation

- Ongoing development and expansion of sustainable product ranges
- We have made targeted investments – such as installing LED lighting, solar panels, and more energy-efficient machinery at our sites where feasible – to reduce the carbon footprint of our operations
- Group-level strategic plans in place to address climate-related risks and opportunities
- Ongoing engagement with key stakeholders, including customers, shareholders, employees, and lenders, on sustainability priorities
- Maintenance of climate risk registers across the Group to monitor exposures and inform strategic decisions
- Monitoring of regulatory developments including Companies Act requirements, CSRD and other jurisdiction-specific disclosure requirements

Link to strategy: Strategic, Adaptive, Informed

Link to business model: Responsible sourcing & manufacturing, Innovative product design & development, Market insight

Financial control and insight

Post mitigation: Medium risk

Weaknesses in the Group's financial control environment, forecasting accuracy, or performance insight may result in poor strategic or operational decisions, regulatory non-compliance, missed commercial and strategic opportunities, or financial underperformance.

Risk movement:

Unchanged

Ongoing macroeconomic uncertainty continues to affect our customers and end-consumers, contributing to increased volatility in customer forecasts and order timing. This creates challenges in maintaining forecast accuracy and in providing timely insight to support strategic and operational decisions.

Mitigation

- Group policy requiring the recruitment of qualified individuals into key financial roles
- Group-wide financial policies supported by a minimum controls framework and bi-annual self-certification of compliance by business units
- Defined approval limits and segregation of duties applied across key financial processes
- Regular reconciliation of key balance sheet accounts and standardised month-end close procedures
- Controlled system access and role-based permissions to safeguard financial data integrity
- Independent business assurance reviews of key financial and operational controls
- Ongoing communication and alignment across Group finance teams to share best practice
- Regular forecasting and performance projections to support agile, insight-driven decision making

Link to strategy: Strong, Informed

Link to business model: Market insight

Link to strategy key:	Strategic, Adaptive, Dependable, Strong, Collaborative, Informed
Link to business model key:	Distribution & fulfilment, Responsible sourcing & manufacturing, Innovative product design & development, Market insight
Risk level key:	Low risk, Medium risk, High risk

Legal and regulatory compliance

Post mitigation:

The Group operates across multiple jurisdictions, each with its own legal and regulatory landscape. The decentralised nature of our structure increases legal and regulatory risk, which could lead to reputational damage, financial penalties, or disruption to operations.

Risk movement:

Unchanged

The complexity of our supply chain, particularly in the Far East, exposes the business to a heightened level of compliance risk, requiring robust oversight and local engagement. The Group continues to monitor legal and regulatory developments closely, recognising that global compliance expectations are evolving rapidly across areas such as trade, labour practices, data protection, and sustainability.

Mitigation

- Group-wide policies and procedures covering key compliance areas, including a Code of Conduct signed by all employees and access to a whistleblowing hotline
- Oversight from the Group General Counsel, supported by external legal advisers across key jurisdictions
- Governance structures such as the Operating Board and cross-functional forums help monitor compliance activity across the Group
- Engagement of specialist legal, tax, and regulatory advisers where appropriate
- Independent business assurance reviews through the Group's outsourced internal audit provider
- Open dialogue with relevant regulatory authorities, including tax bodies, to support proactive compliance

Link to strategy:

Link to business model:

Service and quality

Post mitigation:

Failure to meet required service levels, product pricing expectations or quality standards could result in the loss of key customers, reduced revenue, and margin erosion, particularly given the Group's level of customer concentration.

Risk movement:

Increased

This risk has been broadened to incorporate the compounding impact of customer concentration, increasing the potential impact of any service, quality, or pricing failure. Consistent high service delivery and compliance, commercially viable pricing and strong relationships are critical for customer retention.

Mitigation

- Strong and collaborative customer relationships, supported by adherence to agreed Service-Level Agreements (SLAs)
- Rigorous product testing and compliance controls to ensure quality and regulatory conformity
- Continued focus on innovation and maintaining a diversified customer and product portfolio to reduce concentration risk
- Diversification of customer portfolio to reduce concentration

Link to strategy:

Link to business model:

Board of Directors

The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance are maintained throughout the Group.

Stewart Gilliland
Interim Executive Chair

N A R

Date of appointment: Stewart joined the Board as a Non-Executive Director on 5 July 2021 and became Non-Executive Chair on 20 September 2021. Upon the departure of the CEO, Paul Bal, on 20 June 2025, Stewart became Interim Executive Chair but was Non-Executive Chair for the duration of the year under review.

Experience: Stewart has a wealth of experience in senior and board roles at fast-moving consumer goods businesses, both listed and private. Both as an executive and non-executive, he established a strong track record in supporting businesses to achieve their growth ambitions and encouraging engagement with stakeholders.

External appointments: Stewart is currently a Non-Executive Director at Tesco plc and Natures Way Foods Limited.

Skills: Stewart has over 40 years' experience and knowledge in customer engagement, marketing, logistics and general management.

Rohan Cummings
Chief Financial Officer

Date of appointment: Rohan joined as Chief Financial Officer on 3 July 2023.

Experience: Rohan joined from Devro plc (listed until April 2023 on the LSE) where, until 2020, he was the group's CFO. During his tenure, Rohan was instrumental in the delivery of revenue growth and increased profitability. Previously, Rohan was CFO of Asahi International, part of Asahi Group Holdings, the Japanese-listed beverage and food group. Between 2002 and 2016 Rohan held a range of international finance roles with SABMiller culminating as CFO of Birra Peroni in 2014. He played an important role in the carve out of the businesses acquired by Asahi Group in 2016 as part of the AB Inbev acquisition of SABMiller.

Skills: Rohan is a Chartered Accountant, has an MBA and a broad finance and international background. He is a commercially focused finance leader with a track record of significant contributions to successful growth initiatives.

Mark Tentori LVO
Senior Independent Director

A R N

Date of appointment: Mark joined the Board as a Non-Executive Director on 1 January 2016. He was appointed Senior Independent Director on 4 January 2021.

Experience: Mark has held a number of senior positions, mainly as CFO or COO, in public and private companies operating in a wide range of sectors and geographies.

External appointments: Mark sits on a number of committees for the Duchy of Lancaster.

Skills: Extensive experience in business strategy and finance, M&A and operational excellence. Mark is also a Chartered Accountant.

Anders Hedlund
Founder and Non-Executive Director

Date of appointment: Anders was appointed as Nominee Non-Executive Director in 2007.

Experience: Anders founded the Group in 1979 and was joint Chief Executive Officer of the Group until December 2007.

Skills: Significant industry knowledge.

Key to committees

(A) Audit Committee (R) Remuneration Committee (N) Nomination Committee ● Chair

Clare Askem
Non-Executive Director

R A N

Date of appointment: Clare joined the Board as a Non-Executive Director on 5 July 2021.

Experience: Clare was previously a Non-Executive Director on the Board of Portmeirion Group plc and Managing Director of Habitat at Sainsbury's plc. Prior to her role at Habitat, Clare was Director of Strategic Development at Home Retail Group plc and previously held a number of executive positions at Dixons plc.

External appointments: Clare is currently a Non-Executive Director of The Law Debenture Corporation plc.

Skills: Strategy and leadership, digital transformation and change management.

John Gittins
Non-Executive Director

A R

Date of appointment: John joined the Board as a Non-Executive Director on 3 March 2025.

Experience: John's previous experience includes Audit Committee Chair at Appreciate Group plc and Electricity North-West Limited; as a Non-Executive Director at Hill Dickinson LLP; and in CFO and Finance Director roles at Fairpoint Group plc, Begbies Traynor Group plc, Vertex Data Science Limited and Spring Group plc.

External appointments: John is currently a Non-Executive Director and the Audit Committee Chair at Nichols plc.

Skills: John is a Chartered Accountant and an experienced UK and international CFO. He has 20 years of experience in both FTSE and AIM-listed companies, across regulated consumer financial services; and professional and support services. John has significant technical, audit, financial and strategic experience and understands the complexities of global operating divisions and worldwide markets.

Joy Laws
Group General Counsel & Company Secretary

Date of appointment: Joy joined Design Group as Group General Counsel & Company Secretary on 4 June 2018.

Experience: A qualified solicitor with over 18 years' experience advising at a senior level including PLC boards, UK and international leadership teams.

Joy was Interim General Counsel at Joules PLC and prior to that was Head of Legal at Avon Cosmetics Limited, and Senior Legal Counsel at SELEX Galileo (now Leonardo) providing key legal advice and support both to the UK business and as part of the international legal functions.

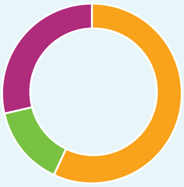
Skills: Corporate and commercial law, governance and compliance, and company secretarial matters.

Paul Bal
Chief Executive Officer

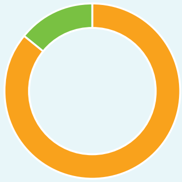
Date of appointment: Paul joined the Board on 1 May 2022 and stepped down from the Board with effect from 20 June 2025.

Corporate governance at a glance

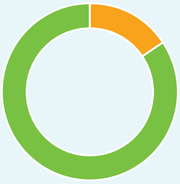
Board demographics



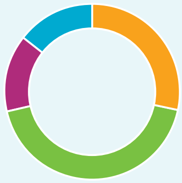
Role
- Independent NEDs: 4
- Non-independent NEDs: 1
- Executive Directors: 2



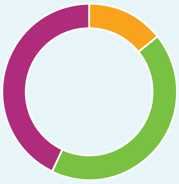
Ethnicity
- White: 6
- Asian: 1



Gender
- Female: 1
- Male: 6



Length of tenure
- 0-2 years: 2
- 2-5 years: 3
- 5-10 years: 1
- 10+ years: 1



Board age
- 45-54 years: 1
- 55-64 years: 3
- 65+: 3

Membership attendance

Board member	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting
Stewart Gilliland Member since 5 July 2021	●●●●●●●●●	●●●	●●●	●●●●●
Mark Tentori Member since 1 January 2016	●●●●●●●●●	○●●	●●●	·●●●●
Clare Askem Member since 5 July 2021	●●●●●●●●●	··●	●●●	●●●●●
Claire Binyon Until her departure on 15 January 2025	···●●●●●●	·●●	···	·●●●●
John Gittins Member since 3 March 2025	········●	··●	···	····●
Anders Hedlund Member since 23 October 1995	●●●●●●●●●	···	···	·····
Paul Bal Member since 1 May 2022	●●●●●●●●●	···	···	·····
Rohan Cummings Member since 3 July 2023	●●●●●●●●●	···	···	·····

● Attended meeting ○ Did not attend · Not eligible to attend

Data correct as at the reference date, being the balance sheet date of 31 March 2025.

Matters reserved to the Board

Strategy
Overall direction and strategy of the Group, oversight of operations and performance.

Structure, capital and financing
Changes to the Group's capital, corporate, management and control structures, and listing/status as a plc.

Financial reporting and controls
Approval of budgets, financial results, significant financial policies.

Internal controls
Ensuring there is a sound system of internal controls and risk management.

Contracts
Approval of major capital projects, material contracts and major investments.

Communications
Approval of material regulatory announcements, circulars, prospectuses and listing particulars.

Board membership, other appointments and remuneration
Appointments to the Board, succession planning, committee membership.
Remuneration policy for Executive Directors and senior executives.

Corporate governance
Corporate governance arrangements, stakeholder interests, independence review and annual review of performance.

Our governance framework

Shareholders and other stakeholders
The owners of the Company and those with an interest in its long-term sustainability

Plc Board
- Sets the purpose, strategy and values for the Company
- Oversees the delivery of the strategy through systems of internal control and risk management
- Makes decisions having regard to its duties under the Companies Act 2006 and particularly S172

Audit Committee
Monitors and reviews the integrity of financial statements, effectiveness of risk management and internal controls, business assurance and external audit

Remuneration Committee
Sets the Remuneration Policy for the Executive Directors, Senior Executives and Chair

Reviews and monitors performance against bonus and share incentive plans

Oversight of HR activities across the Group

Nomination Committee
Reviews and monitors Board composition, diversity and skills, succession planning, recommends appointments to the Board

Disclosure Committee
Assists the Board in the management and disclosure of inside information

Operating Board
CEO, CFO, Business Unit Managing Directors
Head of Group IT, Group General Counsel & Company Secretary

Forums
Commercial | Manufacturing | People | Finance | Finished Goods Sourcing | Technology | Sustainability

Chaired by CEO/CFO
All Business Unit Managing Directors invited
Key members across the Group relevant to topic area

Accountability & reporting

Corporate governance report

> "Informed decision making underpinned by sound corporate governance has been increasingly important throughout a challenging year."

Stewart Gilliland
Interim Executive Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present the Corporate Governance report for the year ended 31 March 2025.

Key Board activities

DG Americas

As announced to the market during the year, with Paul Bal's additional responsibilities leading the DG Americas team for the latter half of the year, I also committed additional time to bolster Board support across the Group. During this time, the Board and the Nomination and Remuneration Committees worked to identify and recruit a new CEO for DG Americas that would provide the much-needed leadership to build on the turnaround plan and focus on how our strategy could return DG Americas to profitable growth. Sue Buchta joined as CEO of DG Americas on 8 January 2025.

The Group subsequently disposed of DG Americas on 30 May 2025. Please refer to note 30 of the accounts.

Changes to the Board

Claire Binyon stepped down from the Board on 15 January 2025 and I would like to thank her, on behalf of the Board, for her contribution during her tenure.

The Board has been mindful of the nine-year tenure threshold for Non-Executive Directors, which is considered best practice, and it monitors each Non-Executive Director's tenure and approves term renewals as these become due (subject to annual re-election at the Company's Annual General Meeting (AGM)).

Mark Tentori was due to reach the nine-year threshold in 2025 and as such, the Board undertook a recruitment process to appoint a new Non-Executive Director who would be suitable to succeed Mark as Audit Committee Chair when he steps down at the 2025 AGM (subject to any unforeseen circumstances which would prevent this). The Board was delighted therefore to appoint John Gittins as a Non-Executive Director with effect from 3 March 2025. More details on the recruitment process are available in the Nomination Committee report on page 71.

Paul Bal stepped down from the Board on 20 June 2025, and until a new CEO has been identified, I will be undertaking the role of Interim Executive Chair.

Board visits

Whilst the whole Board did not visit DG Americas this year due to the need for the team there to focus on day-to-day operations and re-organisation, Paul Bal was there regularly to lead the team and reported back to the Board at every meeting. I also visited twice during the year and Rohan Cummings with other Plc team members went in early 2025 to provide support.

The Board made its annual visits to DG UK in Wales and in Newport Pagnell, and to DG Europe and as in the previous year, these visits proved highly beneficial in bringing the Group together, sharing and discussing challenges and strategies, and building relationships. The Board also gained invaluable insight into the culture of its businesses, and how this embodies the values of the Group.

Joint Operating Board / Board meetings

In addition to the above visits, the Board held a one-day meeting jointly with the Operating Board in Rotterdam in February 2025. (More information on the Operating Board is set out in our governance framework on page 61.) The meeting was a strategy-focused session to discuss value creation, risks and opportunities across the Group. Each Business Unit Managing Director was in attendance to present their strategy, and to discuss their plans with each other and the Board. The Board is mindful of the critical nature of a collaborative approach to strategy setting and these sessions (now annual) provide a platform for open and constructive discussion and an opportunity for both Boards to gain greater understanding of each other.

Annual General Meeting (AGM)

With all resolutions at our AGM in 2024 receiving an average vote in favour of 99.98%, the Board and I were pleased and grateful for your continued support.

Stewart Gilliland
Interim Executive Chair

28 July 2025

Board governance

Throughout the year ended 31 March 2025, the Board has adopted the principles and guidance of the Quoted Companies Alliance (QCA) Corporate Governance Code 2023 (QCA Code). The table below sets out where the supporting information and detail relating to each of the principles of the QCA Code can be found.

	The QCA ten principles of corporate governance:	Read more
1.	Establish a purpose, strategy and business model which promotes long-term value for shareholders.	See pages 8 and 9
2.	Promote a corporate culture that is based on ethical values and behaviours.	See pages 8 and 9
3.	Seek to understand and meet shareholder needs and expectations.	See pages 50 to 51 and 66
4.	Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.	See pages 26 to 49
5.	Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	See pages 52 to 57 and 68 to 70
6.	Establish and maintain the Board as a well-functioning, balanced team led by the Chair.	See pages 60 to 67
7.	Maintain appropriate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities.	See pages 60 to 80
8.	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	See page 67
9.	Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture.	See pages 74 to 80
10.	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	See pages 50 to 51 and 66

Corporate governance report continued

Division of responsibilities

The Chair of the Board is responsible for ensuring that the Board not only operates effectively but that it oversees a corporate governance framework which supports and enables the Group to achieve its purpose of 'making moments special' by reducing or mitigating risks and enabling operational activity. Our governance framework allows the Board and the Group to adapt to changing forces and make appropriate decisions. Our internal governance framework is set out on page 61.

The Board sets the vision and strategy for the Group and works with the executive management team to deliver a sustainable and successful business model for its Shareholders and other stakeholders.

Ordinarily, and for the duration of the year under review, the roles of the Chair of the Board and the CEO are distinct and are set out in detail on our website at **www.thedesigngroup.com**

The Chair is primarily responsible for the effective working of the Board in conjunction with management, and the CEO is responsible for the operational management of the business and for the implementation of the strategy agreed by the Board.

The Group Delegation of Authority policy sets out the matters that are reserved to the Board for approval. A high-level summary is provided on page 61. The full list of matters reserved to the Board can be found on our website at **www.thedesigngroup.com**

Independence, conflicts of interest and time commitment

Anders Hedlund, who founded the Group, is a Nominee Non-Executive Director. Anders Hedlund is considered not to be independent, because as founder, he has served on the Board since the Company's inception and his family hold significant interests in the shareholding of the Company. As reported in the financial statements, there are also some related party transactions between certain of the subsidiaries within our Group and companies under the ultimate control of the Hedlund family.

Non-Executive Directors are expected to devote between two and three days per month to their role with additional time if required for specific matters. Where a Non-Executive Director wishes to take on additional external commitments, they are required to seek the permission of the Chair of the Board.

The Board keeps a register of interests to monitor each Director's workload, and their actual or potential conflicts of interest. This register is reviewed annually and whenever a new interest is declared, to ensure that the Director concerned remains able to devote the required time to their role. The Board has concluded that each of the Directors can devote sufficient time to meet their Board responsibilities and carry out the Company's business.

Actual or potential conflicts of interest are declared at the start of each meeting of the Board and its committees. Should a conflict be declared in the business of the meeting, the Director concerned recuses themselves from the discussion and the decision making.

Independence is reviewed annually, and the Board considers that all the Non-Executive Directors (excluding Anders Hedlund) remain independent. This included the Chair of the Board (for the financial year ended 31 March 2025) despite the additional time he gave to the Group during the latter half of the financial year, and Mark Tentori, who despite his tenure (passing the nine-year best practice threshold in 2025) continues to display objective and independent thought and perspective in the opinion of the Board.

Committees

The Board has delegated certain responsibilities to its committees, of which there are three: Audit, Remuneration and Nomination. During the year under review, all committees were comprised solely of independent Non-Executive Directors with Executive Directors and other colleagues invited to meetings as appropriate. More information on the committees is available on pages, 68, 71 and 74.

The Audit Committee satisfies itself on the integrity of financial information and ensures the controls and risk management systems within our businesses are robust and defensible. The Committee meets as required during the year and at least twice with the Group's external auditors. Its role is to review the interim and final financial statements for approval by the Board, to ensure that operational and financial controls are functioning properly, and to provide the forum through which the Group's external auditors report to the Board. Further details about the activities undertaken by the Audit Committee this year can be found on pages 68 to 70.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and other senior executives and making recommendations to the Board with regard to any changes. It also keeps under review the leadership needs of the organisation, to ensure succession plans are in place, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace. Further details about the activities undertaken by the Nomination Committee this year can be found on pages 71 and 73.

The Remuneration Committee assists the Board in fulfilling its responsibilities to shareholders to ensure that: (i) the remuneration policies and practices of the Company are designed to promote the long-term success of the Company, and are aligned with the Company's strategy and values, having regard to all statutory and regulatory requirements, and to the views of stakeholders; and (ii) senior executives are provided with fair and sustainable remuneration which is linked to the delivery of strong personal and corporate performance. The Committee received advice from external remuneration consultants as required. Further details about the activities undertaken by the Remuneration Committee this year can be found on pages 74 to 80.

The Terms of Reference for each committee are reviewed annually and can be found on the Group's website at **www.thedesigngroup.com**

In addition to the three core committees, the Board has also established a Disclosure Committee which meets as required but at least annually to ensure the suitability of the Company's processes and controls in relation to the management and disclosure of inside information in compliance with the UK Market Abuse Regulation. Membership of the Committee is comprised of the Chair of the Board, the Audit Committee Chair, the CEO, CFO and Company Secretary.

Annual re-election

As signposted in the report last year, the Articles of Association of the Company were amended to align with the QCA Code to allow for the Directors of the Company to stand for re-election annually and this resolution was passed at the 2024 AGM. Therefore, all current Directors of the Company (save for Mark Tentori who is expected to stand down from the Board at the close of the meeting) will be put forward for re-election (or election in the case of John Gittins) at the 2025 AGM.

Board activities during the year

The Board held nine scheduled meetings during the year and attendance is set out on page 60 of this report. Additional meetings are held when required to cover time sensitive matters which are reserved to the Board. In addition to matters already covered in this report, the chart below sets out activities of the Board during FY2025.

Strategy

- Closure of Huizhou Gift International Greetings Co Ltd
- Joint Operating Board and Board strategy meeting
- Group-wide strategic projects

Operations

- CEO reports
- IT review
- Group insurance
- Employee engagement survey & actions
- ESG review

Finance

- CFO reports
- Budget and forecasts
- Capex, contracts & leases
- Half and full-year results
- Annual report
- Tax strategy

Governance

- AIM rule briefing
- Board self-evaluation
- Committee Chair reports
- Annual policy reviews
- Quarterly Health and Safety reports
- Quarterly Whistleblowing reports
- Director independence assessment
- Articles of Association
- Modern Slavery Statement 2024

Culture and values

The Board sets the tone for the Company, ensuring that the values (set out on pages 8 and 9) are demonstrated and embodied by everyone.

The Board seeks to monitor culture through a variety of channels. It receives reports on the annual employee engagement survey undertaken across the Group, along with the outcomes and actions agreed, monitoring their implementation and the effect of the same. More information on the employee engagement survey this year can be found on page 29.

The Board visits to business unit locations are also a valuable way of assessing culture as the Board are able to tour sites and meet colleagues in their own working environments.

The policies which sit under the Group Policy Framework (the 'framework'), which includes the Code of Business Conduct, are reviewed and approved annually by the Board. Compliance with the framework is monitored and recorded with training due to be implemented in the coming financial year.

The Company's Whistleblowing hotline and platform enables colleagues to report any legal or compliance concerns, without redress, and anonymously if they wish. Reports are handled sensitively, with investigations conducted by the relevant HR Director and overseen by the Group General Counsel & Company Secretary (unless conflicted) and with quarterly outcomes reported to the Board. Through this reporting, the Board can assess the extent to which colleagues feel safe to make reports, and if there are any themes which may indicate wider issues to be addressed.

ESG (Environmental, Social and Governance)

The Board reviews ESG-related matters throughout the year, receiving reports on the work of the Sustainability Forum. More information can be found on pages 26 to 49.

Corporate governance report continued

Shareholder engagement

The Board seeks to engage with its Shareholders as often as it can and appreciates the opportunity to hear different perspectives. Set out below is the calendar of Shareholder engagement undertaken during the year which has helped inform the Company's decision making.

Shareholder engagement calendar FY2025

Date	Engagement	Topics discussed
8-9 April 2024	Analyst visit to DG UK	Wales site visit
30 April 2024	Post-close full-year trading update	Update on financial performance
30 April – 3 May 2024	Various investor calls with CEO/CFO	Reactions to the trading update
25 June 2024	Full-year results announcement	Full-year results
25 June – 2 July 2024	Investor meetings & calls with CEO/CFO	Full-year results
12 July 2024	Investor feedback report from Canaccord	Overall positive responses to the full-year results announcement
26 September 2024	Annual General Meeting and trading update	Revised expectations
29 October 2024	Post-close interim trading update	In line with revised expectations
26 November 2024	Interim results announcement	Interim results
26-29 November 2024	Investor meetings & calls with CEO/CFO	Interim results
9, 10 & 12 December 2024	Investor calls with CEO/CFO	Interim results
14 December 2024	Investor feedback report from Canaccord	Responses to the interim results announcement
17 January 2025	Trading update	Update on financial performance & removal of guidance beyond FY2025
20-21 January 2025	Investor calls with CEO/CFO	Reactions to the trading update
30 January 2025	Investor visit to DG Americas Craft Division	New York visit to learn more about DG Americas business and products
3 February 2025	Investor call with CEO/CFO	Reactions to the trading update
3 March 2025	Investor meetings with Chair	Strengthening the Board

Board and Committee performance evaluation

As reported in the previous year's report, the Board had intended to conduct an external evaluation of its performance during FY2025. This external review was delayed to FY2026 to enable the incoming Non-Executive Director to be involved to better inform any actions to be taken in the future.

