

Company registration number 14681943 (England and Wales)

DESIGN ARC BRANDS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

DESIGN ARC BRANDS LIMITED

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DESIGN ARC BRANDS 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 is that of the wholesale and retail of clothing, footwear and accessories.

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:

| | |
|-----------|------------------------------|
| B Shah | |
| R Chadha | (Resigned 31 December 2025) |
| M Arora | (Resigned 31 December 2025) |
| S Ballari | (Appointed 31 December 2025) |
| S Jatar | (Appointed 31 December 2025) |

Auditor

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

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.

DESIGN ARC BRANDS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

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

Sagar Ballari

S Ballari

Director

14 May 2026

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

Opinion

We have audited the financial statements of Design Arc Brands Limited (the 'company') for the year ended 31 March 2026 which comprise the income statement, 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 BRANDS 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

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.



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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGN ARC BRANDS 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 and profit.

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 BRANDS 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 BRANDS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

| | | 2026 | 2025 |
|---|-------|-------------------------|-------------------------|
| | Notes | £ | £ |
| Revenue | 2 | 356,557 | 163,969 |
| Cost of sales | | (354,373) | (100,251) |
| Gross profit | | <u>2,184</u> | <u>63,718</u> |
| Distribution costs | | (6,888) | (34,096) |
| Administrative expenses | | (851,120) | (990,084) |
| Operating loss | 3 | <u>(855,824)</u> | <u>(960,462)</u> |
| Tax on loss | | - | - |
| Loss and total comprehensive income for the year | | <u><u>(855,824)</u></u> | <u><u>(960,462)</u></u> |

DESIGN ARC BRANDS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2026**

| | | 2026 | | 2025 | |
|--|-----------|--------------------|--------------------|--------------------|--------------------|
| | Notes | £ | £ | £ | £ |
| Non-current assets | | | | | |
| Intangible assets | 5 | | 5,195 | | 8,028 |
| Property, plant and equipment | 6 | | 11,957 | | 16,403 |
| Investments | 7 | | 486,475 | | 486,475 |
| | | | <u>503,627</u> | | <u>510,906</u> |
| Current assets | | | | | |
| Inventories | 9 | 411,524 | | 370,113 | |
| Trade and other receivables | 10 | 314,986 | | 132,425 | |
| Cash and cash equivalents | | 45,421 | | 63,438 | |
| | | | <u>771,931</u> | | <u>565,976</u> |
| Current liabilities | 11 | (4,164,937) | | (3,110,437) | |
| | | | <u>771,931</u> | | <u>565,976</u> |
| Net current liabilities | | | (3,393,006) | | (2,544,461) |
| | | | <u>771,931</u> | | <u>565,976</u> |
| Total assets less current liabilities | | | (2,889,379) | | (2,033,555) |
| | | | <u>771,931</u> | | <u>565,976</u> |
| Equity | | | | | |
| Called up share capital | 14 | | 100 | | 100 |
| Retained earnings | | | (2,889,479) | | (2,033,655) |
| | | | <u>(2,889,379)</u> | | <u>(2,033,555)</u> |
| Total equity | | | (2,889,379) | | (2,033,555) |
| | | | <u>(2,889,379)</u> | | <u>(2,033,555)</u> |

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:

Sagar Ballari

S Ballari
Director

Company registration number 14681943 (England and Wales)

DESIGN ARC BRANDS LIMITED

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

| | Share capital | Retained earnings | Total |
|-------------------------------------|--------------------------|------------------------------|---------------------------|
| | £ | £ | £ |
| Balance at 1 April 2024 | 100 | (1,073,193) | (1,073,093) |
| Year ended 31 March 2025: | | | |
| Loss and total comprehensive income | - | (960,462) | (960,462) |
| | <u>100</u> | <u>(2,033,655)</u> | <u>(2,033,555)</u> |
| Balance at 31 March 2025 | | | |
| Year ended 31 March 2026: | | | |
| Loss and total comprehensive income | - | (855,824) | (855,824) |
| | <u>100</u> | <u>(2,889,479)</u> | <u>(2,889,379)</u> |
| Balance at 31 March 2026 | <u><u>100</u></u> | <u><u>(2,889,479)</u></u> | <u><u>(2,889,379)</u></u> |

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Company information

Design Arc Brands 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 Basis of preparation

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:

- 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.
- the requirement to present a statement of cash flows and related notes.

