

Company registration number 10440973 (England and Wales)

DESIGN ARC UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

DESIGN ARC UK LIMITED

COMPANY INFORMATION

Directors Mr A Kanoi
Mr K Kanodia (Appointed 31 December 2025)
Mr A Banaik (Appointed 31 December 2025)

Secretary Mr M Bhagat

Company number 10440973

Registered office Quadrant House - Floor 6
4 Thomas More Square
London
E1W 1YW

Auditor UHY Hacker Young
Quadrant House - Floor 6
4 Thomas More Square
London
E1W 1YW

DESIGN ARC UK LIMITED

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DESIGN ARC UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2026

The directors present their annual report and financial statements for the year ended 31 March 2026.

Principal activities

The principal activity of the company continued to be that of providing design, sourcing and marketing services.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Chadha	(Resigned 31 December 2025)
Mr A Kanoi	
Mr M Arora	(Resigned 31 December 2025)
Mr K Kanodia	(Appointed 31 December 2025)
Mr A Banaik	(Appointed 31 December 2025)

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

DESIGN ARC UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

Statement of directors' responsibilities

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

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Krishna Kanodia

Mr K Kanodia
Director

14 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN ARC UK LIMITED

Opinion

We have audited the financial statements of Design ARC UK Limited (the 'company') for the year ended 31 March 2026 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN ARC UK LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN ARC UK LIMITED (CONTINUED)

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

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

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company, which were contrary to applicable laws and regulations including fraud, 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 preparation of the financial statements such as the Companies Act 2006. 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 inflated revenue.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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

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

Use of our report

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



UHY Hacker Young
Quadrant House
4 Thomas More Square
London E1W 1YW

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DESIGN ARC UK LIMITED (CONTINUED)**

V Vadgama

**Vinodkumar Vadgama
Senior Statutory Auditor
For and on behalf of UHY Hacker Young**

14 May 2026

**Chartered Accountants
Statutory Auditor**

DESIGN ARC UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

		2026	2025
	Notes	£	£
Revenue	3	2,732,975	2,289,444
Cost of sales		(131,048)	-
Gross profit		<u>2,601,927</u>	<u>2,289,444</u>
Distribution costs		(67,049)	(82,390)
Administrative expenses		(2,753,537)	(3,068,841)
Operating loss	4	<u>(218,659)</u>	<u>(861,787)</u>
Investment income	7	-	8,750
Finance costs	8	(31,925)	(33,894)
Loss before taxation		<u>(250,584)</u>	<u>(886,931)</u>
Tax on loss	9	(14,132)	176,093
Loss and total comprehensive income for the year		<u><u>(264,716)</u></u>	<u><u>(710,838)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

DESIGN ARC UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Non-current assets					
Intangible assets	10		5,551		8,492
Property, plant and equipment	11		525,843		875,681
Investments	12		200		200
Deferred tax asset	20		175,020		175,020
			706,614		1,059,393
Current assets					
Inventories	14	182,273		-	
Trade and other receivables	15	5,096,730		4,948,966	
Cash and cash equivalents		386,718		528,902	
		5,665,721		5,477,868	
Current liabilities	16	(4,978,975)		(4,622,793)	
Net current assets			686,746		855,075
Total assets less current liabilities			1,393,360		1,914,468
Non-current liabilities	16		(471,608)		(742,927)
Net assets			921,752		1,171,541
Equity					
Called up share capital	23		50,000		50,000
Other reserves	24		204,927		190,000
Retained earnings			666,825		931,541
Total equity			921,752		1,171,541

DESIGN ARC UK LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2026

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 14 May 2026 and are signed on its behalf by:

Krishna Kanodia

Mr K Kanodia

Director

Company registration number 10440973 (England and Wales)

DESIGN ARC UK LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026**

	Share capital	Other reserves	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2024	50,000	163,307	1,642,379	1,855,686
Year ended 31 March 2025:				
Loss and total comprehensive income	-	-	(710,838)	(710,838)
Transactions with owners:				
Other movements	-	26,693	-	26,693
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2025	50,000	190,000	931,541	1,171,541
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 March 2026:				
Loss and total comprehensive income	-	-	(264,716)	(264,716)
Transactions with owners:				
Other movements	-	14,927	-	14,927
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2026	50,000	204,927	666,825	921,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Company information

Design ARC UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House - Floor 6, 4 Thomas More Square, London, E1W 1YW. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- presentation of a statement of cash flows and related notes;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position;

Where required, equivalent disclosures are given in the group accounts of PDS Limited. The group accounts of PDS Limited are available to the public and can be obtained as set out in note 30.