Therefore, the Board once again undertook an internal self-evaluation of its own performance and that of each Committee. Evaluations were conducted by way of a questionnaire which was based on the ten principles of the QCA Code. Additional comments were also encouraged along with specific questions on the main achievements of the Board over the past twelve months, and the Board's main strengths and weaknesses.

The results were initially reviewed by the Chair and Group General Counsel & Company Secretary and then shared and discussed with the full Board.

The results of the evaluation demonstrated generally consistent or improved performance across all categories. Actions arising related to the external evaluation to be undertaken in FY2026 and a strategy-specific session for the Board later in the year to spend focused time on the development of strategy, but also to build the Board dynamic in light of some of the Board member changes.

In line with the QCA Code, and their own Terms of Reference, each Committee of the Board also undertook a self-evaluation in January 2025. Topics covered included:

- roles and responsibilities;
- Terms of Reference and planning;
- meetings, content and operation;
- members' skill sets; and
- Shareholder interaction.

Audit Committee:

In comparison to the previous year, the results showed an improvement in scores across all categories. Oversight of business assurance rose in scoring once again, although the Audit Committee still felt that consideration of the function and its effectiveness was an ongoing priority for FY2026. Revisiting risk appetite was also a consideration for the coming financial year. John Gittins' commencement was a welcome addition with recent and relevant financial expertise.

Remuneration Committee:

Results of the Remuneration Committee self-evaluation showed consistent high performance along with an increase in scores for 'meetings' and 'terms of reference and planning'. Clarification of the information provided to the Committee was a focus for the coming year. The refreshed onboarding process for new Non-Executive Directors was also noted.

Nomination Committee:

The Nomination Committee self-evaluation showed consistent performance with only a slight decrease in the 'skills' category. In response to the previous year's evaluation, Group wide succession plans were reviewed by the Committee throughout the year and the skills matrix for the Board had also been reviewed in light of changes in-year. The Chair of the Board will be monitoring the skills and experience on the Board to ensure there are no gaps in capability and therefore effectiveness as we move forward.

Evaluation of the Chair and Non-Executive Directors

The Chair of the Board met with each of the Non-Executive Directors individually to discuss their performance during FY2025. The Chair concluded that the Audit and Remuneration Committee Chairs had shown good meeting management and facilitation and that the level of commitment shown by all the Non-Executive Directors had been exemplary throughout a demanding year.

The Senior Independent Director, Mark Tentori, met with the other Non-Executive Directors to review Stewart Gilliland's performance as Chair of the Board. Feedback was positive, with particular appreciation for Stewart's leadership through the Board changes during the year, and the additional Board support for the Group that he provided throughout the period that the CEO undertook additional responsibilities for DG Americas.

Board support

The Board is kept regularly updated by the Group General Counsel & Company Secretary and the Nominated Adviser of their legal duties, and any changes to legal and governance requirements for the Group.

The Board has access to external, specialist advice when necessary. This year, FIT Remuneration Consultants LLP continued to provide advice to the Remuneration Committee on a retained basis and BDO LLP (BDO) continued to provide business assurance support to the Audit Committee.

Newly appointed Directors are provided with a tailored induction (refreshed this year) which includes a briefing on their responsibilities and duties as a Director by the Company Secretary and role-specific meetings and introductions to the businesses in the Group.

In addition, the Board has access to the Deloitte Academy, which gives each Director (Executive and Non-Executive) access to a wide-ranging programme of technical briefings, education, bespoke training and peer-to-peer networking opportunities. This is a useful resource to ensure that they keep abreast of market trends in Board governance, legislative reform and keep their skills up to date.

Audit Committee report

"Financial integrity and transparency, underpinned by robust internal controls and risk management systems, remains the key focus for the Committee."

Mark Tentori LVO
Audit Committee Chair

Membership attendance

Board member
Mark Tentori Member since 1 January 2016
Clare Askem Member since 27 March 2025
Claire Binyon Until her departure on 15 January 2025
John Gittins Member since 3 March 2025
Stewart Gilliland Member since 5 July 2021

Dear Shareholder,

On behalf of the Board, I am pleased to present my final Audit Committee report for the year ended 31 March 2025. Having been with the Group for nine years, it is time for me to step down and hand the reins of the Committee to someone else. I leave the Group with mixed feelings given the exciting times ahead, but I would like to thank the Executive team for all their hard work and in particular for the excellent progress on governance that they have driven through.

Committee composition

I am delighted that John Gittins, who joined the Committee on his commencement in March 2025, will be taking over as Chair of the Audit Committee from September 2025 at the close of the Annual General Meeting (AGM). John brings with him considerable relevant and recent financial experience both as a former chief financial officer and more recently as a plc audit committee chair. Claire Binyon was a member until her departure from the Board in January 2025 and we thank her for her input during her time with us. As would be expected, the Committee comprised entirely independent Non-Executive Directors during the year under review.

The CFO, CEO, General Counsel & Company Secretary, and Group Financial Controller are all regular attendees at Committee meetings, with other relevant colleagues attending as required.

The Company's external auditor, PricewaterhouseCoopers LLP (PwC), and business assurance provider, BDO LLP (BDO), also attend meetings by invitation.

The Committee met three times during the year and attendance and membership is set out on page 60 of the Corporate Governance report.

Role of the Committee

The core duties of the Committee include:

- ensuring the Group has suitable arrangements and policies in place to prevent fraud, anti-bribery and corruption, and other compliance concerns (and to enable employees to report concerns in relation to such matters);
- monitoring the integrity of the interim and annual financial statements, specifically the significant financial reporting policies and judgements within them;
- assessing whether the financial statements, taken as a whole, are fair, balanced and understandable;
- ensuring the Group operates with an appropriate internal controls framework and adopts appropriate risk management systems;
- monitoring and reviewing the effectiveness of the Group's business assurance function in the context of the Group's overall risk management framework; and
- overseeing the relationship with the external auditors, including their appointment, remuneration, terms of engagement and annual audit plan.

The full Terms of Reference for the Committee are reviewed annually and can be found on our website at **www.thedesigngroup.com**

Activities of the Committee

The key activities undertaken by the Committee are set out in the chart below and in the rest of this report. After each meeting of the Committee a verbal report is provided to the Board on the work underway. As Audit Committee Chair, I met with the external audit partner and senior management multiple times throughout the year. The Committee also met the external audit team without management present to discuss the audit process at the half year and at year end.

Interim and full-year results review	Annual report and accounts review	Approved business assurance plan FY2026	Received business assurance reports and monitored actions	Risk register review
Key accounting matters review	Going concern review	Impairment review	Received external audit reports	Approved external audit fees
Recommended for approval compliance and governance policies[(a)]	Capital expenditure post-implementation reviews	Recommended for approval tax strategy	Committee self-evaluation	Annual Terms of Reference review

(a) Policies under the Group's Policy Framework include Code of Conduct; Anti-Bribery and Corruption; Whistleblowing; Inside Information; Share Dealing Code; Information Security; Conflicts of Interest; Anti-Slavery; Anti-facilitation of Tax Evasion; Fraud Prevention; Group Data Protection; and Third-Party Due Diligence.

Financial statements

The Committee reviewed and recommended for approval the unaudited interim financial statements for the period ended 30 September 2024 and the full year audited statements for the year ended 31 March 2025. To further inform its review the Committee received reports from the Group finance function and the external auditor.

Significant accounting matters

1. The Committee and Board reviewed and challenged the evidence and management's assumptions supporting the adoption of the going concern basis for the financial statements ended 31 March 2025. Particular focus was placed on cash flow forecasts to 30 September 2026 ('the going concern assessment period'), key assumptions including liquidity and market conditions, and related stress-testing scenarios. The Committee and Board approved new financing arrangements in July 2025, securing funding throughout this assessment period and beyond.
2. The Committee reviewed management's reports on key judgements, forecasts, and valuation metrics supporting the impairment review of goodwill and other assets. It challenged management's assumptions regarding future cash flows (consistent with the going concern assessment), discount rates, and long-term growth rates, and considered sensitivity analysis and external benchmarking of these assumptions. External advisers were engaged to independently value significant assets. Following this comprehensive review, the Committee concurred with management's conclusion that a $54.2 million impairment charge of DG Americas' assets was required and agreed with the impairment adjustments recognised in the financial statements. The Committee also agreed with the recognition of DG Americas' investment impairment in the Plc company accounts, aligned to the Group's goodwill impairment assessment, based on fair value less costs to sell. The Group disposed of DG Americas on 30 May 2025. Please refer to note 30 of the accounts.
3. The Committee reviewed the use of alternative performance measures (APMs) and agreed with management's assessment that the adjusting items, such as material one-off costs and amortisation of acquisition intangibles, are appropriate and in line with the Group's accounting policies. These items are reviewed and approved by the Board. The Committee also considered the consistency of APM use over time, compliance with regulatory guidance, and confirmed that APMs are clearly labelled, reconciled, and not given undue prominence over statutory measures.
4. The Committee reviewed the Group's year-end inventory provisioning, with particular focus on slow-moving and obsolete inventory. It challenged the reported provision movements, which included new provisions of $16.2 million (FY2024: $13.4 million) and releases of $4.3 million (FY2024: $4.5 million). The Committee assessed these movements for consistency with the Group's provisioning policy and historical trends, and concluded they were appropriate.
5. The recognition of deferred tax assets across the Group was assessed using the same forecasts applied in the going concern and impairment reviews. The Committee reviewed the recognition criteria, including forecast recoverability and tax profitability, and agreed with management's derecognition of certain deferred tax assets, in line with Group policy and relevant accounting standards.
6. A provision was recognised in the prior year in relation to historical customs tax matters identified post-acquisition at one of DG Americas' subsidiaries. During the year, management voluntarily disclosed the issue to the relevant customs authority, settled associated duties and interest, and provided supporting documentation. Independent tax advisers assessed the likelihood of further penalties as remote to low. As a result, the remaining provision has been released.

Audit Committee report continued

Risk management and internal controls

The Committee seeks to ensure that the Group has embedded risk management and internal controls based on the risk appetite set by the Board. The Committee formally reviews the risk register and principal risks regularly (which include climate-related risks). More information on the risk management framework can be found on pages 52 to 57.

The Committee monitors and keeps under review the effectiveness of the Group's systems of internal control, which include financial, operational and compliance controls. The Committee gains assurance from a number of internal and external sources.

The Group operates a decentralised business, with each business unit having its own finance function, reporting to and working in conjunction with the Group finance team. Each business unit is responsible for managing the processes and procedures in relation to financial, operational and compliance controls within its jurisdiction.

The Group's financial control framework delegates a set of minimum financial controls to each business unit along with Group accounting policies to which each is aligned. Each business unit confirms with every submission of their monthly accounts that they have complied with these minimum controls. Bi-annually, a more formal process is undertaken which includes a self-assessment checklist which each business unit must complete.

In addition, each business unit signs a Letter of Representation at year end which sets out their systems of internal control and risk management. Areas covered also include implementation of Group policies and procedures; business continuity plans; confirmation of compliance with applicable laws; disclosure of information to auditors; and that they have made no political donations. They also sign to confirm that there have been no significant events between the end of the period and the date of signature of the Letter of Representation that may affect the financial statements.

Throughout the year the Audit Committee reviewed the compliance and governance policies which sit under the Group Policy Framework. The Group Policy Framework sets out the procedures for issuance, training and adherence to the policies along with the procedure to report breaches. Associated online training packages have been developed throughout the year and are due to be rolled out in FY2026.

Business assurance

The Group operates an outsourced business assurance function which forms the third line of defence in the Group's Risk Management Framework (more information can be found on page 52). This function was performed by BDO throughout the financial year ended 31 March 2025.

The business assurance activities are set out in a plan for the financial year, and this is reviewed and approved by the Committee. The scope of each review is discussed and agreed with the Group finance team, led by the Group Financial Controller, prior to presentation to the Committee. During the year BDO undertook two major reviews covering the Group's cyber security controls and financial controls. The Committee received and reviewed the reports for each area and monitored the implementation of actions arising. Follow-up reviews were requested where confirmation of the appropriateness of completed actions across the Group was required.

External audit

PwC was re-appointed as the Company's external auditor at the Annual General Meeting on 26 September 2024 to hold office until the next Annual General Meeting in September 2025. A tender for the external audit services is due every ten years and as PwC were first appointed in September 2019 the tender is not yet due.

The Committee monitors the Company's relationship with the external auditors to ensure that external independence and objectivity are maintained. The Committee meets with PwC formally three times per year to discuss and agree the audit plan for the year, later to reconfirm the plan, highlighting any key accounting matters and risks, and finally to formally review their audit findings.

The Committee meets with PwC without management present throughout the year to ensure independence is maintained and to enable the Committee to discuss any matters directly with the auditor.

The Committee has reviewed the independence, objectivity and performance of PwC as the external auditor and has concluded that PwC continues to possess the skills and experience to fulfil its duties effectively. PwC also confirms that in its professional opinion it remains independent within the meaning of regulatory and professional requirements and that the objectivity of the audit engagement partner and audit staff are not impaired.

The Committee has recommended the re-appointment of PwC as the Company's external auditor for the forthcoming financial year to the Board and this will be put to Shareholders at the Annual General Meeting in September 2025.

Non-audit services

To ensure that the external auditors' independence and objectivity is safeguarded, the Group has a policy in place governing the provision of non-audit services. The policy aligns with the Revised Ethical Standards published by the Financial Reporting Council in 2019 and sets out a list of permitted non-audit services, which must be approved by the Committee prior to commencement. During the year the only non-audit services performed by PwC related to the interim review.

Annual self-evaluation

In accordance with Principle 8 of the QCA Code 2023, the Committee evaluated its own performance and effectiveness in early 2025. More information can be found on page 67 of the Corporate Governance report, however, the Committee concluded that it continues to comprise the necessary skills and experience to operate effectively.

Mark Tentori

Audit Committee Chair

28 July 2025

Nomination Committee report

"Future-proofing the Board with robust succession plans and appropriate recruitment has been a key focus this year."

Stewart Gilliland
Nomination Committee Chair

Membership attendance

Board member
Stewart Gilliland Member since 5 July 2021
Mark Tentori LVO Member since 1 January 2016
Clare Askem Member since 5 July 2021

Dear Shareholder,

On behalf of the Board, I am pleased to present the Nomination Committee report for the year ended 31 March 2025.

Committee composition

During the year under review, the Committee comprised three independent Non-Executive Directors with the CEO Paul Bal a regular attendee. The HR Directors for both DG Americas and DG UK (on behalf of DG International and DG Plc) attended by invitation. During the year the Committee held three scheduled meetings and attendance by members is set out on page 60 of the Corporate Governance report. Additional meetings are held as required to cover time sensitive matters.

Role of the Committee

The main duties of the Committee include regular review of the composition of the Board; review of the senior leadership needs of the organisation; ensuring succession plans are in place for Board and senior leadership roles; and liaising with other committees of the Board as required. The full Terms of Reference for the Committee are reviewed annually and can be found on our website at **www.thedesigngroup.com**

Activities during the year

Key activities of the Committee during the year are set out below.

- Approved Director term renewals
- Recommended new NED appointment
- Monitored senior management appointments (DG UK, DG Netherlands and DG Americas)
- Reviewed Group succession plans
- Reviewed Board composition and skills matrix
- Annual Committee performance review
- Annual review of Committee Terms of Reference

Nomination Committee report continued

Board composition, succession planning and recruitment

As Mark Tentori's tenure on the Board was due to reach the nine-year best practice threshold during 2025, and, subject to any other requirement to retain his services longer than the 2025 Annual General Meeting, the Committee commenced a search for a Non-Executive Director to join the Board in early 2025. This new Non-Executive Director was intended to succeed Mark Tentori as Audit Committee Chair on his departure and therefore the necessary financial skills and background were non-negotiable attributes for potential candidates.

The Board is always keen to ensure that its composition is diverse in every sense as it recognises the benefits to be gained. A long list of potential candidates was considered, with financial acumen and experience remaining the overall priority to ensure the Board continued to be able to deliver its duties effectively in the future. As in previous searches, the Committee used Warren Partners for the recruitment and the process undertaken is set out on this page.

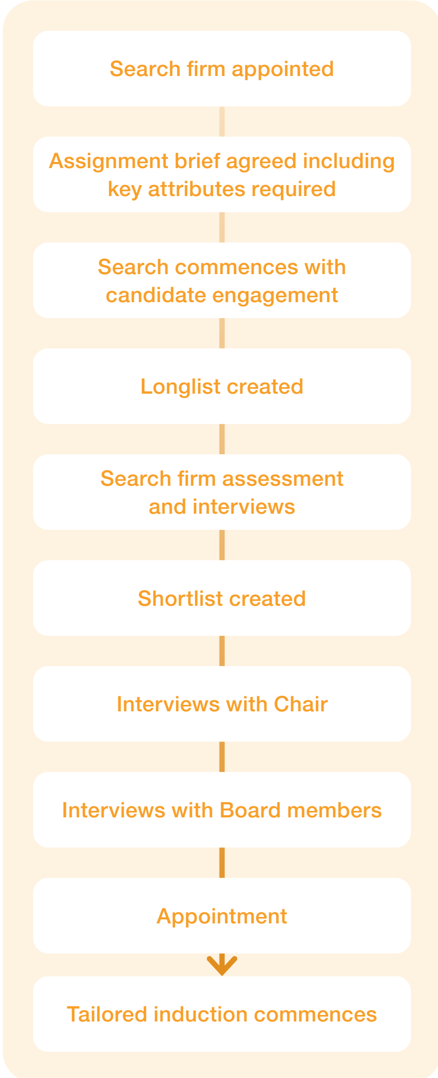
The Committee was delighted to engage John Gittins as a result of the search and John commenced on 3 March 2025.

The Board agreed that the successor to Mark Tentori as Senior Independent Director when he steps down from the Board will be Clare Askem, whose experience and knowledge of the Group make her well placed for the role.

On the 15 January 2025, and as announced to the market, Claire Binyon stepped down from the Board as a Non-Executive Director.

The Board reviews the composition and skills of the Board regularly, using a skills matrix to map capabilities and identify areas of strength and gaps in expertise.

The skills matrix below is as at the balance sheet date (31 March 2025) and is comprised of four 'core' skills and several sector-specific skills.



Board skills matrix

Skill	Number of Directors: Not skilled	Partially skilled	Highly skilled
M&A/Capital Markets		2	5
International Markets		3	4
Cyber Security/IT	4	3	
Manufacturing/Supply Chain		3	4
Health & Safety	1	5	1
Environmental/Social	3	3	1
Senior Executive			7
Legal/Public Policy	5	2	
Financial/Audit & Risk	1	2	4
Core Industry		6	1

Not skilled | Partially skilled | Highly skilled

Data correct as at the reference date, being the balance sheet date of 31 March 2025.

Wider workforce succession planning and recruitment

As communicated to the market, the Committee was fully supportive and grateful to Paul Bal for his increased time commitment during the year in supporting DG Americas during the recruitment process for the DG Americas CEO position. The Committee oversaw the recruitment process, mindful of the critical nature of the role to move the business forward to increase its contribution to the Group. Committee members were involved in the interview process to fully support and provide objective and independent perspective on candidates in the final stages. The successful appointee commenced in January 2025.

The Group subsequently disposed of DG Americas on 30 May 2025. Please refer to note 30 of the accounts.

During the year the Committee, along with the Remuneration Committee, received reports on the appointments made to the senior management teams of DG UK and DG Netherlands.

Oversight and monitoring of the succession plans for the senior management teams in both DG Americas and across DG International has been a key activity this year as the Committee seeks to support the Executive team to ensure sustainability and suitable skill sets across the Group. Plans are reviewed twice per year and filter down to ensure robust and diverse pipelines for roles, along with confirmation of development plans for identified talent.

Contingency plans are a significant part of the work with both interim and longer-term plans identified, and the Committee has spent time reviewing the critical roles to ensure that these are protected.

Diversity and inclusion

The Committee remains committed to embracing a diverse culture across the Group, reflected on the Board and in its senior management teams. The Board's gender and diversity statistics can be found on page 60 and more information on the Group's approach to diversity and inclusion can be found on page 31.

Annual self-evaluation

In accordance with Principle 8 of the QCA Code 2023, the Committee evaluated its own performance and effectiveness in early 2025. This was the third review undertaken by the Committee and more information is set out on page 67. The Committee concluded that it continues to operate effectively.

Stewart Gilliland
Nomination Committee Chair
28 July 2025

Directors' remuneration report

"Ensuring critical roles across the Group have been remunerated to attract and retain the best talent has been a particular focus for the Committee this year."

Clare Askem
Remuneration Committee Chair

Membership attendance

Board member
Clare Askem Member since 5 July 2021
Stewart Gilliland Member since 5 July 2021
Mark Tentori Member since 1 January 2016
Claire Binyon Until her departure on 15 January 2025
John Gittins Member since 3 March 2025

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' remuneration report for the year ended 31 March 2025.

The report is divided into the following sections:

The other members of the Committee are Stewart Gilliland, John Gittins (from 3 March 2025), Mark Tentori and, until her departure from the Board on 15 January 2025, Claire Binyon. I would like to thank Claire for her valuable contribution to the Committee during her tenure.

During the year under review, the HR Directors (HRDs) for DG Americas and DG UK (who also represented DG International and the DG Plc team) were regular attendees to Committee meetings. The Company's remuneration advisers, FIT Remuneration Consultants LLP, are also invited to attend meetings when appropriate.

The Committee held five scheduled meetings during the year and attendance by members is set out on page 60 of the Corporate Governance report. Additional meetings are held if required to cover time-sensitive matters.

The Terms of Reference for the Committee are reviewed annually and are available on our website at **www.thedesigngroup.com**.

Part 1: Committee Chair's statement

For much of the year Board membership has been consistent. However, with Mark Tentori's tenure due to pass the nine-year best practice maximum for Board membership, succession planning for the Audit Committee Chair role was a primary focus for both the Remuneration and Nomination Committees. The result of this work was the appointment of John Gittins as a Non-Executive Director commencing at the end of the financial year. Additionally, the appointment of the DG Americas CEO was a key piece of work and given the challenges in the US markets, identifying the correct leader to take the business forward was crucial.

The Group subsequently disposed of DG Americas on 30 May 2025. Please refer to note 30 of the accounts.

The work to strengthen our business unit senior management teams has continued this year, with key positions filled and an evolution of management structures and teams. The HRDs have worked particularly hard to attract and identify talent to key business unit roles and the benefits of these appointments are already coming to fruition.

As I noted in last year's report, the Group-wide employee engagement survey 'Your Voice. Our Future', was undertaken over the summer of 2024 and more information about the outcomes and employee engagement work in general, can be found on page 29.

Along with the survey outputs, the HRDs' attendance at Committee meetings is invaluable insight into employee sentiment which, along with Board visits to sites such as DG UK and DG Netherlands during the year, helped the Committee to make decisions which aligned culturally across the Group. Remuneration decisions taken in the year were carefully considered to ensure that they supported the delivery of the Group's purpose, business model and strategy, and we have sought to ensure that targets are sufficiently stretching but also motivating for our Executive Directors.

With this context in mind, the Committee also provided oversight and review on the personal objective setting process for the Operating Board members to ensure that the structure enabled the setting of measurable and appropriate objectives which aligned with those set for the Executive Directors.

Development of our colleagues across the Group is critical to the sustainable success of our businesses and the launch of the LinkedIn Learning platform was a welcome development in training opportunities across the Group. More information on this initiative is set out on page 24.

At our Annual General Meeting (AGM) in September 2024 we were once again pleased to receive (on an advisory vote) 99.95% of the votes cast in favour of the remuneration decisions made by the Committee in FY2024.

Key decisions taken during the year:

- Management support and changes
- Salaries and annual bonus
- Share incentive schemes

Management support and changes

Management support

Following the news of the departure of the DG Americas CEO who left the business in July 2024, the top team at DG Americas commenced reporting directly to Paul Bal, Group CEO, until a replacement DG Americas CEO was identified and onboarded. To facilitate the additional time commitment, the Chair of the Board in particular, increased his time commitment to the Company in order to maintain consistent Board support across the Group. A new CEO for DG Americas, Sue Buchta, was appointed with effect from 8 January 2025.

Non-Executive Directors

John Gittins joined the Board on 3 March 2025. Claire Binyon stepped down from the Board on 15 January 2025.

Salaries and annual bonus FY2025

As reported last year, the Executive Directors received a 3% increase in their salaries for FY2025 resulting in an annual salary of £484,100 for Paul Bal and £381,100 for Rohan Cummings.

The senior management teams across the Group received increases in their salaries of between 3-5%. Such increases were aligned with, or lower than, their respective wider workforce increases. The DG Americas Executive Leadership Team decided to forego an increase in their salaries in FY2025.

Annual bonus FY2025

The annual bonus was comprised of a mix of Group adjusted profit before tax (80% weighting) and net cash (20% weighting) targets. For the Executive Directors only, these weightings were adjusted to 70% Group adjusted profit before tax and 15% net cash as they had an additional personal objective element which amounted to 15% of their bonus entitlement. Personal objectives were set for both the CEO and CFO to drive progress towards the Group's goals and strategic objectives.

