

Company registration number 02608346 (England and Wales)

POETICGEM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

POETICGEM LIMITED

COMPANY INFORMATION

Directors	Mr A Banaik Dr A Bhupatkar Mr K Kanodia Mr A Kanoi
Secretary	Mr K Kanodia
Company number	02608346
Registered office	Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

POETICGEM LIMITED

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POETICGEM 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

The company delivered a resilient and encouraging performance during the financial year, reflecting the strength of its business model, disciplined execution, and ability to adapt effectively within a dynamic and competitive market environment. The Directors are pleased with the progress achieved during the year, and the company's financial position at year-end remains strong and well-positioned to support future growth initiatives.

The Board would like to acknowledge the continued dedication and contribution of the company's employees, management team, commercial partners, and stakeholders, whose commitment and collaborative efforts remain fundamental to the company's ongoing success and development.

During the year, the company continued to advance a number of key strategic priorities. These included expansion into selected high-potential markets, increased focus on innovation and design-led product development, and strengthening the company's brand positioning in response to evolving consumer preferences and market trends. These initiatives have enhanced the company's competitive standing and established a solid platform for sustainable long-term growth.

A significant strategic focus remains the continued expansion of the company's design-led business model through long-term strategic partnerships, together with the conceptualisation, development, and curation of distinctive brands. The Directors believe this approach strengthens the company's market differentiation, enhances customer engagement, and creates additional opportunities for scalable and recurring revenue streams.

Alongside its commercial objectives, the company continues to prioritise operational excellence, agility, and a customer-centric approach across all areas of the business. Ongoing improvements in internal processes, collaboration, and strategic planning are expected to further strengthen operational efficiency and support future expansion opportunities.

The company's principal key performance indicator continues to be the achievement of sustainable growth in net profit, supported by disciplined cost management, strategic investment, and continued development of the company's core business activities.

Looking ahead, the Directors remain confident in the company's strategic direction and future prospects. With a clear long-term vision, a differentiated market offering, and a strong operational foundation, the Board believes the company is well positioned to capitalise on emerging opportunities and deliver continued sustainable value in the years ahead.

POETICGEM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

The company's key performance indicator is measured by reference to maintaining growth in net profit.

Profit before tax in 2025 of £286,620 has decreased to £276,580.

Other key financial performance indicators can be summarised as follows:

i) Improvement and efficiency of asset usage	2026	2025
a) Average credit period for trade receivables	45 days	52 days
ii) Financial stability of the company	2026	2025
Working capital ratio	1.35:1	1.28:1
Liquidity ratio	1.27:1	1.24:1

Principal risks and uncertainties

The main risks of the company are summarised below:

Currency risk

Expenses and revenue of the company are mainly denominated in USD and GBP. As a result, the company is subject to risk of foreign currency movements. It is the company's policy to monitor this risk and to take necessary steps to minimise any adverse effects.

Liquidity risk

Liquidity risk is the risk that the company may encounter in meeting its financial liabilities obligations as they fall due. During the year, the company continued to be funded from liquid resources retained in the UK. The directors continue to monitor the company's liquidity, taking steps, wherever necessary, to ensure that financial obligations and commitments are met as and when they fall due.

Market risk

Pressure on margins: As the competition amongst value retailers is increasing, profit margins are under constant pressure. However, the company is spreading its customer base from value retailers to high margin fashion retailers to counter this risk.

Credit Risk

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise the risk, management have appropriate credit assessment methods in place to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports.

POETICGEM LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

The main uncertainties of the company are summarised below:

Inflationary Pressure

Continued rise of global material cost including cotton and also increased cost of logistic services is exerting significant pressure on fashion garment industry. The Company is working along with its suppliers and customers towards providing possible solutions and improving efficiency in the supply chain to mitigate its impact.

Other information and explanations

Environmental policy

The company recognises the importance of environmental responsibilities and where practical has an environmental policy in place which includes challenging sustainability agenda including increased trading of responsibly sourced garments and recycling of paper and all office materials. The directors believe the nature of its activities has a minimal effect on the environment.

Health and safety

The company recognises the importance of safeguarding the health, safety and welfare of its employees and has a health and safety policy in place. Regular updates are communicated to all employees.

Employees

The company aims to ensure that the employees work in a safe and healthy environment. The company encourages the workforce to be involved by providing appropriate training, learning and career development programmes. It is also making information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

On behalf of the board

Krishna Kanodia

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Mr K Kanodia

Director

Date: 10/05/2026
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POETICGEM 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 company's primary activities include Designing, Importing, and Distribution of Cloths, alongside Conceptualizing and Curating Brands.

Results and dividends

The results for the year are set out on page 10.