These financial statements do not reflect the consolidation of the company's subsidiaries and are not statutory financial statements. The directors have nonetheless prepared and presented on the basis they are statutory financial statements for disclosure purposes in all other aspects.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In addition, group companies have agreed not to seek repayment of amounts owed until the company is able to pay its debts as they fall due.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable net of VAT.

Commission receivable is earned when the supplier ships the goods to the end customers.

Marketing fees receivable is earned when the supplier ships the goods to the end customers.

Sales of garments are earned when the risks and rewards of the goods have transferred to the customer.

1.4 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is charged on the following basis:

Computer software	3 years straight line
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1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the term of the lease
Leasehold improvements	5 years straight line
Fixtures and fittings	5 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.7 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

The parent company PDS Limited has issued share options to certain directors. These are measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in equity. The fair value of the options was estimated at the date of grant using the Black - Scholes option pricing model. The fair value will be charged as an expense in the profit or loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

1.17 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

1 Accounting policies

(Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently adjusted for remeasurements of the lease liability and applies the relevant cost model, fair value model or revaluation model as set out within the accounting policies for the applicable asset class. Where the cost model is applied, the asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, and is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is reassessed at each financial period end to reflect lease modifications and any changes to the factors considered at initial measurement, as set out above. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.19 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements.

Key sources of estimation uncertainty

Valuations of lease liability & right-of-use asset

The application of IFRS 16 requires the company to make judgements that affect the valuation of the lease liabilities and the right-of-use assets. These include determining the interest rate used for discounting of future cashflows. The present value of the lease payment is determined using the discount rate representing the company's incremental borrowing rate.

Share-based payments

The Group operates an employee compensation scheme, settled in equity. The fair value of equity-settled share-based payment arrangements requires significant judgement in the determination of the valuation of options, or the assumptions regarding vesting conditions being met, which will affect the expense recognised during the period.

These assumptions include the future volatility of the Parent's share price, future dividend yield and the rate at which awards will lapse or be forfeited. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards. The fair value attributed to the awards, and hence the charge made in the income statement, could be materially affected should different assumptions be made to those applied by the Group. Details of these assumptions are set out in note 21. The Group uses a professional valuer in the determination of the fair value of options at grant date.

3 Revenue

	2026	2025
	£	£
Revenue analysed by class of business		
Commission receivable	2,291,281	1,142,105
Marketing fees receivable	424,250	1,147,339
Sale of garments & accessories	17,444	-
	<u>2,732,975</u>	<u>2,289,444</u>

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

4 Operating loss

	2026	2025
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(5,288)	1,390
Depreciation of property, plant and equipment	227,025	222,683
(Profit)/loss on disposal of property, plant and equipment	(17,115)	901
Amortisation of intangible assets (included within administrative expenses)	2,941	4,727
Cost of inventories recognised as an expense	11,888	-
Share-based payments	14,927	26,693
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2026	2025
	Number	Number
Design	16	20
Sales	6	8
Management	3	3
Accounts/HR	4	3
	<u> </u>	<u> </u>
Total	29	34
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2026	2025
	£	£
Wages and salaries	1,540,735	1,805,236
Social security costs	216,700	240,549
Pension costs	21,684	27,537
	<u> </u>	<u> </u>
	1,779,119	2,073,322
	<u> </u>	<u> </u>

DESIGN ARC UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026****6 Directors' remuneration**

	2026	2025
	£	£
Remuneration for qualifying services	278,625	371,500
Company pension contributions to defined contribution schemes	1,981	2,642
	<u>280,606</u>	<u>374,142</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2026	2025
	£	£
Remuneration for qualifying services	176,250	235,000
Company pension contributions to defined contribution schemes	991	1,321
	<u>177,241</u>	<u>236,321</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2025: 2).

2 of the directors are paid under the Group's share option scheme.

