RNS Number : 0148R
Sosandar PLC
15 July 2025

Date:	15 July 2025
On behalf of:	Sosandar plc ('Sosandar' or 'the Company')
Embargoed until:	0700hrs

Sosandar plc
Full Year Results and Trading Update

A year of margin growth and improvement in profitability, with a return to revenue growth in Q1 FY26

Sosandar PLC (AIM: SOS), the women's fashion brand, creating quality, trend-led products for women of all ages, is pleased to announce its financial results for the year ended 31 March 2025 ('FY25').

FY25 Financial Highlights

- Revenue of £37.1m (FY24: £46.3m) reflecting a deliberate transition away from price promotional activity in order to improve gross margin
- Improved gross margin of 62.1%, up from 57.6% in the prior year
- This gross margin delivered an improvement in profitability despite the reduction in revenue.
- Adjusted profit before tax of £0.2m (£0.3m loss FY24) excluding the one-off costs associated with a move of warehouse (£0.2m)
- Maintained a robust net cash position of £7.3m despite self-funding the rollout of our own stores (£8.3m as at 31 March 2024)

Note: The Group is reporting an audited £0.1m loss before tax for FY25. This differs from the £0.5m profit before tax that the Group anticipated reporting for FY25 in the trading update released on 16 April 2025, the difference being due to adjustments arising from the audit including £0.4m associated with a stock write down and £0.1m of additional one-off costs associated with the move of warehouse.

FY25 Operational and Strategic Progress

- Successfully transitioned Sosandar.com away from price promotional activity to drive improved gross margins
- Trading with well-established third-party partners was strong during the period
- Opened first six stores in FY25 as the Company transitioned to becoming a full-price multi-channel retailer with market town stores on a quicker trajectory towards profitability than shopping centre stores
- Licensing agreement signed with NEXT for a Sosandar homeware range. This followed the continuing success of Sosandar's clothing range sold through NEXT
- Moved to a new third-party warehouse provider in February, well suited to Sosandar's growth ambitions

Post-period Trading (Q1 FY26)

- Return to revenue growth with net revenue of £9.5m, a 15% increase versus the prior year (Q1 FY25: £8.2m). This is despite no sales through Marks & Spencer, our second biggest third-party partner, since mid-April due to their cyber incident
- Importantly, own website also returned to revenue growth with a 15% increase versus the prior year, driven by an increase in traffic, conversion and number of orders from both new and existing customers
- Continued improvement in gross margin to 65.0%
- Q1 FY26 has continued to be cash generative, with the cash position standing at £8.0m as at 30 June 2025, up from £7.3m at period end
- Continuing to take learnings from initial store openings with focus on getting the six stores opened so far to profitability and pausing before opening any further stores
- Following the cyber-incident, the Company is cautiously anticipating lower revenue through Marks & Spencer for the rest of FY26. This, alongside the decision to focus on the existing store portfolio, means that the Company is taking a prudent view and is therefore modifying FY26 guidance. The Company now expects FY26 revenue to be up 18% to £43.6m, with an expected profit before tax of £0.4m*.

Ali Hall and Julie Lavington, Co-CEOs commented:

"During the last year we've strengthened the foundations of the business, which will enable us to deliver our growth and profit ambitions going forwards. Taking the decision to reduce price promotions has resulted in an expected reduction in revenue but significantly improved margins and cash generation which, in turn, has allowed the Group to maintain a robust balance sheet and self-fund its growth plan.

The opening of our first stores was a milestone for Sosandar, and we are pleased with how we have brought our brand to life in the physical retail environment. We have taken clear learnings from the trajectory of our stores in market towns versus shopping centres and are focused on getting our existing portfolio to profitability before opening any further stores. This decision, alongside the continuing impact from the Marks & Spencer cyber incident on our third-party sales, means we are moderating our expectations for revenue and profit growth in the current year.

Nonetheless, we believe we are now at an inflection point, with the foundations laid for profitable, cash generative growth, and we have returned to revenue growth in Q1 FY26. We will continue to leverage our brand equity and scale the business through our multiple channels and are excited for what lies ahead for Sosandar."

**Prior to this announcement, Sosandar believes that market expectations for the year ending 31 March 2026 were revenues of £46.2 million and adjusted PBT of £1.5 million.*

Presentations

Sosandar is hosting a webinar for retail investors at 09:00 today. If you would like to attend, please register here: https://engageinvestor.news/SOS_IP25

This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

Enquiries

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About Sosandar plc

Sosandar is a women's fashion brand in the UK targeting style conscious women who have graduated from lower quality, price-led alternatives. The Company offers this underserved audience fashion-forward, affordable, quality clothing to make them feel sexy, feminine, and chic. The business sells predominantly own-label exclusive product designed and tested in-house.

Sosandar's product range is diverse, providing its customers with an array of choice for all occasions across all women's fashion categories. The company sells through Sosandar.com and its own stores, and has a number of high value brand partnerships including with NEXT and Marks & Spencer.

Sosandar's success has been built on an exceptional product range, seamless customer experience and impactful, lifestyle marketing, all of which is underpinned by combining innovation with data analysis. Our growth strategy is focused on continuing to grow brand awareness and expand our addressable market and routes to market, reaching customers wherever they wish to shop. This is achieved both through direct to consumer channels and through chosen third-party partners.

Sosandar was founded in 2016 and listed on AIM in 2017. More information is available at www.sosandar-ir.com

CHAIRMAN'S STATEMENT

This has been a pivotal year. A year in which we have changed strategic direction whereby we stopped using discounting/promotions as a default marketing tool to drive sales volume (on our own channels) and have focussed on building our margins and profitability. This change required us to re-educate our customers not to wait for the next discount but to drive normalised shopping behaviour. We also opened our first six retail stores.

We have now transitioned to being a true multi-channel retailer, with our products being sold on our own site, through our own stores and via highly reputable third-party partners.

Ahead of opening our stores, we set out strict criteria that would influence our decision making around stores - all the locations were selected for fitting these criteria, of being affluent, thriving locations where Sosandar customers over-index. We are pleased with the way we have handled the opening of our first stores from an operational perspective and the marketing vehicle they have become. We have learnt that revenue is stronger in market towns and therefore they are on a better trajectory towards break even when compared to our stores in shopping centres.

This change in strategic direction was tough to achieve when consumers were under financial pressure but it was essential to laying the foundations for sustainable, profitable and cash-generative growth. Margin enhancement and profitability were prioritised as we continued our transition to becoming a full-price multi-channel retailer with the material improvement in gross margin against historical levels now being delivered on a sustained basis.

The strength of the Sosandar brand and our unique product range continues to drive our success. Our products are reaching more women globally, more regularly and through more channels than ever before.

At the heart of Sosandar's success is our unique product and our head-to-toe outfits, which sell at a mid-level price point. They are high quality, long lasting and cover all occasions. They continue to resonate with our customers, which sees them returning for their wardrobe needs multiple times per year. From the initial product designs through to sourcing, logistics, customer service and all aspects of retailing, it is only possible because of our excellent team working to create clothing that meets our customers' wants and needs. Having customers, new and returning, making comments such as "First class customer service", "have been so impressed with the quality of the clothing" and "my experience was outstanding" truly illustrates both the strength of the team and product. We have a brilliant team of people at Sosandar and I would like to thank them for their hard work and passion for the brand.

The hard work delivered in FY25 saw us reach an inflection point following the successful execution of our strategy. Looking ahead, in the current year we are focused on getting our existing store portfolio towards profitability. We are also managing the ongoing impact of the Marks & Spencer cyber-attack on our third-party partner sales. Despite this, we expect a return to sales growth in FY26 at full margin and are confident that the foundations are now also in place for sustainable, profitable and cash-generative growth over the medium to long-term.

Nicholas Mustoe
Chairman

14 July 2025

CO-CEO'S STATEMENT

Strategic focus delivering strong financial performance

The past year has been a pivotal year in Sosandar's development. Seeing the Sosandar brand on high streets, and the reaction we have received so far, validates our decision to give our customers more ways to shop with our brand. As part of our journey to becoming a true multichannel retailer, in the second half of FY24 we took the decision to reduce price promotional activity outside the major scheduled sale events and only undertake selective marketing campaigns, and to focus on driving margin and profitability.