Despite achievement of the personal objective element, as neither of the targets for Group adjusted profit before tax or net cash were met, the Executive Directors received a zero bonus payout for FY2025.

Non-Executive Directors' fees

To reflect Stewart Gilliland's increased time commitment of four additional days per month to the Group during Paul Bal's additional role supporting DG Americas, the Committee approved an increase of £8,000 per month to Stewart's fees with effect from September 2024. Stewart reverted to his normal fee amount (agreed at the end of FY2024) of £155,000 with effect from 1 April 2025. More details are set out in Part 3 of this report.

As reported last year, the Non-Executive Directors' fees were benchmarked at the end of FY2024 and as a result they received £52,000 per annum (not £55,000 as reported in error last year), with additional fees for Committee Chairs and the Senior Independent Director remaining at £10,000 and £5,000 per annum respectively.

Share incentive schemes

LTIP 2024 – 2027

On the 14 August 2024, a total of 296,145 and 233,135 nil cost options over ordinary shares of 5 pence each in the capital of the Company were awarded to Paul Bal and Rohan Cummings respectively under the Company's 2022 Long Term Incentive Plan ('LTIP' or 'Plan'). The reference value of a share used to set the number of shares under the awards was 204.334p being the average of the volume weighted average price of Shares on AIM for each of the 30 dealing days immediately preceding the grant date of 14 August 2024. These awards represented shares worth 125% of base salary for both participants.

The key structures of the existing 2022 LTIP, as approved by the Committee in August 2022, remained. The performance conditions for the awards were weighted two-thirds towards a Relative Total Shareholder Return (TSR) metric and one-third EPS metric. FIT reconfirmed their previous advice that a measurement of TSR by the Group relative to a peer group of the FTSE SmallCap (excluding investment trusts) would be an appropriate performance criterion.

For the Relative TSR measure, qualifying performance is on a straight-line sliding scale with 25% of entitlement vesting at a 50th percentile (median) ranking rising to 100% vesting at a 75th percentile (upper quartile) ranking performance. There is no vesting below median ranking.

For the EPS measure, a performance range for the adjusted diluted EPS metric in absolute value terms was set, modelled for FY2027 EPS performance, with 25% vesting at Threshold of 25.6 cents adjusted diluted EPS and a straight-line sliding scale to Maximum at 37.6 cents.

Directors' remuneration report continued

Part 1: Committee Chair's statement continued

Share incentive schemes continued

LTIP 2024 – 2027 continued

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

Awards under the Plan were granted to c.70 key leaders and senior managers across the Group.

As I reported last year, at the Board's request, 1,996,368 ordinary shares were purchased by the Employee Benefit Trust in FY2024 and therefore no further share purchases were required in FY2025.

Key activities of the Committee FY2025

Approved salary requests	Approved Executive Directors' personal objectives	Approved FY2024 bonus outturns
Approved LTIP awards	Approved Group shareholding policy	Approved Chair's fees
Reviewed Operating Board's objective setting process	Annual Committee self-evaluation[(a)]	Annual review of Terms of Reference
Reviewed wider workforce annual report	Received market/ governance update from FIT	

(a) More information can be found on page 67.

Payments made to former Directors and payments for loss of office

No payments were made to former Directors for loss of office.

Assistance to the Committee

During the year the Committee received advice and input from the CEO, CFO, Group General Counsel & Company Secretary and the HRDs.

FIT Remuneration Consultants LLP provided specialist, up-to-date remuneration advice to the Committee. Advice provided during the year related to the ongoing technical operation of the LTIP; the structuring of appropriate targets in the personal objective setting process; benchmarking of Non-Executive Directors' fees; and market and governance updates to the Committee. FIT Remuneration Consultants LLP has no other connection to the Company or its Directors.

Implementation of policy in FY2026

Salary / fees review

The annual salary review took place at the end of FY2025 for our business units, the Plc team and the Directors.

Increases were applied both in recognition of the ongoing cost-of-living challenges and in response to benchmarking exercises and took effect from 1 April 2025.

The Executive Directors (Paul Bal and Rohan Cummings) did not receive a pay increase for FY2026.

The majority of increases for the wider population of employees were aligned with inflationary trends, aside from roles where higher adjustments were made following benchmarking activity or in line with national living wage. With the exception of any roles where benchmarking was required to bring salaries in line with market practice, all businesses held to the principle that the senior management teams should not receive higher increases than the wider workforce.

The Non-Executive Directors did not receive an increase in their fees for FY2026.

FY2026 incentive plans

As signalled in my report last year, the Committee remains committed to the operation of 'market normal' incentive plans to support the Group's journey to recovery.

There are no proposed material changes to the current Long Term Incentive Plan, and it is the intention that awards will be made in FY2026 ('2025 – 2028 LTIP') to a population of eligible senior executives and employees.

We remain mindful when awarding the LTIP of the risk of windfall gains and the dilution effects of the scheme.

Further, the Committee intends to operate the annual bonus plan, which include personal objectives in the bonus metrics for the Executive Directors. The objectives represent 15% of their bonus entitlement.

Conclusion

In what has been a challenging year for the Group, I am grateful for the hard work and dedication of our Committee members and all our employees. I hope you find this introductory statement useful, along with the following accompanying report, and I look forward to your continued support for the Directors' remuneration report at our AGM in September 2025.

Clare Askem

Remuneration Committee Chair

28 July 2025

Part 2: Remuneration Policy

Executive Directors

The Group's Remuneration Policy is to ensure that the remuneration of Executive Directors is sufficiently competitive to enable the Group to retain and motivate existing Directors and attract high-quality performers in the future. The Group aims to incentivise and reward its Executive Directors in a way that is consistent with the Group's commercial objectives and to align the interests of the Directors with those of the shareholders. To achieve this, the Executive Directors' total remuneration comprises both fixed remuneration and variable reward, the latter reflecting Group performance.

The five main components of the Executive Directors' remuneration packages can be seen in the table below, with a clear link to the Group's business model and strategy:

Element (and purpose)	Link to business model and strategy	Operation and performance	Maximum opportunity	Operation in FY2025
Base salary To attract and retain individuals of the required calibre to successfully deliver the business strategy.	'Winning with the winners' extends to our employees – recruiting Executive Directors with the level of skills, talent and experience needed to execute our strategy.	Salaries are based on a number of factors, including: • the skills and experience of the individual; • the size, responsibilities and complexity of the role; • external market data; and • inter-Group comparisons.	Not applicable.	CEO – £484,100 p.a. CFO – £381,100 p.a.
Annual bonus To align the interests of Executive Directors with shareholders.	The annual bonus encourages individuals to actively support and engage with the delivery of the Group strategy, with payout directly based on Group performance.	The Remuneration Committee sets the performance measures and targets each year. Bonuses are paid in cash once the annual results have been audited and are subject to the approval of the Committee.	The maximum achievable is 120% of base salary for the Executive Directors.	Maximum bonuses at 120% of base salary Metrics: 70% Group adjusted profit before tax; 15% net cash; 15% personal objectives
LTIP schemes To align the interests of Executive Directors with shareholders and support retention.	The primary purpose of the long-term incentive schemes is to reward the individual for delivering the Group strategy and, in turn, increasing shareholder value.	Awards under the schemes are in the form of shares and are subject to performance conditions.	265% of base salary, 325% in exceptional circumstances.	2024-2027 LTIP CEO and CFO were awarded 125% of base salary Three-year vesting period and two-year holding period Metrics – two-thirds relative TSR vs FTSE SmallCap (ex IT) constituents; one-third EPS
Pension To provide market normal pensions.	To enable Directors to make long-term provisions for their future retirement at market competitive rates.	Pensions are provided in line with market practice and relevant statutory requirements.	5%	All Executive Directors receive 5% salary contribution in lieu of pension. This is in line with the wider workforce.
Other benefits To provide market normal benefits.	The provision of additional benefits assists in the Group's recruitment strategy and gives the employee comfort and assistance in carrying out their roles effectively.	Benefits can include life assurance, private medical insurance and car allowance.	Not applicable.	No changes.

Directors' remuneration report continued

Part 2: Remuneration Policy continued

Executive Directors continued

Dilution of share capital by employee share plans

The Company monitors and has complied with dilution limits in its share scheme rules. The Board retains the flexibility of using the Employee Benefit Trust to buy ordinary shares to mitigate future dilution subject to cash position and banking approvals.

Malus and clawback

The LTIP and bonus schemes are subject to malus and clawback provisions which may be applied in the following circumstances:

- a material misstatement of the Company's audited results;
- a material failure of risk management, in any Group Member or a relevant business unit;
- serious reputational damage to the Company, any other Group member or a relevant business unit; or
- any other circumstances which the Board at its discretion considers are disadvantageous to the shareholders and are similarly serious in nature to those above.

Holding periods

Under the LTIP, the Executive Directors are subject to a two-year holding period, during which time they are prevented from exercising any share options which have vested under the scheme.

Shareholding guidelines

The Company operates a shareholding policy which requires Executive Directors to build up a holding of shares equal in value to 100% of their salary before any shares are sold. LTIP awards that have vested and been exercised count towards the requirement.

Non-Executive Directors

The Group's Remuneration Policy in respect of Non-Executive Directors is to pay annual fees which reflect the responsibilities and duties placed upon them, whilst also having regard to market practice.

The remuneration of the Non-Executive Directors is recommended by the Chair and approved by the Executive Directors. The Chair's remuneration is approved by the Remuneration Committee. No Director is involved in any decision relating to their own remuneration.

Non-Executive Directors do not participate in any performance related remuneration schemes.

Service contracts

The Executive Directors have service contracts which can be terminated by the Company with no greater than six months' notice.

Non-Executive Directors do not have service contracts and their appointments may be terminated without compensation at any time.

All Non-Executive Directors have letters of appointment, and their appointment and subsequent re-appointment is subject to approval by shareholders.

FY2026

No additional significant changes to the Remuneration Policy are envisaged for FY2026; however, the Remuneration Committee will continue to regularly review the policy to ensure it remains appropriate to the business.

Part 3: Annual report on remuneration

Directors' remuneration

The summary of Directors' remuneration is as follows (audited):

	Aggregate for all Directors		Highest paid Director	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Salary and bonus	**1,303**	1,990	**484**	1,034
Benefits	**41**	35	**21**	20
Payment in lieu of pension	**43**	37	**24**	24
LTIP	**—**	—	**—**	—
Total remuneration	**1,387**	2,062	**529**	1,078

The remuneration in respect of the year ended 31 March 2025 to the Directors, by individual, is as follows (audited):

	Salary/fees		Taxable benefits[a]		Pension[b]		Annual bonus[c]		LTIP		Total	
	£ 2025	£ 2024	**£ 2025**	£ 2024	**£ 2025**	£ 2024	**£ 2025**	£ 2024	**£ 2025**	£ 2024	**£ 2025**	£ 2024
Executive Directors												
Paul Bal	**484,100**	470,000	**21,104**	20,452	**24,205**	23,500	**—**	564,000	**—**	—	**529,409**	1,077,952
Rohan Cummings	**381,100**	277,500	**19,926**	14,666	**19,055**	13,875	**—**	333,000	**—**	—	**420,081**	639,041
Total Executive	**865,200**	747,500	**41,030**	35,118	**43,260**	37,375	**—**	897,000	**—**	—	**949,490**	1,716,993
Non-Executive Directors												
Clare Askem	**62,000**	55,000	**—**	—	**—**	—	**—**	—	**—**	—	**62,000**	55,000
Claire Binyon[d]	**41,200**	45,000	**—**	—	**—**	—	**—**	—	**—**	—	**41,200**	45,000
Stewart Gilliland[e]	**211,000**	140,000	**—**	—	**—**	—	**—**	—	**—**	—	**211,000**	140,000
John Gittins[f]	**4,583**	—	**—**	—	**—**	—	**—**	—	**—**	—	**4,583**	—
Anders Hedlund	**52,000**	45,000	**—**	—	**—**	—	**—**	—	**—**	—	**52,000**	45,000
Mark Tentori	**67,000**	60,000	**—**	—	**—**	—	**—**	—	**—**	—	**67,000**	60,000
Total Non-Executive	**437,783**	345,000	**—**	—	**—**	—	**—**	—	**—**	—	**437,783**	345,000
Total Directors	**1,302,983**	1,092,500	**41,030**	35,118	**43,260**	37,375	**—**	897,000	**—**	—	**1,387,273**	2,061,993

(a) The benefits relate primarily to private health and car benefits.
(b) Pension figures relate to additional salary payments paid in lieu of pension.
(c) No bonuses are payable for FY2025; prior year bonuses were accrued and were paid in June 2024.
(d) Claire Binyon stepped down from the Board with effect from 15 January 2025.
(e) Steward Gilliland reverted to his normal fee of £155,000 on 1 April 2025 (a fee agreed at the end of FY2024 for FY2025) having received an additional £8,000 per month for a period of seven months of additional support.
(f) John Gittins was appointed 3 March 2025.

The highest paid Director was Paul Bal (2024: Paul Bal).

The Group provides death in service life assurance to the value of four times pensionable salary for the Executive Directors.

Long Term Incentive Plan[a]

Share options held by Executive Directors who served during the year are as follows:

	LTIP not yet vested 2022-2025	LTIP not yet vested 2023-2026	LTIP not yet vested 2024-2027
Paul Bal	480,536	443,342	296,145
Rohan Cummings	—	260,330	233,135

(a) Audited.

Further information can be found in note 23 to the financial statements.

Directors' remuneration report continued

Part 3: Annual report on remuneration continued

Directors' interests[a]

Interest in ordinary shares at the end of the year

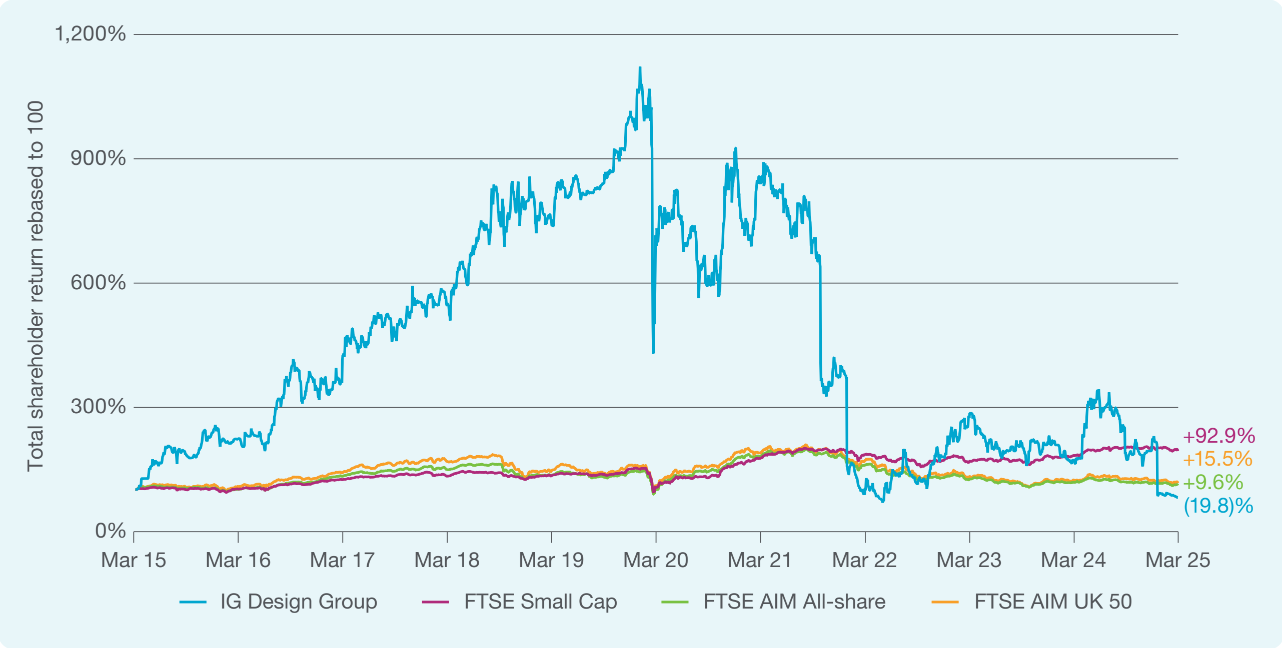
The following Directors who held office during the year had the following direct interests in the ordinary shares of the Company:

	FY2025	FY2024
Clare Askem	**24,096**	24,096
Paul Bal	**110,000**	110,000
Claire Binyon[b]	**13,605**	13,605
Rohan Cummings	**43,261**	43,261
Stewart Gilliland	**57,500**	57,500
John Gittins	**—**	N/A
Anders Hedlund[c]	**100,448**	100,448
Mark Tentori	**51,374**	51,374

(a) Audited.
(b) Claire Binyon stepped down from the Board with effect from 15 January 2025, shareholding shown as at leaving date.
(c) In addition to the above holdings: (a) 16,642,640 (2024: 16,642,640) and 5,275,116 (2024: 5,275,116) ordinary shares of 5 pence each are respectively registered in the name of AC Artistic Limited ('Artistic') and Malios Limited, companies incorporated in the British Virgin Islands, and under the ultimate control of the Hedlund family. In addition to the Hedlund family's beneficial interest set out above, the Hedlund family is also interested in a further 900,790 ordinary shares. These ordinary shares are held by West Coast Trust, a trust for the benefit of Anders Hedlund's adult children. In total, the Hedlund family has interests in 22,918,994 ordinary shares, representing 23.31% of the current issued share capital of Company.

Cumulative total shareholder return (dividend reinvested) vs. selected indices

The graph below shows the percentage change in total shareholder return for the last ten years compared to the FTSE Small Cap, FTSE AIM All-share and the FTSE AIM UK 50.



Directors' report

The Directors present their annual report together with the audited consolidated financial statements and independent auditors' report for the year ended 31 March 2025.

Principal activities

IG Design Group plc is one of the world's leading designers, innovators and manufacturers across various celebration and creative categories. During FY2025 it operated in the UK, Europe, Asia and America.

Articles of Association

The Company's Articles of Association (the 'Articles') are available on request from the Company Secretary and can also be found on the Company's website at **www.thedesigngroup.com**. Amendments to the Articles may only be made by special resolution at a general meeting of the Shareholders.

Directors

The Directors of the Company who served during the year ended 31 March 2025 and up to the signing of these statements are set out on pages 58 to 59. The following Directors joined or left the Company during the year:

- Claire Binyon (Non-Executive Director) stepped down from the Board with effect from 15 January 2025; and
- John Gittins was appointed as Non-Executive Director with effect from 3 March 2025.

After the reference date of this report (being the balance sheet date of 31 March 2025), Paul Bal stepped down from the Board with effect from 20 June 2025.

The powers of the Directors are set out in the Articles and the appointment and removal of Directors is governed by the Articles, the Companies Act 2006 (the 'Act'), the QCA Code 2023 and related legislation. All Directors will put themselves forward for re-election at the Annual General Meeting (AGM) of the Company in 2025 except for Mark Tentori who will stand down at the close of the AGM. More details on the process to appoint new Directors is set out in the Nomination Committee report.

Directors' indemnities and officers' liability insurance

The Directors have the benefit of an indemnity provision contained in the Articles which is a qualifying third-party indemnity (as defined by Section 234 of the Companies Act 2006).

The Company maintains liability insurance for its Directors and officers as permitted by the Act.

Results and dividends

Results for the year ended 31 March 2025 are set out in the consolidated income statement on page 92. The Directors do not recommend the payment of a final dividend for FY2025. (FY2024: nil).

Share capital and substantial Shareholders

The Company's shares are listed on the Alternative Investment Market. As at 31 March 2025, the Company had an allotted and fully paid share capital of ordinary shares with a nominal value of 5 pence each of 98,308,142.

Each share carries one right to vote at general meetings of the Company. The Company's Articles contain provisions which govern the ownership and transfer of shares. No shareholder holds securities having special rights with regard to control of the Company. There are no restrictions on voting rights or the transfer of securities in the Company and the Company is not aware of any agreements between holders of these securities that would result in such restrictions. Details of the Company's share capital, including changes during the year, are set out in note 20. Details of the Company's Long Term Incentive Plan are set out on page 74 to 80.

At 31 March 2025, the Company has been notified of the following substantial shareholders of the issued ordinary share capital of the Company:

Largest shareholder[a]	% of issued share capital
Hedlund Family	23.31%
Canaccord Genuity Wealth Management	13.93%
Octopus Investments	9.84%
Fidelity International	9.33%
Interactive Investors (EO)	3.94%
Employee Benefit Trust	3.08%

(a) Information taken from Equiniti Share Register Analysis 31 March 2025.

Acquisition of the Company's own shares

At the AGM held on 26 September 2024, the Directors were authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of up to 9,827,987 ordinary shares (being approximately 10% of the issued share capital) on such terms and in such manner as the Directors may from time to time determine. This authority has not been used during FY2025 nor up to the date of this report and will expire at the end of the 2025 AGM.

Financial risk management

Details of the Directors' assessment of the principal risks and uncertainties which could impact the business are outlined on pages 52 to 57 along with financial risk in note 24 to the consolidated financial statements. The Board manages internal risk through the ongoing review of the Group's risk register and the Board manages external risk through the monitoring of the economic and regulatory environment and market conditions.

Directors' report continued

Going concern

The Directors continue to adopt the going concern basis in preparing the annual report and financial statements. Further details are set out in note 1 to the consolidated financial statements and page 19 of the strategic report.

Post balance sheet events

See note 30 for details.

Political donations

No political donations were made during the year under review.

Employees

The Directors recognise the benefits of keeping employees informed on matters affecting them and on the various factors affecting the performance of the Group. This is achieved through employee briefings that are held in most businesses at least twice per year and regular team briefings. For further information please refer to the Section 172 Statement on pages 50 to 51. The Directors also recognise the importance of consulting employees to make sure their views are taken into account and this is primarily achieved through the annual employee engagement survey. For more information, please refer to the sustainability report on page 29.

The Directors recognise the importance of encouraging the involvement of employees in the Company's performance through an employee share scheme. For further information please refer to the Remuneration Committee report on pages 74 to 80.

The Directors conform to current employment laws on the employment of disabled persons ensuring (i) full and fair consideration to applications for employment; (ii) the continued employment of, and appropriate training for, employees of the Company who have become disabled persons during the period when they were employed by the Company; and (iii) the ongoing training, career development and promotion of disabled persons employed by the Company.

Stakeholder engagement

Please refer to the Section 172 statement on pages 50 to 51.

Health and safety

The Directors are committed to maintaining high standards of health and safety in every area of the business.

The Directors receive a quarterly report setting out the number and type of accidents which have occurred in the quarter. The quantitative data is tracked in order to provide a comparison against prior years; to identify trends in the types of accidents; and to ensure corrective actions can be implemented and best practice identified. It is the aim of the Directors to exceed the requirements of health and safety legislation, and we have a health and safety co-ordinator to ensure continuous improvement of health and safety across the Group.

Disclosure of information to the auditors

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

- the Director knows of no information, which would be relevant to the auditors for the purpose of their audit report, of which the auditors are not aware; and
- the Director has taken all steps that he/she ought to have taken as a director to make him/herself aware of any such information and to establish that the auditors are aware of it.

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the Group will be put to the Annual General Meeting.

Approval of the Strategic report and Directors' report

The strategic report and Directors' report were approved by the Board on 28 July 2025.

Environmental reporting

During FY2025 we reviewed the UK businesses' total energy use and associated greenhouse gas emissions in accordance with the government's guidance on Streamlined Energy and Carbon Reporting. We have also established a governance structure and risk management process, assessed the impact of climate-related risks and opportunities on our business strategy, and measured Scope 1 and 2 emissions across the Group, in line with the requirements of the Act. The outcome of this work can be found in the strategic report on pages 26 to 57.

Future developments

The Board aims to pursue its corporate strategies as detailed in the Strategic report on pages 1 to 59.

By order of the Board

Joy Laws
Group General Counsel & Company Secretary

28 July 2025

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

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

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

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

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

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

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

Directors' confirmations

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

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

On behalf of the Board.

Rohan Cummings
Chief Financial Officer

28 July 2025

Independent auditors' report

to the members of IG Design Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- IG Design Group Plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the annual report and financial statements (the 'Annual Report'), which comprise: the consolidated balance sheet and the Company balance sheet as at 31 March 2025; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the Company statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Our audit approach

Overview

Audit scope

- The one financially significant component, being a sub-consolidation of 13 individual reporting entities, has been audited by a PwC network firm.
- Two other reporting components were audited by the Group engagement team and three other reporting components were audited by other PwC network firms.
- Specified audit procedures were performed by the Group engagement team over specific balance sheet line items in two further non-significant components.
- The Group engagement team audited the Group consolidation and the key audit matters including going concern, the valuation of goodwill, other intangibles, tangible assets and investments and the customs duty liability
- Our scoping results in audit coverage of 78% (2024: 76%) of revenue.