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 A Banaik
Dr A Bhupatkar
Mr K Kanodia
Mr A Kanoi

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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

POETICGEM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Krishna Kanodia

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Mr K Kanodia

Director

Date: 10/05/2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POETICGEM LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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 POETICGEM 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 POETICGEM 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 POETICGEM LIMITED (CONTINUED)**

V Vadgama

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

11/05/2026
Date:

**Chartered Accountants
Statutory Auditor**

POETICGEM LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2026**

		2026	2025
	Notes	£	as restated £
Revenue	4	30,483,866	28,276,847
Cost of sales		(15,725,318)	(13,515,462)
Gross profit		<u>14,758,548</u>	<u>14,761,385</u>
Other operating income		574,876	549,094
Distribution costs		(1,434,076)	(1,129,741)
Administrative expenses		(13,141,688)	(14,023,721)
Operating profit	5	<u>757,660</u>	<u>157,017</u>
Investment revenues	9	7,507	9,118
Finance costs	10	(488,587)	(337,452)
Profit/(loss) before taxation		<u>276,580</u>	<u>(171,317)</u>
Income tax expense		-	-
Profit/(loss) and total comprehensive income for the year		<u><u>276,580</u></u>	<u><u>(171,317)</u></u>

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

POETICGEM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

		2026	2025
	Notes	£	as restated £
Non-current assets			
Intangible assets	12	417,465	781,826
Property, plant and equipment	13	8,806,412	9,879,638
Investments	14	41,921	43,424
Other receivables	16	5,390,421	5,413,388
		<u>14,656,219</u>	<u>16,118,276</u>
Current assets			
Inventories	15	842,616	499,640
Trade and other receivables	16	11,753,330	13,234,524
Cash and cash equivalents		1,985,021	1,963,236
		<u>14,580,967</u>	<u>15,697,400</u>
Current liabilities			
Trade and other payables	20	8,930,257	9,463,580
Current tax liabilities		95,469	179,503
Borrowings	21	728,332	1,958,440
Lease liabilities	22	1,067,472	1,015,854
		<u>10,821,530</u>	<u>12,617,377</u>
Net current assets		<u>3,759,437</u>	<u>3,080,023</u>
Non-current liabilities			
Lease liabilities	22	7,733,074	8,791,218
Deferred tax liabilities	23	53,467	53,467
		<u>7,786,541</u>	<u>8,844,685</u>
Net assets		<u>10,629,115</u>	<u>10,353,614</u>
Equity			
Called up share capital	26	50,000	50,000
Cashflow hedge	27	(42,572)	(23,267)
Share-based payments reserve	28	1,058,448	1,040,222
Retained earnings		9,563,239	9,286,659
Total equity		<u>10,629,115</u>	<u>10,353,614</u>

POETICGEM LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2026

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^{10/05/2026} and are signed on its behalf by:

Krishna Kanodia

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Mr K Kanodia
Director

Company registration number 02608346 (England and Wales)

POETICGEM LIMITED

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

	Share capital	Cashflow hedge	Share- based payments reserve	Retained earnings	Total
Notes	£	£	£	£	£
As restated for the period ended 31 March 2025:					
Balance at 1 April 2024	50,000	10,647	958,926	10,657,974	11,677,547
Balance at 1 April 2024	50,000	10,647	958,926	10,657,974	11,677,547
Year ended 31 March 2025:					
Loss and total comprehensive income	-	-	-	(171,317)	(171,317)
Transactions with owners:					
Dividends	-	-	-	(1,199,998)	(1,199,998)
Other movements	-	(33,914)	81,296	-	47,382
Balance at 31 March 2025	50,000	(23,267)	1,040,222	9,286,659	10,353,614
Year ended 31 March 2026:					
Profit and total comprehensive income	-	-	-	276,580	276,580
Transactions with owners:					
Other movements	-	(19,305)	18,226	-	(1,079)
Balance at 31 March 2026	50,000	(42,572)	1,058,448	9,563,239	10,629,115

POETICGEM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	34		3,134,361		3,064,555
Interest paid			(488,587)		(337,452)
Income taxes paid			(84,034)		(608,300)
Net cash inflow from operating activities			2,561,740		2,118,803
Investing activities					
Purchase of property, plant and equipment		(323,122)		(150,749)	
Proceeds from disposal of property, plant and equipment		10,791		-	
Proceeds from disposal of investments		1,503		854	
Interest received		7,507		9,118	
Net cash used in investing activities			(303,321)		(140,777)
Financing activities					
Proceeds from new bank loans		-		1,188,369	
Repayment of bank loans		(862,714)		-	
Payment of lease liabilities		(1,006,526)		(835,961)	
Dividends paid		-		(1,199,998)	
Net cash used in financing activities			(1,869,240)		(847,590)
Net increase in cash and cash equivalents			389,179		1,130,436
Cash and cash equivalents at beginning of year			1,595,842		465,406
Cash and cash equivalents at end of year			1,985,021		1,595,842
Relating to:					
Bank balances and short term deposits			1,985,021		1,963,236
Bank overdrafts			-		(367,394)

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Company information

Poeticgem 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 International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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.

1.2 Prior period error

The comparatives have been restated to incorporate the impact of bonus adjustments. Further information is on note 36.

1.3 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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.4 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.

-Commission receivable

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

-Rental income

Rental income is earned at arm's length on the freehold property which is occupied by a third party. Rental income under operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the lease.

-Interest income

Interest revenue is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

-Corporate income

Corporate income represents the recovery of cost of services rendered by senior management. It is accounted for on an accrual basis.

1.5 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.

Product Development Costs 3 years straight line

The product is in its development stage and will be amortised once the product has been launched.

