

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- the financial statements of discoverIE Group plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2026 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Profit or Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related notes 1 to 35 to the Consolidated financial statements, including the material accounting policy information;
- the Company Statement of Financial Position;
- the Company Statement of Changes in Equity; and
- the related notes 1 to 12 to the Company financial statements, including the material accounting policy information.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

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

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note 32 to the Group financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

<b>Key audit matters</b>	The key audit matter that we identified in the current year was the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off').
<b>Materiality</b>	The materiality that we used for the Group financial statements was £2.3m (2025: £2.3m) which was determined on the basis of adjusted profit before tax.
<b>Scoping</b>	We used component auditors to test specific account balances in 25 (2025: 28) reporting units across 13 countries and the Group engagement team performed audits on 7 (2025: 7) reporting units at group level including the Company. This covered 71% (2025: 72%) of Group revenue, 82% (2025: 84%) of profit before tax and 84% (2025: 79%) of net assets.
<b>Changes to our approach</b>	The extent of our audit testing is comparable with the previous year. There are no other significant changes in our approach, as compared to 2025.

### 4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the processes and controls underpinning the directors' forecasting of financial performance and cash flows;
- assessing the Group's borrowing facilities explained in note 26 to the Group financial statements, including the total amounts available, the repayment dates, and related covenants;
- testing the mechanical and logical accuracy of management's forecasts, and liquidity and sensitivity calculations;
- assessing the forecasts in comparison to historical performance, industry expectations, and external data points;
- challenging the downside scenarios modelled by the Group, including their reverse stress tests, in consideration of recent experience and whether they were sufficiently severe;
- evaluating whether other events or conditions, for example potential trade volatility arising from changing tariff regimes and the conflict in the Middle-East, are appropriately considered in forecasts and downside scenarios;
- assessing the requirements of the financial covenants and the potential risk of a covenant breach; and
- assessing the appropriateness of the disclosures provided in note 2 of the Group financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

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## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 5.1. Appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off')

<p><b>Key audit matter description</b></p>	<p>The Group recognised revenue of £443.3 million in 2026 (2025: £422.9 million) of which the significant majority is earned through sale of goods in the form of a range of customised electronics for industrial applications. Refer to notes 4 and 5 to the Group financial statements for analysis by nature and operating segment. The Group recognises revenue from sale of goods at a point in time on shipment, on delivery, or when goods are accepted by the customer, depending on the incoterm used for the sale transaction.</p> <p>Revenue should be recognised once control of goods has passed to the customer in line with the relevant incoterms and the Group's revenue recognition policy. The Group is highly disaggregated and operates in a number of different jurisdictions, trading under a range of incoterms, and utilises different IT infrastructure in different businesses. That leads to a risk that revenue is recognised at an inappropriate time due to an incorrect determination of when control has passed. There could be an incentive to recognise revenue in one period or another, in order to meet budgets or targets, and so we consider the cut-off of revenue to represent a key audit matter and a potential fraud risk.</p> <p>Refer to note 2 for the Group's revenue recognition policy and note 5 for the Group's segmental reporting showing revenue by operating segment.</p>
<p><b>How the scope of our audit responded to the key audit matter</b></p>	<p>We have performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>■ obtaining an understanding of the revenue cycle and relevant controls in place to address the risk of inappropriate cut-off;</li> <li>■ identified a pre- and post- year end 'risk period' for sales transactions for which there may be judgement as to whether control has passed as at the year-end and assessing a sample of those sales transactions against purchase orders, despatch documentation, and sales invoices, as necessary in order to determine whether revenue is recognised in the correct period; and</li> <li>■ testing credit notes issued post year end and assessing the appropriateness of the reason for the credit note while also evaluating whether it aligns with the Group's revenue recognition policy.</li> </ul>
<p><b>Key observations</b></p>	<p>We concluded that the revenue recognition policies of the Group, relating to the timing of revenue recognition and the point at which control passes, are reasonable, and that they are applied appropriately.</p>

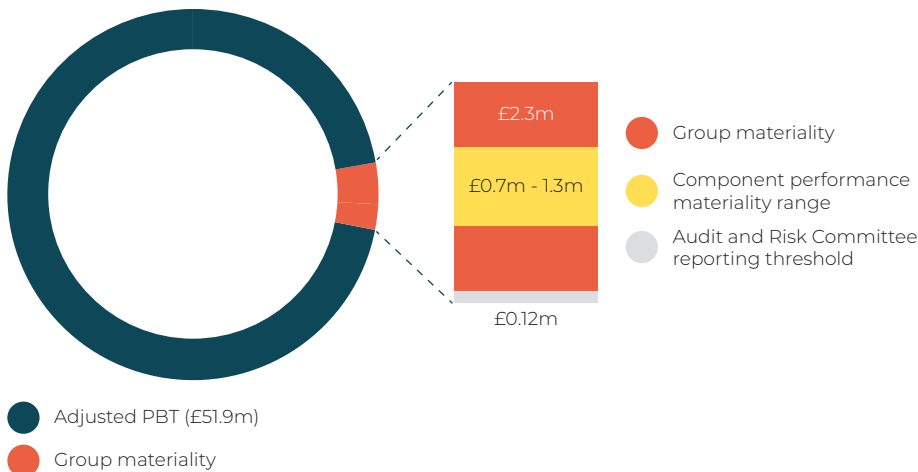
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
<b>Materiality</b>	£2.3 million (2025: £2.3 million)	£2.0 million (2025: £2.0 million)
<b>Basis for determining materiality</b>	We determined materiality on the basis of 5% of forecasted adjusted profit before tax, this represents 4.4% of final adjusted profit before tax, as disclosed in note 6 to the financial statements. (2025: represented 4.6% of final adjusted profit before tax).	Company materiality equates to 1% of net assets (2025: 0.5% of net assets), which is capped at 90% of Group materiality.
<b>Rationale for the benchmark applied</b>	We have used adjusted profit before tax for determining materiality. Adjusted profit before tax is defined as profit before tax excluding acquisition and disposal related costs. This is considered to be a key benchmark as this metric is important to the users of the financial statements (investors and analysts being the key users for a listed entity) because it provides a means of evaluating performance of the business on a consistent basis and hence its ability to pay a return on investment to the investors.	As the ultimate holding company of the Group we consider net assets to be an appropriate benchmark for our materiality determination.



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## 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
<b>Performance materiality</b>	65% of Group materiality (2025: 65%)	65% of Company materiality (2025: 65%)
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered the following factors: <ol style="list-style-type: none"> <li>the quality of the control environment and whether we were able to rely on controls;</li> <li>the disaggregated nature of the Group and relative size of individual businesses;</li> <li>the nature, volume and size of misstatements in the previous audit; and</li> <li>low turnover of management and key accounting personnel.</li> </ol>	

## 6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £115,000 (2025: £115,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

The Group is highly disaggregated and operates in 20 countries, with 40 manufacturing locations. Our definition of component is aligned to the reporting unit structure within the Group. Our audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group and component level.

Our determination of which components to include in our audit scope considered:

- qualitative and quantitative risk factors, in consideration of the Group materiality of £2.3 million;
- the structure of internal reporting within the Group;
- changes to the Group arising from acquisitions, disposals, or restructuring events; and
- the outcome of recent internal audit reports, or other indications of increased risk identified by management or the directors.

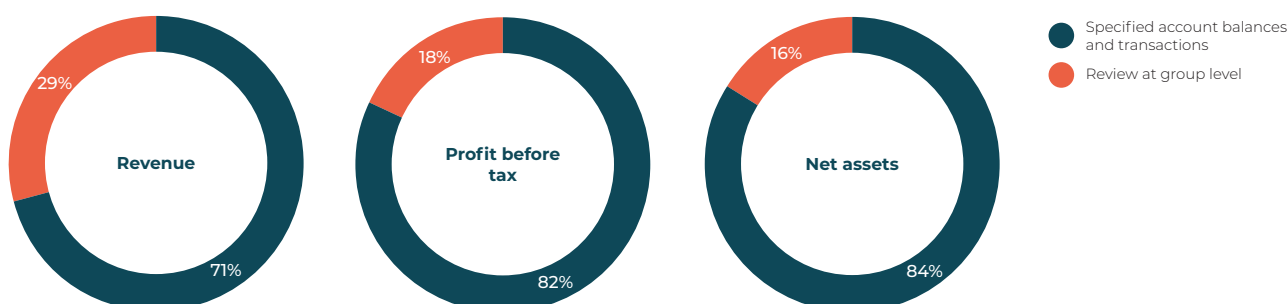
The parent company is located in the UK and is audited directly by the Group audit team. The Group audit team also executed the in-scope component audits in the UK and US. As each of the components maintains separate financial records, we have engaged component auditors from the Deloitte member firms in China, Denmark, France, Germany, India, Norway, Poland, Slovakia, Sri Lanka and Sweden to perform procedures under our direction and supervision as further described in section 7.4 below.

For the purposes of our Group audit we have performed audit procedures on one or more classes of transactions, or account balances, on components which represent 71% (2025: 72%) of revenue, 82% (2025: 84%) of profit before tax, and 84% (2025: 79%) of net assets.

We used component auditors to test specific account balances in 25 (2025: 28) reporting units across 13 countries and the Group engagement team performed audits on 7 (2025: 7) reporting units at group level including the Company.

Our work on the components, including the parent company, was executed at levels of performance materiality applicable to each individual component, which were lower than Group performance materiality and ranged from £0.7 million to £1.3 million (2025: £0.6 million to £1.3 million).

At a Group level we have tested the consolidation processes, and have performed a review at group level on components and balances that were not subject to audit procedures.



## 7.2. Our consideration of the control environment

The Group operates a range of IT systems which underpin the financial reporting processes. These vary in complexity and can vary by geography and/or reporting entity.

For certain components subject to audit procedures, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances, and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, with the involvement of our IT specialists we obtained an understanding of relevant IT controls and tested the general IT controls for some operating entities.

Consistent with the prior year, we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our knowledge of the control environment and in particular the disaggregated nature of the business which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment with regards to retention of evidence of a control's operation sufficient for our testing purposes; and our understanding of the Group's ongoing programme to upgrade legacy systems.

Management continue to assess and monitor the effectiveness of the Group's control environment, along with reporting to and oversight from the Audit and Risk Committee as explained in their report on page 107. This includes consideration of developments in controls in the context of the FRC guidance and changes to the Corporate Governance Code. As the Group develops, we expect our audit approach to evolve in future years alongside developments in the internal control environment.

## 7.3. Our consideration of climate-related risks

In planning our audit we considered the potential impact of climate change on the Group's business and on the balances in the financial statements. The Group has assessed the risks and opportunities of climate change and has summarised the outputs of that assessment on pages 60 to 68 of this Annual Report.

We have considered whether the outputs of the assessment, as disclosed in the basis of preparation, on page 155 of the Annual Report, are consistent with our understanding of the business and with the forecasts which are used to support account balances (including goodwill), the use of the going concern assumption, and the explanations given in the viability statement. We did not identify any additional risks of material misstatement as a result of the assessment and have considered it as part of our wider response to forecasts, and audit of related account balances.

In considering the disclosures presented as part of the Strategic Report, we engaged our Environmental, Social and Governance ("ESG") specialists to assist in evaluating whether appropriate disclosures have been made in the financial statements with reference to the Task Force on Climate-Related Financial Disclosures ("TCFD") and Climate-related Financial Disclosure ("CFD") requirements. We have also assessed whether these disclosures are materially consistent with the financial statements and reflect our understanding of the Group's approach to climate.

## 7.4. Working with other auditors

The audit work completed by our component audit teams was performed under the direction and supervision of the Group audit team. We were directly involved in planning discussions, including holding partner-led discussions related to fraud, and risk assessment conclusions. We provided our component teams with detailed instructions and maintained frequent communication throughout the planning, interim, and final audit stages. We reviewed component audit working papers which were significant to the Group audit conclusions, and challenged findings and observations based on reporting we received.

Senior members of our Group audit team visited seven component locations across the UK, the US, India, Sri Lanka, and Germany. We attended all audit close meetings either in-person or via conference calls.

## 8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

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## 9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions, IT and forensic specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off'). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

## 11.2. Audit response to risks identified

As a result of performing the above, we identified the appropriateness of revenue recognised in the correct accounting period (revenue 'cut-off') as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF discoverIE Group plc

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## 13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 114;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 85;
- the directors' statement on fair, balanced and understandable set out on page 106;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 96;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 107; and
- the section describing the work of the Audit and Risk Committee set out on page 104.

## 14. Matters on which we are required to report by exception

### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 15. Other matters which we are required to address

### 15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders on 26 July 2024 to audit the financial statements for the year ending 31 March 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years, covering the years ending 31 March 2025 to 31 March 2026.