We delivered what we set out to achieve: growth in margin and improvement in profitability, all whilst opening our first six own stores. Throughout FY25 we remained steadfast in our approach in building the foundations for sustainable, profitable and cash-generative growth. The strategy is now proving successful, with the business reaching an inflection point providing the platform for us to deliver topline revenue growth in FY26 and beyond. Throughout the latter part of FY25 we began to see the results of our disciplined approach coming through in performance. This has continued into the new financial year with Q1 revenue being ahead of last year by 15%.

As a result of our strategic focus, we have delivered revenue of £37.1m (FY24: £46.3m) reflecting the reduction in price promotional activity on our own website. Our focus on gross margin has enabled us to deliver an increase for the period to 62.1%, up from 57.6% in the prior year. The material improvement in gross margin is now being delivered on a sustained basis and provides the foundation from which to drive sustainable and profitable cash-generative growth over the long-term, towards our strategic objective of £10m profit before tax.

Demonstrating the impact of improved gross margin, we delivered a reduced loss before tax of £0.1m (FY24: £0.3m loss) and an adjusted profit before tax of £0.2m excluding one-off costs associated with the move of warehouse, a positive swing compared with FY24. We have maintained a robust net cash position despite self-funding the rollout of our own stores with a net cash position of £7.3m, down from £8.3m at 31 March 2024.

Our vision and purpose

Our vision is to be one of the largest womenswear brands in the UK and have a significant presence internationally. A one-stop destination for fashion-forward women who want stylish clothing that suits everyday life.

Our mission to empower women of all ages and sizes to feel good in what they wear by creating a diverse range of products that make them feel sexy, chic and expressive whilst feeling comfortable and able to go about their everyday lives. We design products that women will wear and love for years, given their timeless style and high quality. This ethos is reflected in our pricing, our design philosophy, and our enduring relationship with our customers.

Our purpose is to lead the shift away from out-dated fashion norms, as we recognise that women of all ages deserve and desire to wear clothes that celebrates individuality and makes them feel good with confidence.

Our unique brand

The strength of our brand and product range, and our use of lifestyle imagery, are the key drivers of our success and keep our customers returning to us for their wardrobe needs.

The Sosandar brand has become synonymous for denim, dresses, knitwear and partywear which are the core of our range.

As Sosandar continues to grow, we are committed to developing our product range to offer our customers an ever-growing variety of on-trend, affordable, long lasting, lifestyle appropriate clothes. The success of our range has been consistently strong across all our different routes to market.

Through the success of our own website, our own stores, and third-party partnerships with some of the largest retailers in the UK and now internationally, the Sosandar brand is now widely recognised as on-trend, affordable and high quality, providing us with opportunities to further leverage our strong brand in the future.

Our routes to market

1. Our own channels

Own site

Sosandar.com is the cornerstone of our brand, serving as the digital hub for engaging with Sosandar. The platform provides customers with access to our full product offering, while also showcasing the essence of the Sosandar lifestyle through our unique imagery.

The website is regularly updated with new collections and curated content to reflect evolving trends and customer preferences. Our investment in technology and user experience to ensure a seamless, intuitive, and high-quality shopping journey across all digital channels means that we have the right foundations and structure to scale efficiently.

Own stores

One of the key milestones of the year was opening our first stores. We now have stores in Marlow, Chelmsford, Gateshead, Cardiff and in February we opened in Bath and Harrogate.

We have strict criteria around location for our stores and these locations were carefully selected for being affluent, thriving locations where Sosandar customers over-index.

We are very much at the beginning of our journey with stores, having only opened our first one less than a year ago, and we are delighted with how we have brought our brand to life in the physical retail environment. We knew stores would be a great marketing tool, and that is proving to be the case, as 60% of customers in store are brand new to Sosandar. Additionally, we also believed we would see an increase in traffic and revenue in the areas in which stores are located, and that has happened. We have also opened our stores and handled all the logistics of running them, reflecting the wealth of store expertise across our team.

We have found that footfall across market towns (Marlow, Chelmsford, Bath and Harrogate) and shopping centres (Gateshead and Cardiff) where our stores are located is similar, but what differs is the conversion. At this point, conversion and therefore revenue in our market town stores is higher than in shopping centres. We believe that the demographic of our typical customer in market towns is more concentrated, and they more regularly shop in the area. This combination is driving higher conversion.

The stores we opened in the first two market towns (Marlow and Chelmsford) have the highest revenue and the highest conversion rate and are near to break even profitability within their first year of opening. The second two market town stores (Bath and Harrogate) only opened in February this year and are following a similar trajectory. For the reasons stated above, the shopping centre stores opened in Autumn 2024 are further behind on their path to profitability.

Overall, the opening of stores has impacted the brand positively. The opportunity to interact with our customers on a personal basis through our stores has been highly beneficial and it has brought the entire company even closer to our customers.

As a reminder, we believe that having our own stores will:

- Deliver multiple benefits both to our total addressable market, profitability and to the brand as a whole;
- Bring increased brand awareness;
- Drive higher margins, both at the gross and operating level;
- Result in more efficient marketing; and
- Deliver overall lower returns rates

2. Third-party channel

Third-party partnerships, both domestically and internationally, remain a key facet of our higher margin multi-channel model and play an important role in growing and strengthening our loyal customer base.

We now have ten partners across the UK and internationally with the largest being NEXT and Marks & Spencer. Trading with our well-established third-party partners was strong in the period, with the success of our product resulting in Sosandar being one of the top selling brands across all third-party partners.

3. Licensing

We see licensing as a fantastic opportunity to leverage our brand equity and extend the success Sosandar has had through third-party partnerships with little risk and no capital expenditure.

In November we were delighted to announce that we had signed an agreement with NEXT for a Sosandar homeware range. This followed the success of Sosandar's clothing range sold through NEXT, and the licensing deal will combine NEXT's sourcing and quality expertise with Sosandar's design inspiration. The range will include a full set of living room furniture and accessories, including sofas, accent chairs, rugs and lighting. It will be sold online exclusively at NEXT.co.uk and is expected to launch in Autumn 2025.

Current trading and outlook

FY25 was a year of significant strategic progress. We built the foundations to return to sustainable, profitable and cash-generative growth over the medium term.

Trading in FY26 has been strong, with revenue for Q1 up by 15% compared to the previous year, despite there being no sales through Marks & Spencer since mid-April following their cyber incident. This return to growth is also at strong gross margin which is up by 160bps year on year to 65.0%.

We are continuing to take our learnings from our store openings and are focused on getting the six stores opened so far to profitability. This is our priority in the period before opening any further stores.

With the timing of restocking and the new seasons range, we expect the impact from the Marks & Spencer cyber-attack on our third-party partner sales to continue through to at least August. This, alongside the decision to focus on the existing store portfolio and pausing on opening more stores for now, means that we are taking a prudent view of our full year outturn. We continue to expect to grow revenue and profit in FY26, however, we are moderating our expectations for FY26 revenue growth to +18%, with a consequential impact on profit.

Looking ahead, we believe we have reached an inflection point with the margin we are now consistently delivering and our customers accustomed to paying full price. We have clear priorities set and are committed to driving growth through our own distribution channels, maintaining our approach to price promotional activity in order to maximise any investment payback and maintain our gross margin.

We remain incredibly excited for what lies ahead for Sosandar as we take advantage of the multiple opportunities available to us as we take the Sosandar brand to more customers across the UK and increasingly worldwide in our journey to become one of the largest womenswear brands globally.