7 Investment income

	2026	2025
	£	£
Interest income		
Other interest income	-	8,750
	<u>-</u>	<u>8,750</u>

8 Finance costs

	2026	2025
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on lease liabilities	31,925	33,894
	<u>31,925</u>	<u>33,894</u>

9 Taxation

	2026	2025
	£	£
Current tax		
UK corporation tax on profits for the current period	14,132	-
	<u>14,132</u>	<u>-</u>

DESIGN ARC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

9 Taxation	(Continued)	
	2026	2025
	£	£
Deferred tax		
Origination and reversal of temporary differences	-	(176,093)
	<u> </u>	<u> </u>
Total tax charge/(credit)	14,132	(176,093)
	<u> </u>	<u> </u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	2026	2025
	£	£
Loss before taxation	(250,584)	(886,931)
	<u> </u>	<u> </u>
Expected tax credit based on a corporation tax rate of 25.00% (2025: 25.00%)	(62,646)	(221,733)
Under/(over) provided in prior years	14,132	-
Tax losses	62,646	221,733
Deferred tax asset	-	(176,093)
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	14,132	(176,093)
	<u> </u>	<u> </u>

10 Intangible fixed assets

	Software
	£
Cost	
At 31 March 2025	24,128
	<u> </u>
At 31 March 2026	24,128
	<u> </u>

DESIGN ARC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

10 Intangible fixed assets

(Continued)

	Software £
Amortisation and impairment	
At 31 March 2025	15,636
Charge for the year	2,941
	<hr/>
At 31 March 2026	18,577
	<hr/>
Carrying amount	
At 31 March 2026	5,551
	<hr/> <hr/>
At 31 March 2025	8,492
	<hr/> <hr/>

11 Property, plant and equipment

	Leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2025	1,431,264	138,507	88,167	97,912	1,755,850
Additions	90,483	-	-	3,550	94,033
Disposals	(301,694)	-	(23,573)	-	(325,267)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2026	1,220,053	138,507	64,594	101,462	1,524,616
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment					
At 1 April 2025	666,245	89,934	64,172	59,818	880,169
Charge for the year	164,167	27,702	4,149	31,007	227,025
Eliminated on disposal	(100,563)	-	(7,858)	-	(108,421)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2026	729,849	117,636	60,463	90,825	998,773
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount					
At 31 March 2026	490,204	20,871	4,131	10,637	525,843
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2025	765,019	48,573	23,995	38,094	875,681
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

11 Property, plant and equipment

(Continued)

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	2026	2025
	£	£
Net values at the year end		
Property	490,204	765,019
	<u> </u>	<u> </u>
Depreciation charge for the year		
Property	164,167	152,165
	<u> </u>	<u> </u>

12 Investments

	Current		Non-current	
	2026	2025	2026	2025
	£	£	£	£
Investments in subsidiaries	-	-	200	200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Fair value of financial assets carried at amortised cost

The directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2026 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Lily and Lionel London Limited	England and Wales	Ordinary £1 shares	100.00
Design Arc Brands Limited	England and Wales	Ordinary £1 shares	100.00

Registered office addresses (all UK unless otherwise indicated):

Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW

DESIGN ARC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

14 Inventories

	2026	2025
	£	£
Finished goods	182,273	-
	<u>182,273</u>	<u>-</u>

15 Trade and other receivables

	2026	2025
	£	£
Trade receivables	14,884	-
VAT recoverable	57,868	33,279
Amounts owed by subsidiary undertakings	4,627,657	967,431
Amounts owed by fellow group undertakings	76,644	3,470,369
Other receivables	74,778	136,740
Prepayments and accrued income	244,899	341,147
	<u>5,096,730</u>	<u>4,948,966</u>

All amounts are due to be recovered within 12 months of the balance sheet date. The fair value of trade and other receivables is the same as the carrying value shown above.

The maximum exposure to credit risk for trade and other receivables is represented by their carrying amount.

16 Liabilities

		Current		Non-current	
	Notes	2026	2025	2026	2025
		£	£	£	£
Trade and other payables	18	4,776,287	4,365,414	-	-
Taxation and social security		84,052	105,538	-	-
Lease liabilities	19	118,636	151,841	471,608	742,927
		<u>4,978,975</u>	<u>4,622,793</u>	<u>471,608</u>	<u>742,927</u>

17 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

DESIGN ARC UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026****18 Trade and other payables**

	2026	2025
	£	£
Trade payables	42,828	-
Amounts owed to fellow group undertakings	4,474,373	4,093,832
Accruals and deferred income	7,500	17,500
Other payables	251,586	254,082
	<u>4,776,287</u>	<u>4,365,414</u>

Trade payables and accrued expenses mainly comprise of amounts owed for trading purchases and associated costs.

All trade and other payables are due to be paid within 12 months of the balance sheet date. The fair value of trade and other payables are the same as the carrying value shown above.