### 15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

#### Jane Makrakis FCA

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

02 June 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Revenue</b>	4	<b>443.3</b>	422.9
Operating costs	7	<b>(398.1)</b>	(380.5)
<b>Operating profit</b>	7	<b>45.2</b>	42.4
Finance income	9	<b>2.7</b>	3.7
Finance costs	9	<b>(11.8)</b>	(14.1)
<b>Profit before tax</b>		<b>36.1</b>	32.0
Tax expense	10	<b>(7.1)</b>	(7.4)
<b>Profit for the year</b>		<b>29.0</b>	24.6
<b>Earnings per share</b>			
	13		
Basic, profit for the year		<b>30.2p</b>	25.6p
Diluted, profit for the year		<b>29.4p</b>	25.0p

The above consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

# SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS INFORMATION

FOR THE YEAR ENDED 31 MARCH 2026

Alternative performance measures	Notes	2026 £m	2025 £m
Operating profit	7	<b>45.2</b>	42.4
Add back: Net acquisition and disposal (credit)/expenses	6	<b>(0.5)</b>	1.9
Amortisation of acquired intangible assets	18	<b>16.3</b>	16.2
<b>Adjusted operating profit</b>		<b>61.0</b>	60.5
Profit before tax		<b>36.1</b>	32.0
Add back: Net acquisition and disposal (credit)/expenses	6	<b>(0.5)</b>	1.9
Amortisation of acquired intangible assets	18	<b>16.3</b>	16.2
<b>Adjusted profit before tax</b>		<b>51.9</b>	50.1
<b>Adjusted earnings per share – diluted</b>	6	<b>40.3p</b>	38.7p
<b>Adjusted earnings per share – basic</b>	6	<b>41.3p</b>	39.7p

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Profit for the year</b>		<b>29.0</b>	24.6
Other comprehensive gain/(loss):			
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain/(loss) on defined benefit pension scheme	31	<b>0.3</b>	(4.7)
Tax (charge)/credit relating to defined benefit pension scheme	10	<b>(0.1)</b>	1.2
		<b>0.2</b>	(3.5)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of foreign subsidiaries		<b>2.1</b>	(3.7)
		<b>2.1</b>	(3.7)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>2.3</b>	(7.2)
<b>Total comprehensive income for the year, net of tax</b>		<b>31.3</b>	17.4

The above consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Property, plant and equipment	14	24.0	23.0
Intangible assets – goodwill	16	249.2	244.2
Intangible assets – other	18	81.3	92.2
Right-of-use assets	15	33.3	27.4
Deferred tax assets	10	7.3	10.1
		<b>395.1</b>	396.9
<b>Current assets</b>			
Inventories	19	85.4	82.9
Trade and other receivables	20	85.7	74.4
Current tax assets		3.1	1.5
Cash and cash equivalents	21	125.3	139.3
		<b>299.5</b>	298.1
<b>Total assets</b>		<b>694.6</b>	695.0
<b>Current liabilities</b>			
Trade and other payables	28	(91.9)	(81.1)
Loans and borrowings	22	(95.6)	(95.0)
Lease liabilities	15	(6.5)	(6.2)
Current tax liabilities		(8.4)	(8.2)
Provisions	25	(3.8)	(5.0)
		<b>(206.2)</b>	(195.5)
<b>Non-current liabilities</b>			
Other payables	28	(0.5)	(6.2)
Loans and borrowings	22	(110.2)	(138.6)
Lease liabilities	15	(27.5)	(21.2)
Pension liability	31	(0.2)	(0.5)
Provisions	25	(4.3)	(4.0)
Deferred tax liabilities	10	(17.1)	(21.0)
		<b>(159.8)</b>	(191.5)
<b>Total liabilities</b>		<b>(366.0)</b>	(387.0)
<b>Net assets</b>		<b>328.6</b>	308.0
<b>Equity</b>			
Share capital	29	4.9	4.8
Share premium	29	192.1	192.0
Merger reserve		2.9	2.9
Currency translation reserve		(3.7)	(5.8)
Retained earnings		132.4	114.1
<b>Total equity</b>		<b>328.6</b>	308.0

The above consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The Financial Statements on pages 150 to 205 were approved by the Board of Directors on 2 June 2026 and signed on its behalf by:

**Nick Jefferies**  
Group Chief Executive

**Simon Gibbins**  
Group Finance Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Attributable to equity holders of the Company					
	Share capital £m	Share premium £m	Merger reserve £m	Currency translation reserve £m	Retained earnings £m	Total equity £m
<b>At 1 April 2024</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(2.1)</b>	<b>104.0</b>	<b>301.6</b>
Profit for the year	-	-	-	-	24.6	24.6
Other comprehensive loss	-	-	-	(3.7)	(3.5)	(7.2)
Total comprehensive (loss)/income	-	-	-	(3.7)	21.1	17.4
Share-based payments including tax	-	-	-	-	0.7	0.7
Dividends (note 12)	-	-	-	-	(11.7)	(11.7)
<b>At 31 March 2025</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>(5.8)</b>	<b>114.1</b>	<b>308.0</b>
Profit for the year	-	-	-	-	29.0	29.0
Other comprehensive income	-	-	-	2.1	0.2	2.3
Total comprehensive income	-	-	-	2.1	29.2	31.3
Share-based payments including tax	-	-	-	-	1.3	1.3
Shares issued (note 29)	0.1	0.1	-	-	-	0.2
Dividends (note 12)	-	-	-	-	(12.2)	(12.2)
<b>At 31 March 2026</b>	<b>4.9</b>	<b>192.1</b>	<b>2.9</b>	<b>(3.7)</b>	<b>132.4</b>	<b>328.6</b>

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Net cash flow from operating activities</b>	24	<b>45.3</b>	46.4
<b>Investing activities</b>			
Acquisition of businesses, net of cash acquired		<b>(4.7)</b>	(27.7)
Contingent consideration related to business acquisitions		<b>(2.8)</b>	(2.3)
Proceeds from business disposals		–	13.3
Shares issued		<b>0.1</b>	–
Purchase of property, plant and equipment		<b>(5.7)</b>	(5.4)
Purchase of intangible assets – software		<b>(0.9)</b>	(0.7)
Interest received		<b>2.7</b>	3.5
<b>Net cash used in investing activities</b>		<b>(11.3)</b>	(19.3)
<b>Financing activities</b>			
Proceeds from borrowings		<b>27.1</b>	37.5
Repayment of borrowings		<b>(57.4)</b>	(33.2)
Payment of lease liabilities		<b>(6.6)</b>	(6.5)
Dividends paid	12	<b>(12.2)</b>	(11.7)
<b>Net cash used in financing activities</b>		<b>(49.1)</b>	(13.9)
<b>Net (decrease)/increase in cash and cash equivalents<sup>1</sup></b>		<b>(15.1)</b>	13.2
Net cash and cash equivalents at 1 April		<b>43.7</b>	31.5
Effect of exchange rate fluctuations		<b>0.4</b>	(1.0)
Net cash and cash equivalents at 31 March		<b>29.0</b>	43.7
<b>Reconciliation to cash and cash equivalents in the consolidated Statement of Financial Position</b>			
Net cash and cash equivalents shown above		<b>29.0</b>	43.7
Add back: bank overdrafts	22	<b>96.3</b>	95.6
Cash and cash equivalents presented in current assets in the consolidated Statement of Financial Position	21	<b>125.3</b>	139.3

<sup>1</sup> Further information on the consolidated Statement of Cash Flows is provided in notes 23 and 24.

The above consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

## 1. Reporting entity and authorisation of Financial Statements

The consolidated Financial Statements, which comprise the results of discoverIE Group plc ("the Company") and its subsidiaries (collectively referred to as "the Group"), for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 2 June 2026. discoverIE Group plc is a public limited company incorporated and domiciled in England, UK and the registered office is disclosed on page 212. The Company's ordinary shares are traded on the London Stock Exchange.

The material accounting policies adopted by the Group are set out in note 2 and have been applied consistently to all years presented in these consolidated Financial Statements.

## 2. Accounting policies

### Statement of compliance

The Group's consolidated Financial Statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The separate Financial Statements of the Company have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). On publishing the Company's Financial Statements here together with the Group's Financial Statements, the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual Statement of Profit or Loss and related notes that form a part of these approved Financial Statements.

The following exemptions from the requirements of the UK-adopted IAS have been applied in the preparation of the Company's Financial Statements, in accordance with FRS 101:

- Cash Flow Statement and respective disclosures and information;
- Disclosures in relation to capital management;
- Disclosures in relation to financial instruments;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures in respect of transactions between two or more members of the Group.

For the following disclosures, as the Group's consolidated Financial Statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101:

- IFRS 2 Share-based Payments in respect of Group equity-settled share-based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement.

### Basis of preparation

The Group's consolidated Financial Statements and the Company's Financial Statements are prepared under the historical cost convention, unless otherwise stated.

The Group's and Company's Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest hundred thousand except as otherwise indicated.

### Impact of climate change

The Group has engaged in an ongoing review of expected climate change impacts on the business and its assets and liabilities to establish any adjustments required and any reporting necessary in its consolidated Financial Statements for the year ended 31 March 2026. The ongoing risk assessment is detailed within the climate-related risks and opportunities section on page 80 of the Risk Management section and on pages 60 to 63 of the Strategy section within the Climate Analysis Report on pages 57 to 73, in accordance with the requirements of the TCFD.

The process has involved a review of all balance sheet line items and future cash flows, to identify if any of these items are expected to be materially impacted in a negative or positive way by weather, legislative, societal or revenue/cost changes.

The conclusion of the review was that, whilst there will undoubtedly be impacts on the Group, the highly disaggregated nature of the operations of the Group and the target markets in which the Group operates, significantly reduce the risk profile of the Group to impacts from weather-related changes. The changes necessary to achieve the Group's net-zero by 2030 commitment are not expected to have a materially adverse impact on the cash flows of the Group and, indeed, warmer climates may present enhanced opportunities in our target markets as disclosed on pages 22 to 23 of this report. Societal and legislative impacts are not considered to have a material impact on any one segment such that the Group needs to report in a different way to previous years. The related judgements are not considered to be significant, although, clearly, understanding of climate change continues to evolve with time. The area involving the greatest level of judgement is goodwill impairment testing and a description is given in note 17 of the incremental processes undertaken to assess the

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 2. Accounting policies continued

climate change impact on the valuations. Management review has concluded that there is no material impact and that no further disclosure is required.

### Going concern

In line with IAS 1 Presentation of Financial Statements and revised guidance on risk management, internal control and related financial and business reporting, management has taken into account all available information about the future for a period of at least, but not limited to, 12 months from the date of approval of the Financial Statements when assessing the Group's and Company's ability to continue as a going concern.

The Group's business activities, together with factors which may adversely impact its future development, performance and position, are set out in the Strategic Report on pages 24 to 33. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Finance Review section of the Strategic Report on pages 34 to 37.

The Group's forecasts and projections, taking account of the sensitivity analysis of changes in trading performance, show that the Group is well placed to operate within its current debt facilities of £240m committed up to May 2030, with options to extend to 2032. In addition, the Group has access to an £80m accordion facility, providing the ability to increase the total committed facility to £320m, subject to bank approval. The Group's financing arrangements are subject to key financial covenants comprising a net leverage covenant of less than 3.5x and an interest cover covenant of greater than 4.0x. As at 31 March 2026, the Group's net leverage was 1.2x and interest cover was 9.6x.

The Viability Base Case, as stated on pages 85 to 86, has been subjected to sensitivity analysis involving flexing a number of the underlying key assumptions, both individually and in conjunction. The sensitivities take into account the principal risks and uncertainties set out on pages 79 to 84, notably instability in the economic environment, under performance of acquired businesses, climate-related risks, loss of key customers and suppliers, major business disruption, liquidity restriction, debt covenants, interest rate increases, the continued impact of US tariffs and counter tariffs, the ongoing impact of the Middle East and Ukraine conflicts and adverse foreign currency movements. Both the viability Base Case and downside sensitivities include the impact of the acquisition of Trival Antene d.o.o completed on 1 April 2026 and 3Gmetalworx announced on 19th May 2026, subject to receipt of regulatory approvals.

The most severe but plausible downside scenario assumes a worsening of the economic environment caused by a number of factors including the ongoing conflict in the Middle East, the continued impact of US tariffs and counter tariffs, and significant reduction in customer demand due to continuing inflationary pressures and elevated interest rates. This downside scenario results in a significant decline in the second half sales of FY 2026/27, with FY 2027/28 sales flat on the reduced FY 2026/27 level, and modest growth in FY 2028/29. Additionally, gross margin was reduced, working capital materially increased, significant one-off expenditures included (product quality and liability, major customer insolvency or litigation, irrecoverable customer debt, climate change, cyber-security incident, inventory and technology obsolescence), interest rates increased and the Group effective tax rate increased.