Ali Hall & Julie Lavington
Co-CEO's

14 July 2025

FINANCIAL REVIEW

KPI's

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000	Change
Revenue	**37,132**	46,277	-20%
Gross Profit	**23,065**	26,650	-13%
Gross Margin	**62.1%**	57.6%	453bps
Administrative Expenses	**22,884**	26,984	-15%
Loss before tax	**(67)**	(332)	80%
Adjusted Profit before tax *	**156**	(332)	N/A
EBITDA **	**760**	(18)	N/A

** Excludes warehouse transition costs of £223,000*
*** EBITDA is calculated as profit before tax less interest, depreciation and amortisation*

Sosandar.com KPI's

	Year ended 31 March 2025	Year ended 31 March 2024	Change
Sessions	**13,584,784**	15,090,432	-10%
Conversion rate	**2.42%**	3.43%	-101bps
Number of orders	**328,574**	518,108	-37%
AOV**	**£114.09**	£102.25	12%
Active customers ***	**177,201**	253,566	-30%
Average Order Frequency ****	**1.85**	2.08	-11%

*** Average Order Value is calculated on own site sales only, inclusive of shipping charges and VAT*
**** Active customers is the number of individual customers who purchased from Sosandar.com in the last 12 months*
***** Average Order Frequency is the total number of orders in the last 12 months divided by the number of active customers*

The Group has delivered a robust financial performance in the year which has been a period of significant strategic change. The strategic focus is on cementing the foundations to deliver sustained growth in profitability through higher gross margins. Specifically, there has been a substantial reduction in price promotional activity on own channels which has had the impact of reduced revenue in the year. However, despite the lower revenue, gross margins are significantly ahead of the previous year and loss before tax has also improved to a loss of £0.1m (loss of £0.3m in FY24). The loss in the year includes the one-off costs associated with the move of warehouse. Excluding these, FY25 delivered a profit before tax of £0.2m. During the year, the revenue delta against the previous year has reduced as each month passed, with March 2025 being the first month to be in growth. This improving trend has continued post year end with April, May and June being substantially ahead of the previous year, which validates the approach being taken, with the improved revenue in FY26 to date. In addition, FY25 was a milestone year, with the opening of the first Sosandar physical retail store in Chelmsford. Five additional stores followed, resulting in a total of six stores open by the end of the financial year. The investment required to open the stores has been funded from existing resources, excluding this, the Group has been cash generative in the period, ending with a cash balance of £7.3m as at 31st March 2025 (2024: £8.3m).

The non-financial KPIs for Sosandar.com that are shown above reflect the strategic change away from revenue growth as the overriding priority and therefore show a reduction.

The performance in the year was also delivered against a backdrop of ongoing challenges presented by the macro environment which has continued to include wars, high cost of living and international trade uncertainty. The agility and ongoing approach to managing risk in all aspects of how the business is led, continues to enable us to deliver such a robust performance once more.

The cash balance is particularly strong and we continue to expect to fund the store opening programme entirely from existing cash resources.

Revenue down -20% to £37.1m

The reduction in revenue reflects the focus on improving gross margins, specifically through the reduction in price promotional activity through own distribution channels. Within the year, the opening of the first Sosandar physical stores was a milestone, although the overall revenue is relatively small in the year. The four stores in market towns are performing well, in particular the two that opened first which are moving towards break even. The two shopping centre stores have been slower in terms of revenue which is one of the key learnings to date.

The performance improved through the year in terms of variance against FY24, with H1 being 27% down and H2 being 13% down, with March 2025 being ahead. Whilst price promotional activity was reduced in every month, it is not until post year end (April 2025 onwards) that the first true like-for-like comparison has been possible. It is therefore pleasing to see revenue return to growth post year end, despite the impact of the lost revenue as a result of the cyber-attack at Marks & Spencer.

Gross Margin +453bps to 62.1%

The strategic focus on improving gross margin through the reduction of price promotional activity has resulted in a substantial rise to 62.1% for FY25. This represents a 453bps improvement compared to FY24. Whilst revenue has been impacted in the year, delivering gross margins at 60% plus has been the number one priority for the year.

Generating less revenue in the year has meant that we purchased less stock from suppliers compared with the previous year. Therefore, delivering such an improvement in gross margin is also testament to the internal buying teams as the strong relationships that they have with suppliers has enabled us to maintain the product cost despite purchasing less volume overall. As we return to growth in FY26 and beyond, there is opportunity to further improve gross margins as a result of improved cost prices resulting from growing scale.

Administrative Expenses -15% to £22.9m

Total administrative expenses reduced by 15% to £22.9m (FY24: £27.0m) compared to a 20% reduction in revenue.

Administrative expenses as a percentage of revenue increased to 62% (FY24:58%), which is primarily a reflection of the lower revenue in the year. In addition, opening the first physical Sosandar stores has added a greater element of fixed cost into the business.

Spend on marketing reduced significantly in the year, to £1.1m (FY24: £4.0m) as the focus has been on re-base lining the natural customer demand selling at full price. Historically, the core marketing activities of brochure and TV have included a price discount in order to ensure return on investment. In FY25, spend has been on digital, specifically meta and google. Towards the end of FY25, we started to increase the spend per day, to provide insight into the incremental benefit on new customer acquisition and repeat customer behaviour. The results of this trial will be informing spend decisions for FY26 where our intention is to spend more again, however not to the levels of previous years and maintaining discipline over this area.

The cost of fulfilment which includes warehousing and customer order delivery costs reduced by 31% to £3.8m (FY24: £5.5m). This reduction reflects the lower throughput as the revenue was lower, which has resulted in the operation being much more efficient. As a percent of revenue, costs are lower as less stock is being shipped and returned. In February 2025, we moved warehouse from GXO to Torque Logistics. The move was smooth with no customer impact. The costs associated with the move (£0.2m) are reported as one-off due to the unique nature of the project. Torque has multiple apparel and footwear brands as clients and therefore we have moved, in part, to benefit from their experience in supporting multi-channel retailers. From a cost perspective, there is some benefit, delivered through the efficiencies of Torque's processes, coupled with added value services being already embedded in their operation.

The transition costs incurred include labour costs to pick and pack all stock at GXO, receive and put away at Torque as part of the transfer, transport costs to move the stock and redundancy costs where GXO employees did not transfer to Torque. This cost, whilst not directly incurred by the Group was a contractual obligation in the agreement with GXO.

During the year, we continue to work with Royal Mail and Evri for direct to consumer deliveries, offering choice to the customer.

The cost of physical retail stores including fit out depreciation was £1.5m in FY25 (FY24: Nil). This includes £0.3m of pre-opening spend which includes rent, rates and staffing before day one of trading.

Other administrative costs were flat in the year. Specifically on people the cost was flat at £5.6m excluding retail store employee cost. Inclusive of retail store staff, the total cost of people increased to £6.0m (FY24: £5.7m). This is inclusive of share based payments of £0.3m (FY24: £0.3m). Average Head Office headcount in the year was 90 (FY24: 97) reflecting pro rata effect of efficiencies made during FY24.

Statement of Financial Position

The statement of financial position is robust. As at 31 March 2025, the Group had net assets of £17.9m (FY24: £18.2m) and a net current asset position of £14.5m (FY24: £16.7m).

The cash balance at 31 March 2025 is £7.3m (FY24: £8.3m) and there remains no bank indebtedness. The Group generated positive cash in the year of £1.1m excluding the investment in fixed and intangible assets which totalled £2.1m. The cost associated with the roll out of the six Sosandar stores has been made from existing resources.

Inventory has marginally increased in the year, from £10.9m in FY24 to £11.1m in FY25. The reported inventory balances include stock on hand at the main warehouse, at our stores and at third-party concession partners, stock in transit and the right to return asset which covers post year end returns. The increase in inventory largely reflects the timing of when stock has landed into the warehouse for the Spring 2025 season. The opening of Sosandar stores means that stock will generally land into the warehouse earlier in order to ensure a full range of new stock is available to commence the new selling season.

Within inventory, the right to return stock, covering the post year end returns, was maintained at £0.6m (FY24: £0.6m) which reflects the trading performance in March 2025 which was similar to the previous year.

Trade and other payables increased to £7.1m (FY24: £5.1m). Trade creditors have increased to £2.9m (FY24: £2.1m) reflecting the timing of stock purchases being earlier coupled with average payment terms now being 70 days compared with 60 one year ago.

Contract liabilities increased to £1.7m (FY24: £1.4m) which reflects the higher provision required for post year end refunds following a stronger trading performance in March compared with the previous year. Liability for VAT increased to £0.8m (FY24: £0.5m) due to improved sales towards the end of the financial year.

Trade and other receivables increased to £3.8m (FY24: £2.8m) which includes amounts owing from concession and wholesale customers. The increase reflects the timing of payments from concession partners being just after year end, rather than just before. No change to payment terms were made during the year and the vast majority of payments continue to be received on time and in full.

Non-current assets increased to £6.8m (FY24: £1.9m), which includes the right of use asset (FY25: £4.1m vs FY24: £0.6m) as a result of opening six retail stores.

Investment in fixed assets and intangibles is focused on the two main projects within the year. Firstly, the opening of the stores totalled £1.7m which is inclusive of all elements of the store project including design, installation and physical fixtures. Secondly, the first stage of the ERP project went live in March 2025 at a total cost of £0.6m. Stage 1 covers all stock and sales elements including integrations between the main system (Microsoft Business Central), warehouse management system, web platform and retail store system.

The implementation has gone well with the second stage expected to go live mid-2025 which is finance. The system is already resulting in process efficiencies, with more to follow when stage two is complete.