1.6 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:

Land and buildings Leasehold	1% straight line on long lease and over lease term for short lease
Fixtures, fittings & equipment	25% reducing balance
Plant and machinery	33.33% reducing balance
Motor vehicles	25% reducing balance

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.7 Impairment of tangible and intangible assets

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

1.8 Inventories

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

1.9 Cash and cash equivalents

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

1.10 Financial assets

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

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

Financial assets held at amortised cost

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

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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

Available-for-sale assets are non-derivatives that are either designated in this category or not classified in any other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are stated at fair value.

Impairment of financial assets

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

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

Derecognition of financial assets

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

1.11 Financial liabilities

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

Other financial liabilities

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

Derecognition of financial liabilities

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

1.12 Equity instruments

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

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 Share-based payments

The parent company PDS Limited (formerly PDS Multinational Fashions 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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

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

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

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

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

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

1.18 Foreign exchange

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

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

(Continued)

1.19 Change in accounting policy

During the year, the Group changed its accounting policy for employee bonuses from cash-based recognition to an accrual-based approach in accordance with IFRS. Under the revised policy, bonus expenses are recognised in the period in which the related employee services are rendered and a liability is recognised when the obligation can be reliably estimated. The change has been applied retrospectively in accordance with IAS 8, with a corresponding adjustment to opening retained earnings and restatement of comparative information.

2 Adoption of new and revised standards and changes in accounting policies

Change in accounting policy

The company has changed its accounting policy for recognising employee bonus expenses from a cash basis to an accrual basis. Bonus costs are now recognised in the period in which the related performance is earned, providing a more appropriate matching of expenses with revenue. This change has been treated as a change in accounting estimate in accordance with IAS 8, and opening retained earnings have been adjusted for the impact of prior-period incentive payments.

3 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 24. The Group uses a professional valuer in the determination of the fair value of options at grant date.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Critical accounting estimates and judgements

(Continued)

Development costs

The director would assess and apply judgement on whether costs incurred in the development of the intangible assets meet the conditions required for capitalisation.

Valuation of lease liability & right-of-use asset

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

Key sources of estimation uncertainty

Interest-bearing loans and borrowings

Interest-bearing bank loans and overdrafts are recorded as the proceeds received, net of direct issue costs. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Derivative financial instruments and hedge accounting

The company uses derivative financial instruments such as forward currency contracts to hedge its exposure to exchange rate movements on merchandise purchases, certain other costs and sales denominated in foreign currencies.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The company applies cash flow hedge accounting whereby changes in the fair value of the hedging instrument are recognised directly in equity rather than the statement of comprehensive income. When the hedged item is recognised in the financial statements, the accumulated gains and losses are removed from equity and recognised in the profit and loss.

Hedge effectiveness testing is carried out retrospectively and prospectively and where ineffectiveness arises on hedged item, the changes in fair value are taken directly to the statement of comprehensive income for the year.

4 Revenue

An analysis of the company's revenue is as follows:

	2026	2025
	£	£
Revenue analysed by class of business		
Sale of garments	17,506,832	12,928,594
Commission receivable	12,977,034	15,348,253
	<u>30,483,866</u>	<u>28,276,847</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

4 Revenue	(Continued)	
	2026	2025
	£	£
Revenue analysed by geographical market		
UK	20,469,580	12,928,594
Rest of the world	10,014,286	15,348,253
	<u>30,483,866</u>	<u>28,276,847</u>
5 Operating profit		
	2026	2025
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange losses	256,191	23,076
Depreciation of property, plant and equipment	1,385,557	1,115,856
Amortisation of intangible assets (included within administrative expenses)	364,361	364,361
Cost of inventories recognised as an expense	15,725,318	13,515,462
Share-based payments	17,401	80,117
	<u>17,748,828</u>	<u>14,999,672</u>
6 Auditor's remuneration		
	2026	2025
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	55,277	37,298
	<u>55,277</u>	<u>37,298</u>
For other services		
Other services	20,186	16,750
	<u>20,186</u>	<u>16,750</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

7 Employees

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

	2026 Number	2025 Number
Designers	56	59
Sales	35	39
Management and administration	27	28
Quality Control	13	16
Total	<u>131</u>	<u>142</u>

Their aggregate remuneration comprised:

	2026 £	2025 £
Wages and salaries	7,255,724	8,550,408
Social security costs	1,023,869	993,960
Pension costs	156,555	226,117
	<u>8,436,148</u>	<u>9,770,485</u>

8 Directors' remuneration

	2026 £	2025 £
Remuneration for qualifying services	481,000	479,403
Company pension contributions to defined contribution schemes	2,642	2,642
	<u>483,642</u>	<u>482,045</u>

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

The number of directors who exercised share options during the year was 0 (2025 - 2).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2025 - 2).

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

8 Directors' remuneration

(Continued)

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

	2026	2025
	£	£
Remuneration for qualifying services	381,000	374,000
Company pension contributions to defined contribution schemes	1,321	1,321
	<u> </u>	<u> </u>

The highest paid director has exercised share options during the year.

9 Investment income

	2026	2025
	£	£
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	7,507	9,118
	<u> </u>	<u> </u>

Income above relates to assets held at amortised cost, unless stated otherwise.