After factoring in these significant additional downsides to the Viability Base Case, there remains good headroom both in terms of liquidity and our debt covenants. This is supported by the fact that the Group sells a wide portfolio of different products across a diverse set of industries and geographies, has low customer / supplier concentration, a global supply chain network, diverse manufacturing capacity, and has well-established relationships with its customers. These factors are considered important in mitigating many of the risks that could affect the long-term viability of the Group. As a consequence, the Directors believe that the Group is well placed to manage its principal risks and uncertainties as disclosed on pages 79 to 84 of the Strategic Report.

Reverse stress testing has also been applied to the most plausible downside scenario to determine the level of additional downside that would be required before the Group would breach its debt covenants or current liquidity headroom during the assessment period. The reverse stress test was conducted on the basis that certain mitigating actions would be undertaken to reduce overheads and capital expenditure during the period as sales declined and, on that basis, a fall in adjusted operating margin to below 6.3% in FY 2026/27 would be required before such a breach occurred. The Board considers the possibility of such a scenario to be remote and further mitigation, such as hiring freezes, pay and bonus reductions, headcount reductions, reduction in planned capital expenditure, equity raises and suspension of dividend payments, would be available if future trading conditions indicated that such an outcome were possible.

The Company acts as a holding company for investments in the subsidiaries and does not engage in any trading activities directly and thus is dependent on the trading activities of its subsidiaries. The Company holds sufficient net current assets as at 31 March 2026 to continue as a going concern.

The Directors are confident that the Company and the Group have sufficient resources to continue in operational existence for at least 12 months from the date of approval of the Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

## 2. Accounting policies continued

### Basis of consolidation

The Group's consolidated Financial Statements consolidate the results of discoverIE Group plc and entities controlled by the Company (its subsidiaries).

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries for the year ended 31 March 2026. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over it. In assessing control, the Group takes into account: (i) the power over the investee (i.e. existing rights that give it the current ability to direct its relevant activities); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control of the subsidiary. Assets, liabilities, profits and losses of a subsidiary acquired or disposed of during the year are included in the consolidated Financial Statements from the date control commences until the date control ceases.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions at the acquisition date.

Any contingent consideration payable to the vendor is measured and recognised at fair value through profit and loss ("FVTPL") at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IFRS 9 Financial Instruments in the consolidated Statement of Profit or Loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the fair value of assets acquired and the liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable standard. Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition-date fair value can be measured reliably.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's four operating units. Within each of these operating units are aggregated businesses (cash-generating units ("CGUs") with similar characteristics) that are expected to benefit from the business combination. Each operating unit to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and shall not be larger than any of the Group's operating segments.

Where goodwill forms part of a CGU, and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 2. Accounting policies continued

### Investments (Company only)

Investments in subsidiary and associated undertakings are stated initially at cost, being the fair value of the consideration given and including directly attributable transaction costs. The carrying values are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

### Intangible assets – other

Other intangible assets that are separately acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Other intangible assets acquired through a business combination are recognised at fair value at the date of acquisition less accumulated amortisation and impairment losses from the date of acquisition. Amortisation is charged to the Statement of Profit or Loss within operating costs on a straight-line basis over the useful economic lives of the intangible assets. The estimated useful economic lives are as follows:

(a) Software (implementation costs of IT systems)	3 to 10 years
(b) Acquired intangible assets:	
▪ Customer relationships	5 to 12 years
▪ Patents	Patent term

### (c) Intangible assets – research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activities is capitalised only if all of the following conditions are met: (a) an asset is created that can be identified; (b) it is probable that the asset created will generate future economic benefits; and (c) the development cost of the asset can be measured reliably. Internally generated intangible assets are amortised on a straight-line basis over their useful lives between five and ten years and charged to the Statement of Profit or Loss.

The Group only capitalises costs relating to the configuration and customisation of software-as-a-service arrangements ("SaaS") as intangible assets where control of the asset exists. Costs that are paid to SaaS suppliers in advance of the service provided are recognised in prepayments and amortised over the service period.

All other development expenditure is written-off in the accounting period in which it is incurred.

### Property, plant and equipment

Items of owned property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost consists of all those elements that are directly attributable to bringing the asset into working condition for its intended use. Where there has been an indication of impairment in value such that the recoverable amount of an asset falls below its net book value, provision is made for such impairment. Wherever possible, individual assets are tested for impairment. However, impairment can often be tested only for groups of assets because the cash flows upon which the calculation is based do not arise from the use of a single asset. In these cases, impairment is measured for the smallest group of assets ("CGU") that produces a largely independent income stream.

The cost of property, plant and equipment is charged to the Statement of Profit or Loss on a straight-line basis over the assets' estimated useful economic lives, taking into account their estimated residual value. The principal annual rates of depreciation are:

Land and buildings	Freehold property	2% to 4% per annum
	Leasehold buildings	Shorter of lease term and useful life
	Land	Not depreciated
Leasehold improvements		10% to 20% per annum or over the life of the lease if shorter
Plant and equipment		5% to 33% per annum

### Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss.

The recoverable amount of assets is the greater of their net selling price 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

## 2. Accounting policies continued

assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

When estimating the future cash flows for the value-in-use calculation, the Group includes projections of cash outflows including central costs that are necessarily incurred to generate the cash inflows and that can be directly attributed or allocated on a reasonable and consistent basis to each CGU.

Impairment losses recognised in respect of CGUs are allocated first against the carrying value of any goodwill allocated to that unit, and then against the carrying values of other assets in the unit, on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

### Financial instruments

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognised as assets or liabilities when the Group becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash. However, recognition of financial assets to be acquired and financial liabilities to be incurred as a result of a firm commitment to purchase or sell goods or services, such as trade receivables and trade payables, is usually delayed until at least one of the parties has performed under the agreement and the ordered goods or services have been shipped, delivered or rendered.

A forward contract that is within the scope of IFRS 9, such as a forward foreign exchange contract, is recognised as an asset or a liability on the commitment date at which point the fair values of the right and obligation are usually equal and the net fair value of the forward contract on initial recognition is zero. If the net fair value of the right and obligation is not zero, the contract is recognised as an asset or liability.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or have expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in the Statement of Profit or Loss.

### Offsetting financial instruments

Financial assets and liabilities are only offset, and the net amount reported in the Statement of Financial Position, when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously.

### Allowance for expected credit losses

The Group measures loss allowances for financial assets, including trade receivables, at an amount equal to lifetime expected credit losses ("ECL"). This requires consideration of both historical and forward-looking information when considering potential impairment of trade receivables. A provision matrix is used to calculate the expected credit loss, which is based upon historical observed default rates adjusted for forward-looking information to create an adjusted default rate, which is applied to the outstanding invoices at the balance sheet date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### Credit-impaired financial assets

At each reporting date the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a significant change in the credit risk profile of a customer, a debt has become significantly overdue or a contract default.

### Write-off of financial assets

The gross carrying amount of a financial asset is written down to its recoverable amount when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 2. Accounting policies continued

### Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date.

### Inventories

Inventories comprise finished goods, goods held for resale, raw materials and work in progress and are stated at the lower of cost and net realisable value after making allowance for any obsolete or slow-moving items. Cost comprises direct materials, inward carriage and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less. Bank overdrafts represent short-term borrowings repayable on demand and are shown within other financial liabilities in the Statement of Financial Position.

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. Refer to note 21 for further details.

### Borrowings

Borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Profit or Loss over the period of the borrowings on an effective interest basis.

### Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect is material, provisions are discounted to present value. The unwinding of the discount is recognised as a finance cost in the Statement of Profit or Loss.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

The Group also recognises provisions for dilapidation, warranty, retirement indemnity and severance.

### Leasing

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Separating components of a contract

Contracts usually combine different kinds of obligation of the supplier, which may be formed by lease components or lease and non-lease components, such as maintenance or services. The Group identifies the lease and non-lease components and accounts for those separately, applying the relevant standard to each one. Consideration is allocated to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease component.

### Lease term

The Group considers the lease term as the non-cancellable period of the lease plus periods covered by an option to extend or an option to terminate if the lessee is reasonably certain to exercise the extension option or not exercise the termination option.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, any lease payments made at or before the commencement date, provision for decommissioning the asset at the end of the contract, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 2. Accounting policies continued

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, where applicable.

The lease payments also include, when applicable, the exercise price of a purchase option which is reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are usually recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is a combination of country-specific government bond yields, used as a proxy for a risk-free rate, calculated over various periods linked to existing lease terms. This rate is adjusted for borrowing costs and risks specific to each entity of the Group.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Any adjustment of the lease liability is reflected as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining remeasurement is recognised in the Statement of Profit or Loss.

The Group has adopted the practical expedient under IFRS 16 not to recognise right-of-use assets and lease liabilities for short-term leases, with a lease term of 12 months or less, and leases in which the underlying asset is of low value. Lease payments relating to these leases are expensed to the Statement of Profit or Loss on a straight-line basis over the lease term.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, in accordance with the effective interest rate method.

### Pensions

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

In respect of defined benefit pension schemes, the position recognised in the consolidated Statement of Financial Position represents the present value of the defined benefit obligation, reduced by the fair value of the scheme assets.

Obligations to provide future benefits to employees earned through prior service are estimated and discounted to present value. Plan assets are measured at fair value. The cost of providing benefits under the defined benefit plans is determined by actuarial valuation, using the projected unit credit method.

Any pension asset surplus would be fully recoverable by the Group in line with the rules of the scheme. Therefore, the IAS 19 surplus is recognised in full under current accounting standards.

Actuarial remeasurement of the net defined benefit asset or liability comprises: (a) actuarial gains and losses, (b) the return on plan assets in excess of the amount included in net interest on the net defined benefit asset or liability, and (c) any change in the effect of the asset ceiling (where applicable), excluding any amount included in net interest on the net defined benefit asset or liability; and is recognised immediately in the Statement of Financial Position with a corresponding entry in retained earnings through Other Comprehensive Income in the period in which it occurs. Remeasurement gains or losses are not reclassified to profit or loss in subsequent periods.

### Share-based payments

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as a consideration for equity instruments (equity-settled transactions). The Group operates a "Long Term Incentive Plan" – ("LTIP"), a "Deferred Share Bonus Plan" – ("DSBP") and an "Approved and unapproved executive share option scheme" – ("CSOP").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date the grant is made, calculated using an option pricing model, and is recognised as an expense over the three-year vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of non-market vesting conditions.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 2. Accounting policies continued

For the LTIP, at each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and hence the number of equity instruments that will ultimately vest, also taking into consideration the impact of forfeitures and cancellations during the year. The movement in cumulative expense since the previous reporting date is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The CSOP awards are subject only to continuing service of the employee. At each reporting date, the cumulative expense, calculated on a straight-line basis over the three-year vesting period, and taking into consideration forfeitures and cancellations during the year, is recognised in the Statement of Profit or Loss, with a corresponding entry in equity.

The issuance by the Company to its subsidiaries' employees of these awards over the Company's shares represents additional capital contributions by the Company in its subsidiaries. The additional capital contribution is based on the fair value of the award issued, allocated over the underlying award's vesting period.

### Taxation

Income tax comprises current tax and deferred tax.

Current tax represents the expected tax payable or recoverable on the taxable profit or loss for the period, together with any adjustments in respect of prior periods. Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the tax authorities, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Group evaluates uncertain tax positions in accordance with IFRIC 23. Where tax treatments are subject to interpretation, the Group assesses whether it is probable that the tax authority will accept the position. Tax balances are measured using either the most likely amount or the expected value method, depending on which provides the best prediction of the outcome.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their respective tax bases, except where:

- the temporary difference arises on the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit at the time;
- the temporary difference relates to investments in subsidiaries or associates and the Group can control the timing of the reversal and it is probable that the difference will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available to utilise the deductible temporary differences, tax losses or tax credits.

Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability settled, based on tax rates and laws enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

Income tax is recognised in equity or Other Comprehensive Income when it relates to items recognised in those statements; otherwise, it is recognised in the Statement of Profit or Loss.

The Group has assessed the potential impact of the OECD Pillar Two rules. As the Group's annual consolidated revenue is below the €750m threshold, no Pillar Two disclosures or top-up tax amounts have been recognised for the period.

### Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and gains or losses on translation are included in the Statement of Profit or Loss.

The Group recognises currency gains and losses arising from the retranslation of the opening net assets of foreign operations as a movement on reserves, net of tax. The differences that arise from translating the results of overseas businesses at average rates of exchange, and their assets and liabilities at closing rates, are dealt with in a separate currency translation reserve. All other currency gains and losses are dealt with in the consolidated Statement of Profit or Loss.

### Revenue recognition

The Group realises revenue from its principal activities through the sale of highly differentiated electronic products into five target markets: renewable energy, transportation, medical, industrial & connectivity, and security.

## 2. Accounting policies continued

Revenue is recognised in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding value added tax and other sales-related taxes. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. If a standalone selling price is not observable, the Group estimates it.

The transaction price may include a discount or a variable amount of consideration that relates to all or part of the contract. The Group reviews the requirements and determines when the variable amount should be allocated to one or more, but not all, performance obligations in the contract.