Key audit matters

- Going concern (Group and Parent)
- Valuation of goodwill, other intangibles and tangible assets – US CGU (Group)
- Valuation of investments (Parent)
- Valuation of the customs tax penalty provision (Group)

Materiality

- Overall Group materiality: $3,600,000 (2024: $4,000,000) based on 0.5% of revenue
- Overall Company materiality: £1,838,000 (2024: £2,482,000) based on 1% of net assets
- Performance materiality: $2,700,000 (2024: $3,000,000) (Group) and £1,378,000 (2024: £1,862,000) (Company)

The scope of our audit

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

Key audit matters

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

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

Valuation of goodwill, other intangibles and tangible assets – US CGU is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Going Concern (Group and Parent) Refer to the Audit Committee Report and note 1 (Accounting policies) to the consolidated and company financial statements. At the planning stage of the audit we assessed going concern to be a significant risk as a consequence of the Group's primary borrowing facility being due to expire during the going concern period. Whilst the facility was extended, the arrangement was subsequently terminated, in accordance with terms, at the time the Group divested its DG America division subsequent to year-end. In response the Group secured a new three-year arrangement with HSBC and NatWest. The facility is a Recourse Receivables Finance Facility where the level of borrowing capacity at any point in time is derived from the Group's trade receivables balance in its UK and Netherlands businesses. The going concern assessment covered the period to 30 September 2026 and has considered the level of liquidity available through the new financing facility in both a base case and a severe but plausible downside scenario. The Directors concluded that it was appropriate to prepare the financial statements on a going concern basis and that no material uncertainty exists with regards to going concern. Our audit efforts have focused on evaluating this new facility, including analysing the Group's financial projections under both base case and severe but plausible scenarios to assess overall liquidity throughout the going concern period.	See the section "Conclusions relating to going concern" below for how we addressed this key audit matter. Based on the procedures performed we concur with the management view that it remains appropriate to prepare the financial statements on a going concern basis and no material uncertainty exists.

Independent auditors' report continued

to the members of IG Design Group plc

Key audit matters continued

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill, other intangibles and tangible assets – US CGU (Group) Refer to note 1 (Accounting policies), note 8 (Property, plant and equipment) and note 9 (Intangible assets) of the consolidated financial statements. In accordance with IAS 36 (Impairment of assets), goodwill must be tested for impairment on at least an annual basis. The determination of recoverable amount, being the higher of value-in-use (''VIU'') and fair value less costs of disposal (''FVLCTS''), requires estimations on the part of management in both identifying and then valuing the relevant cash-generating units ("CGU"). Management has charged an impairment to goodwill, other intangible and tangible assets in the year for the US CGU based on the FVLCTS. The impairment charge has been reported as an adjusting item in note 1. No impairment was noted in any other CGU's.	At the planning stage of the audit, we assessed the design and implementation of controls over the impairment review process. As part of audit of management's impairment assessment the below procedures have been performed: • We obtained the impairment models prepared under VIU and FVLCTS and assessed the recoverable amount to be based on the FVLCTS being the higher value of the two models. • We tested the mathematical accuracy and methodology of the impairment model to validate that it was prepared in line with the requirements of IAS 36. • We used our internal valuation experts to determine that management's discount rate in the VIU model was within an acceptable range through reference to suitable third-party comparator information. • We used our internal valuation experts to determine that the long-term growth rate used in the VIU impairment model was consistent with external sources of evidence. • We performed procedures to assess that management's experts are competent, objective and independent. • We used our internal valuation experts to assess the valuation methodologies used in determining the fair value per the FVLCTS model. • We evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes in key assumptions. • We evaluated the disclosures included in the financial statements, including the sensitivity analysis, to validate that these were in compliance with IAS 36. We concluded that the impairment charge is appropriate based on the testing and sensitivities applied and that the disclosures included in the financial statements are appropriate.
Valuation of investments (parent) Refer to note 3 (Investments) and note 1 (Accounting policies) of the company financial statements. The company has Investments in various subsidiaries, which reflects the company's interest (directly and indirectly) in all of the group's trading businesses. Management has performed an impairment indicator assessment as at the year end, which revealed indicators of impairment in the US Investments driven by the loss of a major customer in the US and decline in the general trading conditions.	As part of our audit of management's impairment assessment: • We obtained a schedule of investments and compared it with the opening balance sheet and any movements to the relevant support. • In the case of the US investment, we used the work performed as described in the Key Audit Matter – ''Valuation of goodwill, other intangibles and tangible assets – US CGU (group)'' above, which formed the basis of the valuation of the US investments and the resulting impairment charge. • In the case of all other investments, we independently assessed management's assertion that impairment indicators were not present and concurred with management's conclusion. We concluded the impairment charge against the US investment is appropriate based on the testing and sensitivities applied and that the disclosures included in the financial statements are appropriate.

Key audit matter	How our audit addressed the key audit matter
Valuation of the customs tax penalty provision (Group) Refer to note 1 (Accounting policies), note 5 (Other operating income), note 6 (Finance income and costs) and note 17 (provisions) of the consolidated financial statements. The group had recorded a provision in respect of unpaid customs duties, associated interest and penalties in a foreign subsidiary of the DG Americas component in the previous year. The duty liability arose in a historical pre-acquisition period. Consequently, the provision was created through a prior period adjustment with the corresponding entry taken to goodwill. During the year, the Group submitted information and paid duties along with interest to the customs authority. Following communications and advice from external experts, the matter is considered concluded with the relevant authorities, and the differential provision balance was released to income in the current year.	To assess the appropriateness of the release of the customs tax penalty provision we have performed the below procedures: • Obtained and read group management's submission to the Customs Authorities including the relevant support. • We performed procedures to assess that management's experts are competent, objective and independent. • Engaged our own customs duty expert in the PwC member firm of the relevant territory. Our expert's scope was to evaluate the Directors' expert's submission and form an independent opinion on the likely penalty, if any which could still be levied by the tax authority in consideration of the unique facts and circumstances of this case. • Evaluated the appropriateness of treatment of the release of the provision and the related disclosure in the financial statements. Based on the procedures performed we concur with management's view of release of the penalty provision and consider the relevant disclosure in the financial statements to be appropriate.

How we tailored the audit scope

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

The Group is structured into a number of reporting entities, including one for each trading subsidiary and the Parent Company together with consolidation entities. We defined a component to be the reporting entity level at which management prepares and reviews the financial information, which in certain territories is at a sub-consolidation level.

We identified one (2024: one) financially significant component, which is a sub-consolidation of 13 (2024: 13) individual reporting entities within the DG Americas business, based on its contribution to the Group's revenue. A full scope audit was performed over this component, as well as over the Company and four (2024: four) other trading components; one (2024: two) in the UK, two (2024: one) in the Netherlands and one (2024: one) in Australia, giving a total of six (2024: six) components subject to full scope audits.

Two (2024: four) of these components were audited by the group engagement team with the financially significant component and three (2024: one) other reporting components audited by other PwC network firms.

Specified audit procedures were performed over specific balance sheet line items in two (2024: two) additional non-significant components by the Group engagement team in order to ensure sufficient coverage at the financial statement line item level.

The overseas component audit teams worked under the instruction of the Group engagement team and were in regular contact with the Group engagement team throughout the audit cycle. This started at planning through to completion, including a site visit to the financially significant component engagement team and local management team by the Group team as well as utilising video conferencing at multiple intervals and other frequent communication. In addition, the Group engagement team performed workpaper reviews of all components audited by other PwC network firms.

The Group engagement team audited the Group consolidation, including its consolidation adjustments, the valuation of goodwill, the valuation of the customs duty liability and going concern.

Analytical procedures were performed by the Group engagement team on all components not subject to a full scope audit.

The approach outlined above provides audit coverage of 78% (2024: 76%) of revenue.

The Company consists of one reporting unit which was subject to a full scope audit by the Group engagement team for the purpose of the Company financial statements.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements. This included validating whether current known costs of climate change, such as the impact of the UK Plastic Tax, had been included within the forecasted cash flows that support going concern and impairment models.

Independent auditors' report continued

to the members of IG Design Group plc

Materiality

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

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

	Financial statements – Group	Financial statements – Company
Overall materiality	\$3,600,000 (2024: \$4,000,000).	£1,838,000 (2024: £2,482,000).
How we determined it	0.5% of revenue	1% of net assets
Rationale for benchmark applied	Revenue is a key metric used by management and external stakeholders in assessing the ongoing performance of the Group that appropriately reflects the size and scale of the Group. It is also a generally accepted auditing benchmark. When considering the relevant percentage of total revenue to apply, we have considered a range of potential other benchmarks, which is comparable to the approach taken in 2024	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity given it is a holding company for the Group

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between \$880,000 and \$3,300,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to \$2,700,000 (2024: \$3,000,000) for the Group financial statements and £1,378,000 (2024: £1,862,000) for the Company financial statements.

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

We agreed with those charged with governance that we would report to them misstatements identified during our audit above \$180,000 (Group audit) (2024: \$200,000) and £92,000 (Company audit) (2024: £124,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- At the planning stage of the audit, we assessed the design and implementation of controls over the Directors' budgeting process which forms part of the going concern assessment. We have also assessed the design and implementation of control procedures that relate to the preparation, review and approval of the going concern assessment and related modelling.
- We obtained and reviewed the renewed bank facilities agreement dated 11 July 2025 and validated that the facility terms were consistent with those management had modelled in the liquidity assessment.
- We reviewed the mathematical accuracy of the Directors' going concern assessment, forecasts and liquidity assessment for the Group for a period of at least twelve months from the date of approval of the financial statements. This included understanding headroom throughout the period and validating that the forecasts were consistent with the latest Board approved budgets.
- We reviewed the order book including substantively testing future orders from customers on a sample basis.
- We performed detailed enquiries and challenge of the Board and management on the reasonableness of the assumptions made in the preparation of these forecasts. This included drawing comparisons to actual results achieved in the year and assessment of historical forecasting accuracy.
- We assessed management's calculations in arriving at the liquidity headroom in their severe but plausible scenario.
- We have stress tested the model by taking the Directors' severe but plausible scenario and applying more severe changes including reduced debtor eligibility under the facility, prolonged impact of higher costs and impact of lower sales on the liquidity assessment.
- We also considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and severe but plausible test assessment.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Independent auditors' report continued
to the members of IG Design Group plc

Reporting on other information continued

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and Directors' report for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the AIM rules for companies, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate revenue and/or profits and management bias in significant accounting estimates and judgements. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- discussions with management, the Company Secretary and the Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- assessment of matters reported on the Group's whistleblowing helpline, and the results of management's investigation of such matters;
- review minutes of meetings of those charged with governance;
- identification and testing of journal entries, in particular any journal entries posted with unusual account combinations; and
- reviewed component representation letters and evaluated if any responses or findings warranted further audit procedures.

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

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Daniel Brew

(Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors
Milton Keynes

28 July 2025

Consolidated income Statement

Year ended 31 March 2025

	Note	2025 $000	2024 $000
Revenue	2	**729,265**	800,051
Cost of sales	2	**(628,344)**	(658,532)
Gross profit		**100,921**	141,519
Selling expenses		**(42,403)**	(44,143)
Administration expenses – costs		**(71,914)**	(70,045)
Administration expenses – goodwill impairment	9	**(48,679)**	—
Other operating income	5	**8,488**	1,665
Operating (loss)/profit	3	**(53,587)**	28,996
Finance income	6	**3,098**	1,065
Finance costs	6	**(5,042)**	(6,219)
(Loss)/profit before tax		**(55,531)**	23,842
Income tax (charge)/credit	7	**(43,744)**	13,277
(Loss)/profit for the year		**(99,275)**	37,119
Attributable to:			
Owners of the Parent Company		**(99,685)**	35,625
Non-controlling interests		**410**	1,494

(Loss)/earnings per ordinary share

	Note	2025 cents	2024 cents
Basic	21	**(104.6)**	36.8
Diluted	21	**(104.6)**	36.6

Consolidated statement of comprehensive income

Year ended 31 March 2025

	Note	2025 $000	2024 $000
(Loss)/profit for the year		**(99,275)**	37,119
Other comprehensive (expense)/income:			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit pension and health benefit schemes	23	**(40)**	(48)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign operations		**(6,357)**	(5,502)
Transfer to profit and loss on maturing cash flow hedges		**(398)**	(285)
Net unrealised gain on cash flow hedges		**(177)**	292
Income tax relating to these items		**—**	—
		(6,932)	(5,495)
Other comprehensive expense for the year, net of tax		**(6,972)**	(5,543)
Total comprehensive (expense)/income for the year, net of tax		**(106,247)**	31,576
Attributable to:			
Owners of the Parent Company		**(106,330)**	30,237
Non-controlling interests		**83**	1,339
		(106,247)	31,576

Consolidated statement of changes in equity

Year ended 31 March 2025

	Attributable to the owners of the Parent Company								
	Share capital $000	Share premium and capital redemption reserve $000	Merger reserve $000	Hedging reserve $000	Translation reserve $000	Retained earnings/ (accumulated losses) $000	Shareholders' equity $000	Non-controlling interests $000	Total $000
At 1 April 2024	6,201	219,210	40,883	42	(5,740)	101,022	361,618	7,869	369,487
(Loss)/profit for the year	—	—	—	—	—	(99,685)	(99,685)	410	(99,275)
Other comprehensive expense	—	—	—	(575)	(6,030)	(40)	(6,645)	(327)	(6,972)
Total comprehensive (expense)/income for the year	—	—	—	(575)	(6,030)	(99,725)	(106,330)	83	(106,247)
Transactions with owners in their capacity as owners									
Equity-settled share-based payments (note 23)	—	—	—	—	—	925	925	—	925
Options exercised (note 20)	2	—	—	—	—	(2)	—	—	—
Equity dividends paid	—	—	—	—	—	—	—	(668)	(668)
Exchange differences	155	5,494	1,024	—	—	—	6,673	—	6,673
At 31 March 2025	**6,358**	**224,704**	**41,907**	**(533)**	**(11,770)**	**2,220**	**262,886**	**7,284**	**270,170**

In line with the Group's accounting policies, share capital, share premium, capital redemption reserve, merger reserve and hedging reserve are translated into US dollars at the rates of exchange at each balance sheet date and the resulting cumulative exchange differences are included in the translation reserve.

Merger reserve

The merger reserve comprises premium on shares issued in relation to business combinations.

Capital redemption reserve

The capital redemption reserve comprises amounts transferred from retained earnings in relation to the redemption of preference shares. For ease of presentation, the amount of $1.7 million relating to the capital redemption reserve has been included within the column of share premium and capital redemption reserve in the balances at the end of the year (2024: $1.7 million). The only movement in this balance relates to foreign exchange.

Hedging reserve

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

Translation reserve

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

Shareholders' equity

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

	Attributable to the owners of the Parent Company								
	Share capital $000	Share premium and capital redemption reserve $000	Merger reserve $000	Hedging reserve $000	Translation reserve $000	Retained earnings $000	Shareholders' equity $000	Non-controlling interests $000	Total $000
At 1 April 2023	6,059	214,845	40,069	38	(396)	67,577	328,192	6,530	334,722
Profit for the year	—	—	—	—	—	35,625	35,625	1,494	37,119
Other comprehensive expense	—	—	—	4	(5,344)	(48)	(5,388)	(155)	(5,543)
Total comprehensive income/(expense) for the year	—	—	—	4	(5,344)	35,577	30,237	1,339	31,576
Transactions with owners in their capacity as owners									
Equity-settled share-based payments (note 23)	—	—	—	—	—	1,432	1,432	—	1,432
Purchase of own shares (note 29)	—	—	—	—	—	(3,548)	(3,548)	—	(3,548)
Options exercised (note 20)	16	—	—	—	—	(16)	—	—	—
Exchange differences	126	4,365	814	—	—	—	5,305	—	5,305
At 31 March 2024	**6,201**	**219,210**	**40,883**	**42**	**(5,740)**	**101,022**	**361,618**	**7,869**	**369,487**

Consolidated balance sheet

As at 31 March 2025

	Note	2025 $000	2024 $000
Non-current assets			
Property, plant and equipment	8	**53,558**	67,062
Intangible assets	9	**22,892**	74,754
Right-of-use assets	10	**64,969**	59,115
Long-term assets	13	**2,899**	4,648
Deferred tax assets	11	**1,306**	39,099
Total non-current assets		**145,624**	244,678
Current assets			
Assets held for sale	8	**1,803**	1,786
Inventory	12	**172,651**	165,401
Trade and other receivables	13	**84,827**	89,523
Income tax receivable		**2,218**	2,522
Derivative financial assets	24	**1**	68
Cash and cash equivalents	14	**136,493**	157,365
Total current assets		**397,993**	416,665
Total assets	2	**543,617**	661,343
Non-current liabilities			
Loans and borrowings	15	**(120)**	(817)
Lease liabilities	10	**59,627**	51,751
Deferred income	16	**2,109**	1,837
Provisions	17	**2,540**	2,796
Other financial liabilities	18	**15,353**	14,307
Deferred tax liabilities	11	**73**	150
Total non-current liabilities		**79,582**	70,024
Current liabilities			
Bank overdraft	14	**52,539**	63,655
Loans and borrowings	15	**(718)**	(700)
Lease liabilities	10	**13,513**	15,595
Deferred income	16	**262**	214
Provisions	17	**1,741**	7,527
Income tax payable		**8,670**	12,356
Trade and other payables	19	**84,822**	86,101
Other financial liabilities	18	**33,036**	37,084
Total current liabilities		**193,865**	221,832
Total liabilities	2	**273,447**	291,856
Net assets		**270,170**	369,487
Equity			
Share capital	20	**6,358**	6,201
Share premium		**222,970**	217,518
Capital redemption reserve		**1,734**	1,692
Merger reserve		**41,907**	40,883
Hedging reserve		**(533)**	42
Translation reserve		**(11,770)**	(5,740)
Retained earnings		**2,220**	101,022
Equity attributable to owners of the Parent Company		**262,886**	361,618
Non-controlling interests		**7,284**	7,869
Total equity		**270,170**	369,487

The consolidated financial statements on pages 92 to 97 were approved by the Board of Directors on 28 July 2025 and were signed on its behalf by:

Rohan Cummings
Director

Consolidated cash flow statement

Year ended 31 March 2025

	Note	2025 $000	2024 $000
Cash flows from operating activities			
(Loss)/profit for the year		**(99,275)**	37,119
Adjustments for:			
Depreciation of property, plant and equipment	8	**10,679**	12,326
Depreciation of right-of-use assets	10	**15,505**	16,470
Amortisation of intangible assets	9	**2,430**	3,032
Impairment/(reversal of impairment) of property, plant and equipment, right-of-use assets and intangible assets	8, 9, 10	**7,069**	(553)
Goodwill impairment	9	**48,679**	—
Finance income	6	**(3,098)**	(1,065)
Finance costs	6	**5,042**	6,219
Income tax charge/(credit)	7	**43,744**	(13,277)
(Profit)/loss on disposal of property, plant and equipment		**(4,542)**	238
Profit on disposal of leases		**(70)**	—
Equity-settled share-based payments – expense	23	**877**	1,502
Operating profit after adjustments for non-cash items		**27,040**	62,011
Change in trade and other receivables		**3,365**	3,997
Change in inventory		**(6,338)**	40,361
Change in trade and other payables, provisions and deferred income		**(7,864)**	(18,966)
Cash generated from operations		**16,203**	87,403
Tax paid		**(9,565)**	(5,159)
Interest and similar charges paid		**(2,813)**	(4,536)
Net cash inflow from operating activities		**3,825**	77,708
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**8,837**	782
Acquisition of business	28	**—**	(496)
Acquisition of intangible assets	9	**(627)**	(442)
Acquisition of property, plant and equipment	8	**(6,121)**	(10,254)
Net cash inflow/(outflow) from investing activities		**2,089**	(10,410)
Cash flows from financing activities			
Purchase of own shares	29	**—**	(3,548)
Lease liabilities principal repayments	10	**(16,504)**	(18,422)
Loan arrangement fees	14	**—**	(2,045)
Dividends paid to non-controlling interests		**(668)**	—
Net cash outflow from financing activities		**(17,172)**	(24,015)
Net (decrease)/increase in cash and cash equivalents		**(11,258)**	43,283
Cash and cash equivalents and bank overdrafts at beginning of the year	14	**93,710**	50,234
Effect of exchange rate fluctuations on cash held		**1,502**	193
Cash and cash equivalents and bank overdrafts at end of the year	14	**83,954**	93,710

Notes to the consolidated financial statements

Year ended 31 March 2025

1 Accounting policies

a. Basis of preparation

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

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

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

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

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

Presentation currency

The presentation currency of the Group is US dollars.

The functional currency of the Parent Company remains as pound sterling as it is located in the United Kingdom and substantially all of its cash flows, assets and liabilities are denominated in pound sterling, as well as its share capital. As such, the Parent Company's functional and presentational currency differs to that of the Group's reporting currency.

Seasonality of the business

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

Going concern

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

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

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

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

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

The Directors have assessed detailed forecasts through to 30 September 2026. These reflect the disposal of the DG Americas business, the reduced volatility in profitability and cash generation across the remaining Group, and continued progress towards more consistent and robust financial performance. The forecasts also take into account the seasonal nature of the Group's operations.

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

- a potential loss of significant trading with a major customer, modelled as an estimated $10.9 million reduction in sales, with associated impacts on cash flow, facility availability, and working capital;
- a sustained period of inflation in freight rates, resulting in approximately $4.7 million of additional costs and related cash outflows; and
- the occurrence of a cyber security incident during peak trading periods, modelled as a temporary $23.0 million reduction in receivables, affecting both liquidity and availability under the Group's receivables-based facility.

In the severe but plausible scenarios modelled, there remains sufficient headroom in our forecast liquidity and sufficient headroom.

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

Changes in accounting policies

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

Other standards and interpretations

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

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1;
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

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

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

b. Basis of consolidation

(i) Subsidiaries

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

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

(ii) Transactions eliminated on consolidation

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

(iii) Business combinations

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

The Group measures goodwill at the acquisition date as:

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

When the result is negative, a 'bargain purchase' gain is recognised immediately in the income statement.

Provisional fair values allocated at a reporting date are finalised within twelve months of the acquisition date.

c. Foreign currency

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

The consolidated financial statements are presented in US dollars.

(i) Foreign currency transactions

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

(ii) Financial statements of foreign operations

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

Share capital, share premium, capital redemption reserve and merger reserve are denominated in pounds sterling, the Parent Company's functional currency. They are translated into US dollars at the rates of exchange at each balance sheet date and the resulting cumulative exchange differences are included in translation reserve.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

1 Accounting policies continued

c. Foreign currency continued

(iii) Net investment in foreign operations

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

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

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

d. Financial instruments

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

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

(i) Fair value hedges

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

(ii) Cash flow hedges

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

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

(iii) Unhedged derivatives

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

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

e. Cash and cash equivalents

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

f. Loans and borrowings

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

g. Trade and other receivables

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

The Group applies a simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables, including those due in greater than twelve months, by making an accounting policy election. For any receivables not expected to be paid, an expected credit loss of 100% is recognised at the point this expectation arises. For all other receivables, the expected loss is calculated based on reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

h. Trade and other payables

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

i. Property, plant and equipment

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

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

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

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

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

j. Lease liabilities and lease right-of-use assets

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

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

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

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

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

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

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

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

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

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

k. Intangible assets

(i) Goodwill

Goodwill is stated at cost less any impairment losses.

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

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

(ii) Acquired intangible assets

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

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

Notes to the consolidated financial statements continued

Year ended 31 March 2025

1 Accounting policies continued

k. Intangible assets continued

(iii) Other intangible assets

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

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

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

Customer relationships are wide ranging in useful economic lives, from shorter relationships derived from smaller acquisitions to the long relationship with Walmart acquired as part of the acquisition of Impact Innovations, Inc. ('Impact') in August 2018.

l. Impairment

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

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

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

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

m. Inventories

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

n. Income tax

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

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

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

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

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

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

o. Revenue

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

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

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

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

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

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

p. Finance income and costs

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

q. Supplier financing

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

r. Segment reporting

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

s. Pensions

(i) Defined contribution schemes

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

(ii) Defined benefit schemes

Two pension schemes, one of which is in the Netherlands and the other in the UK, are defined benefit schemes.

The Netherlands subsidiary operates an industrial defined benefit fund, based on average wages, that has an agreed maximum contribution. The pension fund is a multi-employer fund and there is no contractual or constructive obligation for charging the net defined benefit cost of the plan to participating entities other than an agreed maximum contribution for the period, that is shared between employer (4/7) and employees (3/7).

The Dutch Government is not planning to make employers fund any deficits in industrial pension funds; accordingly, the Group treats the scheme as a defined contribution scheme for disclosure purposes. The Group recognises a cost equal to its contributions payable for the period.

The Group also administers a defined benefit scheme in the UK.

The net obligation for this scheme is calculated by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of the scheme assets is deducted. The calculation is performed by a qualified independent actuary.

t. Share-based payments

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

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

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

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

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

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

u. Investment in own shares

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

Notes to the consolidated financial statements continued

Year ended 31 March 2025

1 Accounting policies continued

v. Provisions

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

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

w. Government grants

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

x. Dividends

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

y. Borrowing costs

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

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

z. Like-for-like comparators

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

Use of non-GAAP measures (APMs)

These financial statements include alternative performance measures (APMs) that are presented in addition to the standard GAAP metrics. The Directors believe that these APMs provide important additional information regarding the underlying performance of the business including trends, performance and position of the Group. APMs are used to enhance the comparability of information between reporting periods and segmental business units by adjusting for factors which affect IFRS measures, to aid the understanding of the Group's performance. Consequently, APMs are used by the Directors and management for strategic and performance analysis, planning, reporting and reward setting.

