

Company registration number 14841429 (England and Wales)

NEW LOBSTER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

NEW LOBSTER LIMITED

COMPANY INFORMATION

Directors	Mr S Ballari Mr S Goodwin Mr S Jatar Mr M Watts
Company number	14841429
Registered office	6-10 Market Road London N7 9PW
Auditor	UHY Hacker Young Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW

NEW LOBSTER LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Income statement	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 27

NEW LOBSTER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2026

The directors present the strategic report for the year ended 31 March 2026.

Review of the business

Operating as a core licensee for the Ted Baker brand, New Lobster Limited is the global hub for the design and sourcing of adult clothing and accessories.

The financial results for the year are presented on page 9.

Revenue is primarily derived from the wholesale distribution of Ted Baker-branded products and commissions from sales of other Ted Baker licensee customers.

As noted in last year's Business Review, the Company was significantly impacted by the collapse of the UK and US direct retail businesses in 2024. This not only resulted in the loss of retail commission income, but also adversely affected brand perception among long-standing wholesale partners and the wider consumer market.

Consequently, the Company was required to manage elevated levels of inventory arising from cancelled orders, leading to increased discounting and reduced margins. At the same time, wholesale partners were more cautious in committing to new orders during 2025–26 as the market adjusted following the administration of the former retail partners.

In response to these challenging trading conditions, management acted decisively, undertaking a comprehensive review of the business. This included resizing the cost base through headcount realignment, renegotiating key supplier terms, implementing a structured approach to clearing excess stock, and working closely with the brand owners to protect and reposition the Ted Baker brand.

Key performance indicators for the year remain turnover and profitability. Revenue for the period was £42.2m (2025: £44.6m), with a pre-tax loss of £4.2m (2025: £1.7m). No dividend was declared during the year (2025: £nil).

The turnaround programme is now well advanced and early signs of stabilisation are evident. Based on the approved budget and a strengthened forward order book, the Directors are targeting a return to at least break-even in the current financial year, with the business well positioned to rebuild profitability as market conditions normalise and demand recovers.

Principal risks and uncertainties

New Lobster expects the market to continue to be challenging and competitive in the coming year, not to mention ongoing conflicts affecting consumer confidence and wider logistic issues. The primary risks to the business and expansion are counterparty risks in the current dynamic and evolving environment. However, we believe the Company is in a good position to capitalise on its leadership, design, and sourcing skills.

Development and performance

We believe the Company is well established in our markets with strong recognition of the Ted Baker brand. We are actively involved in attracting new strong partnerships and customers while building deeper relationships with existing customers. With a strong foundation and robust support from the ultimate parent company, New Lobster is well-positioned for a complete turnaround to long-term growth and consistent performance.

NEW LOBSTER LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

On behalf of the board

MJWatts

Mr M Watts
Director

8 May 2026

NEW LOBSTER 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 continues to be that of the designing and sourcing of apparel.

Results and dividends

The results for the year are set out on page 9.

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 S Ballari

Mr S Goodwin

Mr S Jatar

Mr M Watts

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.

NEW LOBSTER 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.

On behalf of the board

MJWatts

Mr M Watts

Director

8 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LOBSTER LIMITED

Opinion

We have audited the financial statements of New Lobster 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 NEW LOBSTER 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LOBSTER 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.

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, 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 NEW LOBSTER LIMITED (CONTINUED)**

V Vadgama

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

8 May 2026

**Chartered Accountants
Statutory Auditor**

NEW LOBSTER LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

		2026	2025
	Notes	£	£
Revenue	3	42,232,634	44,562,201
Cost of sales		(36,577,442)	(33,788,490)
Gross profit		<u>5,655,192</u>	<u>10,773,711</u>
Distribution costs		(2,840,382)	(3,590,272)
Administrative expenses		(9,833,365)	(11,816,213)
Other operating income		3,022,130	3,374,115
Operating loss	4	<u>(3,996,425)</u>	<u>(1,258,659)</u>
Finance costs	7	(161,785)	(400,432)
Loss before taxation		<u>(4,158,210)</u>	<u>(1,659,091)</u>
Tax on loss	8	982,000	414,478
Loss and total comprehensive income for the year		<u><u>(3,176,210)</u></u>	<u><u>(1,244,613)</u></u>