Control of a good or service is obtained when the customer has the ability to direct the use of and obtain substantially all the benefits from the good or service. The Group recognises revenue from product sales at a point in time on shipment, on delivery or when goods are accepted by the customer, depending on the Incoterm used for the sale transaction.

Product support and maintenance services are recognised over the period of the service delivery as the customer receives the benefit of the service over time; progress is measured by reference to service periods.

When another party is involved in providing goods or services to the customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent) and recognises revenue accordingly.

### Contract balances

#### Receivables

Receivables are billed under the terms of the contract for delivered goods and services that are not conditional on anything other than the passage of time. They are recognised initially at the amount of consideration that is unconditional and are subsequently measured at amortised cost using the effective interest method, less loss allowance. These assets are classified as trade receivables.

Certain businesses participate in receivables working capital programmes and have the ability to choose whether to receive payment earlier than the normal due date, for specific customers on a non-recourse basis. As at 31 March 2026, eligible receivables under these programmes have been factored and derecognised in line with the derecognition criteria of IFRS 9 Financial Instruments.

#### Contract liabilities

Contract liabilities represent the Group's unsatisfied obligation(s) for the transfer of goods or services to the customer for which consideration has been received from the customer; and/or advance payments received from a customer in consideration of future performance obligations.

### Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

### Dividends paid

Dividends are recognised when they meet the criteria for recognition as a liability. In relation to final dividends, this is when the dividend is approved by the Shareholders in the Annual General Meeting, and in relation to interim dividends, when paid.

### Dividend income

Dividend income is recognised in the Statement of Profit or Loss on the date on which the Group's right to receive payment is established.

### Reserves

Share premium: Proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Merger reserves: Relates to historic equity transactions.

Currency translation reserve: Gains and losses arising on retranslating net assets of overseas operations into Sterling.

Retained earnings: All other net gains and losses and transactions with owners not recognised elsewhere.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 2. Accounting policies continued

### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other applicable factors, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates and any revisions to estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties as at 31 March 2026 that could result in a material adjustment to the carrying amount of assets and liabilities in the next financial year is addressed as follows:

### Key sources of estimation uncertainty

- **Fair value of contingent consideration in a business combination (Group only):** Estimates are made in the assessment of the fair value of the contingent consideration for its initial recognition and its subsequent measurement. Estimates used include discount rate and trading forecasts. Note 27 provides details on the sensitivity of contingent consideration to changes in these estimates.

## 3. New accounting standards and financial reporting requirements

### New standards applied

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2025:

- Amendments to IAS 21 – Lack of Exchangeability

These and other amendments, changes and improvements to IFRS issued by the International Accounting Standards Board ("IASB") have had no material impact on the Group's and Company's current financial results or financial position.

### New standards not yet applied

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the 31 March 2026 reporting period and have not been early adopted by the Group. The impact of IFRS 18 Presentation and Disclosure in Financial Statements is currently being assessed and it is not yet practicable to quantify the effect. IFRS 18 will be applicable for the Group for the year ending 31 March 2028, with 31 March 2027 comparatives restated.

## 4. Revenue

Group revenue is analysed below:

	2026 £m	2025 £m
Sale of goods	437.8	417.7
Rendering of services	5.5	5.2
<b>Total revenue</b>	<b>443.3</b>	422.9

## 5. Operating segment information

The reportable operating segments of the Group include two distinct divisions, Magnetics & Controls (“M&C”) and Sensing & Connectivity (“S&C”). Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

Within each of these reportable operating segments are aggregated business units with similar characteristics such as the nature of customers, products, risk profile and economic characteristics. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is reported and evaluated based on adjusted operating profit earned by each segment.

During the year, to enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact on the Group results.

### Segment revenue and results

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
<b>2026</b>				
<b>Revenue</b>	<b>267.0</b>	<b>176.3</b>	<b>-</b>	<b>443.3</b>
<b>Result</b>				
Adjusted operating profit/(loss)	41.7	31.4	(12.1)	61.0
Net acquisition and disposal (expenses)/credit	(0.7)	1.6	(0.4)	0.5
Amortisation of acquired intangible assets	(9.2)	(7.1)	-	(16.3)
<b>Operating profit/(loss)</b>	<b>31.8</b>	<b>25.9</b>	<b>(12.5)</b>	<b>45.2</b>

	Magnetics & Controls £m	Sensing & Connectivity £m	Unallocated Costs £m	Total £m
<b>2025 (restated)</b>				
<b>Revenue</b>	260.8	162.1	-	422.9
<b>Result</b>				
Adjusted operating profit/(loss)	43.0	29.3	(11.8)	60.5
Net acquisition and disposal (expenses)/credit	(2.1)	0.2	-	(1.9)
Amortisation of acquired intangible assets	(9.3)	(6.9)	-	(16.2)
<b>Operating profit/(loss)</b>	<b>31.6</b>	<b>22.6</b>	<b>(11.8)</b>	<b>42.4</b>

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 5. Operating segment information continued

### Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the Directors monitor the net assets attributable to each segment. Assets and liabilities are allocated to reportable segments, with the exception of the pension liability, tax assets and liabilities, cash, borrowings and overdrafts, central assets (Head Office assets) and central liabilities (Head Office liabilities), as shown below:

<b>2026</b>	<b>Magnetics &amp; Controls</b>	<b>Sensing &amp; Connectivity</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets and liabilities</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Segment assets (excluding goodwill and other intangible assets)	145.3	79.3		224.6
Goodwill and other intangible assets	154.1	176.4		330.5
	299.4	255.7		555.1
Central assets			3.8	3.8
Cash and cash equivalents			125.3	125.3
Current and deferred tax assets			10.4	10.4
<b>Total assets</b>	<b>299.4</b>	<b>255.7</b>	<b>139.5</b>	<b>694.6</b>
Segment liabilities	(84.9)	(39.7)		(124.6)
Central liabilities			(9.9)	(9.9)
Pension liability			(0.2)	(0.2)
Loans and borrowings			(205.8)	(205.8)
Current and deferred tax liabilities			(25.5)	(25.5)
<b>Total liabilities</b>	<b>(84.9)</b>	<b>(39.7)</b>	<b>(241.4)</b>	<b>(366.0)</b>
<b>Net assets/(liabilities)</b>	<b>214.5</b>	<b>216.0</b>	<b>(101.9)</b>	<b>328.6</b>

<b>2025 (restated)</b>	<b>Magnetics &amp; Controls</b>	<b>Sensing &amp; Connectivity</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets and liabilities</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Segment assets (excluding goodwill and other intangible assets)	123.7	80.4		204.1
Goodwill and other intangible assets	155.1	181.3		336.4
	278.8	261.7		540.5
Central assets			3.6	3.6
Cash and cash equivalents			139.3	139.3
Current and deferred tax assets			11.6	11.6
<b>Total assets</b>	<b>278.8</b>	<b>261.7</b>	<b>154.5</b>	<b>695.0</b>
Segment liabilities	(66.4)	(49.2)		(115.6)
Central liabilities <sup>1</sup>			(8.1)	(8.1)
Pension liability			(0.5)	(0.5)
Loans and borrowings			(233.6)	(233.6)
Current and deferred tax liabilities			(29.2)	(29.2)
<b>Total liabilities</b>	<b>(66.4)</b>	<b>(49.2)</b>	<b>(271.4)</b>	<b>(387.0)</b>
<b>Net assets/(liabilities)</b>	<b>212.4</b>	<b>212.5</b>	<b>(116.9)</b>	<b>308.0</b>

<sup>1</sup> Central liability and segment liabilities for the S&C division have been restated by £5.8m, from £13.9m to £8.1m and from £43.4m to £49.2m, respectively, to correctly present liabilities that relate to the S&C division.

## 5. Operating segment information continued

### Other segment information

	Depreciation and amortisation <sup>(a)</sup>		Additions to non-current assets <sup>(b)</sup>	
	2026 £m	2025 (restated) £m	2026 £m	2025 (restated) £m
Magnetics & Controls	16.2	16.3	21.3	12.4
Sensing & Connectivity	12.5	11.7	5.6	37.0
Central	0.4	0.4	0.5	0.1
	<b>29.1</b>	28.4	<b>27.4</b>	49.5

<sup>a</sup> Includes depreciation and amortisation of right-of-use assets, property, plant and equipment, and intangibles.

<sup>b</sup> Magnetics & Controls additions to non-current assets comprised intangible assets £5.4m (2025: £0.5m), goodwill £2.9m (2025: £nil), right-of-use assets £9.6m (2025: £8.0m) and tangible assets £3.4m (2025: £3.9m). Sensing & Connectivity additions to non-current assets comprised intangible assets £0.3m (2025: £11.9m), goodwill £nil (2025: £15.5m), right-of-use assets £2.9m (2025: £6.5m) and tangible assets £2.4m (2025: £3.1m). Central additions to non-current assets comprised right-of-use assets of £0.4m (2025: £0.1m) and intangible assets of £0.1m (2025: £nil).

### Geographical information

The Group's revenue from external customers based on customer locations and information about its non-current segment assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	2026 £m	2025 £m	2026 £m	2025 £m
UK	45.2	52.8	126.2	137.0
Europe	229.0	199.4	145.9	135.5
North America, Asia and Rest of world	169.1	170.7	123.0	124.4
	<b>443.3</b>	422.9	<b>395.1</b>	396.9

In the year ended 31 March 2026, the Group had no single customer that represented 10% or more of total Group revenue (2025: no customer).

## 6. Adjusted performance measures

These Financial Statements include adjusted performance measures that are not prepared in accordance with IFRS. These alternative performance measures have been selected by management to assist them in making operating decisions as they represent the underlying operating performance of the Group and facilitate internal comparisons of performance over time.

Adjusted performance measures are presented in these Financial Statements as management believes they provide investors with a means of evaluating performance of the Group on a consistent basis, similar to the way in which management evaluates performance, that is not otherwise apparent on an IFRS basis, given that certain strategic non-recurring and acquisition-related items that management does not believe are indicative of the underlying operating performance of the Group are included when preparing financial measures under IFRS. The trading results of acquired businesses are included in adjusted performance.

The Directors consider there to be the following key adjusted performance measures:

### Adjusted operating profit

"Adjusted operating profit" is defined as operating profit excluding acquisition and disposal-related costs.

Acquisition and disposal-related costs include "acquisition and disposal expenses" which comprise transaction costs relating to acquisitions and disposals, fair value adjustment on acquired inventory and costs related to integration and restructuring of acquired businesses into the Group; "contingent consideration relating to the retention of former owners of acquired businesses and adjustments to previously estimated contingent consideration" and "amortisation of acquired intangible assets".

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 6. Adjusted performance measures continued

### Adjusted operating costs

"Adjusted operating costs" is defined as operating costs excluding acquisition and disposal-related costs.

### Adjusted EBITDA

"Adjusted EBITDA" is defined as adjusted operating profit excluding the impact of IFRS16 and with depreciation, amortisation, equity-settled share-based payment expense and IAS 19 pension cost added back.

### Adjusted operating margin

"Adjusted operating margin" is defined as adjusted operating profit divided by revenue.

### Adjusted profit before tax

"Adjusted profit before tax" is defined as profit before tax excluding acquisition and disposal-related costs.

### Adjusted tax charge / Adjusted effective tax rate ("ETR")

"Adjusted tax charge" is defined as the tax charge adjusted for the tax effect of the acquisition and disposal-related costs.

"Adjusted ETR" is defined as adjusted tax charge divided by adjusted profit before tax.

### Adjusted profit after tax

"Adjusted profit after tax" is defined as adjusted profit before tax less adjusted tax charge.

### Adjusted earnings per share

"Adjusted earnings per share – diluted" is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for diluted earnings per share purposes) in issue during the period.

"Adjusted earnings per share – basic" is calculated as adjusted profit after tax, divided by the weighted average number of ordinary shares (for basic earnings per share purposes) in issue during the period.

### Adjusted operating cash flow / Adjusted operating cash conversion

"Adjusted operating cash flow" is defined as adjusted EBITDA, plus/minus the investment in, or release of, working capital and less the cash cost of capital expenditure.

"Adjusted operating cash conversion" is defined as adjusted operating cash flow divided by adjusted operating profit.

### Free cash flow / Free cash flow conversion

"Free cash flow" is defined as net cash flow before dividend payments, the cost of acquisitions and proceeds from business disposals.

"Free cash conversion" is free cash flow divided by adjusted profit after tax.

### Return on capital employed ("ROCE") / Return on tangible capital employed ("ROTCE")

"ROCE" is defined as adjusted operating profit, including the annualisation of profits of acquired businesses, as a percentage of net assets excluding net debt, deferred consideration related to discontinued operations and legacy defined benefit pension liability.

"ROTCE" is defined as ROCE excluding the value of acquired goodwill and intangibles, lease liabilities, provisions and tax balances.

### Organic and CER revenue growth

"CER revenue growth" is defined as growth rates at constant exchange rates.