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 17.

1.2 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding that at the balance sheet date, the company's had net liabilities of £2,889,379 (2025: £2,033,555).

In view of this uncertainty the directors have obtained confirmation of financial support from the parent company who will not seek repayment of the amounts owed until such time as the company is able to repay its debts. By taking this and future plans in consideration, the directors consider the going concern basis to be appropriate because the company will continue to obtain sufficient funding from within the group to enable it to pay its debts as they fall due for the next 15 months.

1.3 Revenue

Revenue represents amounts receivable from the distribution of garments net of discounts and value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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

| | |
|-------------------|-----------------------|
| Computer software | 3 years straight line |
|-------------------|-----------------------|

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:

| | |
|-----------------------|------------------------|
| Fixtures and fittings | 10 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 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.

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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 at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

DESIGN ARC BRANDS LIMITED

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

1 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

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.

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.10 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'.

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.

1.11 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

As lessee

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.

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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.

2 Revenue

| | 2026 | 2025 |
|--|---------|---------|
| | £ | £ |
| Revenue analysed by class of business | | |
| Sale of clothing | 356,557 | 163,969 |

| | 2026 | 2025 |
|--|---------|---------|
| | £ | £ |
| Revenue analysed by geographical market | | |
| United Kingdom | 356,557 | 163,969 |

3 Operating loss

| | 2026 | 2025 |
|---|---------|---------|
| | £ | £ |
| Operating loss for the year is stated after charging/(crediting): | | |
| Exchange gains | (2,907) | (1,613) |
| Depreciation of property, plant and equipment | 3,098 | 1,372 |
| Amortisation of intangible assets (included within administrative expenses) | 2,833 | 472 |
| Cost of inventories recognised as an expense | 288,707 | 89,721 |

4 Employees

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

| | 2026 | 2025 |
|----------------------------|--------|--------|
| | Number | Number |
| Management | 3 | 3 |
| Designers, sales and admin | 9 | 9 |
| Total | 12 | 12 |

DESIGN ARC BRANDS LIMITED

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

4 Employees **(Continued)**

Their aggregate remuneration comprised:

| | 2026 | 2025 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Wages and salaries | 514,477 | 598,523 |
| Social security costs | 75,274 | 63,358 |
| Pension costs | 8,193 | 8,450 |
| | 597,944 | 670,331 |
| | 597,944 | 670,331 |

The directors acting during the period are remunerated by other group companies. There are no identifiable qualifying services for this company in 2026 or 2025.

5 Intangible fixed assets

| | Software |
|------------------------------------|-----------------|
| | £ |
| Cost | |
| At 31 March 2025 | 8,500 |
| At 31 March 2026 | 8,500 |
| Amortisation and impairment | |
| At 31 March 2025 | 472 |
| Charge for the year | 2,833 |
| At 31 March 2026 | 3,305 |
| Carrying amount | |
| At 31 March 2026 | 5,195 |
| At 31 March 2025 | 8,028 |

6 Property, plant and equipment

| | Fixtures and fittings | Computers | Total |
|------------------|------------------------------|------------------|--------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2025 | 13,648 | 4,127 | 17,775 |
| Additions | - | 1,200 | 1,200 |
| Disposals | - | (2,548) | (2,548) |
| At 31 March 2026 | 13,648 | 2,779 | 16,427 |