NEW LOBSTER LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Non-current assets					
Intangible assets	9		208,044		183,876
Property, plant and equipment	10		71,966		57,986
Deferred tax asset	16		982,000		-
			<u>1,262,010</u>		<u>241,862</u>
Current assets					
Inventories	11	9,245,970		10,701,241	
Trade and other receivables	12	18,781,477		17,204,366	
Cash and cash equivalents		1,815,581		1,307,916	
		<u>29,843,028</u>		<u>29,213,523</u>	
Current liabilities	13	<u>(20,779,436)</u>		<u>(15,954,280)</u>	
Net current assets			<u>9,063,592</u>		<u>13,259,243</u>
Total assets less current liabilities			<u>10,325,602</u>		<u>13,501,105</u>
Equity					
Called up share capital	19		3		3
Share premium account	20		14,599,998		14,599,998
Share-based payments reserve	21		10,579		9,872
Retained earnings			<u>(4,284,978)</u>		<u>(1,108,768)</u>
Total equity			<u>10,325,602</u>		<u>13,501,105</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 8 May 2026 and are signed on its behalf by:

M J Watts

Mr M Watts
Director

Company registration number 14841429 (England and Wales)

NEW LOBSTER LIMITED

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

	Share capital	Share premium account	Share- based payments reserve	Retained earnings	Total
	£	£	£	£	£
Balance at 1 April 2024	3	14,599,998	3,628	135,845	14,739,474
Year ended 31 March 2025:					
Loss and total comprehensive income	-	-	-	(1,244,613)	(1,244,613)
Transactions with owners:					
Other movements	-	-	6,244	-	6,244
Balance at 31 March 2025	3	14,599,998	9,872	(1,108,768)	13,501,105
Year ended 31 March 2026:					
Loss and total comprehensive income	-	-	-	(3,176,210)	(3,176,210)
Transactions with owners:					
Other movements	-	-	707	-	707
Balance at 31 March 2026	3	14,599,998	10,579	(4,284,978)	10,325,602

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Company information

New Lobster Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6-10 Market Road, London, N7 9PW. 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.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a statement of cash flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the statement of comprehensive income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- 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; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

Where required, equivalent disclosures are given in the group accounts of PDS Lifestyle Limited. The group accounts of PDS Lifestyle Limited are available to the public and can be obtained as set out in note 24.

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.

NEW LOBSTER 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.

Sale of goods

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.

Agency commission receivable

Commission receivable is earned when the supplier delivers to the end customers.

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.

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:

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.

NEW LOBSTER 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.

NEW LOBSTER 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.

NEW LOBSTER 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 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.

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.

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

1.14 Retirement benefits

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

1.15 Share-based payments

The ultimate parent company PDS Limited has issued share options to certain directors and employees. 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.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.16 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.

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 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

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 Company's share price, future dividend yield and the rate that 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 19. The Group uses a professional valuer in the determination of the fair value of options at grant date.

NEW LOBSTER LIMITED

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

3 Revenue

	2026	2025
	£	£
Revenue analysed by class of business		
Wholesale and Franchise sales	41,377,747	43,907,794
Agency commission	854,887	654,407
	<u>42,232,634</u>	<u>44,562,201</u>
	<u><u>42,232,634</u></u>	<u><u>44,562,201</u></u>
	2026	2025
	£	£
Revenue analysed by geographical market		
United Kingdom	19,432,617	16,326,575
Rest of the world	22,800,017	28,235,626
	<u>42,232,634</u>	<u>44,562,201</u>
	<u><u>42,232,634</u></u>	<u><u>44,562,201</u></u>

4 Operating loss

	2026	2025
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(538,095)	388,278
Fees payable to the company's auditor for the audit of the company's financial statements	44,720	40,000
Depreciation of property, plant and equipment	45,712	32,745
Amortisation of intangible assets (included within administrative expenses)	114,120	36,313
Cost of inventories recognised as an expense	32,511,261	32,020,870
Share-based payments	707	6,244
	<u>707</u>	<u>6,244</u>
	<u><u>707</u></u>	<u><u>6,244</u></u>

NEW LOBSTER LIMITED

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

5 Employees

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

	2026	2025
	Number	Number
Management	2	3
Finance/HR/Administration/Compliance	8	6
Marketing & sales	1	14
Designers	44	50
Trading	26	24
	<hr/>	<hr/>
Total	81	97
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	2026	2025
	£	£
Wages and salaries	4,912,148	6,431,215
Social security costs	618,975	678,874
Pension costs	119,152	210,998
	<hr/>	<hr/>
	5,650,275	7,321,087
	<hr/> <hr/>	<hr/> <hr/>

6 Directors' remuneration

	2026	2025
	£	£
Remuneration for qualifying services	140,000	193,396
Company pension contributions to defined contribution schemes	4,200	47,875
	<hr/>	<hr/>
	144,200	241,271
	<hr/> <hr/>	<hr/> <hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1.