"Organic revenue growth" is defined as CER revenue growth excluding the first 12 months of acquisitions post completion, and adjusted for disposals.

### Gearing ratio

Gearing ratio is defined as net debt divided by adjusted EBITDA, including the annualisation of acquired businesses.

## 6. Adjusted performance measures continued

The tables below show the reconciliation to the IFRS reporting measures, for the main adjusted performance measures used by the Group.

### Adjusted operating profit / Adjusted EBITDA

Adjusted operating profit and EBITDA are calculated as follows:

		2026 £m	2025 (restated) <sup>1</sup> £m
Operating profit		45.2	42.4
Add back:			
Net acquisition and disposal expenses	(a)	5.3	3.6
Contingent consideration	(b)	(5.8)	(1.7)
Amortisation of acquired intangibles		16.3	16.2
<b>Adjusted operating profit</b>		<b>61.0</b>	<b>60.5</b>
Add back:			
Depreciation and amortisation		12.6	12.4
Share-based payment and IAS 19 pension cost		1.9	2.7
Less:			
Lease payments		(7.9)	(7.5)
<b>Adjusted EBITDA</b>		<b>67.6</b>	<b>68.1</b>

<sup>1</sup> Prior year Adjusted EBITDA restated to exclude the impact of IFRS16.

(a) Net acquisition and disposal expenses comprise £2.3m of transaction costs in relation to the acquisitions of Storm Interface, Trival, 3G and ongoing transactions, £0.4m of integration and restructuring expenses across the Group, £2.2m related to changes in fair value of inventory and £0.4m equalisation of Guaranteed Minimum Pensions ("GMPs") in the legacy Sedgemoor Group Pension Fund.

During the prior year, net acquisition and disposal expenses of £3.6m comprised £1.4m of transaction costs in relation to the acquisitions of Burster, Hivolt and ongoing transactions, and £3.1m of integration and restructuring expenses related to the establishment of our operating clusters mainly associated with removing duplicate positions in our Magnetics & Sensing clusters, £1.2m related to changes in fair value of inventory, offset by £2.1m gain on disposal of the Santon solar business.

(b) Movement in fair value of contingent consideration on past acquisitions.

### Adjusted profit before tax

Adjusted profit before tax is calculated as follows:

		2026 £m	2025 £m
Profit before tax		36.1	32.0
Add back:			
Net acquisition and disposal expenses		5.3	3.6
Contingent consideration		(5.8)	(1.7)
Amortisation of acquired intangible assets		16.3	16.2
<b>Adjusted profit before tax</b>		<b>51.9</b>	<b>50.1</b>

### Adjusted effective tax rate

Adjusted effective tax rate ("ETR") is calculated as follows

		2026 £m	2025 £m
Adjusted profit before tax		51.9	50.1
Total tax charge		7.1	7.4
Add back tax effect of net acquisition and disposal-related costs		5.1	4.6
Adjusted tax charge		12.2	12.0
Adjusted effective tax rate		<b>23.5%</b>	24.0%

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 6. Adjusted performance measures continued

### Adjusted profit after tax / Adjusted earnings per share

Adjusted profit after tax and earnings per share are calculated as follows:

	2026 £m	2025 £m
Profit for the year	29.0	24.6
Add back:		
Net acquisition and disposal expenses	5.3	3.6
Contingent consideration	(5.8)	(1.7)
Amortisation of acquired intangible assets	16.3	16.2
Tax charge relating to the above adjustments	(5.1)	(4.6)
<b>Adjusted profit after tax</b>	<b>39.7</b>	<b>38.1</b>

	2026 Number	2025 Number
Weighted average number of shares for basic earnings per share	96,108,648	96,028,934
Effect of dilution – share options	2,405,124	2,398,601
<b>Weighted average number of shares for diluted earnings per share</b>	<b>98,513,772</b>	<b>98,427,535</b>
<b>Adjusted earnings per share – diluted</b>	<b>40.3p</b>	<b>38.7p</b>
<b>Adjusted earnings per share – basic</b>	<b>41.3p</b>	<b>39.7p</b>

### Adjusted operating cash flow / Free cash flow

	2026 £m	2025 £m
<b>Adjusted EBITDA</b>	<b>67.6</b>	<b>68.1</b>
Changes in working capital	(5.5)	0.3
Capital expenditure	(6.6)	(6.1)
<b>Adjusted operating cash flow</b>	<b>55.5</b>	<b>62.3</b>
Net interest paid	(7.2)	(9.0)
Tax payments	(10.7)	(10.6)
Legacy pension scheme funding	(1.0)	(2.3)
<b>Free cash flow</b>	<b>36.6</b>	<b>40.4</b>

## 6. Adjusted performance measures continued

### ROCE / ROTCE

ROCE and ROTCE are calculated as follows:

	2026 £m	2025 £m
Net assets	328.6	308.0
Less: Deferred consideration in relation to disposed businesses	–	(0.3)
Net debt	80.5	94.3
IAS 19 pension liability	0.2	0.5
<b>Capital employed</b>	<b>409.3</b>	<b>402.5</b>
Less: Goodwill	(249.2)	(244.2)
Acquired intangible assets	(79.1)	(90.4)
Deferred tax assets and liabilities	9.8	10.9
Current tax assets and liabilities	5.3	6.7
Lease liabilities	34.0	27.4
Provisions	8.1	9.0
<b>Trading capital employed</b>	<b>138.2</b>	<b>121.9</b>
Adjusted operating profit	61.0	60.5
Add: Annualisation of acquired businesses	1.3	3.0
Annualised operating profit	62.3	63.5
<b>ROCE</b>	<b>15.2%</b>	<b>15.8%</b>
<b>ROTCE</b>	<b>45.1%</b>	<b>52.1%</b>

### Organic and CER revenue growth

Organic and CER revenue growth are calculated as follows:

	2026 £m	2025 £m
Revenue	443.3	422.9
FX translation impact	–	0.4
Adjusted (CER) revenue	443.3	423.3
Acquisitions and disposals	(16.0)	(3.9)
Organic revenue	427.3	419.4

Organic growth for the Group compared with last year is calculated at constant exchange rates (“CER”) and is shown excluding the first 12 months of acquisitions post completion (Hivolt in August 2024, Burster in January 2025 and Storm in December 2025) and the results of the Santon solar business unit disposal.

### Gearing ratio

Gearing ratio is calculated as follows:

	2026 £m	2025 £m
<b>Net debt</b>	<b>80.5</b>	<b>94.3</b>
<b>Adjusted EBITDA</b>	<b>67.6</b>	<b>68.1</b>
Annualisation of acquired businesses	1.3	3.0
<b>Covenant EBITDA</b>	<b>68.9</b>	<b>71.1</b>
<b>Gearing ratio</b>	<b>1.2</b>	<b>1.3</b>

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 7. Operating profit

	2026 £m	2025 £m
<b>Revenue</b>	<b>443.3</b>	422.9
Direct materials/direct labour	(244.5)	(236.8)
Other cost of goods sold	(6.3)	(4.6)
Selling and distribution costs	(41.6)	(40.9)
Administrative expenses	(105.7)	(98.2)
<b>Operating profit</b>	<b>45.2</b>	42.4

Operating costs are as follows:

	2026 £m	2025 £m
Employee costs (note 8)	130.4	118.8
Depreciation of property, plant and equipment (note 14)	5.1	4.5
Depreciation of right-of-use assets (note 15)	7.4	7.3
Amortisation of other intangible assets (note 18)	16.6	16.6
Gain related to disposal group	-	(2.1)
Expected credit losses (note 20)	(0.3)	0.2
Net foreign exchange differences	(0.7)	(0.4)
Inventories:		
Cost of inventories	200.2	196.0
Write-down of inventories to net realisable value	0.2	0.5
Other expenses	39.2	39.1
<b>Operating costs</b>	<b>398.1</b>	380.5

	2026 £m	2025 £m
Operating costs	398.1	380.5
Less:		
Net acquisition and disposal expenses	(5.3)	(3.6)
Contingent consideration	5.8	1.7
Amortisation of acquired intangibles	(16.3)	(16.2)
<b>Adjusted operating costs</b>	<b>382.3</b>	362.4

## 8. Employee costs and Directors' emoluments

	2026 £m	2025 £m
Wages and salaries	109.9	99.6
Social security costs	15.1	13.1
Other pension costs	4.0	4.1
Share-based payments (note 30)	1.4	2.0
	<b>130.4</b>	118.8

The average monthly number of employees (including Executive Directors) during the year was as follows:

	2026	2025 (restated)
Sales and marketing	515	471
Manufacturing and services	3,287	3,350
Administration	368	345
	<b>4,170</b>	4,166

The average monthly number of employees for the prior year has been restated by 229, decreasing from 4,395 to 4,166, to reflect headcount on an average basis rather than full-time equivalent (FTE).

At 31 March 2026 the Group had 4,200 employees (2025: 4,176).

	2026 £	2025 £
<b>Directors' emoluments</b>		
Aggregate emoluments in respect of qualifying services	1,522,570	1,580,707
Aggregate employer contribution to a defined contribution pension scheme and pay in lieu of pension for two Directors	74,840	70,165
	<b>1,597,410</b>	1,650,872
<b>Highest paid Director</b>		
Emoluments in respect of qualifying services	934,021	985,059
Employer contribution to a defined contribution pension scheme and pay in lieu of pension	45,160	42,407
	<b>979,181</b>	1,027,466

Aggregate emoluments for the Non-Executive Directors were £398,170 (2025: £415,325). Further details of all Directors' emoluments are provided in the Remuneration Report on pages 116 to 137.

## 9. Finance income/(costs)

	2026 £m	2025 £m
Interest receivable and similar income	2.7	3.7
<b>Finance income</b>	<b>2.7</b>	3.7
Finance costs on bank loans and overdrafts	(9.9)	(12.5)
Finance costs on lease liabilities	(1.3)	(1.0)
Amortisation of borrowing costs	(0.6)	(0.6)
<b>Finance costs</b>	<b>(11.8)</b>	(14.1)

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 10. Tax expense

The major components of the corporation tax expense are summarised below:

	2026 £m	2025 £m
<b>Current taxation:</b>		
UK adjustments in respect of prior years	0.2	(0.5)
	<b>0.2</b>	(0.5)
Overseas tax	11.1	11.3
Overseas adjustments in respect of prior years	(1.6)	(0.6)
	<b>9.5</b>	10.7
<b>Total current taxation expense</b>	<b>9.7</b>	10.2
<b>Deferred taxation</b>		
Origination and reversal of temporary differences within the UK	(1.4)	(0.4)
Origination and reversal of temporary differences overseas	(0.8)	(1.9)
Adjustment in respect of prior years	(0.4)	(0.2)
Increased recognition of historical losses	-	(0.5)
Impact of tax rate changes	-	0.2
<b>Total deferred taxation credit</b>	<b>(2.6)</b>	(2.8)
<b>Tax expense reported in the consolidated Statement of Profit or Loss</b>	<b>7.1</b>	7.4

	2026 £m	2025 £m
<b>Tax recognised in other comprehensive income</b>		
Decrease in deferred tax liability on pension	(0.1)	1.2
Tax reported in other comprehensive income	<b>(0.1)</b>	1.2

	2026 £m	2025 £m
<b>Tax recognised in equity</b>		
Decrease in deferred tax asset on share-based payments	(0.1)	(1.3)
Tax reported in equity	<b>(0.1)</b>	(1.3)

The effective rate of taxation for the year is lower (2025: lower) than the standard rate of taxation in the UK of 25% (2025: 25%). A reconciliation of the tax expense applicable to the profit before tax, at the statutory tax rate, to the actual tax expense at the Group's effective tax rate for the years ended 31 March 2026 and 31 March 2025 respectively is presented below:

	2026 £m	2025 £m
Profit before tax	36.1	32.0
Profit before taxation multiplied by standard rate of corporation tax in the UK of 25% (2025: 25%)	9.0	8.0
Effect of:		
Differences in overseas tax rates	(0.2)	(0.2)
Tax losses not recognised	(0.1)	(0.1)
Non-deductible expenses	0.1	1.3
Increased recognition of historical losses	-	(0.5)
Impact of tax rate changes on deferred tax	-	0.2
Adjustments to deferred taxation expense in respect of prior years	(0.4)	(0.2)
Adjustments to current taxation expense in respect of prior years	(1.3)	(1.1)
<b>Total tax reported in the consolidated Statement of Profit or Loss</b>	<b>7.1</b>	7.4

**10. Tax expense** continued**Deferred tax**

	2026 £m	2025 £m
<b>Deferred tax liabilities</b>		
Accelerated capital allowances	(0.6)	(0.7)
Intangibles	(15.5)	(17.5)
Other temporary differences	(1.0)	(2.8)
Gross deferred tax liabilities	(17.1)	(21.0)
<b>Deferred tax assets</b>		
Decelerated capital allowances	0.2	0.2
Pensions	0.5	0.6
Tax losses	0.8	0.9
Share-based payment plans	3.0	3.0
Other temporary differences	2.8	5.4
Gross deferred tax assets	7.3	10.1

£1.9m of deferred tax assets (2025: £5.0m) and £4.1m of deferred tax liabilities (2025: £4.9m) are expected to be recovered or settled no more than 12 months after the reporting period. £5.4m of deferred tax assets (2025: £5.1m) and £13.0m of deferred tax liabilities (2025: £16.1m) are expected to be recovered or settled more than 12 months after the reporting period.