The APMs and their definitions are:

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

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

Adjusting items

Year ended 31 March 2025	Impairment of assets[1] $000	Integration and restructuring cost/ (income)[2] $000	Release of provisions for pre-acquisition duties[3] $000	Amortisation of acquired intangibles[4] $000	Derecognition of deferred tax assets[5] $000	Adjusting items $000
Cost of sales	3,750	2,845	(568)	—	—	6,027
Selling expenses	—	783	—	—	—	783
Administration expenses	1,723	7,330	—	1,752	—	10,805
Goodwill impairment	48,679	—	—	—	—	48,679
Other operating income	—	(4,713)	(2,774)	—	—	(7,487)
Adjustments to operating profit/loss	54,152	6,245	(3,342)	1,752	—	58,807
Other finance expenses/(income)	—	240	(1,579)	—	—	(1,339)
Adjustments to profit/loss before tax	54,152	6,485	(4,921)	1,752	—	57,468
Adjusting tax charge/(credit)	—	(217)	—	—	37,409	37,192
	54,152	6,268	(4,921)	1,752	37,409	94,660

Year ended 31 March 2024	Impairment of assets[1] $000	Integration and restructuring cost/ (income)[2] $000	Release of provisions for pre-acquisition duties[3] $000	Amortisation of acquired intangibles[4] $000	Recognition of deferred tax assets[5] $000	Adjusting items $000
Cost of sales	—	548	—	—	—	548
Administration expenses	—	(249)	—	1,803	—	1,554
Adjustments to operating profit/loss	—	299	—	1,803	—	2,102
Adjusting tax charge/(credit)	—	(41)	—	(451)	(21,313)	(21,805)
	—	258	—	1,352	(21,313)	(19,703)

Adjusting items are separately presented by virtue of their nature, size and/or incidence. These items are material items of an unusual or non-recurring nature which represent gains or losses and are presented to allow for the review of the performance of the business in a consistent manner and in line with how the business is managed and measured on a day-to-day basis and allow the reader to obtain a clearer understanding of the underlying results of the ongoing Group's operations. They are typically gains or costs associated with events that are not considered to form part of the core operations or are considered to be a 'non-recurring' event (although they may span several accounting periods).

These (gains)/losses relate to the following transactions:

(1) Impairment of assets

In the year an impairment of $54.2 million (2024: $nil) has been recorded to write-down $48.7 million goodwill on acquisition of DG Americas, $1.7 million of DG Americas' intangible assets and $3.8 million in its plant and machinery.

Following the recent deterioration in the performance of DG Americas — including the Group's fourth-largest customer entering Chapter 11 bankruptcy – the revised long-term cash flow forecasts have led to the recognition of an impairment. The impairment was determined based on the fair value of assets less costs to sell. Further details are provided in note 9 (2024: $nil).

(2) Integration and restructuring cost/(income)

In order to realise synergies from acquisitions, or existing businesses, integration and restructuring projects are respectively undertaken that aim to deliver future savings and efficiencies for the Group. These projects are outside of the normal operations of the business and typically incur one-off costs to ensure successful implementation, therefore the management classifies them as adjusting items. The costs incurred in FY2025 and FY2024 relate to DG Americas and DG UK (and its subsidiary in Asia) businesses:

DG Americas business reorganisation

In FY2025, DG Americas incurred $2.1 million in staff-related restructuring expenses (2024: $0.6 million). An additional $1.1 million was spent on site rationalisation, including $0.2 million for consolidating warehouses in South Centre and Hagerstown, and a $0.8 million lease impairment from existing properties. A further $0.6 million was incurred on a legal entity rationalisation project aimed at simplification of the DG Americas legal structure.

In FY2024, comparable staff-related costs amounted to $0.6 million.

DG Americas site sales proceeds

On 11 March 2025, DG Americas completed the sale of a former distribution facility located in Bloomsburg, Pennsylvania. The facility was sold for a total consideration of $8.4 million. The carrying value of the asset was $2.9 million, and the Group incurred selling costs and taxes amounting to $0.6 million. As a result, the Group recognised a profit on disposal of $4.9 million. This asset was classified as held for sale in the Group's HY2025 financial statements.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

1 Accounting policies continued

Adjusting items continued

(2) Acquisition integration and restructuring cost continued

China site closure

In June 2024, the Group announced the closure of Huizhou Gift International Greetings Co. Ltd, a subsidiary of DG plc. During the year, $5.7 million of restructuring costs were incurred in connection with the closure. These comprised $3.9 million of staff-related costs, $0.8 million of asset write-downs, $0.4 million of third-party security costs, and $0.6 million of other closure-related expenses.

The asset write-down resulted from the reclassification of certain assets as held for sale, triggered by the closure decision. These assets were measured at the lower of carrying amount and fair value less costs to sell, in accordance with IFRS 5 and based on Level 2 inputs of the fair value hierarchy, as outlined in note 8. As these costs were directly related to the site closure and not part of the Group's ongoing operations, they have been treated as adjusting items.

DG UK business reorganisation

$0.7 million was spent on a consolidation project involving DG UK and DG Americas' Far East sourcing offices (2024: $0.2 million). Further costs of $0.2 million were incurred by the DG UK business in relation to a vacant site held for sale, as part of a wider business reorganisation announced in March 2023.

DG Australia site relocation

In FY2025, DG Australia relocated its warehousing operations from a long-standing leased facility to a newly secured site. Relocation costs totalled $0.9 million, including $0.6 million of lease-related expenses for the new warehouse, $0.2 million of which were classified as other finance expenses. During the transition, the business incurred double-running costs, as it remained contractually committed to the previous site while establishing full operational capability at the new location. These costs have been treated as adjusting items due to their non-recurring nature and direct link to the relocation. The full operational capability at the new facility is expected to be achieved in the first half of 2026.

Reversal of impairment (2024)

Following the integration of DG Americas' sites in FY2021, a portion of a leased site in Budd Lake, New Jersey was exited, and the right-of-use asset was impaired. In the period ended 31 March 2024, the landlord reacquired a portion of the impaired site resulting in a reversal of impairment of $0.6 million.

(3) Release of provisions for pre-acquisition duties

In prior years, management recognised a provision relating to duties, penalties and interest associated with pre-acquisition periods, based on significant estimates and assumptions. These included assessments of historical data, interpretations of relevant tax and legal regulations, and potential outcomes of engagement with the customs authorities. Given the complexity and uncertainty involved, management engaged external legal and tax advisers to ensure the provisions reflected the most probable outcomes.

As previously disclosed, the initial provision comprised three elements: $0.7 million for duties, $1.9 million for interest, and $2.8 million for penalties.

During FY2025, following further legal and regulatory clarification, a payment of $0.4 million was made in respect of duties and interest. Management, supported by updated external advice, determined that the remaining provision was no longer required. The matter is considered concluded with the relevant authorities, and the full balance was released to income in the current year.

(4) Amortisation of acquired intangibles

Under UK-adopted international accounting standards, business combinations require the recognition of acquired intangible assets such as customer relationships and trade names. These are amortised over their useful lives, with charges recognised in the income statement. As these charges arise as a result of acquisition accounting and do not reflect the underlying trading performance of the Group or the acquired business, they are excluded from adjusted measures to provide a more consistent basis for comparing performance across periods.

For the year ended 31 March 2025, amortisation of $1.8 million (2024: $1.8 million) related to intangible assets recognised on the acquisition of Impact Innovations, Inc.

(5) Derecognition of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable they will be recovered through the reversal of deferred tax liabilities or the generation of future taxable profits, in accordance with IAS 12. As part of the Group's annual review of recoverability, and reflecting updated forecasts for DG Americas, management determined that sufficient future taxable profits are no longer probable within the region. Consequently, $37.4 million of previously recognised deferred tax assets have been derecognised in the current year.

The cash flow effect of adjusting items

There was a $0.3 million net outflow in the current period's cash flow (2024: $2.1 million net outflow) relating to adjusting items which included $0.2 million outflow (2024: $1.5 million) deferred from prior years.

Key accounting judgements and estimates

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

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

Accounting judgements

(i) Adjusting items

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

(ii) Taxation

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

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

Accounting estimates

(i) Lease asset impairments

The Group has impaired the right-of-use assets in respect of several properties that the Group has exited as part of the ongoing DG Americas integration. This is based on the properties themselves being a CGU in line with IAS 36 as they are being actively marketed for sub-tenants.

The impairments are assessed at each reporting date and if necessary reversed should there be available sub-tenants for the properties, or early termination agreed with the landlord.

The Group considers the impairment values to be immaterial.

(ii) Provision for slow-moving inventory

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

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

This is an estimate and is based on best data at the time of recognition. Regular monitoring of inventory levels, the ageing of inventory and the level of the provision is carried out by the Directors to reassess this estimate. The assumptions made in relation to the current period are consistent with those in the prior year. As at 31 March 2025, inventory provisions were $32.9 million against a gross inventory value of $205.7 million (2024: $31.1 million provision, $196.5 million gross inventory value).

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

Further to this, we performed a sensitivity analysis, assessing the impact of a movement of 7% in either direction. 7% reflects the highest movement level in five years and this was over Covid-19 which saw exceptional movements. The results indicated a potential stock provision movement ranging from $35.2 million to $30.7 million. However, given that every year-on-year movement since Covid-19 has been no more than 1%, we believe the risk of a material movement is low.

(iii) Provision for pre-acquisition duties

In prior years, management recognised a provision relating to duties, penalties and interest associated with pre-acquisition periods, based on significant estimates and assumptions. These included assessments of historical data, interpretations of relevant tax and legal regulations, and potential outcomes of engagement with the customs authorities. Given the complexity and uncertainty involved, management engaged external legal and tax advisers to ensure the provisions reflected the most probable outcomes. As previously disclosed, the initial provision comprised three elements: $0.7 million for duties, $1.9 million for interest, and $2.8 million for penalties.

During FY2025, following further legal and regulatory clarification, a payment of $0.4 million was made in respect of duties and interest. Management, supported by updated external advice, determined that the remaining provision was no longer required. The matter is considered concluded with the relevant authorities, and the full balance was released to income in the current year. Management is satisfied that no further material liability exists in relation to this matter, and no additional provisions have been recognised.

The Group considers this provision to be immaterial.

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

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

An impairment loss of $54.2 million was recognised during the year ended 31 March 2025 (2024: $nil). This includes $48.7 million relating to goodwill on the acquisition of DG Americas, $1.7 million in intangible assets, and $3.8 million in plant and equipment. Following the recent deterioration in the performance of DG Americas – including the Group's fourth-largest customer entering Chapter 11 bankruptcy – the revised long-term cash flow forecasts have led to the recognition of an impairment. The impairment was determined based on the fair value of assets less costs to sell.

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

Notes to the consolidated financial statements continued

Year ended 31 March 2025

2 Segmental information

The Group has one material business activity, being the design, manufacture and distribution of Gift packaging, Party, Goods not for resale, Craft, Stationery and Homeware consumable products.

The business operates under two reporting segments which are reported to, and evaluated by, the Chief Operating Decision Makers for the Group. The DG Americas segment includes overseas operations in Asia, Australia, UK, India and Mexico, being the overseas entities of US companies. The DG International segment comprises the consolidation of the separately owned businesses in the UK, Asia, Europe and Australia.

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

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

Segment assets are all non-current and current assets, excluding deferred tax and income tax, which are shown in the eliminations column. Inter-segment receivables and payables are not included within segmental assets and liabilities as they eliminate on consolidation.

	DG Americas[(a)] $000	DG International $000	Central and eliminations $000	Group $000
Year ended 31 March 2025				
Revenue – external	439,544	289,721	—	729,265
– inter-segment	—	78	(78)	—
Total segment revenue	439,544	289,799	(78)	729,265
Segment (loss)/profit before adjusting items	**(15,494)**	**28,150**	**(7,436)**	**5,220**
Adjusting items (note 1)	(51,499)	(7,308)	—	(58,807)
Operating (loss)/profit	(66,993)	20,842	(7,436)	(53,587)
Finance income				3,098
Finance costs				(5,042)
Income tax				(43,744)
Loss for the year ended 31 March 2025				**(99,275)**
Balances at 31 March 2025				
Segment assets	**266,225**	**203,747**	**73,645**	**543,617**
Segment liabilities	**(120,953)**	**(101,479)**	**(51,015)**	**(273,447)**
Capital expenditure additions				
– property, plant and equipment	2,277	3,829	15	6,121
– intangible assets	—	627	—	627
– right-of-use assets	5,083	17,656	—	22,739
Depreciation – property, plant and equipment	5,884	4,769	26	10,679
Impairment – property, plant and equipment	3,750	765	—	4,515
Amortisation – intangible assets	2,350	80	—	2,430
Impairment – intangible assets	1,723	—	—	1,723
Impairment – goodwill	48,679	—	—	48,679
Depreciation – right-of-use assets	10,517	4,980	8	15,505
Impairment – right-of-use assets	831	—	—	831
Cost of sales	400,717	227,705	(78)	628,344
Profit/(loss) on disposal of property, plant and equipment	4,574	(32)	—	4,542

(a) Including overseas entities for the DG Americas operating segment.

Included in cost of sales is $6.0 million relating to adjusting items.

	DG Americas(a) $000	DG International $000	Central and eliminations $000	Group $000
Year ended 31 March 2024				
Revenue – external	500,310	299,741	—	800,051
– inter-segment	—	33	(33)	—
Total segment revenue	500,310	299,774	(33)	800,051
Segment profit/(loss) before adjusting items	6,768	32,257	(7,927)	31,098
Adjusting items (note 1)	(1,892)	(210)	—	(2,102)
Operating profit/(loss)	4,876	32,047	(7,927)	28,996
Finance income				1,065
Finance costs				(6,219)
Income tax				13,277
Profit for the year ended 31 March 2024				37,119
Balances at 31 March 2024				
Segment assets	353,706	194,348	113,289	661,343
Segment liabilities	(138,722)	(78,443)	(74,691)	(291,856)
Capital expenditure additions				
– property, plant and equipment	5,483	6,327	53	11,863
– property, plant and equipment on acquisition of business	—	84	—	84
– intangible assets	390	52	—	442
– intangible assets on acquisition of business	—	278	—	278
– right-of-use assets	4,389	2,224	—	6,613
Depreciation – property, plant and equipment	6,776	5,526	24	12,326
Amortisation – intangible assets	2,897	135	—	3,032
Depreciation – right-of-use assets	11,525	4,938	7	16,470
Reversal of impairment – right-of-use assets	(553)	—	—	(553)
Cost of sales	429,594	228,971	(33)	658,532
(Loss)/profit on disposal of property, plant and equipment	(279)	41	—	(238)

(a) Including overseas entities for the DG Americas operating segment.

Included in cost of sales is $548,000 relating to adjusting items.

- The Group has one customer that accounts for 23% (2024: 24%) of the total Group revenues. In the year ended 31 March 2025, total sales to that customer were $168.5 million (2024: $193.4 million). This customer falls solely within the DG Americas operating segment above. No other single customer accounts for over 10% of total sales.
- The assets and liabilities that have not been allocated to segments include deferred tax assets of $1.3 million (2024: $39.1 million), income tax receivable of $2.2 million (2024: $2.5 million), income tax payable of $8.7 million (2024: $12.4 million) and deferred tax liabilities of $73,000 (2024: $150,000).

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

	Non-current assets	
	2025 $000	2024 $000
USA(a)	66,055	136,520
UK	27,882	27,713
Netherlands	25,523	27,587
Other	21,959	9,111
	141,419	200,931

(a) These figures include overseas entities relating to the DG Americas operating segment. The overseas entities element is not material, and this information is not readily available.

Revenue by customer destination

	2025 $000	2024 $000	2025 %	2024 %
Americas(a)	468,970	526,203	64	66
UK	76,469	88,827	10	11
Rest of the world	183,826	185,021	26	23
	729,265	800,051	100	100

(a) Included within Americas is $442.4 million (2024: $498.5 million) relating to the country, USA.

All revenue arose from the sale of goods.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

3 Operating (loss)/profit

Included in the income statement are the following charges/(credits):

	Note	2025 $000	2024 $000
Depreciation of tangible fixed assets	8	**10,679**	12,326
Impairment of tangible fixed assets	8	**4,515**	—
Depreciation of right-of-use assets	10	**15,505**	16,470
Impairment/(reversal of impairment) of right-of-use assets	10	**831**	(553)
(Profit)/loss on disposal of property, plant and equipment and intangible assets		**(4,612)**	238
Release of deferred grant income	5	**(232)**	(211)
Goodwill impairment	9	**48,679**	—
Amortisation of intangible assets – software	9	**475**	1,225
Amortisation of intangible assets – other	9	**1,955**	1,807
Impairment of other intangible assets	9	**1,723**	—
Sub-lease rental income	5	**(758)**	(687)
Provision for obsolete and slow-moving inventory	12	**16,240**	13,422
Reversal of previous write downs of inventory	12	**(4,255)**	(4,548)
Loss on foreign exchange		**373**	835

	2025 $000	2024 $000
Operating (loss)/profit analysed as:		
Adjusted operating profit	**5,220**	31,098
Adjusting items	**(58,807)**	(2,102)
Operating (loss)/profit	**(53,587)**	28,996

Auditors' remuneration:

	2025 $000	2024 $000
Amounts receivable by auditor and its associates in respect of:		
Audit of these financial statements	**1,637**	1,610
Audit of financial statements of subsidiaries pursuant to legislation		
– Overseas subsidiaries	**81**	155
Other audit related assurance services – review of interim report	**122**	117

4 Staff numbers and costs

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

	Number of employees	
	2025	2024
Selling and administration	**940**	1,105
Production and distribution	**1,440**	1,661
Temporary and agency staff	**410**	535
	2,790	3,301

The aggregate payroll costs of these persons were as follows:

	Note	2025 $000	2024 $000
Wages and salaries		**136,958**	147,261
Share-based payments	23	**877**	1,502
Social security costs		**13,761**	13,878
Other pension costs		**2,828**	2,950
Temporary employee costs		**11,803**	10,662
		166,227	176,253

For information on Directors' remuneration please refer to the section titled 'Directors' remuneration' within the Directors' remuneration report (pages 74 to 80) which forms part of these audited financial statements.

5 Other operating income

	2025 $000	2024 $000
Profit/(loss) on disposal of property, plant and equipment	**4,542**	(238)
Release of provisions for pre-acquisition duties	**2,774**	—
Sub-lease rental income	**758**	687
Grant income	**232**	211
Profit on disposal of leases	**70**	—
Insurance income	**—**	850
Other	**112**	155
	8,488	1,665

6 Finance income and costs

Finance income	2025 $000	2024 $000
Release of provisions for interest on pre-acquisition duties	**1,579**	—
Interest receivable on bank deposits	**1,381**	971
Derivative financial instruments at fair value through the income statement	**138**	94
	3,098	1,065

Finance costs	2025 $000	2024 $000
Lease liability interest	**2,485**	2,336
Interest on customer financing	**1,163**	1,469
Amortisation of loan arrangement fees	**708**	779
Interest payable on bank loans and overdrafts	**605**	1,567
Unwinding of fair value discounts	**81**	68
	5,042	6,219

7 Income tax charge/(credit)

Recognised in the income statement

	2025 $000	2024 $000
Current tax charge		
Current year	**5,754**	10,295
Adjustments in respect of previous years	**319**	236
	6,073	10,531
Deferred tax charge/(credit)		
Derecognition/(recognition) of deferred tax assets	**37,761**	(21,313)
Origination and reversal of temporary differences	**(81)**	(1,165)
Adjustments in respect of previous periods	**(9)**	(1,330)
	37,671	(23,808)
Total tax charge/(credit) in income statement	**43,744**	(13,277)
Total tax charge on adjusting items		
Total tax on profit/loss before adjusting items	**6,552**	8,528
Total tax on adjusting items	**37,192**	(21,805)
Total tax charge/(credit) in income statement	**43,744**	(13,277)

Notes to the consolidated financial statements continued

Year ended 31 March 2025

7 Income tax charge/(credit) continued

Reconciliation of effective tax rate

	2025 $000	2024 $000
(Loss)/profit before tax	(55,531)	23,842
(Loss)/profit before tax multiplied by the standard rate of corporation tax of 25% in the UK (2024: 25%)	(13,883)	5,961
Effects of:		
Income not taxable	(1,249)	(11)
Expenses not deductible for tax purposes	151	1,018
Differences between UK and overseas tax rates	400	(137)
Movement in uncertain tax provisions	243	1,585
Derecognition/(recognition) of deferred tax assets	37,761	(21,313)
Other items	6	(36)
Adjustments in respect of previous periods	310	(1,094)
Current year losses for which no deferred tax asset is recognised	20,005	750
Total tax charge/(credit) in income statement	**43,744**	(13,277)

See note 11 for further details.

OECD Pillar Two

On 20 June 2023, the government of the UK, where the ultimate Parent Company of the Group is incorporated, substantively enacted the Pillar Two income taxes legislation, effective for accounting periods beginning on 1 January 2024. Under the legislation, the Parent Company is required to pay, in the UK, a top-up tax on profits of its subsidiaries that are taxed at an effective rate of less than 15% under the Pillar Two tax calculation. In addition, local legislation has been substantively enacted in other territories in which the Group operates, where domestic minimum top-up taxes have been introduced.

The Group has applied the temporary exemption, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that an entity should neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The new rules do not have a significant impact on the tax charge for the Group.

8 Property, plant and equipment

	Land and buildings					
	Freehold $000	Leasehold $000	Plant and equipment $000	Fixtures and fittings $000	Motor vehicles $000	Total $000
Cost						
Balance at 1 April 2023	44,877	5,466	113,157	6,719	2,338	172,557
Additions	443	285	10,535	400	200	11,863
Additions on acquisitions of a business	—	—	84	—	—	84
Transfer to assets held for sale	(2,656)	—	—	—	—	(2,656)
Disposals	—	—	(2,163)	(193)	(133)	(2,489)
Effect of movements in foreign exchange	169	(103)	76	—	(18)	124
Balance at 31 March 2024	42,833	5,648	121,689	6,926	2,387	179,483
Additions	**262**	**85**	**5,197**	**488**	**89**	**6,121**
Transfer to assets held for sale	**(3,576)**	**(1,719)**	**(12,655)**	**(843)**	**(236)**	**(19,029)**
Transfer to intangible assets	**—**	**—**	**(464)**	**—**	**—**	**(464)**
Disposals	**(775)**	**(666)**	**(2,075)**	**(345)**	**(184)**	**(4,045)**
Effect of movements in foreign exchange	**412**	**27**	**900**	**80**	**(20)**	**1,399**
Balance at 31 March 2025	**39,156**	**3,375**	**112,592**	**6,306**	**2,036**	**163,465**
Depreciation and impairment						
Balance at 1 April 2023	(20,874)	(4,526)	(70,387)	(4,740)	(1,724)	(102,251)
Depreciation charge for the year	(1,899)	(738)	(8,934)	(545)	(210)	(12,326)
Transfer to assets held for sale	870	—	—	—	—	870
Disposals	—	—	1,164	194	111	1,469
Effect of movements in foreign exchange	(173)	98	(110)	(5)	7	(183)
Balance at 31 March 2024	(22,076)	(5,166)	(78,267)	(5,096)	(1,816)	(112,421)
Depreciation charge for the year	**(1,681)**	**(213)**	**(8,195)**	**(427)**	**(163)**	**(10,679)**
Impairments	**—**	**—**	**(4,515)**	**—**	**—**	**(4,515)**
Transfer to assets held for sale	**691**	**1,605**	**12,020**	**759**	**191**	**15,266**
Disposals	**697**	**665**	**1,707**	**350**	**166**	**3,585**
Effect of movements in foreign exchange	**(288)**	**(18)**	**(748)**	**(100)**	**11**	**(1,143)**
Balance at 31 March 2025	**(22,657)**	**(3,127)**	**(77,998)**	**(4,514)**	**(1,611)**	**(109,907)**
Net book value						
At 31 March 2025	**16,499**	**248**	**34,594**	**1,792**	**425**	**53,558**
At 31 March 2024	20,757	482	43,422	1,830	571	67,062

In the first half of FY2025 a property in Bloomsburg, Pennsylvania with a net book value of $2.9 million was transferred to assets held for sale, this property was sold in the second half of the year for $8.4 million (see note 1 for further details).

Fixed assets relating to Huizhou Gift International Greetings Co. Ltd in China were transferred to assets held for sale (net book value of $1.4 million was written down to $0.6 million) as a result of their carrying value being less than the fair value less cost to sell. These assets were disposed of in the second half of the year resulting in a small loss on disposal (see note 1 for further details).

In the prior year a property in Berwick, Pennsylvania (DG Americas) with a net book value of $1.6 million and a property in Hirwaun, Wales (DG International) with a net book value of $0.2 million were reclassified to assets held for sale. Both properties are being actively marketed for sale and continue to be shown as assets held for sale.

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

No fixed assets creditors were included in Other financial liabilities (note 18) (2024: $1.6 million) as at the end of the financial year.