10 Finance costs

	2026	2025
	£	£
Interest on bank overdrafts and loans	123,887	44,298
Interest on lease liabilities	364,700	293,154
	<u> </u>	<u> </u>
Total interest expense	488,587	337,452
	<u> </u>	<u> </u>

11 Dividends

	2026	2025	2026	2025
	per share	per share	Total	Total
	£	£	£	£
Amounts recognised as distributions:				
Ordinary shares				
Interim dividend paid	-	23.99	-	1,199,998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

12 Intangible assets

	Product Development Costs £
Cost	
At 1 April 2024	1,146,187
At 31 March 2025	1,146,187
At 31 March 2026	1,146,187
Amortisation and impairment	
Charge for the year	364,361
At 31 March 2025	364,361
Charge for the year	364,361
At 31 March 2026	728,722
Carrying amount	
At 31 March 2026	417,465
At 31 March 2025	781,826
At 31 March 2024	1,146,187

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

13 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2024	2,897,876	2,089,238	982,866	401,069	6,371,049
Additions	9,938,460	110,659	40,090	139,120	10,228,329
Disposals	(760,147)	(1,175,783)	(851,724)	-	(2,787,654)
At 31 March 2025	12,076,189	1,024,114	171,232	540,189	13,811,724
Additions	201,927	74,188	47,007	-	323,122
Disposals	(8,775)	(566,370)	-	(74,047)	(649,192)
At 31 March 2026	12,269,341	531,932	218,239	466,142	13,485,654
Accumulated depreciation and impairment					
At 1 April 2024	2,474,321	1,803,050	892,684	216,032	5,386,087
Charge for the year	881,540	110,161	26,266	97,889	1,115,856
Eliminated on disposal	(630,774)	(1,087,508)	(851,575)	-	(2,569,857)
At 31 March 2025	2,725,087	825,703	67,375	313,921	3,932,086
Charge for the year	1,080,078	154,054	38,710	112,715	1,385,557
Eliminated on disposal	-	(549,690)	(14,664)	(74,047)	(638,401)
At 31 March 2026	3,805,165	430,067	91,421	352,589	4,679,242
Carrying amount					
At 31 March 2026	8,464,176	101,865	126,818	113,553	8,806,412
At 31 March 2025	9,351,102	198,411	103,857	226,268	9,879,638

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

Right-of-use assets	2026	2025
	£	£
Net values at the year end		
Property	8,314,528	9,350,700
Motor vehicles	113,553	216,110
	<u>8,428,081</u>	<u>9,566,810</u>
Total additions in the year	<u>50,104</u>	<u>10,077,580</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

13 Property, plant and equipment (Continued)

Depreciation charge for the year

Property			1,067,344	881,540
Motor vehicles			112,715	91,860
			<u>1,180,059</u>	<u>973,400</u>

14 Investments

	Current		Non-current	
	2026	2025	2026	2025
	£	£	£	£
Other investments	-	-	41,921	43,424
	<u>-</u>	<u>-</u>	<u>41,921</u>	<u>43,424</u>

Fair value of financial assets carried at amortised cost

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

15 Inventories

	2026	2025
	£	£
Finished goods	842,616	499,640
	<u>842,616</u>	<u>499,640</u>

16 Trade and other receivables

	Current		Non-current	
	2026	2025	2026	2025
	£	£	£	£
Trade receivables	2,151,915	4,026,585	-	-
VAT recoverable	12,252	92,624	-	-
Amounts owed by fellow group undertakings	8,574,390	7,545,580	-	-
Amounts owed by related parties	114,840	148,416	-	-
Other receivables	461,115	966,397	5,390,421	5,413,388
Prepayments	438,818	454,922	-	-
	<u>11,753,330</u>	<u>13,234,524</u>	<u>5,390,421</u>	<u>5,413,388</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

16 Trade and other receivables

(Continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

17 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

18 Fair value of financial liabilities

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

19 Derivative financial instruments

	2026	2025
	£	£
Forward foreign exchange (fair value)	(42,572)	(23,267)
	<u> </u>	<u> </u>

The terms of the forward foreign exchange contracts have been negotiated to match the terms of the commitments referred to below.

The cash flow hedges of the expected future purchases were assessed to be highly effective and as at 31 March 2026, a recognised loss of £45,272 (2025: £23,267) was included in the hedging reserves in respect of these contracts.

At the balance sheet date, the total notional amounts of outstanding forward foreign exchange contracts that the group has committed to are as follows:

	2026	2025
	£	£
Forward foreign exchange contracts (cash flow hedges)	9,228,982	6,414,449
	<u> </u>	<u> </u>

These commitments have been entered into to hedge against future payments to suppliers in the ordinary course of business.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

20 Trade and other payables

	2026	2025
	£	(as restated)
	£	£
Trade payables	1,471,819	890,993
Amounts owed to fellow group undertakings	5,497,989	6,442,114
Amounts owed to related parties	8,125	2,493
Accruals	739,642	902,669
Social security and other taxation	379,231	545,878
Other payables	833,451	679,433
	<u>8,930,257</u>	<u>9,463,580</u>
	<u><u>8,930,257</u></u>	<u><u>9,463,580</u></u>

Information related to prior period adjustment is included in note 36.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

21 Borrowings

	2026	2025
	£	£
Borrowings held at amortised cost:		
Bank overdrafts	-	367,394
Bank loans	728,332	1,591,046

Bank loans are arranged at floating rates, thus exposing the company to cash flow interest rate risk.