**Movements in deferred tax**

	Accelerated capital allowances £m	Intangibles £m	Pensions £m	Tax losses £m	Share- based payments £m	Other temporary differences £m	Total £m
<b>At 1 April 2024</b>	<b>(0.5)</b>	<b>(20.2)</b>	<b>0.4</b>	<b>1.8</b>	<b>4.2</b>	<b>1.2</b>	<b>(13.1)</b>
(Charged)/credited							
– to profit and loss	–	3.1	(1.0)	(0.9)	0.1	1.5	2.8
– to other comprehensive income	–	–	1.2	–	–	–	1.2
– directly to equity	–	–	–	–	(1.3)	–	(1.3)
Exchange differences on translation of foreign subsidiaries	–	0.3	–	–	–	(0.1)	0.2
Acquisition-related movements	–	(0.7)	–	–	–	–	(0.7)
<b>At 31 March 2025</b>	<b>(0.5)</b>	<b>(17.5)</b>	<b>0.6</b>	<b>0.9</b>	<b>3.0</b>	<b>2.6</b>	<b>(10.9)</b>
(Charged)/credited							
– to profit and loss	0.1	3.4	–	(0.1)	0.1	(0.9)	2.6
– to other comprehensive income	–	–	(0.1)	–	–	–	(0.1)
– directly to equity	–	–	–	–	(0.1)	–	(0.1)
Exchange differences on translation of foreign subsidiaries	–	(0.1)	–	–	–	0.1	–
Acquisition-related movements	–	(1.3)	–	–	–	–	(1.3)
<b>At 31 March 2026</b>	<b>(0.4)</b>	<b>(15.5)</b>	<b>0.5</b>	<b>0.8</b>	<b>3.0</b>	<b>1.8</b>	<b>(9.8)</b>

At 31 March 2026, £nil (2025: £nil) of the deferred tax asset in respect of tax losses relates to tax jurisdictions in which tax losses were incurred in the current or preceding period. The recognition of the deferred tax asset is supported by forecasts of sufficient future taxable profits in the relevant jurisdictions.

At 31 March 2026, the Group had not recognised any deferred tax asset in respect of tax losses of approximately £22.8m (2025: £23.2m). Deferred tax assets are not recognised where there is insufficient evidence that losses will be utilised.

At 31 March 2026, a £0.8m deferred tax liability (2025: £1.8m) has been recognised for withholding taxes payable on the remittance of certain of the Group's overseas subsidiaries' unremitted earnings. The aggregate amount of unremitted earnings on which deferred tax has not been recognised is £27.6m (2025: £21.4m). No deferred tax has been recognised on this amount as the Group is able to control the timing of these distributions and is not expecting to distribute these profits in the foreseeable future.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 11. Business combinations

### Acquisitions in the year ended 31 March 2026

#### Acquisition of Keymat Technology Limited ("Storm")

On 18 December 2025, the Group completed the acquisition of 100% of the share capital of Keymat Technology Limited operating under the trading name Storm Interface ("Storm"), a company incorporated in the United Kingdom. Storm is a UK-based designer and manufacturer of differentiated assistive HMI products. These are primarily tactile and audible content navigation devices for visually impaired people, for sale in the UK and internationally. The need for such products is being driven by the roll out of legislation in Europe, UK and Americas that requires assistive interfaces in electronic equipment.

Storm was acquired for an initial consideration of £5.5m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The initial cash consideration paid of £7.7m includes a net adjustment of £2.2m (cash acquired offset by other debt-like items). In addition, a contingent payment of up to £2.2m will be payable subject to Storm achieving certain financial performance conditions over the period between 1 April 2025 and 31 March 2026.

The fair values of the identifiable assets and liabilities of Storm at the date of acquisition were:

	Fair value recognised at acquisition £m
Intangible assets – other (incl. customer relationships)	4.8
Property, plant and equipment	0.2
Right-of-use assets	0.2
Inventories	1.3
Trade and other receivables	0.2
Cash acquired	3.8
Trade and other payables	(0.9)
Current and deferred tax liabilities	(1.9)
Lease liabilities	(0.2)
<b>Total identifiable net assets</b>	<b>7.5</b>
<b>Goodwill arising on acquisition</b>	<b>2.9</b>
<b>Total investment</b>	<b>10.4</b>
Discharged by	
Initial cash consideration	7.7
Purchase price adjustment	0.5
Contingent consideration	2.2
	<b>10.4</b>

Net cash outflows in respect of the acquisition comprise:

	Total £m
Cash consideration	7.7
Transaction costs	0.4
Net cash acquired	(3.8)
	<b>4.3</b>

Transaction costs of £0.4m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2026. These were included within operating costs and operating cash flows.

Included in cash flow from investing activities is the cash consideration of £7.7m, offset by the net cash acquired of £3.8m.

From the date of acquisition to 31 March 2026, Storm contributed £1.9m to revenue and a profit of £0.1m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £448.2m and the consolidated profit after tax for the Group would have been £29.9m.

## 11. Business combinations continued

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £2.9m of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

### Acquisitions in the year ended 31 March 2025

There have been no changes to the provisional fair values of the assets and liabilities acquired in the prior year.

#### Acquisition of Hivolt

On 1 August 2024, the Group completed the acquisition of 100% of the outstanding ordinary shares of Hivolt Capacitors Limited ("Hivolt"), a company incorporated in the United Kingdom. Hivolt is a designer and manufacturer of custom-built capacitors for specialised applications involving high voltages and the acquisition has strengthened the Group's position in the electronics market and enhanced its offering across key target sectors, including medical and transportation.

Hivolt was acquired for an initial consideration of £3.8m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £8.5m includes cash acquired of £5.0m net of deductions for accrued tax and other liabilities and adjustments of £0.3m. In addition, during the year ended 31 March 2026, the contingent payment of £0.9m was paid based on the performance of the business for the period between 1 April 2024 and 31 March 2025.

The fair values of the identifiable assets and liabilities of Hivolt at the date of acquisition were:

	<b>Fair value recognised at acquisition £m</b>
Intangible assets – other (incl. customer relationships)	2.6
Property, plant and equipment	0.1
Right-of-use assets	0.2
Inventories	0.6
Trade and other receivables	0.2
Cash acquired	5.0
Trade and other payables	(0.4)
Current and deferred tax liabilities	(0.8)
Lease liabilities	(0.2)
<b>Total identifiable net assets</b>	<b>7.3</b>
<b>Goodwill arising on acquisition</b>	<b>2.1</b>
<b>Total investment</b>	<b>9.4</b>
Discharged by	
Initial cash consideration	8.5
Contingent consideration	0.9
	<b>9.4</b>

Net cash outflows in respect of the acquisition comprise:

	<b>Total £m</b>
Cash consideration	8.5
Transaction costs	0.1
Net cash acquired	(5.0)
	<b>3.6</b>

Transaction costs of £0.1m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2025. These were included within operating costs and operating cash flows.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 11. Business combinations continued

Included in cash flow from investing activities is the cash consideration of £8.5m, offset by the net cash acquired of £5.0m.

From the date of acquisition to 31 March 2025, Hivolt contributed £2.0m to revenue and a profit of £0.3m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £423.9m and the consolidated profit after tax for the Group would have been £24.7m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Included in the £2.1m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

### Acquisition of Burster

On 15 January 2025, the Group completed the acquisition of the Burster Group ("Burster"), by acquiring the limited partnership interest in burster präzisionsmesstechnik GmbH & Co. KG. Burster is a German-based designer and manufacturer of specialist sensors.

Burster was acquired for an initial consideration of £25.6m on a cash-free, debt-free basis, before expenses, funded from the Group's existing debt facilities. The cash consideration paid of £25.5m includes cash acquired of £1.3m net of deductions for accrued tax and other liabilities and adjustments of £1.4m. The contingent consideration of £5.8m recognised on acquisition has been subsequently measured and released based on the performance of the business for its year ended 31 December 2025.

The fair values of the identifiable assets and liabilities of Burster at the date of acquisition were:

	<b>Fair value recognised at acquisition £m</b>
Intangible assets – other (incl. customer relationships)	9.1
Property, plant and equipment	1.5
Right-of-use assets	2.8
Inventories	6.8
Trade and other receivables	0.9
Cash acquired	1.3
Trade and other payables	(1.3)
Current tax liabilities	(0.4)
Lease liabilities	(2.8)
<b>Total identifiable net assets</b>	<b>17.9</b>
<b>Goodwill arising on acquisition</b>	<b>13.4</b>
<b>Total investment</b>	<b>31.3</b>
Discharged by	
Initial cash consideration	25.5
Contingent consideration	5.8
	<b>31.3</b>

Net cash outflows in respect of the acquisition comprise:

	<b>Total £m</b>
Cash consideration	25.5
Transaction costs	0.7
Net cash acquired	(1.3)
	<b>24.9</b>

## 11. Business combinations continued

Transaction costs of £0.7m related to acquisition expenses and were expensed as incurred in the period ended 31 March 2025. These were included within operating costs and operating cash flows.

Included in cash flow from investing activities is the cash consideration of £25.5m, offset by the net cash acquired of £1.3m.

From the date of acquisition to 31 March 2025, Burster contributed £4.8m to revenue and a loss of £0.9m to profit after tax of the Group. If the business combination had taken place at the beginning of the year, the consolidated revenue for the Group would have been £435.4m and the consolidated profit after tax for the Group would have been £24.5m.

The goodwill was attributable to the workforce and the high profitability of the acquired business. It will be deductible for tax purposes. Included in the £13.4m of goodwill recognised above were certain intangible assets that cannot be individually separated and reliably measured, due to their nature. These include the value of expected operational benefits. All the acquired receivables are expected to be collected.

## 12. Dividends

<b>Dividends recognised in equity as distributions to equity holders in the year:</b>	<b>2026 £m</b>	<b>2025 £m</b>
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2025 of 8.60p (2024: 8.25p)	<b>8.3</b>	7.9
Interim dividend for the year ended 31 March 2026 of 4.05p (2025: 3.90p)	<b>3.9</b>	3.8
<b>Total amounts recognised as equity distributions during the year</b>	<b>12.2</b>	11.7

<b>Proposed for approval at AGM:</b>	<b>2026 £m</b>	<b>2025 £m</b>
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2026 of 8.95p (2025: 8.60p)	<b>8.6</b>	8.3
<b>Summary</b>		
Dividends per share declared in respect of the year	<b>13.0p</b>	12.50p
Dividends per share paid in the year	<b>12.65p</b>	12.15p
Dividends paid in the year	<b>£12.2m</b>	£11.7m

## 13. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is the basic earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share calculations.

	<b>2026 £m</b>	<b>2025 £m</b>
<b>Profit after tax for the year</b>	<b>29.0</b>	24.6

	<b>2026 Number</b>	<b>2025 Number</b>
Weighted average number of shares for basic earnings per share	<b>96,108,648</b>	96,028,934
Effect of dilution – share options	<b>2,405,124</b>	2,398,601
<b>Weighted average number of shares for diluted earnings per share</b>	<b>98,513,772</b>	98,427,535
Basic earnings per share	<b>30.2p</b>	25.6p
Diluted earnings per share	<b>29.4p</b>	25.0p

At the year-end, there were 2,622,432 ordinary share options in issue that could potentially dilute earnings per share in the future, of which 2,405,124 are currently dilutive (2025: 2,648,415 in issue and 2,398,601 dilutive).

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 14. Property, plant and equipment

	Land and buildings £m	Leasehold improvements £m	Plant and equipment £m	Total £m
<b>Cost</b>				
At 1 April 2024	7.3	5.2	41.3	53.8
Additions	0.5	1.3	3.6	5.4
Disposals	–	–	(2.4)	(2.4)
Business acquired (note 11)	–	–	1.6	1.6
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
At 31 March 2025	7.3	6.5	43.3	57.1
Additions	0.1	0.4	5.2	5.7
Disposals	–	(0.3)	(2.0)	(2.3)
Business acquired (note 11)	–	0.1	0.1	0.2
Exchange adjustments	–	0.2	(0.1)	0.1
<b>At 31 March 2026</b>	<b>7.4</b>	<b>6.9</b>	<b>46.5</b>	<b>60.8</b>
<b>Accumulated depreciation</b>				
At 1 April 2024	3.4	2.4	27.5	33.3
Charge for the year	0.3	0.6	3.6	4.5
Disposals	–	–	(2.4)	(2.4)
Exchange adjustments	(0.5)	–	(0.8)	(1.3)
At 31 March 2025	3.2	3.0	27.9	34.1
Charge for the year	0.3	0.6	4.2	5.1
Disposals	–	(0.3)	(1.8)	(2.1)
Exchange adjustments	(0.2)	0.3	(0.4)	(0.3)
<b>At 31 March 2026</b>	<b>3.3</b>	<b>3.6</b>	<b>29.9</b>	<b>36.8</b>
<b>Net book value at 31 March 2026</b>	<b>4.1</b>	<b>3.3</b>	<b>16.6</b>	<b>24.0</b>
Net book value at 31 March 2025	4.1	3.5	15.4	23.0

Land and buildings includes land with a cost of £1.1m (2025: £1.0m) that is not subject to depreciation.