Cashflow

The Group had a net cash position as at 31 March 2025 of £7.3m (FY24: £8.3m). As highlighted already, the Group's cash position improved during the year, exclusive of the investment in fixed and intangible assets.

The cash balance is healthy, with the forecast for FY26 to be cash generative, reflecting a return to revenue growth and increase in EBITDA.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Revenue	3	37,132	46,277

Cost of sales		(14,067)	(19,627)
Gross profit		**23,065**	**26,650**
Administrative expenses		(22,884)	(26,984)
Warehouse transition - one -off costs		(223)	-
Operating loss		**(42)**	**(334)**
Finance income		109	38
Finance costs	5	(134)	(36)
Loss before taxation		**(67)**	**(332)**
Income tax credit/ (expense)	7	**(477)**	**(91)**
Loss for the year		**(544)**	**(423)**
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		**(544)**	**(423)**
Earnings/(loss) per share:			
Earnings/(loss) per share - basic, attributable to ordinary equity holders of the parent (pence)	8	**(0.22)**	**(0.17)**
Earnings/(loss) per share - diluted, attributable to ordinary equity holders of the parent (pence)		**(0.22)**	**(0.17)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Assets			
Non-current assets			
Intangible assets	9	747	391
Property, plant and equipment	10	5,876	909
Deferred income tax asset	1,7	128	605
Total non-current assets		**6,751**	**1,905**
Current assets			
Inventories	12	11,090	10,920
Trade and other receivables	14	3,835	2,768
Cash and cash equivalents	15	7,284	8,313
Total current assets		**22,209**	**22,001**
Total assets		**28,960**	**23,906**
Equity and liabilities			
Equity			
Share capital	16	248	248
Share premium	16	52,619	52,619
Capital Reserves		4,648	4,648
Other reserves		1,753	1,485
Reverse acquisition reserve		(19,596)	(19,596)
Retained earnings		(21,740)	(21,196)
Total equity		**17,932**	**18,208**
Current liabilities			
Trade and other payables	18	7,096	5,076
Lease liability	19	571	194
Total current liabilities		**7,667**	**5,270**
Non current liabilities			
Lease liability	19	3,361	428
Total non current liabilities		**3,361**	**428**
Total liabilities		**11,028**	**5,698**
Total equity and liabilities		**28,960**	**23,906**

The financial statements were approved and authorised for issue by the Board of Directors on 14 July 2025 and were signed on its behalf by:

Steve Dilks
Director
Company Number: 05379931

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Year ended 31 March 2025	Year ended 31 March 2024

	Notes	£'000	£'000
Cash flows from operating activities			
Group loss before tax		(67)	(332)
Adjustments for:			
Share based payments	17	268	262
Depreciation and amortisation	9, 10	802	316
Finance costs		134	36
Finance income		(109)	(38)
Disposal of intangibles		3	80
Disposal of tangibles		7	-
Working capital adjustments:			
Change in inventories		(170)	1,441
Change in trade and other receivables		(1,067)	(38)
Change in trade and other payables		2,020	(3,279)
Net cash flow from operating activities		**1,821**	**(1,552)**
Cash flow from investing activities			
Purchase of property, plant and equipment	10	(1,717)	(81)
Purchase of intangibles	9	(424)	(458)
Initial direct costs on right of use asset		(463)	-
Bank interest paid	5	(1)	-
Net cash flow from investing activities		**(2,605)**	**(539)**
Cash flow from financing activities			
Finance income		109	38
Lease payment	19	(354)	(210)
Net cash flow from financing activities		**(245)**	**(172)**
Net change in cash and cash equivalents		**(1,029)**	**(2,263)**
Cash and cash equivalents at beginning of year	15	8,313	10,576
Cash and cash equivalents at end of year	15	**7,284**	**8,313**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital	Share premium	Reverse acquisition reserve	Capital redemption reserve	Retai earni
		£'000	£'000	£'000	£'000	
Balance at 31 March 2023		**248**	**52,619**	**(19,596)**	**4,648**	
Loss for the year		-	-	-	-	
Share-based payments	17	-	-	-	-	
Balance at 31 March 2024		**248**	**52,619**	**(19,596)**	**4,648**	
Loss for the year		-	-	-	-	
Share-based payments	17	-	-	-	-	
Balance at 31 March 2025		**248**	**52,619**	**(19,596)**	**4,648**	

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses.

Reverse acquisition reserve relates to the effect on equity of the reverse acquisition of Thread 35 Limited.

Capital redemption reserve represents the aggregate nominal value of all the deferred shares repurchased and cancelled by the Company. The reserve is non-distributable.

Retained earnings represent the cumulative loss of the Group attributable to equity shareholders.

Other reserve relates to the charge for share-based payments in accordance with International Financial

Reporting Standard 2.

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Assets			
Non-current assets			
Investments	11	15,911	7,694
Loans to subsidiaries	13	87	-
Total non-current assets		**15,998**	**7,694**
Current assets			
Trade and other receivables	14	557	8
Cash and cash equivalents	15	4,472	4,534
Total current assets		**5,029**	**4,542**
Total assets		**21,027**	**12,236**
Equity and liabilities			
Equity			
Share capital	16	248	248
Share premium	16	52,619	52,619
Other reserves		1,753	1,485
Capital redemption reserve		4,648	4,648
Retained earnings		(39,280)	(46,825)
Total equity		**19,988**	**12,175**
Current liabilities			
Trade and other payables	18	121	61
Total current liabilities		**121**	**61**
Non-current liabilities			
Loans to subsidiaries	13	918	-
Total non-current liabilities		**918**	**-**
Total liabilities		**1,039**	**61**
Total equity and liabilities		**21,027**	**12,236**

In accordance with the provisions of the Companies Act 2006, the Company has not presented a statement of profit or loss and other comprehensive income. The Company's profit for the year was £7,545k (2024: £605k loss).

The financial statements were approved and authorised for issue by the Board of Directors on 14 July 2025 and were signed on its behalf by:

Steve Dilks
Director
Company Number: 05379931

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Cash flows from operating activities			
Profit/(loss) before tax		**7,545**	**(605)**
Adjustments for:			

Adjustments for:

Impairment of investment		19,771	-
Intercompany loan (reinstatement)/provision		(26,672)	201
Finance income		(1,128)	(12)
Working capital adjustments:			
Change in trade and other receivables		(549)	15
Change in trade and other payables		60	5
Net cash flow from operating activities		**(973)**	**(396)**
Cash flow from investing activities			
Loans to subsidiaries		(217)	(201)
Net cash flow from investing activities		**(217)**	**(201)**
Cash flow from financing activities			
Finance income		1,128	12
Net cash flow from financing activities		**1,128**	**12**
Net change in cash and cash equivalents		**(62)**	**(585)**
Cash and cash equivalents at beginning of year	15	4,534	5,119
Cash and cash equivalents at end of year	**15**	**4,472**	**4,534**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

		Share capital	Share premium	Other reserves	Capital redemption reserve	Retained earnings	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Restated Balance at 31 March 2023		**248**	**52,619**	**1,223**	**4,648**	**(46,220)**	**12,518**
Loss for the year		-	-	-	-	(605)	(605)
Share-based payments	17	-	-	262	-	-	262
Balance at 31 March 2024		**248**	**52,619**	**1,485**	**4,648**	**(46,825)**	**12,175**
Profit for the year		-	-	-	-	7,545	7,545
Share-based payments	17	-	-	268	-	-	268
Balance at 31 March 2025		**248**	**52,619**	**1,753**	**4,648**	**(39,280)**	**19,988**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses.

Other reserves relate to the charge for share-based payments in accordance with International Financial Reporting Standard 2. The cumulative share-based payment expense recognised in the consolidated statement of comprehensive income is £268k. The cumulative share payment expense recognised in the parent company statement of comprehensive income is nil (2024: nil).

Retained earnings represent the cumulative loss of the Company attributable to the equity shareholders.

Capital redemption reserve represents the aggregate nominal value of all the deferred shares repurchased and cancelled by the Company. The reserve is non-distributable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Sosandar Plc (the 'Company') is a public company limited by shares incorporated in England and Wales. Details of the registered office, the officers and advisers to the Company are presented on the Company Information page at the end of this report. The Company is listed on the AIM market of the London Stock Exchange (ticker: SOS).

The principal activity of the Group in the year under review was that of a clothing manufacturer and distributer via internet and mail order as well as retail stores.

The principal activity of the company is that of a holding company.