NEW LOBSTER LIMITED

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

7 Finance costs

	2026	2025
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	260	400,432
Interest on other loans	161,525	-
	<u>161,785</u>	<u>400,432</u>

8 Taxation

	2026	2025
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(406,564)
Adjustments in respect of prior periods	-	(7,914)
	<u>-</u>	<u>(414,478)</u>
Total UK current tax	<u>-</u>	<u>(414,478)</u>
Deferred tax		
Origination and reversal of temporary differences	(982,000)	-
	<u>(982,000)</u>	<u>-</u>
Total tax (credit)	<u>(982,000)</u>	<u>(414,478)</u>

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

	2026	2025
	£	£
Loss before taxation	(4,158,210)	(1,659,091)
	<u>(4,158,210)</u>	<u>(1,659,091)</u>
Expected tax credit based on a corporation tax rate of 25.00% (2025: 25.00%)	(1,039,553)	(414,773)
Effect of expenses not deductible in determining taxable profit	18	8,209
Adjustment in respect of prior years	-	(7,914)
Deferred tax adjustments in respect of prior years	57,535	-
	<u>(982,000)</u>	<u>(414,478)</u>
Taxation credit for the year	<u>(982,000)</u>	<u>(414,478)</u>

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

9 Intangible fixed assets

	Softwares £
Cost	
At 31 March 2025	220,189
Additions - internally generated	138,288
	<hr/>
At 31 March 2026	358,477
	<hr/>
Amortisation and impairment	
At 31 March 2025	36,313
Charge for the year	114,120
	<hr/>
At 31 March 2026	150,433
	<hr/>
Carrying amount	
At 31 March 2026	208,044
	<hr/> <hr/>
At 31 March 2025	183,876
	<hr/> <hr/>

10 Property, plant and equipment

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2025	6,194	99,047	105,241
Additions	46,201	13,491	59,692
	<hr/>	<hr/>	<hr/>
At 31 March 2026	52,395	112,538	164,933
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment			
At 1 April 2025	929	46,326	47,255
Charge for the year	11,142	34,570	45,712
	<hr/>	<hr/>	<hr/>
At 31 March 2026	12,071	80,896	92,967
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2026	40,324	31,642	71,966
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2025	5,265	52,721	57,986
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

11 Inventories

	2026	2025
	£	£
Finished goods	9,245,970	10,701,241
	<u>9,245,970</u>	<u>10,701,241</u>

12 Trade and other receivables

	2026	2025
	£	£
Trade receivables	12,166,465	15,326,722
Provision for bad and doubtful debts	(38,042)	(207,907)
	<u>12,128,423</u>	<u>15,118,815</u>
Corporation tax recoverable	-	406,564
Other receivables	2,082,309	1,560,561
Prepayments and accrued income	4,570,745	118,426
	<u>18,781,477</u>	<u>17,204,366</u>

13 Liabilities

	2026	2025
	£	£
	Notes	
Borrowings	14	125
Trade and other payables	15	19,885,656
Corporation tax		61,116
Other taxation and social security		832,539
		<u>20,779,436</u>
		<u>15,954,280</u>

14 Borrowings

	2026	2025
	£	£
Borrowings held at amortised cost:		
Bank overdrafts	125	-

NEW LOBSTER LIMITED

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

15 Trade and other payables

	2026	2025
	£	£
Trade payables	2,281,782	4,897,991
Amount owed to parent undertaking	4,703,520	291,948
Amounts owed to fellow group undertakings	6,372,132	3,632,271
Accruals and deferred income	1,447,945	2,175,929
Other payables	5,080,277	4,415,707
	<u>19,885,656</u>	<u>15,413,846</u>

16 Deferred taxation

	Assets	
	2026	2025
	£	£
Deferred tax balances	982,000	-
	<u>982,000</u>	<u>-</u>

Deferred tax assets are expected to be recovered after more than 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.

	Tax losses
	£
Liability at 1 April 2024 and 1 April 2025	-
Deferred tax movements in current year	
Credit/(charge) to profit or loss	982,000
Asset at 31 March 2026	<u>982,000</u>

17 Retirement benefit schemes

	2026	2025
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	119,152	210,998
	<u>119,152</u>	<u>210,998</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.

NEW LOBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

18 Share-based payments

The options outstanding at 31 March 2026 had an exercise price 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 2025 or 2026.

Expenses

Related to equity settled share based payments	707	6,244
--	-----	-------

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.

19 Share capital

	2026	2025	2026	2025
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	3	3	3	3

NEW LOBSTER LIMITED

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

20 Share premium account

	2026	2025
	£	£
At the beginning and end of the year	14,599,998	14,599,998
	<u>14,599,998</u>	<u>14,599,998</u>

21 Share-based payments reserve

	2026	2025
	£	£
At the beginning of the year	9,872	3,628
Other movements	707	6,244
	<u>10,579</u>	<u>9,872</u>
At the end of the year	10,579	9,872
	<u>10,579</u>	<u>9,872</u>

22 Contingent liabilities

The company is party to a Composite Company Limited Multilateral Guarantee dated 13 December 2023 involving New Lobster Limited and Multinational Textile Group Limited (an intermediate parent company), to HSBC.