At 31 March 2026 the Group had contractual capital expenditure commitments for plant and equipment and leasehold improvements of £nil (2025: £0.4m) for which no provision has been made.

## 15. Leases

### 15.1 Leasing arrangements

The Group leases manufacturing and warehousing facilities, offices and various items of plant, machinery, equipment and vehicles.

Manufacturing and warehouse facilities generally have lease terms between three and ten years. Lease contracts generally include extension and termination options.

## 15. Leases continued

### 15.2 Carrying value of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

	Land and buildings £m	Plant and machinery £m	Total £m
At 1 April 2024	18.2	2.4	20.6
Exchange adjustments	(0.1)	–	(0.1)
Additions/modifications	10.6	1.0	11.6
Depreciation charge	(6.2)	(1.1)	(7.3)
Terminations	(0.1)	(0.3)	(0.4)
Business acquired (note 11)	2.9	0.1	3.0
At 31 March 2025	25.3	2.1	27.4
Exchange adjustments	0.4	–	0.4
Additions/modifications	11.5	1.2	12.7
Depreciation charge	(6.3)	(1.1)	(7.4)
Business acquired (note 11)	0.2	–	0.2
<b>At 31 March 2026</b>	<b>31.1</b>	<b>2.2</b>	<b>33.3</b>

### 15.3 Carrying value of lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Total £m
At 1 April 2024	(20.1)
Exchange adjustments	0.2
Additions/modifications	(11.4)
Interest for the year	(1.0)
Lease payments	7.5
Terminations	0.4
Business acquired (note 11)	(3.0)
At 31 March 2025	(27.4)
Exchange adjustments	(0.5)
Additions/modifications	(12.5)
Interest for the year	(1.3)
Lease payments	7.9
Business acquired (note 11)	(0.2)
<b>At 31 March 2026</b>	<b>(34.0)</b>

	2026 £m	2025 £m
Current liabilities	6.5	6.2
Non-current liabilities	27.5	21.2
	<b>34.0</b>	27.4

Payment of lease liabilities is shown under Financing Activities in the consolidated Statement of Cash Flows.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 15. Leases continued

### 15.4 Amounts recognised in the consolidated Statement of Profit or Loss

	2026 £m	2025 £m
Depreciation of right-of-use assets	7.4	7.3
Interest expense (included in finance costs)	1.3	1.0
	<b>8.7</b>	8.3

During the year ended 31 March 2026, a total of £0.2m was recognised in the consolidated Statement of Profit or Loss relating to payments under short-term and low-value leases (2025: £0.1m).

### 15.5 Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options which are reasonably certain not to be exercised are considered in the measurement of the lease liability and right-of-use asset.

There are no lease contracts in place as at 31 March 2026 which include variable lease payments (2025: none).

## 16. Intangible assets – goodwill

Cost	£m
At 1 April 2024	233.4
Business acquired (note 11)	15.5
Disposal	(1.7)
Exchange adjustments	(3.0)
At 31 March 2025	244.2
Business acquired (note 11)	2.9
Exchange adjustments	2.1
<b>At 31 March 2026</b>	<b>249.2</b>
<b>Impairment</b>	
<b>At 31 March 2025 and 31 March 2026</b>	<b>–</b>
<b>Net book value at 31 March 2026</b>	<b>249.2</b>
Net book value at 31 March 2025	244.2

## 17. Impairment testing of goodwill

The Group's operations are organised into two distinct divisions, Magnetics & Controls ("M&C") and Sensing & Connectivity ("S&C"). Each of these divisions comprises two operating units. Within each operating unit are aggregated business units ("CGUs") that share similar characteristics such as the nature of customers, products, risk profile and economic characteristics.

With the increased number of acquisitions and the anticipated synergies across the Group's businesses in particular within an operating unit, the Group's management has transitioned from monitoring individual CGUs separately to aggregating the performance outputs of each of the four operating units. This approach is adopted to facilitate the assessment of performance, resource allocation and strategic decision-making.

The Group's management has determined that the lowest level within the Group at which the goodwill is monitored for internal management purposes consists of the operating units, each comprising a number of CGUs. Therefore, according to IAS 36.82, goodwill is tested for impairment at the level that reflects the way the Group manages its operations and with which the goodwill would naturally be associated.

## 17. Impairment testing of goodwill continued

The carrying value of goodwill is analysed as follows:

	<b>2026 £m</b>	<b>2025 (restated)<sup>1</sup> £m</b>
Magnetics	<b>39.5</b>	38.2
Controls	<b>81.7</b>	79.7
Magnetics & Controls	<b>121.2</b>	117.9
Sensing	<b>46.0</b>	45.6
Connectivity	<b>82.0</b>	80.7
Sensing & Connectivity	<b>128.0</b>	126.3
<b>Total</b>	<b>249.2</b>	244.2

<sup>1</sup> During the year, to enhance alignment and commonality across our businesses, one business was reclassified from M&C to S&C and one business from S&C to M&C. Prior year figures have been restated to reflect these reclassifications. There is no impact to the Group position.

The movement in goodwill compared to prior year relates mainly to the movement in foreign exchange rates and to Storm Interface which was acquired in the year into the Magnetics & Controls division (note 11).

The recoverable amount of each operating unit is based on value-in-use calculations. The key assumptions used in these calculations relate to future revenue growth (being the five-year sales Compound Annual Growth Rate – “CAGR”), discount rates and long-term growth rates beyond the first five years. Cash flow forecasts for the five-year period from the reporting date are based on the FY 2026/27 Board approved budget and management projections thereon, which are based on historical experience and market outlook.

Cash flow projections included in the impairment review models include management's view of the impact of climate change, including costs related to the effects of climate change, as well as the future costs of the Group's commitment to achieve net-zero Scope 1 and 2 carbon emissions by 2030.

A long-term growth rate (“LTGR”) beyond the five-year period of 2% has been applied consistently in the value-in-use calculations (2025: 2%) and is based on the average long-term inflation targets.

Discount rates reflect the current market assessment of the risks specific to each of the four sub-divisions and were estimated based on the average percentage weighted average cost of capital for the industry and then further adjusted for country-specific risk.

The table below discloses the discount rates and growth rates:

	<b>Pre-tax discount rate</b>		<b>5-year sales CAGR</b>	
	<b>2026 %</b>	<b>2025 (restated) %</b>	<b>2026 %</b>	<b>2025 (restated) %</b>
Magnetics	<b>14.2</b>	14.2	<b>6.1</b>	5.5
Controls	<b>12.5</b>	12.5	<b>7.5</b>	8.3
Sensing	<b>12.5</b>	12.6	<b>9.0</b>	6.7
Connectivity	<b>12.6</b>	12.5	<b>10.2</b>	7.4

The pre-tax discount rate and the 5-year CAGR for the prior year have been restated and are now calculated on a weighted average basis for the Group of CGUs included in each operating unit, in line with current year.

### Sensitivity to changes in assumptions

The Group's forecast is based on a range of assumptions to determine the value of expected future cash flows. Deviations against those plans and assumptions in terms of revenue and margin projections, operating and capital costs and successful achievement of strategic objectives are all inherently uncertain. Headroom in the impairment test for each of the four operating units has been tested for sensitivity to reasonably possible adverse changes in forecast cash flows, discount rates and long-term growth rates. Adequate headroom is available against material impairment risk.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 18. Intangible assets – other

	Acquired intangibles			Total £m
	Software & development £m	Customer relationships £m	Patents & brands £m	
<b>Cost</b>				
At 1 April 2024	4.9	170.9	3.7	179.5
Business acquired (note 11)	–	11.7	–	11.7
Additions	0.7	–	–	0.7
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	(0.1)	(2.2)	(0.1)	(2.4)
At 31 March 2025	5.3	180.4	3.6	189.3
Business acquired (note 11)	–	4.8	–	4.8
Additions	0.9	–	–	0.9
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	–	0.8	–	0.8
<b>At 31 March 2026</b>	<b>6.0</b>	<b>186.0</b>	<b>3.6</b>	<b>195.6</b>
<b>Accumulated amortisation</b>				
At 1 April 2024	3.3	75.9	2.5	81.7
Charge for the year	0.4	15.8	0.4	16.6
Disposals	(0.1)	–	–	(0.1)
Exchange adjustment	(0.1)	(0.9)	(0.1)	(1.1)
At 31 March 2025	3.5	90.8	2.8	97.1
Charge for the year	0.3	16.0	0.3	16.6
Disposals	(0.2)	–	–	(0.2)
Exchange adjustment	0.2	0.7	(0.1)	0.8
<b>At 31 March 2026</b>	<b>3.8</b>	<b>107.5</b>	<b>3.0</b>	<b>114.3</b>
<b>Net book value at 31 March 2026</b>	<b>2.2</b>	<b>78.5</b>	<b>0.6</b>	<b>81.3</b>
Net book value at 31 March 2025	1.8	89.6	0.8	92.2

## 19. Inventories

	2026 £m	2025 £m
Finished goods and goods for resale	26.6	29.2
Raw materials and work in progress	58.8	53.7
<b>Total inventories</b>	<b>85.4</b>	<b>82.9</b>

At 31 March 2026, the provision for realisable value included within total inventories was £11.2m (2025: £11.5m).

## 20. Trade and other receivables

Current	2026 £m	2025 £m
Trade receivables	73.4	63.5
Other receivables	6.1	5.1
VAT receivable	2.8	3.0
Prepayments	3.4	2.8
	85.7	74.4

Trade receivables are non-interest bearing, are generally on 30 to 60 days' terms and are shown net of expected credit losses.

Current year other receivables includes £nil (2025: £0.3m) related to the current portion of the deferred consideration receivable for the disposal of the Vertec Scientific business.

All of the Group's trade and other receivables are regularly reviewed for indicators of impairment. The credit risk exposure inherent in the Group's trade receivables is measured and recognised as an impairment provision on initial recognition, based on the expected credit loss method, as required by IFRS 9. Specific provision for impairment may also be required where a specific increase in credit risk is identified, or a credit event has occurred. Provisions for general credit risk exposure are measured with reference to the age of a receivable as debts that are overdue present a specific impairment risk indicator regarding recoverability.

In total, the Group has recognised impairment provisions of £1.9m (2025: £2.2m), against trade receivables. This includes a total of £1.2m (2025: £1.4m) of specific provisions for impairment due to increased default risk and unresolved disputes, as well as a provision for expected credit losses of £0.7m (2025: £0.8m). Across the Group, general expected credit loss risk has been assessed to be low due to the size, nature and diversification of customers across the divisions.

The movements in the impairment provisions for trade receivables during the year were as follows:

	2026 £m	2025 £m
At 1 April	2.2	2.3
Net (release)/charge in the year	(0.3)	0.2
Exchange adjustments	-	(0.3)
<b>At 31 March</b>	<b>1.9</b>	<b>2.2</b>

Details of the net trade receivables ageing are set out below:

	Total £m	Not yet due £m	Overdue				
			<30 days £m	30-60 days £m	60-90 days £m	90-120 days £m	>120 days £m
<b>2026</b>							
Gross	75.3	61.7	8.7	1.8	0.4	0.6	2.1
Provision	(1.9)	-	-	-	-	(0.1)	(1.8)
<b>Net</b>	<b>73.4</b>	<b>61.7</b>	<b>8.7</b>	<b>1.8</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>
2025							
Gross	65.7	54.0	6.3	3.0	0.7	0.2	1.5
Provision	(2.2)	(0.2)	-	-	(0.3)	(0.2)	(1.5)
Net	63.5	53.8	6.3	3.0	0.4	-	-

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FOR THE YEAR ENDED 31 MARCH 2026

## 21. Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and in hand	125.3	139.3

The cash balances are separately presented gross in the consolidated Statement of Financial Position, rather than netted off against overdrafts held either by the same entity, or other Group entities, with the same bank. The net cash position as at 31 March 2026 after netting off against overdrafts is £29.0m (2025: £43.7m). Refer to note 23 for analysis of movements.