2 Significant accounting policies

Basis of preparation

The consolidated financial statements consolidate those of the Company and its subsidiary (together the 'Group' or 'Sosandar'). The consolidated financial statements of the Group and the individual financial statements of the Company are prepared in accordance with applicable UK law and UK adopted international accounting standards (IFRSs) and as applied in accordance with the provisions of the Companies Act 2006. The Directors consider that the financial information presented in these Financial Statements represents fairly the financial position, operations and cash flows for the year, in conformity with IFRS.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in Chairman's Statement on pages 2-3. The financial position of the Group, its cash flows and liquidity position are described in the financial statements and associated notes. In addition, note 21 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

In order to assess the going concern of the Group, the directors have reviewed the Group's bank balances, cash flows, the annual budgets and forecasts, including assumptions concerning revenue growth, marketing spend, expenditure commitments and capital requirements with regards to their impact on cash flow. These cash flow and profit and loss forecasts show the Group expect an increase in revenue based on the assumptions set out in note 11 of the financial statements. This results in their being sufficient surplus headroom to deliver the forecasts. Management continue to monitor costs and manage cashflows against these forecasts including when sensitising for a drop in revenue.

At 31 March 2025, the Group had a cash balance of £7.3m and is therefore in a strong position, with sufficient working capital to take advantage of opportunities in FY26 and beyond. This substantiates the view that the Group is a going concern.

The directors continue to monitor the Group's going concern basis against the backdrop of both internal and external events. Spending on Own Channels has reduced in the year, as a result of the strategic change to reduce price promotional activity, resulting in lower revenue however gross margin has increased significantly. The increase in gross margin, couple of with careful cost control has enabled the Group to weather this change, delivering a small improvement in the loss before tax and a robust cash balance as at 31 March 2025. External events are constantly monitored, which over the last twelve months has included relatively high inflation and pressure on household budgets. Whilst at a macro level, this has impacted consumer spending, the Group has not experienced a material downturn in activity with the internal changes being much more significant. Prioritising cash during the year has been a key priority, with the balance remaining strong and therefore the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for the foreseeable future.

Should the underlying assumptions of the working capital model prove invalid, and the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classifications of recorded asset amounts or liabilities that may be necessary should the Group and Company be unable to continue as a going concern.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings; all subsidiaries have a reporting date of 31 March.

Subsidiaries are all entities which fall within the definition of control under IFRS 10; an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

In November 2017, Sosandar Plc ('Company') acquired the entire issued share capital of Thread 35 Ltd ('legal subsidiary') for a consideration of £6,281,618, satisfied by the issue of shares of £1,603,422 and cash of £4,678,196.

As the legal subsidiary is reversed into the Company (the legal parent), which originally was a publicly listed cash shell company, this transaction cannot be considered a business combination, as the Company, the accounting acquiree, does not meet the definition of a business under IFRS 3 'Business Combinations'. However, the accounting for such capital transaction should be treated as a share-based payment transaction and therefore accounted for under IFRS 2 'Share-based payment'.

Any difference in the fair value of the shares deemed to have been issued by the Thread 35 Ltd (accounting acquirer) and the fair value of Sosandar Plc's (the accounting acquiree) identifiable net assets represents a service received by the accounting acquirer.

service received by the accounting acquirer.

Although the consolidated financial information has been issued in the name of Sosandar Plc, the legal parent, it represents in substance continuation of the financial information of the legal subsidiary.

The assets and liabilities of the legal subsidiary are recognised and measured in the Group financial statements at the pre-combination carrying amounts and not restated at fair value.

The retained earnings and other reserves balances recognised in the Group financial statements reflect the retained earnings and other reserves balances of the legal subsidiary immediately before the business combination and the results of the period from 1 April 2017 to the date of the business combination are those of the legal subsidiary only.

The equity structure (share capital and share premium) appearing in the Group financial statements reflects the equity structure of Sosandar Plc, the legal parent. This includes the shares issued in order to affect the business combination.

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in pounds sterling (£), which is the Group's presentation currency and the Company's functional currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to UK adopted international accounting standards (IFRSs) effective as of 1 April 2023 have been applied by the Group.

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Classification of Liabilities as Current or Non-Current, Non-current Liabilities with Covenants: *amendments to IAS 1*	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	Effective date, annual period beginning on or after
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2025

The members are evaluating the impact that these standards have on the financial statements of the Sosandar PLC.

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Sosandar PLC and which have not been applied in these financial statements, have not been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed.

Standard	Effective date, annual period beginning on or after
Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)	1 January 2026
IFRS 18 - *Presentation and Disclosure in Financial Statements*	1 January 2027

The members are evaluating the impact that these standards will have on the financial statements of the Sosandar PLC.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented an income statement nor a statement of comprehensive income for the Company alone.

Calculation of share-based payment charges

The charge related to equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date they are granted, using an appropriate valuation model selected according to the terms and conditions of the grant. Judgement is applied in determining the most appropriate valuation model and in determining the inputs to the model. Judgements are also applied in relation to estimations of the number of options which are expected to vest, by reference to historic leaver rates and expected outcomes under relevant performance conditions. Please see note 17.

Depreciation of property, plant and equipment and amortisation of other intangible assets

Depreciation and amortisation are provided to write down assets to their residual values over their estimated useful lives. The determination of these residual values and estimated lives, and any change to the residual values or estimated lives, requires the exercise of management judgement. Please see notes 9 and 10.

Revenue recognition

Revenue is recognised at the point where legal title in the goods passes from the Group to the customer. This includes the price paid for the goods as well as any delivery charge where applicable. Typically, legal title is passed when the goods are despatched from the warehouse and as the invoice is created. It is impractical to recognise on delivery, and the difference due to this timing is immaterial. The point of recognition and the point of return is the same for both direct and third-party sales.

Revenue is reported after making deduction for actual and anticipated returns, relevant vouchers and sales taxes.

Revenue is generated on Sosandar's own website, through its own stores and through third-party partners.

Intangible assets

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Costs are capitalised where the expenditure will bring future economic benefit to the company. Intangible assets have finite useful lives.

Amortisation is recognised within administrative expenses in the Statement of Comprehensive Income so as to write off the cost of assets less their residual values over their useful economic lives.

The following annual rates are used:

Website	20% Straight line
Trademark	20% Straight line
Software	33% Straight line

Assets Under Construction will be depreciated when the assets are in use.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line and reducing balance methods to write off their cost over their estimated useful lives at the following annual rates:

Plant and Machinery	15% Straight line
Computer Equipment	33.33% Straight line
Fixture and Fittings	15% Reducing balance
Office Equipment	25% Reducing balance
Leasehold Improvements	20% Straight line
Right of Use Asset	20% Straight line

Equity

Equity instruments issued by the Group are recorded at the value of the proceeds received, net of direct issue costs, allocated between share capital and share premium.

Inventories

Inventories are valued at the lower of cost and net realisable value, on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of the business less applicable variable selling expenses. Provisions are made for obsolescence, mark-downs and shrinkage.

Cost of purchase comprises the purchase price including import duties and other taxes, transport and handling costs and other attributable costs, less trade discounts.

Taxation

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the same 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 Group and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Pension costs

The Group contributes to a defined contribution scheme for employees. The costs of these contributions are charged to the statement of comprehensive income on an accruals basis as they become payable under the scheme rules.

Investments

Investments in subsidiary companies are stated at cost less any provision for impairment. Investments are accounted for at cost unless there is evidence of a permanent diminution in value, in which case they are written down to their estimated realisable value. Any such provision, together with any realised gains and losses, is included in the statement of comprehensive income.

Impairment of investments

The impairment of the carrying value of the investment in subsidiaries is calculated using forward-looking assumptions of profit growth rates, discount rates and timeframe which require management judgement and estimates that cannot be certain. Note 11 contains the assumptions made by management.

Provisions

Provisions are recognised when the Group and Company has a present obligation as a result of a past event, and it is probable that the Group and Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date and are discounted to present value where the effect is material.

Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Fair values

The carrying amounts of the financial assets and liabilities such as cash and cash equivalents, receivables and payables of the Group and Company at the statement of financial position date approximated their fair values, due to the relatively short-term nature of these financial instruments.

Trade payables and other non-derivative financial liabilities

Trade payables and other creditors are non-interest bearing and are measured at amortised cost.

Cash and cash equivalents

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

Trade and other receivables

Trade and other receivables are recognised initially at transaction price and subsequently measured at their cost when the contractual right to receive cash or other financial assets from another entity is established.