DESIGN ARC BRANDS LIMITED

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

6 Property, plant and equipment

(Continued)

| | Fixtures and fittings £ | Computers £ | Total £ |
|--|----------------------------|----------------|---------------|
| Accumulated depreciation and impairment | | | |
| At 1 April 2025 | 612 | 760 | 1,372 |
| Charge for the year | 1,689 | 1,409 | 3,098 |
| At 31 March 2026 | <u>2,301</u> | <u>2,169</u> | <u>4,470</u> |
| Carrying amount | | | |
| At 31 March 2026 | <u>11,347</u> | <u>610</u> | <u>11,957</u> |
| At 31 March 2025 | <u>13,036</u> | <u>3,367</u> | <u>16,403</u> |

7 Investments

| | Current 2026 £ | 2025 £ | Non-current 2026 £ | 2025 £ |
|-----------------------------|----------------------|-----------|--------------------------|----------------|
| Investments in subsidiaries | <u>-</u> | <u>-</u> | <u>486,475</u> | <u>486,475</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.

8 Subsidiaries

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

| Name of undertaking | Address | Class of shares held | % Held Direct |
|---------------------|----------------|----------------------|---------------|
| Lillyandsid Limited | United Kingdom | Ordinary shares | 100.00 |

Registered office addresses (all UK unless otherwise indicated):

- Cedar Lodge Main Road, Kilsby, Rugby, Warwickshire, CV23 8XP

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

9 Inventories

| | 2026 | 2025 |
|----------------|----------------|----------------|
| | £ | £ |
| Finished goods | 411,524 | 370,113 |
| | <u>411,524</u> | <u>370,113</u> |

10 Trade and other receivables

| | 2026 | 2025 |
|---|----------------|----------------|
| | £ | £ |
| Trade receivables | 64,541 | 54,140 |
| VAT recoverable | 53,502 | 50,220 |
| Amounts owed by fellow group undertakings | 144,090 | 13,135 |
| Other receivables | 50,792 | 8,476 |
| Prepayments and accrued income | 2,061 | 6,454 |
| | <u>314,986</u> | <u>132,425</u> |

11 Liabilities

| | 2026 | 2025 |
|------------------------------|---------------------|------------------|
| | £ | £ |
| | Notes | |
| Trade and other payables | 12 4,164,018 | 3,098,194 |
| Taxation and social security | 919 | 12,243 |
| | <u>4,164,937</u> | <u>3,110,437</u> |

12 Trade and other payables

| | 2026 | 2025 |
|---|------------------|------------------|
| | £ | £ |
| Trade payables | 25,027 | 99,728 |
| Amount owed to parent undertaking | 3,525,965 | 2,444,079 |
| Amounts owed to fellow group undertakings | 605,034 | 508,384 |
| Accruals and deferred income | 1,912 | 6,500 |
| Other payables | 6,080 | 39,503 |
| | <u>4,164,018</u> | <u>3,098,194</u> |

DESIGN ARC BRANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

13 Retirement benefit schemes

| | 2026 | 2025 |
|---|-------------------|-------------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 8,193 | 8,450 |
| | <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.

14 Share capital

| | 2026 | 2025 | 2026 | 2025 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

15 Other leasing information

Lessee

| | 2026 | 2025 |
|---|-------------------|-------------------|
| | £ | £ |
| Minimum lease payments under operating leases | 16,440 | - |
| | <u> </u> | <u> </u> |

16 Related party transactions

As at the year end, the company owed £97,575 (2025: £13,135 owed from) to Lilyandsid Limited.

As at the year end, the company was owed £144,090 (2025: £16,959 owed to) from Lily and Lionel London Limited.

As at the year end, the company owed £3,525,965 (2025: £2,444,079) to Design Arc UK Limited, its parent company.

As at the year end, the company owed £20,888 (2025: £4,950) to Design Arc Asia Limited.

As at the year end, the company owed £486,475 (2025: £486,475) to Nor Lanka Manufacturing Limited.

As at the year end, the company owed £96 (2025: £nil) to Norwest Limited.

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

DESIGN ARC BRANDS LIMITED

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

17 Controlling party

The immediate parent company is Design Arc UK Limited by virtue of its 100% ownership of the ordinary share capital.