The other principal features of the company's borrowings are as follows:

- i) Bank overdrafts are repayable on demand. The average effective interest rate on bank overdrafts approximates to 6.99 percent per annum and is determined based on 2 percent plus base rate.

At 31 March 2026, the company had available £2,500,000 (2025: £2,500,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The company has advances from factors that are secured by a charge on the trade receivables of the company.

The carrying value of all the company's long term borrowings approximate to their fair value as at the balance sheet date.

22 Lease liabilities

	2026	2025
	£	£
Net amounts due		
Within one year	1,067,472	1,015,854
After more than one year	7,733,074	8,791,218
	<u>8,800,546</u>	<u>9,807,072</u>

	2026	2025
	£	£
Maturity analysis of future lease payments		
Within one year	1,385,274	1,400,200
In two to five years	4,003,897	5,096,940
In over five years	4,836,749	5,097,920
	<u>10,225,920</u>	<u>11,595,060</u>
Total undiscounted liabilities	10,225,920	11,595,060
Future finance charges and other adjustments	(1,425,374)	(1,787,988)
	<u>8,800,546</u>	<u>9,807,072</u>
Lease liabilities in the financial statements	<u>8,800,546</u>	<u>9,807,072</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

22 Lease liabilities

(Continued)

The company enters into leasing arrangements for certain assets. Lease payments are made over the lease terms and are primarily fixed in nature. The lease arrangements do not include purchase options and there are no material restrictions imposed by the lease agreements. The company has not entered into any material variable lease payment or contingent rental arrangements.

Other leasing information is included in note 30.

23 Deferred taxation

	Liabilities	
	2026	2025
	£	£
Deferred tax balances	53,467	53,467

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

	ACAs
	£
Liability at 1 April 2024	53,467
Liability at 1 April 2025 and 31 March 2026	53,467

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

24 Retirement benefit schemes

	2026	2025
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	156,555	226,117

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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

25 Share-based payments

	Number of share options		Average exercise price	
	2026	2025	2026	2025
	Number	Number	INR	INR
Outstanding at 1 April 2025	280,375	550,375	109.52	174.91
Exercised in the period	(10,000)	(270,000)	219.00	133.30
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Outstanding at 31 March 2026	<u>270,375</u>	<u>280,375</u>	<u>-</u>	<u>109.52</u>

Options outstanding

The options outstanding at 31 March 2026 has an exercise price of INR 219 (2025: INR 133 to INR 174.91).

The weighted-average share price at the date of exercise for share options exercised in 2026 was INR 219 (2025: INR133.30).

Expenses

Related to equity settled share based payments	<u>17,401</u>	<u>80,117</u>
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POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

25 Share-based payments

(Continued)

Share options were granted to the employees of the company on 03/07/2021 and 22/10/2021. There are performance conditions attached to these options. Options granted under this plan vest as follows;

For the Share options granted on 03/07/2021

- a. 30% of the options vest at the end of 1st year from the date of Grant,
- b. 30% of the options vest at the end of 2nd year from the date of Grant,
- c. 40% of the options vest at the end of 3rd 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.

For the Share options granted on 22/10/2021

- 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 of certain conditions as mentioned in the grant letter.

Both 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	03/07/2021	22/10/2021
Share price at grant date	INR 199.80	INR 273.80
Exercise price	INR 130.00	INR 219.00
Number of employees	1	16
Shares under option	650,000	377,500
Vesting period (years)	3	4
Option life (years)	3	4
Expected life (years)	3	4
Fair value per option;		
Year 1	INR 83.80	INR 94.80
Year 2	INR 90.00	INR 107.00
Year 3	INR 95.40	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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

26 Share capital

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

27 Cashflow hedge

	2026	2025
	£	£
At the beginning of the year	(23,267)	10,647
Other movements	(19,305)	(33,914)
At the end of the year	(42,572)	(23,267)

28 Share-based payments reserve

	2026	2025
	£	£
At the beginning of the year	1,040,222	958,926
Other movements	18,226	81,296
At the end of the year	1,058,448	1,040,222

29 Contingent liabilities

At 31 March 2026, the company had the following contingent liabilities:

The company's bankers, HSBC plc have given the following guarantee on behalf of the group:

HM Revenue and Customs	£500,000
RBS PLC	£36,935

The bank has a fixed and floating charge over the assets of the company which is supported by a debenture dated 11 September 2012.

The company has agreed to act as a guarantor in respect of properties leased by fellow group entities.

The total rents payable on these leases for the term of the leases are as follows:

	2026
	£
Future rents payable	335,451

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

30 Other leasing information

As lessee

During the year, the company entered into certain short-term lease arrangements. Short-term leases are leases with a lease term of 12 months or less. Payments relating to short-term leases are recognised as an expense in profit or loss over the lease term.

	2026	2025
	£	£
Amounts recognised in profit or loss:		
Expense relating to short-term leases	3,640	2,105
Expense relating to variable lease payments not included in lease liabilities	-	217,660
	<u> </u>	<u> </u>

Information relating to lease liabilities is included in note 22.