Trade receivables are considered past due when they have passed their contracted due date. Trade receivables are assessed for impairment based upon the expected credit losses model. The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure, expected credit losses on a collective basis are grouped based on similar credit risk and aging.

Financial assets and liabilities

The Group classifies its financial assets at inception as measured at amortised cost. The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition.

A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, are added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership.

In a transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment losses from contracts with customers

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired, in line with IFRS 9. All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. Any measurement of expected credit losses under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money.

Impairment losses from contracts with customers

The Group considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The amount of loss is recognised in the Statement of Comprehensive Income.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated being measured at fair value through the statement of comprehensive income to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture less than £5k.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the year end and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas identified by the Group are as follows:

Contract liabilities - refund accruals

Accruals for sales returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period in which the original revenue is recorded. These accruals are reviewed regularly and updated to reflect management's latest best estimates, although actual returns could vary from these estimates. The accrual for refunds totalled £1,654k (2024: £1,365k) and a right to returned goods asset recognised of £629k (2024: £555k). A performance obligation is deemed for returns and refunds. A 14 day return policy is noted for a full refund through Sosandar.com and up to 30 days on third-party retailer websites.

Whilst not a key source of estimation uncertainty, the directors believe it is relevant to disclose the impact of changes to the estimate. A difference of 1%pt in the sales returns rate have an impact of +/- £110k (2024: +/- £124k) on the refund provision, and +/- £41k (2024: +/- £53k) on the right to returned goods asset.

A provision is made to write down any slow-moving or obsolete inventory to net realisable value. The provision is £407k at 31 March 2025 (2024: £541k). Whilst not a key source of estimation uncertainty, the directors believe it is relevant to disclose the impact of changes to the estimate. A difference of 1%pt in the provision as a percentage of gross inventory would give rise to a difference of +/- £107k in gross profit (2024: +/- £104k).

Investments

In order to assess the impairment of the investment in the subsidiary, the Directors use a value in use calculation. The value in use is calculated based on five-year cashflow projections. The key assumptions used for the value in use calculation for the year ended 31 March 2025 are the sales growth rates, gross margin rates, changes in the operating costs base, long-term growth rates and the risk-adjusted pre-tax discount. The pre-tax discount rate is derived from the Group's weighted average cost of capital using the capital asset pricing model, the inputs of which include a risk-free rate, equity risk premium, and a risk adjustment (beta) rate. The weighted average cost of capital and growth rates used were as follows:

	2025	2024

	%	%
WACC (Weighted Average Cost Of Capital)	19.3	6.4
Compound annual revenue growth rate	6	10

The Directors assessment of the estimates on future revenues and EBITDA growth in future years is a key source of estimation uncertainty. The estimations are based on the budgeted investment and expansion of our clothing and footwear ranges, increased stocking levels and continued investment in marketing channels to acquire new customers.

The Directors have performed a sensitivity analysis to assess the impact of downside risk of the key assumptions underpinning the projected results of the Group. The projections and associated headroom used for the Group is sensitive to the EBITDA growth assumptions that have been applied.

Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amounts of its investments 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 it's carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, 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 (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 (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, 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.

Share-based compensation

The Group has issued equity-settled share-based payments to employees. The fair value of the employee and suppliers' services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest.

At each statement of financial position date, the entity revises its estimates of the number of options that are expected to

vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to other reserves within equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement taking into account conditions attached to the vesting and exercise of the equity instruments.

Share-based compensation

The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

Deferred tax

Deferred tax is recognised 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 statement of financial position 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 (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax is reviewed at each statement of financial position 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 realised. Deferred tax is charged or credited to 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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and Company intends to settle its current tax assets and liabilities on a net basis.

3 Revenue

The directors have considered the requirement of IFRS 15 with regards to disaggregation of revenue and do not consider this to be required as the group only has one operating segment which is retail sales.

The income recognition for delivery receipts, commissions on partner-fulfilled sales and wholesale revenue are in line with that of retail sales and linked to dispatch/delivery to customers.

Due to the nature of its activities, the group is not reliant on any individual major customers.

During the year, the Group expanded into international markets. The major geographical market remains the UK.

	Year ended 31-Mar 2025 £'000	**Year ended 31-Mar 2024 £'000**
UK	36,633	46,177
Rest of World	499	100
Total	**37,132**	**46,277**

Disaggregation of revenue based on distribution channels is as follows:

	Year ended 31-Mar 2025 £'000	**Year ended 31-Mar 2024 £'000**
Own Channels *	16,430	23,118
Third-Party Channels **	20,702	23,159
Total	**37,132**	**46,277**

* Own Channels includes Sosandar.com and own stores

** Third-Party Channels includes concession and wholesale

4 Operating loss

	31 March 2025 £'000	**31 March 2024 £'000**
Operating loss is stated after charging/(crediting):		
Operating lease rentals	44	69
Auditors' remuneration:		
Audit fee - group and parent company	124	64
Legal and other fees	206	242
Foreign currency loss	33	13
Share based payment	268	262

Finance cost

	31 March 2025 £'000	**31 March 2024 £'000**
Interest on the lease	133	36
Other interest	1	-
Total	**134**	**36**

6 Employees

	31 March 2025 £'000	**31 March 2024 £'000**
Aggregate Directors' emoluments including consulting fees	801	819
Wages and salaries	3,989	3,621
Social security costs	464	433
Pension costs	224	221
Share-based payments	268	262
Total	**5,746**	**5,356**

	31 March 2025 Nos.	**31 March 2024 Nos.**
Directors	7	8

Senior Management	11	8
Retail	22	-
Head Office	72	81
Total	**112**	**97**

Directors' remuneration

Details of emoluments received by Directors of the Group for the year ended 31 March 2025 are shown in the table below.

Details of the share options held by each Director can be found in the Group Directors' Report on page 31.

The share-based payment charge related to directors was £239k (2024: £240k).

	2025	**2025**	**2025**	**2025**	2024
	Base Salary	**Pension**	**Other Benefits**	**Total**	Total
	£	**£**	**£**	**£**	£
Alison Hall	**250,000**	**30,000**	**11,232**	**291,232**	272,561
Julie Lavington	**250,000**	**30,000**	**12,621**	**292,621**	271,102
Steve Dilks	**182,000**	**14,560**	**10,005**	**206,565**	192,331
Nicholas Mustoe	**45,000**	**-**	**-**	**45,000**	45,000
Adam Reynolds	**30,000**	**-**	**-**	**30,000**	30,000
Andrew Booth	**30,000**	**-**	**-**	**30,000**	30,000
Jonathan Wragg *	**-**	**-**	**-**	**-**	28,654
Lesley Watt	**30,000**	**-**	**-**	**30,000**	30,000
Total	**817,000**	**74,560**	**33,858**	**925,418**	899,648

Key management personnel excluding directors, received emoluments for the year of £980k (2024: £792k). This includes payments in lieu of note equalling £67k (2024: £Nil).

7 Income tax

a) Analysis of charge in the period

	31 March 2025 £'000	**31 March 2024 £'000**
Deferred tax		
Origination and reversal of timing differences	477	91
Total deferred tax charge/(credit)	**477**	**91**

b) Factors affecting the tax charge for the period

	31 March 2025 £'000	**31 March 2024 £'000**
Loss on ordinary activities before taxation	(67)	(332)
Tax at the UK corporation tax rate of 25% (2024: 25%)	(17)	(83)
Expenses not deductible for tax purposes	70	66
Adjustments in respect of prior years	(2)	-
Fixed asset differences	4	(13)
Remeasurement of deferred tax for changes in tax rates	-	(4)
Movement in deferred tax not recognised	422	125
Tax on loss on ordinary activities	**477**	**91**

The deferred tax asset recognised in the accounts has been calculated using the current year tax rate of 25% (2024: 25%). The unrecognised deferred tax asset amounts to £4,042,346 (2024: £3,425,906) and has been recognised at the tax rate of 25%. The deferred tax asset has been recognised due to the expectation that it will be reversed in future years.

8 Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year:

	31 March 2025	**31 March 2024**
Loss after tax attributable to equity holders of the		

Loss after tax attributable to equity holders of the parent (£'000)	(544)	(423)
Weighted average number of ordinary shares in issue	248,226,513	248,226,513
Fully diluted average number of ordinary shares in issue	248,226,513	248,226,513
Basic earnings/(loss) per share (pence)	**(0.22)**	**(0.17)**
Diluted earnings/(loss) per share (pence)	**(0.22)**	**(0.17)**

Where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. The calculations of basic and diluted earnings per share is based on the weighted average number of ordinary shares only and excludes the effect of outstanding share options.