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 BRANDS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2026

DESIGN ARC BRANDS LIMITED
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

| | | 2026 | | 2025 |
|--------------------------------|-------|-------------------------|--------|-------------------------|
| | | £ | | £ |
| Revenue | | | | |
| Sales of goods | | 356,557 | | 163,969 |
| Cost of sales | | (354,373) | | (100,251) |
| | | <u> </u> | | <u> </u> |
| Gross profit | 0.61% | 2,184 | 38.86% | 63,718 |
| Distribution costs | | (6,888) | | (34,096) |
| Administrative expenses | | (851,120) | | (990,084) |
| | | <u> </u> | | <u> </u> |
| Operating loss | | <u><u>(855,824)</u></u> | | <u><u>(960,462)</u></u> |

DESIGN ARC BRANDS LIMITED**SCHEDULES TO THE INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026**

| | 2026 | 2025 |
|---|-------------|-------------|
| | £ | £ |
| Cost of sales | | |
| Opening stock of finished goods | 370,113 | 165,552 |
| | <hr/> | <hr/> |
| <i>Purchases and other direct costs</i> | | |
| Finished goods purchases | 329,023 | 274,626 |
| Direct costs | 17,392 | 19,656 |
| Commissions payable | 65,666 | 10,530 |
| | <hr/> | <hr/> |
| Total purchases and other direct costs | 412,081 | 304,812 |
| | <hr/> | <hr/> |
| Closing stock of finished goods | 427,821 | 370,113 |
| | <hr/> | <hr/> |
| Total cost of sales | 354,373 | 100,251 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Distribution costs | | |
| Designing expenses | - | 3,887 |
| Samples | 6,888 | 8,017 |
| Storage | - | 22,192 |
| | <hr/> | <hr/> |
| | 6,888 | 34,096 |
| | <hr/> <hr/> | <hr/> <hr/> |

DESIGN ARC BRANDS LIMITED**SCHEDULES TO THE INCOME STATEMENT (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2026**

| | 2026 | 2025 |
|--|-------------|-------------|
| | £ | £ |
| Administrative expenses | | |
| Wages and salaries | 514,477 | 598,523 |
| Social security costs | 75,274 | 63,358 |
| Staff recruitment costs | 7,950 | 22,400 |
| Staff welfare | 1,567 | 3,073 |
| Staff training | 4 | - |
| Staff pension costs defined contribution | 8,193 | 8,450 |
| Commissions payable | 14,300 | - |
| Management charge | - | 6,632 |
| Rent re operating leases | - | 14,425 |
| Rates | (290) | - |
| Cleaning | - | 125 |
| Property repairs and maintenance | 1,710 | - |
| Computer running costs | 12,813 | 55,456 |
| Software costs | - | 5,143 |
| Motor running expenses | - | 50 |
| Travelling expenses | 8,488 | 27,022 |
| Postage, courier and delivery charges | 16,150 | 4,183 |
| Professional subscriptions | 27,312 | 9,583 |
| Legal and professional fees | 11,231 | 5,678 |
| Consultancy fees | 13,970 | 23,845 |
| Audit fees | 6,599 | 6,850 |
| Bank charges | 3,419 | 2,216 |
| Transaction charges | 8,971 | 1,566 |
| Insurances (not premises) | 4,501 | 3,996 |
| Printing and stationery | 318 | 495 |
| Advertising | 109,611 | 120,025 |
| Telecommunications | (513) | 1,562 |
| Other office supplies | 2,751 | 4,387 |
| Entertaining | - | 640 |
| Sundry expenses | (710) | 170 |
| Amortisation | 2,833 | 472 |
| Depreciation | 3,098 | 1,372 |
| Profit or loss on foreign exchange | (2,907) | (1,613) |
| | <hr/> | <hr/> |
| | 851,120 | 990,084 |
| | <hr/> <hr/> | <hr/> <hr/> |