31 Capital risk management

The company aims to manage its overall capital to ensure that it continues to operate as a going concern and maintains sufficient financial flexibility to undertake planned investments, whilst providing adequate return to shareholders.

The company's capital structure is reviewed on a quarterly basis to ensure that an appropriate level of gearing is being used.

The company calculates its gearing ratio as borrowings, including current and non-current borrowings, divided by total capital as represented by borrowings less cash and cash equivalents plus total equity.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

32 Related party transactions

	Rent/commission and other income		Purchases/commission and other expenses		Amounts owed from/(to) related party	
	2026	2025	2026	2025	2026	2025
	£	£	£	£	£	£
Norwest Industries Limited	50,914	-	55,137	-	748	(2,364)
Nor Lanka Manufacturing Limited	91,358	-	60	84,243	2,999	(80,591)
OLE Fashion Limited	20,906	-	29,980	-	1,090	15,586
Sunny Up Limited	37,083	-	-	-	66,635	5,472
Simple Approach Limited	739,253	-	4,198	-	192,847	(35,986)
Poeticgem International Limited	1,972,805	941,601	370,940	-	(2,579,464)	(1,934,020)
Spring Near East FZCO Limited	5,567	-	42,823	4,459	61,547	-
Spring Design London Limited	-	-	-	-	345,453	345,453
Design Arc UK Ltd	15,551	-	3,264	-	34,973	20,174
Zamira Fashion Limited	30,669	-	87	-	2,428	3,593
PDS Fashion USA Limited	373,907	510,418	-	-	846,820	510,889
Good Earth Apparels Limited	132,240	92,988	-	-	215,284	92,988
Progress Apparels (Bangladesh) Limited	62,457	-	1,774,250	1,933,307	(291,686)	(996,532)
PDS Asia Star Corporation Limited	1,403	-	-	-	619	300
Design Arc Asia Limited	1,131	-	-	-	-	-
PDS Radius Brands Ltd	-	-	-	100,719	-	-
PDS Tailoring Ltd	43,623	-	198	-	9,530	7,052
Sourcing Solutions Limited	-	-	-	-	305	-
SpringNearEast Mfg.Co.Ltd	1,577	-	49,106	-	(26,137)	(12,782)
Poetic Brands Ltd	776,818	342,000	-	299,444	2,040,568	3,310,133
PDS Fashions Hong Kong Ltd	127,086	-	1,119,276	831,000	419,370	302,520
Moda & Beyond Ltd	289,543	-	80	459,219	2,570,248	1,694,100
Clover Collections Ltd	-	-	-	-	605,282	756,488
Clover Collections FZCO	757,438	144,000	2,066	-	(415,268)	(937,839)
Brand Collective Corporation Limited	16,386	-	-	-	1,100	3,661
PDS Lifestyle Limited	-	-	-	-	5,290,212	5,290,212
PDS Lifestyle FZCO	-	-	-	-	-	4,116
Progress manufacturing Group Ltd	7,768	-	2,751	-	255,616	258,018
Poeticgem International FZCO	10,779,124	10,003,755	1,448,969	-	(2,118,737)	(2,442,000)
Poeticgem Europe Limited	-	-	-	-	468,992	214,312
Wonderwall (F.E.) Ltd	-	-	-	-	-	725
Roksanda UK Ltd	2,008	-	170	-	-	-

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

32 Related party transactions

(Continued)

New Lobster Ltd	21,247	-	-	-	3,047	-
PDS Multinational FZCO	-	-	66,683	-	(66,696)	-
Tritron Fashion FZCO	260,656	-	-	-	428,888	-
Knit Gallery India Private Limited	2,603	-	82,217	-	-	-

The above balances are interest free & repayable on demand.

The immediate parent company of Poeticgem Limited is PDS Sourcing Limited (Mauritius), which holds 99% of the issued share capital of the Company.

Poeticgem Limited forms part of the wider PDS Group, a group comprising entities under PDS Limited, Multinational Textile Group Limited, and their subsidiaries and affiliates. As such, Poeticgem Limited enters into transactions with a number of fellow subsidiaries, intermediate parent entities, and entities under common control.

Within the group of fellow subsidiaries of PDS Sourcing Limited, Poeticgem Limited has relationships with several fellow subsidiaries, including: Poetic Brands Limited, Moda & Beyond Limited, Spring Design London Limited, Design Arc UK Limited, PDS Fashions Limited (including divisions such as PDS Fashions USA Limited and PDS Fashions Hong Kong Limited), PDS Lifestyle Limited (and its subsidiary New Lobster Limited), Sunny Up Limited, Zamira Fashion Limited, Simple Approach Limited, OLE Fashion Limited, Design Arc Asia Limited, PDS Asia Star Corporation Limited, PDS Radius Brands Ltd, PDS Tailoring Ltd, and associated sourcing and trading entities.

Poeticgem Limited also transacts with entities within the Poeticgem sub-group and its international operations, including: Poeticgem International Limited, Poeticgem International FZCO, and Poeticgem Europe Limited.

Within the wider PDS group structure (via Multinational Textile Group Limited and Norwest Industries Limited), Poeticgem Limited has relationships with and/or balances with: Norwest Industries Limited, Nor Lanka Manufacturing Limited, Clover Collections Limited, Clover Collections FZCO, Sourcing Solutions Limited, Brand Collective Corporation Limited, Spring Near East FZCO, and Spring Near East Manufacturing Co. Ltd.