9 Intangible Assets

	Website	**Trademark**	**Software**	**Assets under Construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2023	228	2	-	-	230
Additions	-	8	191	259	458
Transfers	-	-	-	52	52
Disposals	-	-	(50)	(30)	(80)
At 31 March 2024	228	10	141	281	660
Amortisation					
At 1 April 2023	228	2	-	-	230
Charge for the year	-	-	39	-	39
At 31 March 2024	**228**	**2**	**39**	**-**	**269**
Carrying value 31 March 2024	**-**	**8**	**102**	**281**	**391**
Cost					
At 1 April 2024	228	10	141	281	660
Additions	-	7	362	55	424
Disposals	(185)	-	-	(3)	(188)
Transfers	-	-	267	(267)	-
At 31 March 2025	**43**	**17**	**770**	**66**	**896**
Amortisation					
At 1 April 2024	228	2	39	-	269
Charge for the year	-	4	61	-	65
Disposals	(185)	-	-	-	(185)
At 31 March 2025	**43**	**6**	**100**	**-**	**149**
Carrying value 31 March 2025	**-**	**11**	**670**	**66**	**747**

Assets under construction are costs relating to the ERP implementation project and thus were transferred into intangible assets from property, plant and equipment. Refer to note 10.

10 Property, plant and equipment - Group

	Computer Equipment	**Fixtures and fittings equipment**	**Right of use asset**	**Assets under Construction**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2023	191	592	936	52	1,771
Additions	50	31	166	-	247
Transfers	-	-	-	(52)	(52)
At 31 March 2024	**241**	**623**	**1,102**	**-**	**1,966**
Accumulated depreciation					
At 1 April 2023	119	309	352	-	780
Charge for year	45	61	171	-	277
At 31 March 2024	**164**	**370**	**523**	-	**1,057**
Carrying value 31 March 2024	**77**	**253**	**579**	**-**	**909**
Cost					

At 1 April 2024	241	623	1,102	-	1,966
Additions	13	1,704	3,994	-	5,711
Disposals	-	(7)	-	-	(7)
Transfers	-	-	-	-	-
At 31 March 2025	**254**	**2,320**	**5,096**	**-**	**7,670**
Accumulated depreciation					
At 1 April 2024	164	370	523	-	1,057
Charge for year	49	198	490	-	737
On disposals	-	-	-	-	-
At 31 March 2025	**213**	**568**	**1,013**	-	**1,794**
Carrying value 31 March 2025	**41**	**1,752**	**4,083**	**-**	**5,876**

Assets under construction are costs relating to the ERP implementation project and thus were transferred into intangible assets from property, plant and equipment. Refer to note 9.

11 Non-current assets

Investments in subsidiaries:

	Company	
	2025	**2024**
	£'000	**£'000**
Cost at 1 April	7,694	7,432
Additions during the year	27,988	262
Cost at 31 March	**35,682**	**7,694**
Impairment at 1 April	**-**	**-**
Impairment	**(19,771)**	**-**
Impairment at 31 March	**(19,771)**	**-**
Carrying value as at 31 March	**15,911**	**7,694**

The additions during the year are in respect of the share-based payment expense of £268k which was issued in the Parent Company on behalf of its subsidiary, Thread 35 Limited and therefore represents a capital contribution during the year. More information can be found in note 17. Further additions in the year are the reinstatement of the intercompany loan with Thread 35 Limited and its subsequent impairment in the year.

The subsidiaries of Sosandar Plc are as follows:

Subsidiary companies	Incorporation	Holding	Type of share held	**% Holding 2025**	% Holding 2024
Thread 35 Ltd	UK	Direct	Ordinary shares	**100**	100
Sosandar (Europe) Limited	Ireland	Direct	Ordinary shares	**100**	100

The registered office of Thread 35 Limited is 40 Water Lane, Wilmslow, SK9 5AP and the registered office of Sosandar (Europe) Limited is 5th Floor, 40 Mespil Road, Dublin 4, Ireland, D04 C2N4.

There were no other investments held by the Group.

Impairment testing

The Groups investments in its subsidiaries are tested for impairment at the balance sheet date, where indicators of impairment exist. Indicators were identified including the reduction in profit in the subsidiary of Thread 35 Ltd and the write off of the intercompany loan balance with the subsidiary. The recoverable amount of the investment in Thread 35 Ltd as at 31 March 2025 was assessed on the basis of value in use. As a result of this calculation an impairment was made of £19,771k.

The key assumptions in the calculation to assess value in use are the future revenues and the ability to generate future cash flows. The most recent financial results and forecast approved by management for the next 5 years are assessed including capital expenditure requirements. Growth assumptions are then applied for year 6 onwards. The projected results were discounted at a rate which is a prudent evaluation of the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit.

The key assumptions used for the value in use calculation for the year ended 31 March 2025 are disclosed in note 2, Critical accounting judgements and key sources of estimation uncertainty on page 65.

12 Inventories - Group

	31 March 2025 £'000	31 March 2024 £'000
Stock - finished goods	10,461	10,365
Right to returned stock	629	555
Total	**11,090**	**10,920**

The cost of inventories charged in the year as an expense equated to £14,067k (2024: £19,627). Right to returned stock relates to the cost of products sold in the financial year but expected to be returned after the financial period.

13 Loans to and from subsidiaries

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current assets	-	-	87	-
Non-current liabilities	-	-	918	-
Net Liability	**-**	**-**	**831**	**-**

14 Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	2,793	2,160	-	-
VAT recoverable	437	8	437	8
Other receivables	101	100	-	-
Prepayments	504	500	120	-
Trade and other receivables	**3,835**	**2,768**	**557**	**8**

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade receivables are considered past due when they have passed their contracted due date. Trade receivables are assessed for impairment based upon the expected credit losses model. The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure, expected credit losses on a collective basis are grouped based on similar credit risk and aging. The Group does not have any non-current receivables.

At 31 March 2025 there were 3 customers who owed in excess of 80% of the total trade debtor balance. These customers were operating within their credit terms and the directors do not foresee an increased credit risk associated with these customers.

None of the trade receivables have been subject to a significant increase in credit risks since initial recognition and as such no impairment provision has been recognised on trade receivables.

As at 31 March 2025	**Current £000's**	**<1mth £000's**	**1mth £000's**	**2mth £000's**	**3mth £000's**	**Older £000's**	**Total £000's**
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount	1,829	819	63	-	64	18	2,793
Expected credit loss provision	-	-	-	-	-	-	-
	1,829	**819**	**63**	**-**	**64**	**18**	**2,793**

As at 31 March 2024	**Current £000's**	**<1mth £000's**	**1mth £000's**	**2mth £000's**	**3mth £000's**	**Older £000's**	**Total £000's**
Expected loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount	2,088	72	10	-	(10)	-	2,160
Expected credit loss provision	-	-	-	-	-	-	-
	2,088	**72**	**10**	**-**	**(10)**	**-**	**2,160**

No expected credit losses have been recognised in the parent company, as the loan to the subsidiary of £27,720 was reversed in the prior year and has been capitalised in the current year. See note 11 for further details.

15 Cash and cash equivalents

Group		Company	
2025	2024	2025	2024

	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Cash at bank	**7,284**	**8,313**	**4,472**	**4,534**

As at reporting date there is a multilateral guarantee given by Sosandar PLC and Thread 35 Ltd to HSBC UK Bank plc dated 18 April 2024.

16 Share capital and reserves

Details of ordinary shares issued are in the table below:

Ordinary Shares (£0.01)				
	Number of shares issued and fully paid	**Issue Price £**	**Total Share Capital** **£'000**	**Total Share Premium** **£'000**
At 31 Mar 2024	248,226,513	0.001	248	52,619
At 31 Mar 2025	**248,226,513**	**0.001**	**248**	**52,619**

17 Share based payments

Share option plans

The Group has a share ownership compensation scheme for Directors and senior employees of the Group. On 2nd November 2017 share options over ordinary shares of 15.1p were issued with a further issue over ordinary shares of 29.1p issued on 25th February 2019. On 21 June 2021 the Group announced the establishment of a new Long Term Incentive Plan in which it granted new nil cost options totalling 21,431,942 ordinary shares of 0.1 pence each to its executive directors and members of the senior management team. Some of the existing options granted, totalling 13,888,742 ordinary shares, were modified as part of these arrangements. There was no incremental fair value because of this modification.