19 Lease liabilities

	2026	2025
	£	£
Maturity analysis		
Within one year	150,773	205,247
In two to five years	514,498	721,391
	<u>665,271</u>	<u>959,813</u>
Total undiscounted liabilities	665,271	959,813
Future finance charges and other adjustments	(75,027)	(105,559)
	<u>590,244</u>	<u>894,768</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2026	2025
	£	£
Current liabilities	118,636	151,841
Non-current liabilities	471,608	742,927
	<u>590,244</u>	<u>894,768</u>

DESIGN ARC UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

19 Lease liabilities **(Continued)**

	2026	2025
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	31,925	33,894
	<u> </u>	<u> </u>

Other leasing information is included in note 25.

20 Deferred taxation

	Assets	
	2026	2025
	£	£
Deferred tax balances	175,020	175,020
	<u> </u>	<u> </u>

Deferred tax assets are expected to be recovered within one year.

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs	Tax losses	Total
	£	£	£
Liability at 1 April 2024	(1,073)	-	(1,073)
Deferred tax movements in prior year			
Credit/(charge) to profit or loss	(20,237)	196,330	176,093
	<u> </u>	<u> </u>	<u> </u>
Asset at 1 April 2025 and 31 March 2026	(21,310)	196,330	175,020
	<u> </u>	<u> </u>	<u> </u>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

21 Retirement benefit schemes

	2026	2025
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	21,684	27,537
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

22 Share-based payments

Options outstanding

The options outstanding at 31 March 2026 had an exercise price of INR 219 (2025: INR 133 to INR 174.91) and a weighted average contractual life of 0 years (2025: 0.6 years).

There were no options exercised in 2026 (2025: none).

Expenses

Related to equity settled share based payments	14,927	26,693
--	--------	--------

Share options were granted to the employees of the company on 22/10/2021. There are performance conditions attached to these options. Options granted under this plan vest as follows;

- a. 25% of the options vest at the end of 1st year from the date of Grant,
- b. 25% of the options vest at the end of 2nd year from the date of Grant,
- c. 25% of the options vest at the end of 3rd year from the date of Grant,
- d. 25% of the options vest at the end of 4th year from the date of Grant,

Exercise of an option is subject to continuous employment and fulfilling the conditions as set out in the grant letter.

Options were valued used the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculations are as follows;

Grant date	22/10/2021
Share price at grant date	INR 273.80
Exercise price	INR 219.00
Number of employees	3
Shares under option	185,000
Vesting period (years)	4
Option life (years)	4
Expected life (years)	4
Fair value per option:	
Year 1	INR 94.80
Year 2	INR 107.00
Year 3	INR 117.20
Year 4	INR 125.20

The exercise price, and hence the fair value, of the options is denominated in INR and has been translated in the table above at the exchange rate on the date of grant being INR 103.194 = £1.

23 Share capital

	2026	2025	2026	2025
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
50,000 Ordinary shares of £1 each	50,000	50,000	50,000	50,000

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

24 Other reserves

	2026	2025
	£	£
At the beginning of the year	190,000	163,307
Other movements	14,927	26,693
	<u>204,927</u>	<u>190,000</u>

The above relates to the share-based payment reserves.

25 Other leasing information

As lessee

	2026	2025
	£	£
Amounts recognised in profit or loss:		
Expense relating to short-term leases	84,000	85,600
	<u>84,000</u>	<u>85,600</u>

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2026	2025
	£	£
Land and buildings		
Within one year	-	8,000
	<u>-</u>	<u>8,000</u>

Information relating to lease liabilities is included in note 19.

26 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimization of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings. The company also receives borrowings from its parent and fellow group companies.

The company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

27 Financial Risk Management

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available the company uses other publicly available financial information. The company's exposure and the credit ratings of its counterparties are continuously monitored.

The company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

The company's principal financial assets are receivables and cash at bank.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2026, the company held cash and cash equivalents of £386,718 (2025: £528,902).

Foreign currency risk

The company's functional and presentation currency and the majority of its spending as well as financing facilities are in GBP. As such, no exchange rate risk exists. The company has no deposit or loan facilities, hence is not affected by interest rate fluctuations.