Impairment

Within the $4.5 million impairment charge, $0.8 million relates to the write-down of assets relating to Huizhou Gift International Greetings Co. Ltd (see note 1) and $3.8 million relates to the impairment of plant and equipment in DG Americas (see note 9).

Security

Certain freehold properties with a cost of $14.0 million in the UK were subject to a fixed charge in support of the ABL banking facility, other fixed assets are secured with an all-assets lien on all existing and future assets of the loan parties (see note 15 for further details).

Notes to the consolidated financial statements continued

Year ended 31 March 2025

9 Intangible assets

	Goodwill $000	Computer software $000	Trade names $000	Customer relationships $000	Other intangibles $000	Total $000
Cost						
Balance at 1 April 2023	103,214	14,355	5,231	23,987	261	147,048
Additions	—	361	—	—	81	442
Additions on acquisition of business	206	—	50	22	—	278
Disposals	—	(1,748)	—	—	—	(1,748)
Effect of movements in foreign exchange	576	(6)	(8)	(22)	(2)	538
Balance at 31 March 2024	103,996	12,962	5,273	23,987	340	146,558
Additions	**—**	**627**	**—**	**—**	**—**	**627**
Transferred from tangible fixed assets	**—**	**464**	**—**	**—**	**—**	**464**
Disposals	**—**	**(705)**	**(234)**	**(846)**	**(5)**	**(1,790)**
Effect of movements in foreign exchange	**758**	**25**	**6**	**30**	**—**	**819**
Balance at 31 March 2025	**104,754**	**13,373**	**5,045**	**23,171**	**335**	**146,678**
Amortisation and impairment						
Balance at 1 April 2023	(42,086)	(12,513)	(5,231)	(9,945)	(140)	(69,915)
Amortisation charge for the year	—	(1,225)	(3)	(1,804)	—	(3,032)
Disposals	—	1,742	—	—	—	1,742
Effect of movements in foreign exchange	(632)	4	6	21	2	(599)
Balance at 31 March 2024	(42,718)	(11,992)	(5,228)	(11,728)	(138)	(71,804)
Amortisation charge for the year	**—**	**(475)**	**(17)**	**(1,760)**	**(178)**	**(2,430)**
Impairments	**(48,679)**	**(63)**	**—**	**(1,660)**	**—**	**(50,402)**
Disposals	**—**	**629**	**234**	**846**	**5**	**1,714**
Effect of movements in foreign exchange	**(804)**	**(22)**	**(6)**	**(32)**	**—**	**(864)**
Balance at 31 March 2025	**(92,201)**	**(11,923)**	**(5,017)**	**(14,334)**	**(311)**	**(123,786)**
Net book value						
At 31 March 2025	**12,553**	**1,450**	**28**	**8,837**	**24**	**22,892**
At 31 March 2024	61,278	970	45	12,259	202	74,754

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

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

	2025 $000	2024 $000
UK and Asia	**2,683**	2,613
Europe	**6,551**	6,525
USA	**—**	48,680
Australia	**3,319**	3,460
	12,553	61,278

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

Impairment

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

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

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

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

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

For the year ended 31 March 2025, the Group's post-tax weighted average cost of capital (WACC) was 11.2% (2024: 10.8%). Pre-tax discount rates used in the impairment testing were derived from this WACC and adjusted for relevant jurisdictional tax rates.

Pre-tax discount rates used were:

	2025	2024
UK and Asia	**15.0%**	14.3%
Europe	**15.1%**	14.5%
USA	**18.9%**	14.4%
Australia	**15.9%**	15.4%

Long-term growth rates used were:

	2025	2024
UK and Asia	**2.0%**	2.0%
Europe	**2.0%**	2.0%
USA	**2.1%**	2.1%
Australia	**2.5%**	2.5%

An impairment loss of $54.2 million was recognised during the year ended 31 March 2025 (2024: $nil). This includes $48.7 million relating to goodwill on the acquisition of DG Americas, $1.7 million in intangible assets, and $3.8 million in plant and equipment. The impairment was triggered by a deterioration in DG Americas' performance, including the Group's fourth-largest customer entering Chapter 11 bankruptcy. As a result, the long-term forecasts for this CGU were revised downward.

The recoverable amount of DG Americas was determined using the Fair Value Less Costs of Disposal (FVLCOD) approach. This approach yielded a higher recoverable amount compared to other valuation methodologies, including the Discounted Cash Flow (DCF) method (value in use) applied in prior periods, and the income approach based on earnings multiples.

The fair value was determined using the Adjusted Book Value (ABV) Method, a form of the Asset-Based Approach. This method estimates the equity value of the CGU by subtracting the fair value of its liabilities from the fair value of its assets. Given that the subject CGU is not generating adequate returns on its assets, a hypothetical willing buyer and seller would likely consider the underlying net asset value rather than relying solely on future cash flows. Accordingly, the ABV Method was utilised to determine the recoverable amount of the CGU.

In applying the ABV Method, we adjusted the values of DG Americas' assets and liabilities to reflect fair value and arrive at an indication of stockholders' equity. While the recoverable amounts of most assets and liabilities were considered to approximate their book values, the following categories were individually assessed and adjusted based on additional valuation procedures:

- owned real property;
- leased real property;
- personal property;
- goodwill and intangible assets; and
- right-of-use assets and lease liabilities.

In line with IFRS 13, the impairment is first allocated to goodwill, which is deemed to have the least reliably measurable recoverable amount. After goodwill is fully impaired, any remaining impairment is allocated on a pro rata basis to other assets in the CGU, excluding land and other assets not subject to impairment. We applied this approach by re-measuring individual assets to the higher of (i) their fair value or (ii) their adjusted carrying value after absorbing a proportionate share of the impairment.

As a result of these adjustments, a total impairment charge of $54.2 million was recognised in FY2025, split between goodwill ($48.7 million), plant and machinery ($3.8 million) and intangible assets ($1.7 million).

The recoverable amount of the CGU was categorised within Level 3 of the fair value hierarchy under IFRS 13, due to the use of significant unobservable inputs. Key assumptions used in the measurement included:

- fair value estimates of real property and personal property based on independent third-party appraisals and comparable market data;
- adjustments to right-of-use assets and liabilities based on prevailing market lease terms;
- estimated costs of disposal; and
- a discount rate of 14.5% applied where present value techniques were used to estimate certain asset values.

Further to this, we performed a sensitivity analysis on the DG Americas fair value, assessing the impact of a movement of 20% in either direction. The results indicated a potential impairment ranging from $17.4 million ($17.4 million to goodwill) to $84.1 million ($48.7 million in goodwill, $10.7 million in Intangible Assets and $24.7 million to plant and equipment). However, given the detailed and robust assessment carried out on the DG Americas' assets, we believe the valuation is both fair and well supported.

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

Notes to the consolidated financial statements continued
Year ended 31 March 2025

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

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

	Land and buildings $000	Plant and machinery $000	Motor vehicles $000	Office equipment $000	Total $000
Net book value at 1 April 2023	67,831	763	355	383	69,332
Additions	6,252	154	165	42	6,613
Disposals	(1,119)	—	—	(21)	(1,140)
Depreciation charge	(15,752)	(340)	(208)	(170)	(16,470)
Reversal of impairment	553	—	—	—	553
Effect of movements in foreign exchange	237	(35)	13	12	227
Net book value at 31 March 2024	58,002	542	325	246	59,115
Additions	**21,175**	**1,064**	**479**	**21**	**22,739**
Disposals	**(1,004)**	**—**	**—**	**—**	**(1,004)**
Depreciation charge	**(14,695)**	**(432)**	**(242)**	**(136)**	**(15,505)**
Impairment	**(831)**	**—**	**—**	**—**	**(831)**
Effect of movements in foreign exchange	**474**	**8**	**7**	**(34)**	**455**
Net book value at 31 March 2025	**63,121**	**1,182**	**569**	**97**	**64,969**

In FY2025, the Group entered into a new lease in DG Australia for a warehouse facility, resulting in the recognition of a right-of-use asset of $16.7 million. Additions include lease modifications and extensions of $3.7 million (2024: $122,000).

Impairment charges totalling $831,000 were recognised during the year, comprising $674,000 related to a previously partially impaired property in Budd Lake, New Jersey, and $157,000 in relation to two other leasehold properties. As at 31 March 2025, these properties remained fully impaired due to continued lack of interest from potential sub-tenants. A reversal of the impairment on all impaired properties, should conditions improve, would result in an increase in the carrying amount of right-of-use assets of $2.2 million (2024: $2.0 million).

Income statement
The income statement shows the following charges/(credits) relating to leases:

	2025 $000	2024 $000
Interest expense (included in finance costs)	**2,485**	2,336
Depreciation charge	**15,505**	16,470
Impairment/(reversal of impairment) (see note 1)	**831**	(553)
Expense relating to short-term leases	**100**	152

Low-value lease costs were negligible in the year.

At 31 March 2025, the Group had estimated lease commitments for leases not yet commenced of $nil (2024: $17.3 million).

Movement in lease liabilities

	2025 $000	2024 $000
Balance at 1 April	**67,346**	80,187
Cash flow – financing activities	**(16,504)**	(18,422)
Additions	**22,739**	6,613
Disposals	**(1,091)**	(1,167)
Effect of movements in foreign exchange	**650**	135
Balance at 31 March	**73,140**	67,346

	2025 $000	2024 $000
Non-current liabilities	**59,627**	51,751
Current liabilities	**13,513**	15,595
	73,140	67,346

Total cash outflow in relation to leases is as follows:

	2025 $000	2024 $000
Included in financing activities – payment of lease liabilities	**16,504**	18,422
Included in interest and similar charges paid	**2,245**	2,336
Short-term leases	**—**	152
	18,749	20,910

During the year sub-lease income from right-of-use assets was $758,000 (2024: $687,000).

Non-cancellable operating lease rentals are receivable as follows:

	2025 $000	2024 $000
Less than one year	**1,267**	401
Between one and five years	**1,724**	985
	2,991	1,386

11 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Property, plant and equipment and intangible assets $000	Tax losses carried forward $000	Doubtful debts $000	Other timing differences[a] $000	Total $000
At 1 April 2023	4,009	7,345	5	3,821	15,180
Credit/(charge) to income statement	822	15,530	(4)	7,460	23,808
Credit/(charge) to equity	3	—	—	(42)	(39)
At 31 March 2024	4,834	22,875	1	11,239	38,949
Deferred tax liabilities	(191)	—	—	(3)	(194)
Deferred tax assets	5,025	22,875	1	11,242	39,143
	4,834	22,875	1	11,239	38,949

	Property, plant and equipment and intangible assets $000	Tax losses carried forward $000	Doubtful debts $000	Other timing differences[a] $000	Total $000
At 1 April 2024	4,834	22,875	1	11,239	38,949
(Charge)/credit to income statement	**(4,766)**	**(22,875)**	**5**	**(10,035)**	**(37,671)**
Charge to equity	**(7)**	**—**	**(1)**	**(37)**	**(45)**
At 31 March 2025	**61**	**—**	**5**	**1,167**	**1,233**
Deferred tax liabilities	**(75)**	**—**	**—**	**(3)**	**(78)**
Deferred tax assets	**136**	**—**	**5**	**1,170**	**1,311**
	61	**—**	**5**	**1,167**	**1,233**

(a) Other timing differences include a deferred tax asset closing balance of $489,000 (2024: $534,000) in respect of provision for inventory and $147,000 (2024: $1.7 million) in respect of leases.

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

	2025 $000	2024 $000
Net deferred tax asset	**1,306**	39,099
Net deferred tax liability	**(73)**	(150)
	1,233	38,949

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

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

As at 31 March 2025, there are no deferred tax assets in respect of tax losses carried forward (2024: $22.9 million). During the year, in DG Americas, $37.4 million of previously recognised deferred tax assets were derecognised of which $22.5 million related to tax losses.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

11 Deferred tax assets and liabilities continued

Recognised deferred tax assets and liabilities continued

At the end of the year in the US there are gross temporary differences of $137.2 million (2024: $nil) and unused tax losses, with no expiry date, of $86.8 million (2024: $nil) on which deferred tax assets have not been recognised. In the UK there are gross temporary differences of $5.0 million (2024: $671,000) and unused tax losses, with no expiry date, of $31.4 million (2024: $36.0 million) on which deferred tax assets have not been recognised. Deferred tax assets in these territories are not being recognised due to the lack of sufficient compelling evidence to suggest their recognition at this time.

No deferred tax liability (2024: $nil) has been recognised on remitted earnings or on dividends declared and not paid. If all unremitted earnings were repatriated with immediate effect, the full potential tax liability which has not been recognised in respect of unremitted earnings is $146,000 (2024: $355,000).

Included within current tax liabilities is $8.1 million (2024: $6.7 million) in respect of uncertain tax positions. As an international business, the Group is exposed to the income tax laws of the jurisdictions in which it operates. These laws are complex and subject to different interpretations by taxpayers and tax authorities. The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management professional judgement supported by external advisers where necessary. The amount consists of various tax risks which individually are not material. The position is reviewed on an ongoing basis, and it is possible the amounts paid will be different from the amounts provided but this is not expected to be material.

No deferred tax charge was recognised through the statement of changes in equity and there are no deferred tax balances with respect to cash flow hedges.

12 Inventory

	2025 $000	2024 $000
Raw materials and consumables	**25,858**	25,022
Work in progress	**29,351**	25,909
Finished goods	**117,442**	114,470
	172,651	165,401

During the year, materials, consumables, changes in finished goods and work in progress of $509.2 million (2024: $558.3 million) were recognised as an expense and included in cost of sales.

Inventory provisions have been assessed as at 31 March 2025 and overall an expense of $12.0 million has been recognised in the year (2024: $8.9 million). This consists of the addition of new provisions for slow moving and obsolete inventory of $16.2 million (2024: $13.4 million), and the release of previous slow moving and obsolete inventory provisions amounting to $4.3 million (2024: $4.5 million) due to inventory either being used or sold.

13 Long-term assets and trade and other receivables

Long-term assets are as follows:

	2025 $000	2024 $000
Acquisition indemnities	**650**	1,052
Security deposits	**642**	1,164
Insurance related assets	**1,607**	2,432
	2,899	4,648

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

Trade and other receivables are as follows:

	2025 $000	2024 $000
Trade receivables	**76,571**	77,565
Prepayments, other receivables and accrued income	**7,864**	11,444
VAT receivable	**392**	514
	84,827	89,523

The Group is party to supplier financing arrangements with one of its key customers and the associated balances are recognised as trade receivables until receipt of the payment from the bank, at which point the receivable is derecognised. At 31 March 2025 nothing had been drawn down on this arrangement (2024: $nil).

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

There are no trade receivables in the current year (2024: $nil) expected to be recovered in more than twelve months.

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

14 Cash and cash equivalents/bank overdrafts

	2025 $000	2024 $000
Cash and cash equivalents	136,493	157,365
Bank overdrafts	(52,539)	(63,655)
Cash and cash equivalents and bank overdrafts per cash flow statement	**83,954**	**93,710**

Cash and cash equivalents include $58.0 million (2024: $67.1 million) held within the HSBC cash pooling facility, $70.5 million (2024: $80.9 million) of cash deposits, and $7.9 million (2024: $9.3 million) of cash held in bank. Bank overdrafts include $52.0 million (2024: $63.7 million) overdrafts within the cash pooling facility, and other overdraft facilities.

Net cash

	2025 $000	2024 $000
Cash and cash equivalents	83,954	93,710
Loan arrangement fees	838	1,517
Net cash as used in the financial review cash flow statement	**84,792**	**95,227**

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

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

Changes in net cash

	Loan arrangement fees $000	Other assets cash/bank overdrafts $000	Total $000
Balance at 1 April 2023	250	50,234	50,484
Cash flows	2,261	42,250	44,511
Effect of other items			
Amortisation of loan arrangement fees	(1,000)	—	(1,000)
Effect of movements in foreign exchange	6	1,226	1,232
Balance at 31 March 2024	1,517	93,710	95,227
Cash flows	—	(11,258)	(11,258)
Effect of other items			
Amortisation of loan arrangement fees	(708)	—	(708)
Effect of movements in foreign exchange	29	1,502	1,531
Balance at 31 March 2025	**838**	**83,954**	**84,792**

15 Loans and borrowings

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

	2025 $000	2024 $000
Non-current liabilities		
Secured bank loans	—	—
Loan arrangement fees	(120)	(817)
	(120)	(817)
Current liabilities		
Current portion of secured bank loans	—	—
Loan arrangement fees	(718)	(700)
	(718)	(700)

Notes to the consolidated financial statements continued

Year ended 31 March 2025

15 Loans and borrowings continued

Financing facilities

On 5 June 2023, the Group entered into an Asset Backed Lending (ABL) facility with HSBC and NatWest, with a maximum facility amount of $125.0 million and a term of three years. On 3 November 2023 the Group made an operational amendment to the ABL arrangement and signed a supplemental agreement to convert and increase the overdraft to a £17.0 million RCF facility between 17 June 2024 and 16 August 2024. This amendment did not increase the maximum facility amount and offered flexibility during the months where the Group had a requirement for funding while having limited access into the ABL. On 29 April 2025, the Group signed a supplemental agreement to the ABL facility, extending the maturity date to 5 June 2027 and reducing the maximum facility amount to $100.0 million. This facility was cancelled on 30 May 2025 following the disposal of DG Americas.

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

The Group had an unsecured overdraft facility provided by HSBC of £16.5 million, which reduced to £8.5 million from August 2023. This facility was replaced with £15.0 million overdraft facility on 30 May 2025 and was subsequently cancelled on introduction of the Receivables Finance Facility.

Interest costs, loan arrangement fees and covenants

Interest charged on the Asset Backed Lending facility that was operational as at 31 March 2025 was based, on one of two methods, dependent on the duration of the Group's borrowing request submission:

- a margin of between 1.75% and 2.25%, based on average excess availability, plus a 0.1% credit spread adjustment, plus the US Secured Overnight Financing Rate (SOFR); or
- a margin of between 0.75% and 1.25% based on average excess availability, plus a rate based on the higher of: the HSBC prime rate, the Federal Funds rate plus 0.5%, or SOFR plus 1%.

A further commitment/non-utilisation fee is charged at 0.25% where facility usage is greater than 50% of the maximum credit line and 0.375% where facility usage is less than 50% of the maximum credit line.

Interest on the RCF would have been charged at a margin of 2.5% plus Sterling Overnight Index Average (SONIA).

The financial covenant within the ABL agreement, which is a minimum fixed charge coverage ratio of 1.0 times, is only triggered if the remaining availability of the facility is less than the higher of $12.5 million or 12.5% of the borrowing base. The amendment to the facility on 3 November 2023, reduced the remaining availability trigger point to $6.5 million over the two-month period.

The financial covenants within the RCF agreement were as follows:

- a minimum fixed charge coverage ratio of 1.0 times, calculated for the twelve-month period to the most recent quarterly reporting period; and
- an asset cover ratio of no less than 200% calculated as at the date of the last monthly reporting period.

The ABL (and RCF for the period it was in operation) is secured with an all-assets lien on all existing and future assets of the loan parties. The loan parties are Anker Play Products, LLC, Berwick Offray, LLC, BOC Distribution, Inc., C. R. Gibson, LLC, CSS Industries, Inc., IG Design Group (Lang), Inc., IG Design Group Americas, Inc., IG Design Group plc, IG Design Group UK Limited, Impact Innovations, Inc., Lion Ribbon Company, LLC, Paper Magic Group, Inc., Philadelphia Industries, Inc., Simplicity Creative Corp., The Lang Companies, Inc., The McCall Pattern Company, Inc.

Invoice financing arrangements are secured over the trade receivables that they are drawn on. Under the Receivables Finance Facility entered into on 11 July 2025, the Group would incur interest on financed receivables in the form of a discount charge. The discount is calculated daily on the Discounting Account Balance at a rate equal to the Base Rate applicable to the currency of the receivable, plus a margin of 1.75% per annum.

The Base Rates are defined in the agreement as follows:

- GBP: the Bank of England base rate;
- EUR: the European Central Bank base rate; and
- USD: the upper limit of the Federal Reserve's federal funds target rate.

Additional fees apply including arrangement and service-related fees. No non-utilisation or commitment fees apply under this facility.

The Group's Receivables Finance Facility is subject to certain operational covenants but not financial covenants.

The Receivables Finance Facility is secured over eligible receivables assigned by participating Group companies. The facility is supported by specific security arrangements, including debentures or equivalent local law security documents, held by a security agent on behalf of the lenders.

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

The Group is party to supplier financing arrangements with a number of its key customers and if used, the associated balances are recognised as trade receivables until receipt of the payment from the bank, at which point the receivable is derecognised.

16 Deferred income

	2025 $000	2024 $000
Included within non-current liabilities		
Deferred grant income	**2,109**	1,837
Included within current liabilities		
Deferred grant income	**254**	211
Other deferred income	**8**	3
	262	214

The deferred grant income is in respect of government grants relating to the development of the Penallta site in Wales and the Byhalia site in Mississippi. The conditions for the Wales grant were all fully met in January 2019 and for the Byhalia site in January 2023. Deferred income is being released in line with the depreciation of the assets for which the grant is related to.

17 Provisions

	Property $000	Duties, interest and penalties $000	Other $000	Total $000
Balance at 1 April 2023	6,519	5,462	294	12,275
Provisions made in the year	288	—	442	730
Provisions released during the year	(2,004)	—	(294)	(2,298)
Unwinding of fair value discounts	68	—	—	68
Provisions utilised during the year	(490)	—	—	(490)
Effect of movements in foreign exchange	41	—	(3)	38
Balance at 31 March 2024	4,422	5,462	439	10,323
Provisions made in the year	**244**	**—**	**154**	**398**
Provisions released during the year	**(163)**	**(4,921)**	**(268)**	**(5,352)**
Unwinding of fair value discounts	**81**	**—**	**—**	**81**
Provisions utilised during the year	**(592)**	**(414)**	**(86)**	**(1,092)**
Effect of movements in foreign exchange	**50**	**(127)**	**—**	**(77)**
Balance at 31 March 2025	**4,042**	**—**	**239**	**4,281**

	2025 $000	2024 $000
Non-current	**2,540**	2,796
Current	**1,741**	7,527
	4,281	10,323

The property provision represents the estimated reinstatement cost of 16 of the Group's leasehold properties under fully repairing leases (2024: 14 properties). Of the $2.5 million non-current balance, $2.0 million (2024: $2.0 million) relates to a lease expiring in 2036; the remainder relates to provisions unwinding between one and five years.

The duties, interest and penalties provision represented the potential liabilities relating to pre-acquisition duties owed by a foreign subsidiary of the DG Americas division estimated at $5.5 million. During the year $414,000 was paid in relation to duties and interest. The matter has now been closed, and the balance of provision has been released (see note 1 for further details).

Notes to the consolidated financial statements continued

Year ended 31 March 2025

18 Other financial liabilities

	2025 $000	2024 $000
Included within non-current liabilities		
Rebates and customer claims	**12,690**	11,644
Employee costs	**1,069**	985
Other creditors and accruals	**1,594**	1,678
	15,353	14,307
Included within current liabilities		
Employee costs	**11,101**	18,209
Rebates and customer claims	**10,679**	8,033
Property costs	**2,425**	2,964
Fixed asset creditors	**—**	1,609
Goods in transit	**2,661**	1,154
Other creditors and accruals	**5,636**	5,089
	32,502	37,058
Forward foreign exchange contracts carried at fair value through the hedging reserve	**534**	26
	33,036	37,084

19 Trade and other payables

	2025 $000	2024 $000
Trade payables	**81,684**	83,301
Other payables including social security	**2,872**	2,446
VAT payable	**266**	354
	84,822	86,101

20 Share capital

Authorised share capital at 31 March 2025 and 2024 was £6.0 million, 121.0 million ordinary shares of 5 pence each.

	Ordinary shares	
In thousands of shares	2025	2024
In issue at 1 April	**98,279**	97,994
Options exercised during the year	**29**	285
In issue at 31 March – fully paid	**98,308**	98,279

	2025 $000	2024 $000
Allotted, called up and fully paid		
Ordinary shares of £0.05 each	**6,358**	6,201

Of the 98.3 million shares in the Company, 3.0 million (2024: 3.0 million) are held by IG Employee Share Trustee Limited (the 'Employee Benefit Trust').

Long Term Incentive Plan (LTIP) options exercised during the year resulted in 29,000 ordinary shares issued at nil cost (2024: 285,000 ordinary shares issued at nil cost).

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

21 (Loss)/earnings per share

	2025 $000	2024 $000
(Loss)/earnings		
(Loss)/profit attributable to equity holders of the Company	**(99,685)**	35,625
Adjustments		
Adjusting items (note 1)	**57,468**	2,102
Add back non-controlling interest adjusting items	**(464)**	—
Total adjusting items	**57,004**	2,102
Tax charge on adjusting items (note 1)	**37,192**	(21,805)
Add back tax credit on non-controlling interest adjusting items	**139**	—
Total tax charge on adjusting items	**37,331**	(21,805)
Adjusted (loss)/earnings attributable to equity holders of the Company	**(5,350)**	15,922

In thousands of shares	2025	2024
Issued ordinary shares at 1 April	**98,279**	97,994
Shares relating to share options	**28**	314
Less: shares held by Employee Benefit Trust	**(3,026)**	(1,457)
Weighted average number of shares for the purposes of calculating basic EPS	**95,281**	96,851
Effect of dilutive potential shares – share awards	**—**	563
Weighted average number of shares for the purposes of calculating diluted EPS	**95,281**	97,414

1,083,000 share options (2024: nil) were not included in the calculation of diluted (loss)/earnings per share because they were antidilutive.