The options are settled in equity once exercised. If the options remain unexercised for a period after ten years from the date of grant, the options expire.

Details of the number of share options and the weighted average exercise price ("WAEP") outstanding during the period are as follows:

	31 March 2025		**31 March 2024**	
	Number ('000)	**WAEP £**	**Number ('000)**	**WAEP £**
Outstanding at 31 March 2024	**27,761**	**0.035**	27,761	0.035
Modifications in the year	**-**	**0.000**	-	-
Issuances in the year	**0**	**0.000**	135	-
Cancellations in the year	**0**	**0.000**	(135)	0
Outstanding at 31 March 2025	**27,761**	**0.035**	27,761	0.035
Exercisable at 31 March 2025	**18,118**	**0.054**	18,118	0.054

The options outstanding at 31 March 2025 had a weighted average exercise price of £0.054 and a weighted average remaining contractual life of 5.59 years.

The fair values of options granted prior to 2021 were calculated using the Black Scholes pricing model. The fair values of the options granted in June 2021 and May 2023 were calculated using the Monte Carlo model. The Group used historical data to estimate expected period to exercise, within the valuation model. Expected volatilities of options outstanding granted prior to the Company's admission to AIM were based on implied volatilities of a sample of listed companies based in similar sectors. The risk-free rate for the expected period to exercise of the option was based on the UK gilt yield curve at the time of the grant.

The Group recognised a charge of £268k (2024: £262k) related to equity-settled share-based payment transactions during the year. Of this, the charge recognised in the subsidiary, Thread 35 Ltd, was £268k (2024: £262k).

The assumptions used in the valuation of the options at the grant date are as follows. There were no new share issues in the year.

	Share options FY24	Share options FY22	Share options FY19	Share options FY18
Exercise price	0.0p	0.0p	29.2p	15.1p
Share price at date of grant	27.00p	23.75p	29.2p	15.1p
Risk-free rate	0.25%	0.25%	0.25%	0.25%
Volatility	70%	42%	25%	25%
Expected Life	3 years	5 years	10 years	10 years

Fair Value	0.20	0.13	0.07	0.05

For options exercisable at year end, the exercise price ranged from 0.0p to 29.2p.

18 Trade and other payables

	Group		Company	
	2025	**2024**	**2025**	**2024**
	£'000	**£'000**	**£'000**	**£'000**
Trade payables	**2,850**	2,111	**21**	-
Accruals	**1,056**	692	**100**	61
Other payables	**555**	323	**-**	-
VAT payable	**842**	535	**-**	-
Contract liabilities	**1,681**	1,365	**-**	-
Deferred income	**112**	50		
Trade and other payables	**7,096**	5,076	**121**	61

19 Leases

The Group have property lease contracts which are used in its day-to-day operations.

	31 March	**31 March**
	2025	**2024**
	£'000	**£'000**
Lease liability brought forward	622	630
Additions	3,994	166
Indirect costs	(463)	-
Finance cost	133	36
Lease payments	(354)	(210)
Lease liability recognised in statement of financial position	**3,932**	**622**

	31 March	**31 March**
	2025	**2024**
	£'000	**£'000**
Of which		
Current lease liabilities	571	194
Non-current lease liabilities	3,361	428
Lease liability recognised in statement of financial position	**3,932**	**622**

On 1 April 2022, the Group entered into a second property lease in Wilmslow, England in order to expand its office space. Both property leases have a term of five years with a break clause after three years. In the financial year, the Group entered into a further six property leases, of stores, in England. Two properties have terms of five years with a break clause after three years, the remaining four properties have terms of ten years with a break clause after five years.

20 Related party transactions

The intercompany loan balance between the Company and its subsidiary, Thread 35 Ltd, was capitalised in the year. Please see note 11 for further details.

21 Financial instruments - risk management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The Group's activities expose it to a range of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

These methods include sensitivity analysis in the case of foreign exchange and other price risks, and ageing analysis for credit risk. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular updates from the management team through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group's operations expose it to some financial risks arising from its use of financial instruments, the most significant ones being cash flow interest rate risk, foreign exchange risk, liquidity risk and capital risk. Further details regarding these policies are set out below:

Credit risk

The Group faces low credit risk as own site customers pay for their orders in full on order of the goods. There are credit terms with third-party concession and wholesale customers.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if the Group deem there to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

Losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses. The Group will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, the Group may still choose to pursue enforcement in order to recover the amounts due.

The types of customers that the Group trades with have strong credit ratings and a robust payment history with the Group with no aged balances and as such the Group have not identified any expected credit losses from trade receivables during the period. The Group does not deem credit risk a material risk to the business.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from its deposits of cash and cash equivalents with banks. The cash balances maintained by the Group are proactively managed in order to ensure that attractive rates of interest are received for the available funds but without affecting the working capital flexibility the Group requires.

The Group is not at present exposed to cash flow interest rate risk on borrowings as it has no debt. No subsidiary company of the Group is permitted to enter into any borrowing facility or lease agreement without the prior consent of the Company.

Foreign exchange risk

Foreign exchange risk may arise because the Group purchases stock in currencies other than the functional currency.

The Group monitors whether there is a requirement for foreign currency on a monthly basis. The Group considers this policy minimises any unnecessary foreign exchange exposure.

Liquidity risk

Liquidity risk arises from the Group's management of working capital; it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The principal obligations of the Group arise in respect of committed expenditure in respect of its stock purchases and design. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its obligations when they become due.

To achieve this aim, it seeks to maintain readily available cash balances (or agreed facilities) to meet expected requirements and to raise new equity finance if required for future development or expansion.

The Board receives regular information on cash balances and estimates for the year ahead. The Board will not commit to material expenditure in respect of its ongoing commitments prior to being satisfied that sufficient funding is available to the Group to finance the planned programmes.

For cash and cash equivalents, the Group only uses recognised banks with medium to high credit ratings.

The maturity of borrowings and other financial liabilities (representing undiscounted contractual cash-flows) is as follows:

		Group		**Company**	
		Within 1 year	**1-2 years**	**Within 1 year**	**1-2 years**
As at 31 March 2025		**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	18	7,096	-	121	-
Lease liabilities	19	571	3,361	-	-
Total		**7,667**	**3,361**	**121**	**-**

		Group		**Company**	
		Within 1 year	**1-2 years**	**Within 1 year**	**1-2 years**
As at 31 March 2024		**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	18	5,076	-	61	-
Lease liabilities	19	194	428	-	-
Total		**5,270**	**428**	**61**	**-**

Financial assets

At the reporting date, the Group held the following financial assets, all of which were classified as financial assets at amortised cost:

	Amortised cost		**Amortised cost**	
	Group		**Company**	
	31 March 2025	**31 March 2024**	**31 March 2025**	**31 March 2024**
	£'000	**£'000**	**£'000**	**£'000**
Cash and cash equivalents 15	7,284	8,313	4,472	4,534
Trade & other receivables* 14	3,331	2,270	557	8
Total	**10,615**	**10,583**	**5,029**	**4,542**

*excluding prepayments

Financial liabilities

At the reporting dates, the Group held the following financial liabilities, all of which were classified as other financial liabilities at amortised cost:

	Amortised cost		**Amortised cost**	
	Group		**Company**	
	31 March 2025	**31 March 2024**	**31 March 2025**	**31 March 2024**
	£'000	**£'000**	**£'000**	**£'000**
Trade payables	2,850	2,111	21	-
Accruals	1,056	692	100	61
Other payables*	555	323	-	-
Contract liabilities	1,681	1,365	-	-
Lease liabilities	3,932	622	-	-
Trade and other payables	**10,074**	**5,113**	**121**	**61**

*excluding VAT

Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

22 Net cash

The below table shows the Group's cash position less lease liabilities.

	At 1 April 2024	**Cash flow**	**Additions**	**Accrued interest charges**	**At 31 March 2025**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cash and cash equivalents	8,313	(1,029)	-	-	7,284
Lease liabilities	(622)	354	(3,531)	(133)	(3,932)
Net cash (excluding lease liabilities)	**7,691**	**(675)**	**(3,531)**	**(133)**	**3,352**

23 Post balance sheet events

There are no post balance sheet events.

24 Contingent liabilities

The Company and Group has no contingent liabilities.

25 Ultimate controlling party

There is no ultimate controlling party of the Company.

END

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