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

28 Related party relationships and transactions

During the year, the company entered into transactions, in the ordinary course of business, with the following related parties;

	Value of services (sold)/ purchased by the company		Balance included within (trade creditors)/trade debtors at year end	
	2026 £	2025 £	2026 £	2025 £
Poeticgem Limited, UK	-	-	(34,973)	(20,174)
Design Arc Asia Limited, Hong Kong	(2,291,285)	(1,142,105)	(4,320,463)	(4,066,585)
Norwest Limited	-	-	(972)	(4,456)
PDS Fashions Limited	98,000	77,000	(92,932)	(2,615)
Design Arc Asia FZCO	(365,963)	(180,321)	58,543	179,419
PDS Limited	-	(354,754)	(23,533)	234,370
Twins Asia FZCO	(43,707)	(475,938)	14,554	276,149
Twins Asia Limited	(14,580)	(491,079)	3,548	336,353
Design Arc Europe	-	-	(1,500)	-
Lily and Lionel London Limited	-	-	1,101,372	967,431
Design Arc Brands Limited	-	-	3,525,965	2,444,079
Lillyandsid Limited	-	-	321	-

The above companies are all part of the PDS Limited group.

29 Directors' transactions

As at the year end, the balance outstanding with R Chadha, a former director, was £nil (2025: £63,396).

DESIGN ARC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

30 Controlling party

The controlling party of the company is PDS Sourcing Limited by virtue of its 85% ownership of the ordinary share capital and overall board control.

The ultimate parent company is PDS Limited, a company registered in India. PDS Limited, prepares group financial statements and copies can be obtained from Unit No 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri East, Mumbai, Maharashtra, 400093.

PDS Limited is listed on the BSE and National Stock Exchange in India.

DESIGN ARC UK LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2026

DESIGN ARC UK LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Revenue		
Commission receivable	2,291,281	1,142,106
Marketing fees receivable	424,250	1,147,338
Sales of goods 3	17,444	-
	<u>2,732,975</u>	<u>2,289,444</u>
Cost of sales		
Finished goods purchases	194,161	-
Closing stock of finished goods	(182,273)	-
License fees	119,160	-
	<u>(131,048)</u>	<u>-</u>
Gross profit	2,601,927	2,289,444
Distribution costs	67,049	82,390
Administrative expenses	2,753,537	3,068,841
	<u>(2,820,586)</u>	<u>(3,151,231)</u>
Operating loss	(218,659)	(861,787)
Investment revenues		
Finance costs		
Finance lease interest payable	(31,925)	(33,894)
Loss before taxation	<u>(250,584)</u>	<u>(886,931)</u>

DESIGN ARC UK LIMITED**SCHEDULE OF ADMINISTRATIVE EXPENSES****FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Distribution costs		
Designing charges	33,557	33,494
Storage charges	5,932	4,976
Samples	27,560	43,920
	<u>67,049</u>	<u>82,390</u>
Administrative expenses		
Wages and salaries	1,247,183	1,407,043
Social security costs	169,282	163,640
Staff recruitment costs	6,972	31,727
Staff welfare	35,995	28,044
Staff training	161	13,419
Staff pension costs defined contribution	19,703	24,895
Equity settled share based payment costs	14,927	26,693
Directors' remuneration	278,625	371,500
Directors' social security costs	47,418	76,909
Directors' pension costs - defined contribution scheme	1,981	2,642
Commissions payable	24,000	-
Rent re operating leases	99,954	62,779
Rates	101,077	91,389
Cleaning	21,098	15,613
Power, light and heat	13,547	12,846
Computer running costs	49,002	41,645
Motor running expenses	11,410	14,417
Travelling expenses	106,398	132,956
Postage, courier and delivery charges	48,305	47,855
Professional subscriptions	8,100	623
Legal and professional fees	23,258	42,771
Consultancy fees	28,818	98,143
Audit fees	13,795	7,158
Charitable donations	58,013	37,260
Bank charges	3,334	1,933
Insurances (not premises)	46,191	23,752
Printing and stationery	8,886	7,831
Marketing	14,560	-
Telecommunications	6,098	5,653
Other office supplies	34,606	21,220
Entertaining	3,292	11,151
Sundry expenses	(15)	15,633
Amortisation	2,941	4,727
Depreciation	227,025	222,683
Profit or loss on sale of tangible assets (non exceptional)	(17,115)	901

DESIGN ARC UK LIMITED

**SCHEDULE OF ADMINISTRATIVE EXPENSES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Profit or loss on foreign exchange	(5,288)	1,390
	<u>2,753,537</u>	<u>3,068,841</u>
	<u><u>2,753,537</u></u>	<u><u>3,068,841</u></u>