	2025 Cents	2024 Cents
(Loss)/earnings per share		
Basic (loss)/earnings per share	**(104.6)**	36.8
Impact of adjusting items (net of tax)	**99.0**	(20.3)
Basic adjusted (loss)/earnings per share	**(5.6)**	16.5
Diluted (loss)/earnings per share	**(104.6)**	36.6
Diluted adjusted (loss)/earnings per share	**(5.6)**	16.3

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

Basic (loss)/earnings per share

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

Diluted (loss)/earnings per share

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

22 Dividends paid and proposed

No dividends were paid in the current year (2024: nil) and the Directors are not recommending the payment of a final dividend in respect of the year ended 31 March 2025.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

23 Employee benefits

Post-employment benefits

The Group administers a defined benefit pension plan that was inherited through the acquisition of CSS and covers certain employees of a UK subsidiary. The scheme closed to future accrual on 31 December 2012. This is a separate trustee administered fund holding the pension scheme assets to meet long-term pension liabilities. The plan assets held in trust are governed by UK regulations and responsibility for governance of the plan, including investment decisions and contribution schedules, lies with the group of trustees. The assets of the scheme are invested in the SPI With-Profits Fund, which is provided by Phoenix Life Limited.

An actuarial valuation was updated on an approximate basis at 31 March 2025, by a qualified actuary, independent of the scheme's sponsoring employer.

The major assumptions used by the actuary are shown below.

Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)

	2025 $000	2024 $000
Fair value plan of assets	**3,420**	3,170
Present value of defined benefit obligation	**(935)**	(989)
Surplus in plan	**2,485**	2,181
Surplus not recognised	**(2,485)**	(2,181)
Net defined benefit asset to be recognised	**—**	—

In accordance with IAS 19, the surplus on the plan has not been recognised on the basis it is not expected to be recovered, as the Group does not have an unconditional right to any refund.

Reconciliation of opening and closing balances of the defined benefit obligation

	2025 $000	2024 $000
Defined benefit obligation as at 1 April	**(989)**	(1,245)
Interest expense	**(49)**	(54)
Benefits payments from plan assets	**—**	307
Actuarial gains due to changes in demographic assumptions	**(8)**	15
Actuarial gains due to changes in financial assumptions	**170**	18
Effect of experience adjustments	**(36)**	(5)
Effect of movement in foreign exchange	**(23)**	(25)
Defined benefit obligation as at 31 March	**(935)**	(989)

Reconciliation of opening and closing balances of the fair value of plan assets

	2025 $000	2024 $000
Fair value of plan assets as at 1 April	**3,170**	3,269
Interest income	**159**	154
Return on plan assets	**(49)**	(68)
Contributions by the Company	**64**	63
Benefits payments from plan assets	**—**	(307)
Admin expenses paid from plan assets	**(5)**	(6)
Effect of movement in foreign exchange	**81**	65
Fair value of plan assets as at 31 March	**3,420**	3,170

A total of $105,000 (2024: $94,000) has been credited to Group operating loss during the year, including $5,000 (2024: $6,000) of expense netting against net interest income of $110,000 (2024: $100,000).

The principal assumptions used by the independent qualified actuary for the purposes of IAS 19 are as follows:

	2025	2024
Increase in salaries	—	—
Increase in pensions	—	—
– at RPI capped at 5%	3.70%	3.30%
– at CPI capped at 5%	2.40%	2.40%
– at CPI capped at 2.5%	2.40%	2.40%
Discount rate	5.90%	4.90%
Inflation rate – RPI	3.10%	3.20%
Inflation rate – CPI	2.40%	2.40%

Due to the timescale covered, the assumptions may not be borne out in practice.

The life expectancy assumptions (in number of years) used to estimate defined benefit obligations at the year end are as follows:

	2025	2024
Male retiring today at age 60	24.8	25.8
Female retiring today at age 60	28.4	27.8
Male retiring in 20 years at age 60	26.4	27.4
Female retiring in 20 years at age 60	30.0	29.4

In addition to the defined benefit pension scheme there is also a small post-retirement healthcare scheme operated in the US, which was also inherited through the acquisition of CSS. In total, the amounts taken through the Group's statement of comprehensive income can be seen below:

	2025 $000	2024 $000
UK pension scheme		
Actuarial losses on defined benefit pension scheme	(59)	(55)
US health scheme	19	7
	(40)	(48)

Long Term Incentive Plans

The Group operates a Long Term Incentive Plan (LTIP). Under the LTIP, nil cost options and conditional awards over ordinary shares of 5 pence each ('ordinary shares') in the capital of the Company are awarded to Executive Board Directors of the Company and other selected senior management team members within the Group. During the year, awards were granted under the 2024-2027 LTIP scheme.

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

Between 13 December 2023 and 9 February 2024, the trustee of the IG Design Group plc Employee Benefit Trust (the 'EBT'), purchased 2 million ordinary shares of 5 pence each at an average price of £1.40 per ordinary share. These ordinary shares are to be held in the EBT and are intended to be used to satisfy the exercise of share options by employees.

Vested LTIP schemes – outstanding options

	2025		2024	
	Weighted average exercise price pence	Number of options	Weighted average exercise price pence	Number of options
Outstanding at 1 April	nil	28,272	nil	310,096
Options vesting during the year	nil	—	nil	4,640
Exercised during the year	nil	(28,272)	nil	(286,464)
Outstanding at 31 March	nil	—	nil	28,272
Exercisable at 31 March	nil	—	nil	28,272

Notes to the consolidated financial statements continued

Year ended 31 March 2025

23 Employee benefits continued

Scheme details for plans in vesting periods during the year

During the financial year to 31 March 2025 there were three LTIP awards still within their vesting period (2024: two).

Awards

	2022-2025	2023-2026	2024-2027
Grant date	Aug 2022, Dec 2022, Feb 2023	Aug 2023, Nov 2023, Dec 2023	Aug 2024, Dec 2024
Fair value per share (£)	0.99	1.09	1.60
Number of participants	56	62	62
Initial award	2,567,747	2,477,864	1,530,958
Lapses and forfeitures	(740,900)	(724,121)	(246,592)
Potential to vest as at 31 March 2025	**1,826,847**	**1,753,743**	**1,284,366**
Potential to vest as at 31 March 2024	1,987,288	2,414,737	—
Weighted average remaining contractual life of options outstanding at the end of the year	1.07	2.16	3.18

The grant date fair value of the LTIP awards granted in the year, assuming they are to vest in full, is $2.6 million.

The grant date fair values of the 2024-2027 scheme were determined using the following factors:

Share price (£)	1.93
Exercise price	Nil
Expected term	3 years (additional 2 years for holding period)
Risk-free interest rate	3.98% (3.77% for awards with holding period)
Expected dividend yield	0%

LTIP performance targets

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

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

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

Share-based payments charges/(credits)

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

	2025 $000	2024 $000
Charge in relation to the 2022-2025 LTIP scheme	**207**	778
Charge in relation to the 2023-2026 LTIP scheme	**315**	654
Charge in relation to the 2024-2027 LTIP scheme	**403**	—
Equity-settled share-based payments charge	**925**	1,432
Social security (credit)/charge	**(48)**	70
Total equity-settled share-based payments charge	**877**	1,502

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

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

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

The total social security accrual outstanding at the year end in respect of share-based payment transactions was $140,000 (2024: $182,000).

24 Financial instruments

Derivative financial assets

a) Fair values of financial instruments

The carrying values for each class of financial assets and financial liabilities on the balance sheet are not considered to be materially different to their fair values.

As at 31 March 2025, the Group had derivative contracts, which were measured at Level 2 fair value subsequent to initial recognition, to the value of an asset of $1,000 (2024: $68,000) and a liability of $534,000 (2024: $26,000).

Derivative financial instruments

The fair value of forward exchange contracts is assessed using valuation models taking into account market inputs such as foreign exchange spot and forward rates, yield curves and forward interest rates.

Fair value hierarchy

Financial instruments which are recognised at fair value subsequent to initial recognition are grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The three levels are defined as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s receivables from customers and investment securities.

The Group’s exposure to credit risk is managed by dealing only with banks and financial institutions with strong credit ratings. The Group’s financial credit risk is primarily attributable to its trade receivables.

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

The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the Group’s management, based on prior experience and their assessment of the current economic environment.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was $216.0 million (2024: $239.6 million) being the total of the carrying amount of financial assets.

The maximum exposure to credit risk for trade receivables at the balance sheet date by reporting segment was:

	2025 $000	2024 $000
DG Americas	51,578	52,248
DG International	24,993	25,317
	76,571	77,565

Credit quality of financial assets and impairment losses

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

	2025			2024		
	Expected loss rate %	Gross $000	Provisions for doubtful debts $000	Expected loss rate %	Gross $000	Provisions for doubtful debts $000
Not past due	0.8	52,836	(446)	0.1	57,429	(56)
Past due 0-60 days	0.2	17,169	(35)	0.1	13,513	(14)
61-90 days	22.5	3,472	(782)	12.1	5,616	(677)
More than 90 days	36.7	6,888	(2,531)	49.8	3,495	(1,741)
	4.7	80,365	(3,794)	3.1	80,053	(2,488)

There were no unimpaired balances outstanding at 31 March 2025 (2024: $nil) where the Group had renegotiated the terms of the trade receivable. The increase in provision year-on-year is reflective of the current macroeconomic circumstances.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

24 Financial instruments continued

Derivative financial assets continued

Expected credit loss assessment

For the Group's trade receivables, expected credit losses are measured using a provisioning matrix based on the reason the trade receivable is past due. The provision matrix rates are based on actual credit loss experience over the past three years and adjusted, when required, to take into account current macroeconomic factors. The Group applies experienced credit judgement that is determined to be predictive of the risk of loss to assess the expected credit loss, taking into account external ratings, financial statements and other available information. The Group's trade receivables are unlikely to extend past twelve months and, as such, for the purposes of expected credit loss modelling, the lifetime expected credit loss impairments recognised are the same as a twelve-month expected credit loss.

There have been no significant credit risk movements since initial recognition of impairments.

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

	2025 $000	2024 $000
Balance at 1 April	2,488	1,737
Charge for the year	3,015	1,929
Unused amounts reversed	(27)	(73)
Amounts utilised	(1,714)	(1,112)
Effects of movement in foreign exchange	32	7
Balance at 31 March	**3,794**	**2,488**

The allowance account for trade receivables is used to record provisions for doubtful debts unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group, although solvent, will encounter difficulties in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The Group's policy with regard to liquidity ensures adequate access to funds by maintaining an appropriate mix of short-term and longer-term facilities, which are reviewed on a regular basis. The maturity profile and details of debt outstanding at 31 March 2025 are set out in note 15.

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

31 March 2025	Note	Carrying amount $000	Contractual cash flows $000	One year or less $000	One to two years $000	Two to five years $000	More than five years $000
Non-derivative financial liabilities							
Other financial liabilities	18	47,855	(47,855)	(32,502)	(15,132)	(218)	(3)
Lease liabilities	10	73,140	(85,866)	(16,388)	(14,954)	(27,408)	(27,116)
Trade payables	19	81,684	(81,684)	(81,684)	—	—	—
Derivative financial liabilities							
Forward foreign exchange contracts[a]	18	534	(24,082)	(24,082)	—	—	—
		203,213	(239,487)	(154,656)	(30,086)	(27,626)	(27,119)

31 March 2024	Note	Carrying amount $000	Contractual cash flows $000	One year or less $000	One to two years $000	Two to five years $000	More than five years $000
Non-derivative financial liabilities							
Other financial liabilities	18	51,365	(51,365)	(37,057)	(14,235)	(65)	(8)
Lease liabilities	10	67,346	(73,768)	(16,083)	(20,584)	(21,528)	(15,573)
Trade payables	19	83,301	(83,301)	(83,301)	—	—	—
Derivative financial liabilities							
Forward foreign exchange contracts[a]	18	26	(12,471)	(12,471)	—	—	—
		202,038	(220,905)	(148,912)	(34,819)	(21,593)	(15,581)

(a) Carried at fair value through the hedging reserve and measured at Level 2.

The following table shows the facilities for bank loans, overdrafts, asset-backed loans and revolving credit facilities:

	31 March 2025				31 March 2024			
	Carrying amount $000	**Facility used contractual cash flows $000**	**Facility unused $000**	**Total facility $000**	Carrying amount $000	Facility used contractual cash flows $000	Facility unused $000	Total facility $000
Asset-backed loan facility	**—**	**—**	**(15,356)**	**(15,356)**	—	—	(13,359)	(13,359)
Bank overdrafts	**—**	**—**	**(13,633)**	**(13,633)**	—	—	(17,075)	(17,075)
	—	**—**	**(28,989)**	**(28,989)**	—	—	(30,434)	(30,434)

The ABL facilities varied through the year depending on the level of eligible receivables. The maximum limit was $125.0 million. At 31 March 2025, the available facility amounted to $15.4 million. See note 15 for more information.

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

	31 March 2025		31 March 2024	
	Facility $000	**Utilised $000**	Facility $000	Utilised $000
UK Guarantee	**3,557**	**1,966**	3,155	1,918
UK Import line	**1,293**	**—**	1,262	—
Foreign Bills	**—**	**—**	6,309	—
USA Guarantee	**5,500**	**2,980**	5,500	2,980
Netherlands Guarantee (Trade and Import line)	**703**	**247**	702	256
	11,053	**5,193**	16,928	5,154

d) Cash flow hedges

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

Forward exchange contracts carrying amount	**2025 $000**	2024 $000
Derivative financial assets	**1**	68
Derivative financial liabilities	**(534)**	(26)

The Group has forward currency hedging contracts outstanding at 31 March 2025 designated as hedges of expected future purchases in US dollars for which the Group has firm commitments, as the derivatives are based on forecasts and an economic relationship exists at the time the derivative contracts are taken out.

The terms of the forward currency hedging contracts have been negotiated to match the terms of the commitments.

All contracts outstanding at the year end crystallise within 24 months of the balance sheet date at average prices of 1.06 for US dollar to euro contracts (2024: 1.09) and 1.30 for US dollar to GBP contracts (2024: 1.27). At the year end the Group held $15.0 million for US dollar to euro contracts (2024: $8.6 million) and $10.0 million for US dollar to GBP contracts (2024: $4.0 million) in hedge relationships.

When assessing the effectiveness of any derivative contracts, the Group assesses sources of ineffectiveness which include movements in volumes or timings of the hedged cash flows.

The cash flow hedges of the expected future purchases in the year were assessed to be highly effective and as at 31 March 2025, a net unrealised loss of $177,000 (2024: $292,000 profit) with related deferred tax credit of $nil (2024: $nil) was included in other comprehensive income in respect of these hedging contracts. Amounts relating to ineffectiveness recorded in the income statement in the year were $nil (2024: $nil).

Notes to the consolidated financial statements continued

Year ended 31 March 2025

24 Financial instruments continued

Derivative financial assets continued

e) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments.

The Group hedges a proportion, as deemed appropriate by management, of its sales and purchases of inventory denominated in foreign currency by entering into foreign exchange contracts. Such foreign exchange contracts typically have maturities of less than one year.

The Group rarely hedges profit translation exposure, since such hedges provide only a temporary deferral of the effects of movement in foreign exchange rates. Similarly, the Group does not hedge its long-term investments in overseas assets.

However, the Group holds loans that are denominated in the functional currency of certain overseas entities.

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments, except derivatives, when it is based on notional amounts.

31 March 2024	Note	US dollar $000	Sterling $000	Euro $000	Other $000	Total $000
Long-term assets	13	2,899	—	—	—	2,899
Cash and cash equivalents	14	68,217	57,485	4,086	6,705	136,493
Trade receivables	13	53,368	7,912	12,610	2,681	76,571
Derivative financial assets		—	1	—	—	1
Bank overdrafts	14	(28,849)	(14,615)	(9,075)	—	(52,539)
Loan arrangement fees	15	—	838	—	—	838
Trade payables	19	(58,930)	(11,770)	(9,873)	(1,111)	(81,684)
Other payables	19	(1,479)	(743)	(719)	(197)	(3,138)
Balance sheet exposure		**35,226**	**39,108**	**(2,971)**	**8,078**	**79,441**

31 March 2024	Note	US dollar $000	Sterling $000	Euro $000	Other $000	Total $000
Long-term assets	13	4,648	—	—	—	4,648
Cash and cash equivalents	14	79,173	26,489	35,801	15,902	157,365
Trade receivables	13	54,460	6,994	12,568	3,543	77,565
Derivative financial assets		—	68	—	—	68
Bank overdrafts	14	(37,137)	(8,703)	(17,815)	—	(63,655)
Loan arrangement fees	15	—	1,517	—	—	1,517
Trade payables	19	(62,583)	(8,033)	(10,571)	(2,114)	(83,301)
Other payables	19	(1,357)	(652)	(589)	(202)	(2,800)
Balance sheet exposure		37,204	17,680	19,394	17,129	91,407

The following significant exchange rates applied to US dollar during the year:

	Average rate		31 March spot rate	
	2025	2024	2025	2024
Euro	0.93	0.96	0.92	0.92
Pound sterling	0.78	0.83	0.77	0.81

Sensitivity analysis

A 10% weakening of the following currencies against US dollar at 31 March 2025 would have affected equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis was performed on the same basis for 31 March 2024.

	Equity		Profit or Loss	
	2025 $000	2024 $000	2025 $000	2024 $000
Euro	(270)	3,442	(702)	(343)
Pound sterling	3,555	1,607	283	(26)

On the basis of the same assumptions, a 10% strengthening of the currencies against US dollar at 31 March 2025 would have affected equity and profit or loss by the following amounts:

	Equity		Profit or Loss	
	2025 $000	2024 $000	**2025 $000**	2024 $000
Euro	**330**	(4,207)	**858**	419
Pound sterling	**(4,345)**	(1,964)	**(346)**	32

Profile

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

Variable rate instruments	Note	**2025 $000**	2024 $000
Financial assets		**136,493**	157,365
Financial liabilities		**(52,539)**	(63,655)
Net cash	14	**83,954**	93,710

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

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect on financial instruments with variable interest rates and financial instruments at fair value through profit or loss. The analysis is performed on the same basis for 31 March 2024.

Sensitivity analysis

	2025 $000	2024 $000
Equity		
Increase	**420**	469
Decrease	**—**	—
Profit or loss		
Increase	**420**	469
Decrease	**—**	—

f) Capital management

The Board's policy is to hold a strong capital base so as to maintain investor, creditor, customer and market confidence and to sustain future development of the business. The Group is dependent on the continuing support of its bankers for working capital facilities and so the Board's major objective is to keep borrowings within these facilities.

The Board manages its trading capital, which it defines as its net assets plus net debt. Net debt is calculated as total debt (bank overdrafts, loans and borrowings as shown in the balance sheet), less cash and cash equivalents. The banking facilities with the Group's principal bank have amended covenants relating to earnings and liquidity cover and previous covenants relating to interest cover, cash flow cover and leverage, and our articles currently permit borrowings (including letter of credit facilities) to a maximum of four times equity.

		Equity	
	Note	**2025 $000**	2024 $000
Net equity attributable to owners of the Parent Company		**262,886**	361,618
Net cash	14	**(84,792)**	(95,227)
Trading capital		**178,094**	266,391

The main areas of capital management relate to the management of the components of working capital including monitoring inventory turn, age of inventory, age of trade receivables, balance sheet reforecasting, monthly profit and loss, weekly cash flow forecasts and daily cash balances. Major investment decisions are based on reviewing the expected future cash flows and all major capital expenditure requires sign off by the Chief Financial Officer and Chief Executive Officer, or, above certain limits, by the Board. There were no major changes in the Group's approach to capital management during the year. A particular focus of the Group is average leverage, measured as the ratio of average monthly net debt before lease liabilities to adjusted EBITDA reduced for lease payments.

Notes to the consolidated financial statements continued

Year ended 31 March 2025

25 Capital commitments

At 31 March 2025, the Group had outstanding authorised capital commitments to purchase plant and equipment for $2.0 million (2024: $1.8 million).

26 Related parties

	2025 $000	2024 $000
Sale of goods:		
Hedlunds Pappers Industri AB	**388**	152
Festive Productions Ltd	**16**	6
	404	158

There were no outstanding debtor balances in the current year (2024: $nil).

Identity of related parties and trading

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

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

Other related party transactions

Directors of the Company and their immediate relatives have an interest in 24% (2024: 24%) of the voting shares of the Company. The shareholdings of Directors and changes during the year are shown in the Directors' report on page 81.

Directors' remuneration

	2025 $000	2024 $000
Short-term employee benefits	**1,775**	2,589
Share-based payments charge	**387**	371
	2,162	2,960

See the Directors' remuneration report on pages 74 to 80 for more detail.

27 Non-controlling interests

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

Non-controlling interest – balance sheet as at 31 March	2025 $000	2024 $000
Non-current assets	**21,390**	5,976
Current assets	**15,483**	17,439
Current liabilities	**(6,636)**	(7,055)
Non-current liabilities	**(15,670)**	(621)

Non-controlling interest – comprehensive income for the year ended 31 March	2025 $000	2024 $000
Revenue	**40,603**	43,422
Profit after tax	**821**	2,988
Total comprehensive income	**166**	2,678

Non-controlling interest – cash flow for the year ended 31 March	2025 $000	2024 $000
Cash flows from operating activities	**2,737**	5,052
Cash flows from investing activities	**(792)**	(657)
Cash flows from financing activities	**(3,509)**	(1,628)
Net (decrease)/increase in cash and cash equivalents	**(1,564)**	2,767

Non-controlling interest – movement for the year ended 31 March	2025 $000	2024 $000
Balance as at 1 April	**7,869**	6,530
Share of profits for the year	**410**	1,494
Other comprehensive income	**—**	3
Dividend paid to non-controlling interest	**(668)**	—
Currency translation	**(327)**	(158)
Balance as at 31 March	**7,284**	7,869

28 Acquisitions

In the prior year IG Design Group Australia Pty Ltd acquired the trade and assets of Sweetscents, an essentials oils manufacturing and wholesale business for $496,000 on the 15 January 2024.

The fair value of assets acquired:

	$000
Fixed assets	84
Trade names and customer relationships	72
Inventory	134
Fair value of assets acquired	290
Consideration paid in cash	496
Goodwill	206

29 Purchase of own shares

In the prior year between 13 December 2023 and 9 February 2024, the trustee of the IG Design Group Plc Employee Benefit Trust (the 'EBT'), purchased 2 million ordinary shares of 5 pence each at an average price of £1.40 per ordinary share. These ordinary shares are to be held in the EBT and are intended to be used to satisfy the exercise of share options by employees.

The EBT is a discretionary trust for the benefit of the Company's employees, including the Directors of the Company. The purchase of ordinary shares by the EBT has been funded by a loan provided by the Company from its existing financing facilities. The EBT has waived its rights to dividend payments.

30 Non-adjusting post balance sheet events

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

Under the terms of the share purchase agreement, the Group received a nominal upfront payment of $1 and will be entitled to 75% of any future net proceeds realised by the Buyer from a sale or realisation of DG Americas or its assets, after agreed deductions and to the extent such proceeds are not retained for DG Americas' working capital purposes. The Buyer will retain the remaining 25% of any such proceeds. There is no ongoing recourse on the Group, and no certainty that any further proceeds will be received.

The disposal enabled the Group to exit a structurally challenged and loss-making part of the business ahead of its seasonal peak working capital cycle. It simplified operations and allowed management to refocus on stronger-performing markets in the UK, continental Europe, and Australia.

On 11 July 2025, the Group finalised a new three-year receivables finance facility of £40 million, secured over eligible receivables across participating Group companies. The facility will provide committed funding to support the Group's ongoing working capital requirements and replaces the previous ABL facility, which terminated upon completion of the DG Americas disposal.

Company balance sheet

As at 31 March 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	2	127	134
Investments	3	132,814	209,401
Total fixed assets		132,941	209,535
Current assets			
Debtors – due within one year	5	5,943	7,066
Debtors – due after more than one year	6	26,849	26,849
Cash at bank and in hand	7	53,815	56,474
Total current assets		86,607	90,389
Current liabilities			
Creditors: amounts falling due within one year	8	(35,792)	(52,334)
Net current assets		50,815	38,055
Total assets less current liabilities		183,756	247,590
Non-current liabilities			
Creditors: amounts falling due after more than one year	8	92	647
Net assets		183,848	248,237
Capital and reserves			
Share capital	9	4,915	4,914
Share premium account		172,383	172,383
Capital redemption reserve		1,340	1,340
Merger reserve		32,399	32,399
Hedging reserve		(412)	33
Profit and loss account		(26,777)	37,168
Total equity		183,848	248,237

IG Design Group plc is registered in England and Wales, number 1401155.

The Company made a loss in the year of £64.7 million (2024: £7.1 million profit).