23 Related party transactions

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

	Balance included within (trade creditors)/trade debtors at year end	
	2026	2025
	£	£
PDS Lifestyle Limited	(4,703,520)	(291,948)
PDS Multinational FZCO	(371,356)	(371,628)
Design Arc Asia Limited	(1,429,557)	(282,946)
PDS Asia Star Corporation Limited	(978,282)	(1,248,128)
Spring Near East FZCO	-	(133,391)
Norwest Industries Limited	(1,495,407)	(1,156,594)

NEW LOBSTER LIMITED

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

23 Related party transactions (Continued)

PDS Fashions Limited	(8,882)	(997)
360 Notch Limited	(456,922)	(387,710)
PDS Far East USA Inc	(72,396)	(50,878)
Poeticgem Limited	(3,047)	-
PDS Brands Manufacturing Limited	(1,556,283)	-

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

During the year, the company paid consultancy fees of £330,000 (2025: £341,610) to L&S Retail Limited, where Mr S Goodwin is also a director.

24 Controlling party

The immediate parent company is PDS Lifestyle Limited, a company registered in the United Kingdom, and the ultimate parent company is PDS Limited, a company registered in India.

PDS Limited prepares group financial statements and copies can be obtained from Corporate Office: 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.

NEW LOBSTER LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2026

NEW LOBSTER LIMITED**DETAILED INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2026	2025	2025
	£	£	£	£
Revenue				
Sales of goods		41,377,748		43,907,793
Agency commission		854,886		654,408
		<u>42,232,634</u>		<u>44,562,201</u>
Cost of sales		<u>(36,577,442)</u>		<u>(33,788,490)</u>
Gross profit	13.39%	5,655,192	24.18%	10,773,711
Other operating income				
Sundry income		3,022,130		3,374,115
Distribution costs		<u>(2,840,382)</u>		<u>(3,590,272)</u>
Administrative expenses		<u>(9,833,365)</u>		<u>(11,816,213)</u>
Operating loss		<u>(3,996,425)</u>		<u>(1,258,659)</u>
Finance costs				
Bank interest on loans and overdrafts	260		400,432	
Other interest payable	161,525		-	
		<u>(161,785)</u>		<u>(400,432)</u>
Loss before taxation	9.85%	<u><u>(4,158,210)</u></u>	3.72%	<u><u>(1,659,091)</u></u>

NEW LOBSTER LIMITED

**SCHEDULES TO THE INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Cost of sales		
Opening stock of finished goods	10,701,241	4,402,395
	<hr/>	<hr/>
<i>Purchases and other direct costs</i>		
Finished goods purchases	29,664,009	38,319,716
License fees	4,066,181	1,767,620
	<hr/>	<hr/>
Total purchases and other direct costs	33,730,190	40,087,336
	<hr/>	<hr/>
Closing stock of finished goods	7,853,989	10,701,241
	<hr/>	<hr/>
Total cost of sales	36,577,442	33,788,490
	<hr/> <hr/>	<hr/> <hr/>
Distribution costs		
Warehouse	1,935,915	2,565,865
Transport	904,467	1,024,407
	<hr/>	<hr/>
	2,840,382	3,590,272
	<hr/> <hr/>	<hr/> <hr/>

NEW LOBSTER LIMITED**SCHEDULES TO THE INCOME STATEMENT (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2026**

	2026	2025
	£	£
Administrative expenses		
Wages and salaries	4,771,441	6,231,575
Social security costs	598,726	661,927
Staff recruitment costs	141,125	197,106
Staff welfare	33,147	-
Staff training	-	23,936
Staff pension costs defined contribution	114,952	163,123
Equity settled share based payment costs	707	6,244
Directors' remuneration	140,000	193,396
Directors' social security costs	20,249	16,947
Directors' pension costs - defined contribution scheme	4,200	47,875
Rent re operating leases	123,441	46,800
Samples	89,650	1,525
Rates	536	-
Computer running costs	907,984	690,166
Travelling expenses	61,101	97,124
Postage, courier and delivery charges	5,636	1,433
Professional subscriptions	36,760	61,297
Legal and professional fees	122,886	821,146
Consultancy fees	780,233	-
Audit fees	44,720	40,000
Bank charges	21,419	27,634
Bad and doubtful debts	275,272	(542,254)
Insurances (not premises)	173,482	107,357
Printing and stationery	343	8
Advertising	924,300	831,948
Telecommunications	-	41
Other office supplies	5,126	273,687
Entertaining	256	48
Sundry expenses	80,028	409,945
Corporate charges	733,908	948,843
Amortisation	114,120	36,313
Depreciation	45,712	32,745
Profit or loss on foreign exchange	(538,095)	388,278
	<u>9,833,365</u>	<u>11,816,213</u>