Poeticgem Limited also engages with entities forming part of the PDS Multinational FZCO sub-group, including: PDS Multinational FZCO, Tritron Fashion FZCO, and other associated FZCO entities within that structure (including entities such as PDS Lifestyle FZCO).

In addition, Poeticgem Limited has relationships with entities forming part of the group's manufacturing and production network, including: Progress Manufacturing Group Limited, Progress Apparels (Bangladesh) Limited, Good Earth Apparels Limited, and Knit Gallery India Private Limited.

The Company also has relationships with other entities within the wider group structure, including: Wonderwall (F.E.) Ltd and Roksanda UK Ltd, which are held through intermediate group entities under common control.

All the above entities are considered related parties by virtue of being under common control, direct or indirect ownership, or significant influence within the PDS group structure.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

32 Related party transactions

(Continued)

Loans and advances to key management of the company and their close family members:

	2026	2025
	£	£
At the start of the year	147,776	142,334
Amount advanced during the period	415,774	120,474
Amounts repaid during the period	(456,836)	(115,032)
	<hr/>	<hr/>
At the end of the year	106,714	147,776
	<hr/>	<hr/>

The above loans are repayable on demand.

33 Controlling party

The immediate parent company is PDS Sourcing Limited, a company registered in Mauritius, 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.

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

34 Cash generated from operations

	2026	2025
	£	£
Profit/(loss) for the year before taxation	276,580	(171,317)
Adjustments for:		
Finance costs	488,587	337,452
Investment income	(7,507)	(9,118)
(Gain)/loss on disposal of property, plant and equipment	-	217,797
Amortisation and impairment of intangible assets	364,361	364,361
Depreciation and impairment of property, plant and equipment	1,385,557	1,115,856
Equity settled share based payment expense	17,401	(80,117)
Movements in working capital:		
Increase in inventories	(342,976)	(185,118)
Decrease/(increase) in trade and other receivables	1,504,161	(4,298,474)
(Decrease)/increase in trade and other payables	(551,803)	5,773,233
Cash generated from operations	<u>3,134,361</u>	<u>3,064,555</u>

35 Analysis of changes in net debt

	1 April 2025	Cash flows	31 March 2026
	£	£	£
Cash at bank and in hand	1,963,236	21,785	1,985,021
Bank overdrafts	(367,394)	367,394	-
	<u>1,595,842</u>	<u>389,179</u>	<u>1,985,021</u>
Borrowings excluding overdrafts	(1,591,046)	862,714	(728,332)
Lease liabilities	(9,807,072)	1,006,526	(8,800,546)
	<u>(9,802,276)</u>	<u>2,258,419</u>	<u>(7,543,857)</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

35 Analysis of changes in net debt

(Continued)

	1 April 2024	Cash flows	31 March 2025
	£	£	£
Prior year:			
Cash at bank and in hand	718,963	1,244,273	1,963,236
Bank overdrafts	(253,557)	(113,837)	(367,394)
	<u>465,406</u>	<u>1,130,436</u>	<u>1,595,842</u>
Borrowings excluding overdrafts	(402,677)	(1,188,369)	(1,591,046)
Lease liabilities	(565,453)	835,961	(9,807,072)
	<u>(502,724)</u>	<u>778,028</u>	<u>(9,802,276)</u>

36 Prior period adjustment

Changes to the statement of financial position

	At 31 March 2025		
	Previously reported	Adjustment	As restated
	£	£	£
Creditors due within one year			
Other payables	(9,005,643)	(457,937)	(9,463,580)
Net assets	10,811,551	(457,937)	10,353,614
	<u>10,811,551</u>	<u>(457,937)</u>	<u>10,353,614</u>
Capital and reserves			
Retained earnings	9,744,596	(457,937)	9,286,659
Total equity	10,811,551	(457,937)	10,353,614
	<u>10,811,551</u>	<u>(457,937)</u>	<u>10,353,614</u>

Changes to the income statement

	Period ended 31 March 2025		
	Previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(13,565,784)	(457,937)	(14,023,721)
Profit/(loss) for the financial period	286,620	(457,937)	(171,317)
	<u>286,620</u>	<u>(457,937)</u>	<u>(171,317)</u>

POETICGEM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

36 Prior period adjustment (Continued)

Reconciliation of changes in equity

	1 April 2024	31 March 2025
	£	£
Equity as previously reported	11,677,547	10,811,551
Adjustments to prior year		
Bonus provision	-	(457,937)
Equity as adjusted	<u>11,677,547</u>	<u>10,353,614</u>
Analysis of the effect upon equity		
Retained earnings	<u>-</u>	<u>(457,937)</u>

Reconciliation of changes in profit/(loss) for the previous financial period

	2025
	£
Profit as previously reported	286,620
Adjustments to prior year	
Bonus provision	(457,937)
Loss as adjusted	<u>(171,317)</u>

Notes to reconciliation

During the current financial year, management identified that the bonus provision for the year ended 31 March 2025 was understated by £457,937 due to an oversight in the accrual process. This error has been corrected retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

As a result, the opening balance of retained earnings as at 1 April 2025 has been reduced by £457,937, and the corresponding liability has been increased.