The financial statements on pages 134 and 135 were approved by the Board of Directors on 28 July 2025 and were signed on its behalf by:

Rohan Cummings
Director

Company statement of changes in equity

Year ended 31 March 2025

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Merger reserve £000	Hedging reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2023	4,900	172,383	1,340	32,399	(226)	28,962	239,758
Profit for the year	—	—	—	—	—	7,081	7,081
Other comprehensive income	—	—	—	—	259	—	259
Total comprehensive income	—	—	—	—	259	7,081	7,340
Transactions with owners in their capacity as owners							
Equity-settled share-based payments	—	—	—	—	—	448	448
Share options charge relating to subsidiary employees (note 3)	—	—	—	—	—	691	691
Options exercised	14	—	—	—	—	(14)	—
At 31 March 2024	4,914	172,383	1,340	32,399	33	37,168	248,237
Loss for the year	**—**	**—**	**—**	**—**	**—**	**(64,668)**	**(64,668)**
Other comprehensive expense	**—**	**—**	**—**	**—**	**(445)**	**—**	**(445)**
Total comprehensive expense	**—**	**—**	**—**	**—**	**(445)**	**(64,668)**	**(65,113)**
Transactions with owners in their capacity as owners							
Equity-settled share-based payments	**—**	**—**	**—**	**—**	**—**	**228**	**228**
Share options charge relating to subsidiary employees (note 3)	**—**	**—**	**—**	**—**	**—**	**496**	**496**
Options exercised	**1**	**—**	**—**	**—**	**—**	**(1)**	**—**
At 31 March 2025	**4,915**	**172,383**	**1,340**	**32,399**	**(412)**	**(26,777)**	**183,848**

Within the profit and loss account is a cumulative credit amount of £6.0 million (2024: £5.5 million) which is unrealised in respect of share options granted to subsidiary employees.

Merger reserve

The merger reserve comprises premium on shares issued in relation to business combinations.

Capital redemption reserve

The capital redemption reserve comprises amounts transferred from retained earnings in relation to the redemption of preference shares.

Hedging reserve

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

Notes to the Company financial statements

Year ended 31 March 2025

1 Accounting policies – Company

a. Basis of preparation

IG Design Group plc (the 'Company') is a company limited by shares and incorporated and domiciled in England and Wales, UK.

The Company financial statements present the information about the Company as a separate entity.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The Company is applying Sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. The presentation and functional currency of these financial statements is pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity under paragraph 1.12(b) of FRS 102 and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows; and
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein.

Measurement convention

The financial statements are prepared on the historical cost basis except for the recognition of certain financial assets and liabilities measured at fair value.

Going concern

See note 1 to the Group accounting policies on pages 98 to 107. Based on the financial performance of the Group, the Directors have a reasonable expectation that the Company has adequate resources to continue its operational existence for at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b. Foreign currency transactions

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

c. Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other debtors are subsequently reviewed for recoverability and impairment with any losses taken to profit and loss immediately. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other payables

Trade and other payables are stated at their nominal value which is considered to be their fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest, less direct arrangement costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

d. Investments in subsidiaries

Investments in subsidiaries are carried at cost less any provision for impairment.

The Company assesses these investments for impairment wherever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the income statement.

e. Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, the borrowing base available under the HSBC cash pooling facility and bank overdrafts that are repayable on demand. These form an integral part of the Group's cash management and are included as part of cash and cash equivalents in the statement of cash flows (see note 8).

f. Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except that hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement of fair value is recognised immediately in profit or loss, except where it qualifies for hedge accounting.

g. Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the Company discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

h. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Fixtures and fittings 3-16 years

i. Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

k. Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which they are granted. The fair value is determined by using an appropriate pricing model. The fair value cost is then recognised over the vesting period, ending on the date on which the relevant employees become fully entitled to the award. The quantum of awards expected to vest and the relevant cost charged is reviewed annually such that at each balance sheet date the cumulative expense is the relevant share of the expected total cost, pro-rated across the vesting period.

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

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

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiaries' financial statements, with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in the subsidiary. If the amount recharged exceeds the increase in the cost of investment, the excess is recognised as a dividend to the extent that it reflects post-acquisition profits of the subsidiary.

l. Own shares held by the Employee Benefit Trust

Transactions of the Group-sponsored Employee Benefit Trust are included in the Group financial statements. In particular, the Trust's purchases and sales of shares in the Company are debited and credited directly to equity.

m. Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the Company financial statements continued

Year ended 31 March 2025

1 Accounting policies – Company continued

n. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income accordingly.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

o. Employee benefits

Pensions

The Company operates a defined contribution personal pension scheme. The assets of this scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund.

Accounting judgements

(i) Taxation

Judgement is required in determining the Company's tax assets and liabilities. Deferred tax assets have been recognised to the extent that management believe that they are recoverable based on profit projections for future years. Management makes a judgement in respect of the length of future cash flows against which to assess the future taxable profits and this aligns to other assessments that use similar forecasts including impairment.

Accounting estimates

(i) Taxation

Included within current tax liabilities are estimations related to uncertain tax positions. These calculations are based on management's best estimates of potential tax liabilities that could arise in the future. These estimates are reassessed when facts and circumstances change.

The Company does not believe this is a critical accounting estimate.

(ii) Investments

The recoverable amounts of the investments are determined based on the higher of fair value less costs to sell and value in use calculations, which requires the use of estimates. The key estimates that can impact the value in use calculations are changes in the growth rates applied into perpetuity, or a movement in the discount rate applied to the future cash flows. These are key estimates as they are subjective in nature and a significant assumption is required and any changes to assumptions may lead to changes in the outcome of impairment assessments performed (see note 3).

2 Tangible assets

Fixtures and fittings	2025 £000	2024 £000
Cost		
Balance at 1 April	196	175
Additions	13	21
Balance at 31 March	209	196
Accumulated depreciation		
Balance at 1 April	(62)	(43)
Depreciation charge for the year	(20)	(19)
Balance at 31 March	(82)	(62)
Net book value at 31 March	127	134

3 Investments

	Shares in Group undertakings £000	Loans to Group undertakings £000	Total £000
Cost			
At 1 April 2023	210,514	6,144	216,658
Additions – share option charge relating to subsidiary employees	691	—	691
Effects of movement in foreign exchange	—	(14)	(14)
At 31 March 2024	211,205	6,130	217,335
Additions – share option charge relating to subsidiary employees	496	—	496
Cash received as part of capital reduction	—	(3,173)	(3,173)
Effects of movement in foreign exchange	—	(306)	(306)
At 31 March 2025	211,701	2,651	214,352
Provisions			
At 1 April 2023 and 2024	(2,545)	(5,389)	(7,934)
Impairment	(76,342)	—	(76,342)
Reversal of impairment	—	2,424	2,424
Effects of movement in foreign exchange	—	314	314
At 31 March 2025	(78,887)	(2,651)	(81,538)
Net book value			
At 31 March 2024	208,660	741	209,401
At 31 March 2025	132,814	—	132,814

Impairment

During the year, management identified indicators of impairment related to the Group's DG Americas' operations. Consequently, an impairment charge of £76.3 million was recognised in respect of the investment in IG Design Group Americas Inc. The impairment was triggered by a deterioration in DG Americas' performance, including the Group's fourth-largest customer entering Chapter 11 bankruptcy. As a result, the long-term forecasts for DG Americas were revised downward. The recoverable amount of DG Americas was determined using the Fair Value Less Costs of Disposal (FVLCTS) approach. This approach yielded a higher recoverable amount compared to other valuation methodologies, including the Discounted Cash Flow (DCF) method (value in use) and the income approach based on earnings multiples.

In assessing the recoverable amounts of the investments, the approved budgets and forecasts of the Group have been used. The same discount rates, long-term growth and WACC rates as referenced in note 9 of the Group's financial statements were used.

Further to this, we performed a sensitivity analysis on the DG Americas fair value, assessing the impact of a movement of 20% in either direction. The results indicated a potential impairment ranging from £52.1 million to £100.5 million. However, given the detailed and robust assessment carried out on the DG Americas assets, we believe the valuation is both fair and well supported.

For all other investments, the carrying value of the investment was supported by the forecast cash flows. The Directors do not believe a reasonably possible change to the assumptions would give rise to an impairment. The Directors have considered a 100bps movement in the discount rate, 0.5% growth rate assumption (applied to the terminal value), and a 7.5% movement in the forecast cash flows. With these changes in assumptions there is still headroom and no indication of impairment.

Notes to the Company financial statements continued

Year ended 31 March 2025

3 Investments continued

Reversal of impairment

During the year ended 31 March 2025, IG Design Group Plc received £3.2 million from International Greetings Asia Limited (IGA) following a capital reduction on 12 August 2024. This partial recovery of a previously impaired £6.0 million investment met the criteria for reversal under FRS 102.27.30. However, only £2.4 million was recognised as a reversal, reflecting management's view that the remaining investment has limited value due to IGA's ongoing wind-down. As IGA now functions solely as a holding company, no further assets have been recognised at this time.

The Company had the following investments in subsidiaries:

	Country of incorporation	Percentage of ordinary shares held 2025	Percentage of ordinary shares held 2024
Trading companies			
Anchor International BV Registered office: Voltastraat 12, 3281 NG Numansdorp, The Netherlands	Netherlands	100	100
Anker Play Products, LLC Registered office: 5555 Glenridge Connector, Suite 300, Atlanta, GA 30342, USA	USA	100	100
Berwick Management LLC Registered office: Bomboy Lane & Ninth Street, Berwick, PA 18603, USA	USA	100	100
Berwick Offray Hong Kong Limited Registered office: 31/F., 148 Electric Road, North Point, Hong Kong	Hong Kong	100	100
Berwick Offray LLC Registered office: 2015 West Front Street, Berwick, Pennsylvania 18603, USA	USA	100	100
BOC Distribution Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
British Trimmings Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
C.R. Gibson, LLC Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
C.R. Gibson Pacific Rim Limited Registered office: 31/F., 148 Electric Road, North Point, Hong Kong	Hong Kong	100	100
CRG Distribution, Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
CSS Industries, Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
Greetings Ningbo Business Consulting Limited Registered office: 13-8, Building 003, No 3, 5 and 6 of Century Oriental Business Plaza, Yinzhou, Ningbo, China	China	100	100
IG Design Group Sourcing Limited (formerly CSS Pacific Rim Limited) Registered office: 31/F., 148 Electric Road, North Point, Hong Kong	Hong Kong	100	100
IG Design Group Americas, Inc Registered office: 5555 Glenridge Connector, Suite 300, Atlanta, GA 30342, USA	USA	100[(a)]	100[(a)]
IG Design Group Australia Pty Limited Registered office: 121 Rayhur Street, Clayton, South Victoria 3169, Australia	Australia	50[(a)]	50[(a)]
IG Design Group BV Registered office: Industrieweg 62, 7903 AK Hoogeveen, The Netherlands	Netherlands	100	100

(a) Direct holding.
(b) 50% direct / 50% indirect holding.
(c) Impact Innovations Asia Limited was dissolved on 28 March 2025.

	Country of incorporation	Percentage of ordinary shares held 2025	Percentage of ordinary shares held 2024
Trading companies			
IG Design Group UK Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100[b]
IG Design Group S.p.z.o.o Registered office: Jędrzychowice 116A, 59-900 Zgorzelec, Poland	Poland	100	100
India Trimmings Private Limited Registered office: Tamil Nadu, Coimbatore, India	India	100	100
International Greetings Asia Limited Registered office: 20/F, Times Media Centre, No. 133 Wanchai Road, Hong Kong	Hong Kong	100[a]	100[a]
Impact Innovations, Inc Registered office: 233 SE 1st Avenue, Clara City, Minnesota 5622, USA	USA	100	100
Impact Innovations Asia Limited Registered office: Flat 11A, Eldex Industrial Building, 21 Ma Tam Wai Road, To Kwa Wan Kowloon, Hong Kong	Hong Kong	–[c]	100
Lion Ribbon Company, LLC Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
McCall Distribution, Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
McCall Pattern Company Limited Registered office: 1 Coronation Point, Coronation Street, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
Paper Magic Group, LLC (formerly Paper Magic Group, Inc) Registered office: 54 Glenmaura National Blvd., Suite 200, Moosic, Pennsylvania 18507, USA	USA	100	100
Paper Magic Distribution, Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
Paper Magic Group (Hong Kong) Limited Registered office: 31/F., 148 Electric Road, North Point, Hong Kong	Hong Kong	100	100
Simplicity Creative Corp Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
Simplicity Limited Registered office: PO Box 367, Coronation Street, Stockport, Cheshire, SK5 7WZ, UK	Great Britain	100	100
Simplicity Pty Limited Registered office: Derham Houston Lawyers, Suite 12 Level 12, 37 Bligh Street, Sydney NSW 2000, Australia	Australia	100	100
The Huizhou Gift International Greetings Company Limited Registered office: Fuda Industrial Zone, Futian Town, Boluo, Huizhou City, Guangdong, China	China	100	100
The Lang Companies, Inc Registered office: 5555 Glenridge Connector, Suite 300, Atlanta, GA 30342, USA	USA	100	100
The McCall Pattern Company Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100
Wrights Commercial (Shanghai) Co Limited Registered office: Unit E, 12th Floor, Building 1 N, 107, South Zhongshan Er Road, Xuhui District, Shanghai, China	China	100	100

(a) Direct holding.
(b) 50% direct / 50% indirect holding.
(c) Impact Innovations Asia Limited was dissolved on 28 March 2025.

Notes to the Company financial statements continued

Year ended 31 March 2025

3 Investments continued

	Country of incorporation	Percentage of ordinary shares held 2025	Percentage of ordinary shares held 2024
Non-trading and dormant companies			
Anker International plc Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Britesparks Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(a)]	100[(a)]
British Trimmings (1997) Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
British Trimmings (Leek) Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
British Trimmings (Reddish) Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
Concorde Industries Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Copywrite Designs Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(a)]	100[(a)]
Credit Collection Consultants Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Dominion Simplicity Patterns Limited 5240 Finch Avenue East, Scarborough, Ontario M1S5A2, Canada	Canada	100	100
Hoopack Hoogeveen BV Registered office: Industrieweg 62, 7903 AK Hoogeveen, The Netherlands	Netherlands	100	100
Howard Industries Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
IG Design Group (Lang), Inc Registered office: 5555 Glenridge Connector, Suite 300, Atlanta, GA 30342, USA	USA	100	100
IG Design Group Europe BV Registered office: Industrieweg 62, 7903 AK Hoogeveen, The Netherlands	Netherlands	100	100
IG Employee Share Trustee Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(b)]	100[(b)]
Impact Paper Products, LLC Registered office: 233 SE 1st Avenue, Clara City, Minnesota 5622, USA	USA	100	100
LR Texas Corp Registered office: 350 North St. Paul Street, Suite 2900, Dallas, Texas 75201, USA	USA	100	100
McCall Pattern Service NZ Limited Registered office: Simpson Grierson, 88 Shortland Street, Auckland Central, New Zealand	New Zealand	100	100
McCall Pattern Service Pty Limited Registered office: Derham Houston Lawyers, Suite 12 Level 12, 37 Bligh Street, Sydney NSW 2000, Australia	Australia	100	100
Paper Magic de Mexico, SA de CV No registered address	Mexico	100	100
Polaris Plastics Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Philadelphia Industries, LLC (formerly Philadelphia Industries, Inc) Registered office: 1105 North Market Street, Wilmington, Delaware 19801, USA	USA	100	100

(a) Direct holding.
(b) 50% direct / 50% indirect holding.
(c) Impact Innovations Asia Limited was dissolved on 28 March 2025.

	Country of incorporation	Percentage of ordinary shares held 2025	Percentage of ordinary shares held 2024
Non-trading and dormant companies			
School Supplyline Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Scoop Designs Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Simplicity Creative Group Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
Tom Smith Christmas Crackers Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Tom Smith Crackers Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(a)]	100[(a)]
Tom Smith Group Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(b)]	100[(b)]
Tom Smith Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100[(a)]	100[(a)]
Tom Smith Online Limited Registered office: Howard House, Howard Way, Newport Pagnell, MK16 9PX, UK	Great Britain	100	100
Variety Accessories, LLC Registered office: 233 SE 1st Avenue, Clara City, Minnesota 5622, USA	USA	100	100
Weltec BV Registered office: Industrieweg 62, 7903 AK Hoogeveen, The Netherlands	Netherlands	100	100
Wendy A. Cushing Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
Wendy Cushing Trimmings Limited Registered office: 1 Coronation Point, Coronation Street, South Reddish, Stockport, Cheshire, SK5 7PL, UK	Great Britain	100	100
W.J.S. Furniture, Inc Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA	USA	100	100

All investments are indirect holdings except where annotated per below:

(a) Direct holding.
(b) 50% direct / 50% indirect holding.
(c) Impact Innovations Asia Limited was dissolved on 28 March 2025.

Class of shares held are ordinary shares for companies incorporated in Great Britain or the equivalent for the overseas subsidiaries.

Concorde Industries Limited and Credit Collection Consultants Limited are dormant companies that have never traded, and both have net assets of £2.

For the year ended 31 March 2025, the Company will be giving a guarantee to one company, IG Design Group UK Limited, which will entitle it to exemption from audit under Section 479A of the Companies Act relating to qualifying subsidiaries. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

Notes to the Company financial statements continued

Year ended 31 March 2025

4 Deferred tax

Deferred tax assets have not been recognised, as the Company does not consider it probable that future taxable profits will be available against which the losses can be utilised. This assessment reflects continued increases in the Company's cost base.

There are gross negative temporary differences of £104,000 (2024: £46,000) and unused tax losses, with no expiry date, of £17.2 million (2024: £17.6 million) on which deferred tax assets have not been recognised.

No deferred tax has been recognised (2024: £nil) through the income statement nor recognised through the statement of changes in equity (2024: £nil). There are no deferred tax balances with respect to cash flow hedges.

5 Debtors – due within one year

	2025 £000	2024 £000
Amounts owed by Group undertakings	5,609	6,807
Financial assets designated at fair value through hedging reserve	1	54
Prepayments and accrued income	333	205
	5,943	7,066

The amounts owed by Group undertakings are unsecured, do not attract interest and are subject to terms between seven and 30 days.

6 Debtors – due after more than one year

	2025 £000	2024 £000
Amounts owed by Group undertakings	26,849	26,849

The amounts owed by Group undertakings include an intercompany loan to IG Design Group UK Limited, which is unsecured, bears interest at 7% per annum, and is repayable on 31 July 2026.

7 Cash at bank and in hand

	2025 £000	2024 £000
Cash at bank and in hand	53,815	56,474

Included in Cash at bank and in hand is £53.6 million cash on deposit (2024: £56.5 million), cash on deposit is in place for periods varying from 5 to 26 days and attracts interest rates of between 4.0% to 5.51%.

8 Creditors

Amounts falling due within one year

	2025 £000	2024 £000
Bank overdrafts	33,602	49,080
Loan arrangement fees	(555)	(555)
Trade creditors	78	64
Amounts owed to Group undertakings	496	494
Other taxation and social security	118	103
Financial liabilities designated at fair value through hedging reserve	413	21
Accruals	1,640	3,127
	35,792	52,334

The amounts owed to Group undertakings are unsecured, do not attract interest and are subject to terms between seven and 30 days.

Bank overdrafts include $33.4.0 million (2024: $49.1 million) overdrafts within the cash pooling facility.

Amounts falling due after more than one year

	2025 £000	2024 £000
Loan arrangement fees	(92)	(647)

Loan arrangement fees are split between current and non-current and are amortised over the three-year period to the end of May 2026 to match the terms of the relevant financing arrangements.

Refer to note 15 of the Group's financial statements for more details of the terms of the bank borrowings.

9 Called up share capital

	2025 £000	2024 £000
Allotted, called up and fully paid		
98,308,142 (2024: 98,279,870) ordinary shares of 5 pence each	4,915	4,914

Of the 98.3 million (2024: 98.3 million) shares in the Company, 3.0 million (2024: 3.0 million) are held by the Employee Benefit Trust.

Refer to note 20 of the Group's financial statements for the details on movements in share capital.

10 Share-based payments

Refer to note 23 of the Group's financial statements for the details on share-based payments.

11 Financial instruments

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2025 £000	2024 £000
Assets measured at fair value through the hedging reserve	1	54
Assets measured at amortised cost	86,273	90,130
Liabilities measured at fair value through the hedging reserve	(413)	(21)
Liabilities measured at amortised cost	(34,176)	(49,638)
	51,685	40,525

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is assessed using valuation models taking into account market inputs such as foreign exchange spot and forward rates, yield curves and forward interest rates.

(c) Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models, which is in line with when they are expected to affect profit and loss.

	2025			2024		
	Carrying amount £000	Expected cash flows £000	One year or less £000	Carrying amount £000	Expected cash flows £000	One year or less £000
Forward exchange contracts:						
Assets – forward exchange contracts carried at fair value through the hedging reserve	1	922	922	54	6,743	6,743
Liabilities – forward exchange contracts carried at fair value through the hedging reserve	(413)	20,442	20,442	(21)	3,140	3,140
	(412)	21,364	21,364	33	9,883	9,883

The Company uses cash flow hedge accounting in line with FRS 102.12, by entering into forward exchange contracts to hedge foreign exchange exposure. Fair value at 31 March 2025 was £412,000 net charge (2024: £33,000 net credit) recognised in other comprehensive income.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 2025 £000	Fair value 2024 £000
Forward exchange contracts:		
Assets	1	54
Liabilities	(413)	(21)
	(412)	33

Notes to the Company financial statements continued

Year ended 31 March 2025

12 Contingencies

On 5 June 2023 the Group entered into new banking facilities. The Assets Based Loan (ABL) was secured with an all-assets lien on all existing and future assets for the loan parties. See note 15 of the Group's financial statements for further details of the new facility and the loan parties.

The HSBC Bank (China) Company Ltd guarantee of RMB 14.0 million (£1.5 million) given by the Company on behalf of its subsidiary, The Huizhou Gift International Greetings Company Limited was cancelled on 22 November 2024.

HSBC UK guarantee of $1.7 million (£1.2 million) given by the Company on behalf of its subsidiary The Huizhou Gift International Greetings Company Limited was cancelled on 22 November 2024 and the $1.7 million (£1.3 million) guarantee on behalf of its subsidiary International Greetings Asia was cancelled on 4 June 2024.

The Company has given a guarantee to HSBC UK of €1.2 million (£1.0 million) (2024: €1.2 million, £1.0 million) on behalf of its subsidiaries in the Netherlands.

The Company provided a guarantee to the Atlantic Specialty Insurance Company in the USA of $1.9 million (£1.5 million) (2024: $1.9 million, £1.5 million) and CAD 229,000 (£123,000) (2024: CAD 229,000, £134,000) on behalf of the Group's trading subsidiaries in these countries.

For more details on Group financing facilities, see note 15 of the Group's financial statements.

13 Related parties

Related parties with which the Company has entered into transactions during the year:

Group undertakings:

- IG Design Group UK Limited;
- IG Design Group Americas, Inc;
- IG Design Group Sourcing Limited;
- Impact Innovations Asia Limited;
- Simplicity Limited;
- Simplicity Pty Limited;
- India Trimmings Private Limited;
- International Greetings Asia Limited;
- The Huizhou Gift International Greetings Company Limited;
- IG Design Group BV;
- Anchor International BV;
- IG Design Group S.p.z.o.o; and
- IG Design Group Australia Pty Limited.

Related party transactions – transactions with key management

	2025 £000	2024 £000
Short-term employee benefits	1,387	2,062
Share-based charge	302	296
Aggregate emoluments	1,689	2,358

Related party transactions – transactions with Group undertakings

	2025 £000	2024 £000
Management recharges	2,338	2,633
Receivables outstanding (notes 5 and 6)	32,458	33,656
Creditors outstanding (note 8)	(496)	(494)

14 Dividends paid and proposed

No dividends have been paid during the year (2024: £nil) and the Directors are not recommending the payment of a final dividend in respect of the year ended 31 March 2025 (2024: £nil).

15 Staff numbers and costs

The average monthly number of employees, including Directors, during the year was 15 (2024: 15), all of whom were engaged in management and administrative functions.

The aggregate payroll costs of these personnel was as follows:

	2025 £000	2024 £000
Wages and salaries	**2,402**	3,400
Share-based payments	**200**	484
Social security costs	**316**	272
Other pension costs	**153**	122
	3,071	4,278

For information on Directors' remuneration please refer to the section titled 'Directors' remuneration' within the Directors' remuneration report (pages 74 to 80), which forms part of these audited financial statements.

16 Non-adjusting post balance sheet events

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

Under the terms of the share purchase agreement, the Company received a nominal upfront payment of $1 and will be entitled to 75% of any future net proceeds realised by the Buyer from a sale or realisation of DG Americas' or its assets, after agreed deductions and to the extent such proceeds are not retained for DG Americas' working capital purposes. The Buyer will retain the remaining 25% of any such proceeds. There is no ongoing recourse on the Company, and no certainty that any further proceeds will be received.

On 11 July 2025, the Group finalised a new three-year receivables finance facility of £40 million, secured over UK and Netherlands receivables. The facility will provide committed funding to support the Group's ongoing working capital requirements and replaces the previous ABL facility, which terminated upon completion of the DG Americas disposal. See note 15 of the Group's financial statements for details of new bank financing arrangements.

Advisers

Registered office

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Howard Way
Interchange Park
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IG Design Group plc is registered in England and Wales, number 1401155

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