This adjustment has no impact on the current year's profit or loss but ensures that the financial statements reflect a true and fair view of the company's financial position.

POETICGEM LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2026

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

	2026	2026	2025	2025
	£	£	£	£
Revenue				
Sales of goods		17,506,832		12,928,594
Commission receivable		12,977,034		15,348,253
		<u>30,483,866</u>		<u>28,276,847</u>
Cost of sales		<u>(15,725,318)</u>		<u>(13,515,462)</u>
Gross profit	48.41%	14,758,548	52.20%	14,761,385
Other operating income				
Sundry income	831,067		572,170	
Exchange (gain)/loss	(256,191)		(23,076)	
		<u>574,876</u>		<u>549,094</u>
Distribution costs		(1,434,076)		(1,129,741)
Administrative expenses		<u>(13,141,688)</u>		<u>(14,023,721)</u>
Operating profit		757,660		157,017
Investment revenues				
Bank interest received	7,507		9,118	
		<u>7,507</u>		<u>9,118</u>
Finance costs				
Bank interest on loans and overdrafts	123,887		44,298	
Finance lease interest payable	364,700		293,154	
		<u>(488,587)</u>		<u>(337,452)</u>
Profit/(loss) before taxation	0.91%	<u>276,580</u>	0.61%	<u>(171,317)</u>

POETICGEM LIMITED

SCHEDULES TO THE INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

	2026	2025
	£	£
Cost of sales		
Opening stock of finished goods	499,640	314,522
	<hr/>	<hr/>
<i>Purchases and other direct costs</i>		
Finished goods purchases	14,878,540	12,948,161
Direct costs	1,089,844	437,282
Designing expenses	75,427	294,638
Testing charges	24,483	20,499
	<hr/>	<hr/>
Total purchases and other direct costs	16,068,294	13,700,580
	<hr/>	<hr/>
Closing stock of finished goods	842,616	499,640
	<hr/>	<hr/>
Total cost of sales	15,725,318	13,515,462
	<hr/> <hr/>	<hr/> <hr/>
Distribution costs		
Motor and travel expenses	665,372	687,564
Agents commission	199,457	(7,367)
Advertising	13,341	76,223
Samples	462,348	321,907
Entertaining	93,558	51,414
	<hr/>	<hr/>
	1,434,076	1,129,741
	<hr/> <hr/>	<hr/> <hr/>

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

	2026	2025
	£	£
Administrative expenses		
Wages and salaries	6,757,323	7,996,291
Social security costs	959,460	931,059
Staff recruitment costs	76,860	140,251
Staff welfare	243,444	224,661
Staff training	125,236	66,684
Staff pension costs defined contribution	153,913	223,475
Equity settled share based payment costs	17,401	80,117
Directors' remuneration	481,000	474,000
Directors' social security costs	64,409	62,901
Directors' pension costs - defined contribution scheme	2,642	2,642
Rent re operating leases	-	217,660
Rates	595,751	221,060
Cleaning	137,802	78,731
Power, light and heat	162,891	24,504
Repairs and maintenance	52,674	324,383
Insurance	253,225	147,948
Computer running costs	150,758	143,854
Leasing - motor vehicles	3,640	2,105
Legal and professional fees	148,702	155,655
Consultancy fees	53,131	89,347
Non audit remuneration paid to auditors	23,921	16,750
Audit fees	55,277	37,298
Charitable donations	14,717	1,000
Bank charges	58,082	104,781
Printing and stationery	449,416	463,299
Telecommunications	52,238	47,545
Sundry expenses	277,566	230,345
Amortisation	364,361	364,361
Depreciation	1,385,557	1,115,856
Factoring charges	20,291	35,158
	<u>13,141,688</u>	<u>14,023,721</u>



Envelope Data

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Documents: Poeticgem - Full Accounts.pdf, Letter of representation - PG.pdf, Minutes - PG.pdf
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Recipients / Roles

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Vinodkumar Vadgama	v.vadgama@uhy-uk.com	Signer
Muhammad Haider	m.haider@uhy-uk.com	Cc
Mehul Bhagat	mehul@poeticgem.com	Cc
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Name / Roles	Email	IP Address	Date	Event
d.shaikh d.shaikh	d.shaikh@uhy-uk.com	185.47.105.164	08/05/2026 15:35 PM UTC	Created
Krishna Kanodia	krishna@poeticgem.com	82.20.11.85	09/05/2026 23:51 PM UTC	Signed
Vinodkumar Vadgama	v.vadgama@uhy-uk.com	185.47.105.164	11/05/2026 10:55 AM UTC	Signed
			11/05/2026 10:55 AM UTC	Status - Completed

Carbon Copy Events

Name / Roles	Email	Sent
Muhammad Haider	m.haider@uhy-uk.com	11/05/2026 10:55 AM UTC
Mehul Bhagat	mehul@poeticgem.com	11/05/2026 10:55 AM UTC
Diya Shaikh	d.shaikh@uhy-uk.com	11/05/2026 10:55 AM UTC

Signer Signatures

Signer Name / Roles	Signature	Initials
Krishna Kanodia		

Vinodkumar Vadgama

V Vadgama