Cash at bank earns interest at floating rates, based on daily bank deposit rates. The Group only deposits cash surpluses with major banks of high credit standing (£110.6m with financial institutions with credit rating of AA- (2025: £118.8m), £6.1m with financial institutions with credit rating of A+ (2025: £13.0m), and the remaining balance of £8.6m with various financial institutions with credit rating of A- or higher (2025: £7.5m)) in line with its treasury policy. The fair value of cash and cash equivalents is £125.3m (2025: £139.3m).

## 22. Other financial liabilities

	Effective interest rate %	Maturity	Current		Non-current	
			2026 £m	2025 £m	2026 £m	2025 £m
Bank overdrafts	Variable	On demand	96.3	95.6	–	–
Unsecured bank loans	Variable		–	–	0.1	0.1
Revolving Credit Facility ("RCF")	Variable		–	–	111.9	139.3
Capitalised debt costs			(0.7)	(0.6)	(1.8)	(0.8)
Loans and borrowings			95.6	95.0	110.2	138.6
Lease liabilities			6.5	6.2	27.5	21.2
Trade and other payables (note 28)			80.0	70.7	0.5	6.2
<b>Total other financial liabilities</b>			<b>182.1</b>	<b>171.9</b>	<b>138.2</b>	<b>166.0</b>

Interest on overdrafts is based on floating rates linked to SONIA, SOFR and EURIBOR.

Included in unsecured bank loans is a Euro-denominated loan of £0.1m (2025: £0.1m).

At 31 March 2026, the RCF drawdowns of £111.9m (2025: £139.3m) were denominated in Sterling, US Dollar and Euro which bear interest based on SONIA, SOFR and EURIBOR, plus a facility margin.

Trade and other payables above include only contractual obligations.

The maturity of the gross contractual financial liabilities is as follows:

	Within 1 year £m	2–5 years £m	>5 years £m	Total £m
<b>At 31 March 2026</b>				
Floating rate	95.6	110.2	–	205.8
Lease liabilities	8.0	25.5	14.7	48.2
Trade and other payables	80.0	0.5	–	80.5
	<b>183.6</b>	<b>136.2</b>	<b>14.7</b>	<b>334.5</b>
<b>At 31 March 2025</b>				
Floating rate	95.0	138.6	–	233.6
Lease liabilities	7.2	16.1	8.5	31.8
Trade and other payables	70.7	6.2	–	76.9
	172.9	160.9	8.5	342.3

## 22. Other financial liabilities continued

The carrying amount of the Group's financial liabilities excluding lease liabilities is denominated in the following currencies:

	2026 £m	2025 £m
Sterling	96.4	98.7
Euro	97.7	116.8
US Dollar	57.0	65.6
Other currencies	35.2	29.4
	<b>286.3</b>	310.5

## 23. Movements in cash and net debt

	1 April 2025 £m	Cash flow £m	Non-cash changes £m	31 March 2026 £m
<b>Year to 31 March 2026</b>				
Bank loans over one year	(139.4)	28.8	(1.4)	<b>(112.0)</b>
Capitalised debt costs	1.4	1.5	(0.4)	<b>2.5</b>
Lease liability	(27.4)	7.9	(14.5)	<b>(34.0)</b>
<b>Liabilities arising from financing activities</b>	<b>(165.4)</b>	<b>38.2</b>	<b>(16.3)</b>	<b>(143.5)</b>
Cash and cash equivalents	139.3	(16.0)	2.0	<b>125.3</b>
Bank overdrafts	(95.6)	0.9	(1.6)	<b>(96.3)</b>
<b>Net cash</b>	<b>43.7</b>	<b>(15.1)</b>	<b>0.4</b>	<b>29.0</b>
<b>Net debt (incl. lease liability)</b>	<b>(121.7)</b>	<b>23.1</b>	<b>(15.9)</b>	<b>(114.5)</b>
Remove: lease liability	27.4	(7.9)	14.5	<b>34.0</b>
<b>Net debt<sup>1</sup></b>	<b>(94.3)</b>	<b>15.2</b>	<b>(1.4)</b>	<b>(80.5)</b>

<sup>1</sup> Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and borrowings (current and non-current) and cash and cash equivalents.

Bank loans over one year above include £111.9m (2025: £139.3m) drawn down against the Group's revolving credit facility.

Bank overdrafts reflect the aggregated gross overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts and cash and cash equivalents are held with the Group's relationship banks.

	1 April 2024 £m	Cash flow £m	Non-cash changes £m	31 March 2025 £m
<b>Year to 31 March 2025</b>				
Bank loans over one year	(137.5)	(4.3)	2.4	(139.4)
Capitalised debt costs	2.0	–	(0.6)	1.4
Lease liability	(20.1)	7.5	(14.8)	(27.4)
<b>Liabilities arising from financing activities</b>	<b>(155.6)</b>	<b>3.2</b>	<b>(13.0)</b>	<b>(165.4)</b>
Cash and cash equivalents	110.8	29.6	(1.1)	139.3
Bank overdrafts	(79.3)	(16.4)	0.1	(95.6)
<b>Net cash</b>	<b>31.5</b>	<b>13.2</b>	<b>(1.0)</b>	<b>43.7</b>
<b>Net debt (incl. lease liability)</b>	<b>(124.1)</b>	<b>16.4</b>	<b>(14.0)</b>	<b>(121.7)</b>
Remove: lease liability	20.1	(7.5)	14.8	27.4
<b>Net debt</b>	<b>(104.0)</b>	<b>8.9</b>	<b>0.8</b>	<b>(94.3)</b>

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FOR THE YEAR ENDED 31 MARCH 2026

## 24. Reconciliation of cash flows from operating activities

	2026 £m	2025 £m
<b>Profit for the year</b>	<b>29.0</b>	24.6
Tax expense	<b>7.1</b>	7.4
Net finance costs	<b>9.1</b>	10.4
Depreciation of property, plant and equipment	<b>5.1</b>	4.5
Depreciation of right-of-use assets	<b>7.4</b>	7.3
Amortisation of intangible assets – other	<b>16.6</b>	16.6
Loss on disposal of property, plant and equipment	<b>0.1</b>	–
Loss on disposal of intangible assets	–	0.1
Change in provisions	<b>(1.0)</b>	0.1
Pension scheme funding	<b>(1.0)</b>	(2.3)
IAS 19 pension charge	<b>0.9</b>	0.7
Gain on disposal of business	–	(2.1)
Impact of equity-settled share-based payment expense and associated taxes	<b>1.4</b>	2.0
<b>Operating cash flows before changes in working capital</b>	<b>74.7</b>	69.3
(Increase)/Decrease in inventories	<b>(0.2)</b>	5.4
(Increase)/Decrease in trade and other receivables	<b>(10.3)</b>	5.8
Increase/(Decrease) in trade and other payables	<b>3.0</b>	(10.0)
Changes in working capital	<b>(7.5)</b>	1.2
<b>Cash generated from operations</b>	<b>67.2</b>	70.5
Interest paid	<b>(9.9)</b>	(12.5)
Interest paid on lease liabilities	<b>(1.3)</b>	(1.0)
Income taxes paid	<b>(10.7)</b>	(10.6)
<b>Net cash flow from operating activities</b>	<b>45.3</b>	46.4
	<b>2026 £m</b>	<b>2025 £m</b>
<b>Net cash flow from operating activities</b>	<b>45.3</b>	46.4
Working capital	<b>1.8</b>	1.0
Gain on disposal	–	2.1
Payment of lease liabilities	<b>(6.6)</b>	(6.5)
Capital expenditure	<b>(6.6)</b>	(6.1)
Interest received	<b>2.7</b>	3.5
<b>Free cash flow</b>	<b>36.6</b>	40.4

## 25. Provisions

	Retirement and severance indemnity £m	Dilapidation £m	Other £m	Total £m
At 1 April 2024	2.1	3.3	3.4	8.8
Arising during the year	0.5	0.2	1.6	2.3
Arising from business combinations	0.6	–	0.2	0.8
Utilised/released	(0.6)	–	(2.2)	(2.8)
Exchange difference	(0.1)	–	–	(0.1)
At 31 March 2025	2.5	3.5	3.0	9.0
Arising during the year	1.0	0.2	0.5	1.7
Utilised/released	(1.1)	–	(1.5)	(2.6)
<b>At 31 March 2026</b>	<b>2.4</b>	<b>3.7</b>	<b>2.0</b>	<b>8.1</b>

Analysis of total provisions:	2026 £m	2025 £m
Current	3.8	5.0
Non-current	4.3	4.0
	<b>8.1</b>	<b>9.0</b>

The retirement indemnity provision of £2.3m (2025: £2.4m), relates to retirement and leaving indemnity schemes in Sri Lanka £1.0m (2025: £0.9m), India £0.5m (2025: £0.6m), France £0.1m (2025: £0.2m), Germany £0.6m (2025: £0.6m) and Denmark £0.1m (2025: £0.1m). The schemes are unfunded. The service cost, representing deferred salaries accruing to employees, is included as an operating expense and determined by reference to local laws and actuarial assumptions where applicable.

The key actuarial assumptions used in relation to valuation of the Sri Lankan scheme comprise mortality rates, staff turnover (12% up to age of 54 and zero thereafter) (2025: 16% up to the age of 54 and zero thereafter), retirement age (60 years) (2025: 60 years), discount rate (9.5% p.a.) (2025: 11% p.a.) and salary increases (9% p.a.) (2025: 9% p.a.).

The severance provision of £0.1m (2025: £0.1m) relates to severance costs payable to employees.

The dilapidation provision of £3.7m (2025: £3.5m) relates to exit costs to be incurred at the end of leasehold contracts for properties within the Group.

Other provisions relates primarily to warranty provisions £1.0m (2025: £0.9m), restructuring provisions of £0.4m (2025: £1.3m) and other provisions of £0.6m (2025: £0.8m). The provisions greater than one year are expected to be utilised within one to three years.

## 26. Financial risk management

### Management of financial risk

The main financial risks faced by the Group are credit risk, liquidity risk and market risk, which include interest rate risk and currency risk. The Board regularly reviews these risks and has approved written policies covering the use of financial instruments to manage these risks.

The Group Finance Director retains the overall responsibility and management of financial risk for the Group. Most of the Group's financing and interest rate and foreign currency risk management is carried out centrally at Group head office. The Board approves policies and procedures setting out permissible funding and hedging instruments, exposure limits and a system of authorities for the approval of transactions.

### Management of interest rate risk

The Group has exposure to interest rate risk arising principally from changes in Euro, Sterling and US Dollar interest rates. The Group does not have any hedges in place at the year-end against exposure to interest rate risk.

A 1% decrease in interest rates on the Group's debt position during the year ended 31 March 2026, would have increased the Group's profit before tax by approximately £1.2m (2025: £1.3m).

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FOR THE YEAR ENDED 31 MARCH 2026

## 26. Financial risk management continued

### Management of foreign exchange risk

The Group's Shareholders' equity, earnings and cash flows are exposed to foreign exchange risks, due to the mismatch between the currencies in which it purchases inventory and the final currency of sale to its customers.

It is Group policy to hedge identified significant foreign exchange exposure on its committed operating cash flows. This is carried out centrally based on forecast orders and sales.

The US Dollar and Euro represent the main foreign exchange translational exposures for the Group. The following table demonstrates the sensitivity of the Group's profit before tax to a 10% strengthening of Sterling against US Dollar and Euro.

	2026 £m	2025 £m
<b>Impact on profit before tax – (loss)</b>		
10% strengthening of Sterling against Euro	(2.6)	(1.9)
10% strengthening of Sterling against US Dollar	(1.9)	(1.1)

### Management of credit risk

Credit risk exists in relation to customers, banks and insurers. Exposure to credit risk is mitigated by maintaining credit control procedures across a wide customer base.

The Group is exposed to credit risk that is primarily attributable to its trade and other receivables. This is minimised by dealing with recognised creditworthy third parties who have been through a credit verification process. The maximum exposure to credit risk is limited to the carrying value of trade and other receivables.

As well as credit risk exposures inherent within the Group's outstanding receivables, the Group is exposed to counterparty credit risk arising from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions. The Group manages exposure to this credit risk by entering into financial instrument contracts only with highly credit-rated authorised counterparties, which are reviewed and approved annually by the Board.

Counterparties' positions are monitored on a regular basis to ensure that they are within the approved limits and that there are no significant concentrations of credit risks. The Group's largest customer is approximately 6% (2025: 7%) of Group sales.

### Management of liquidity risk

The Group manages its exposure to liquidity risk and maximises its flexibility in meeting changing business needs through the cash generation of its operations, combined with bank borrowings and access to long-term debt. In its funding strategy, the Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of overdrafts, bank loans and facilities.

At 31 March 2026, the Group had net cash of £29.0m (2025: £43.7m). The Group had total working capital facilities available of £246.8m (2025: £245.6m) with a number of major UK and overseas banks, of which £240m (2025: £240m) were committed facilities. The Group had drawn £111.9m against total facilities at 31 March 2026 (2025: £139.3m). In addition, the Group has an £80m accordion facility that it can use to extend the total facility up to £320m. The syndicated facility is available both for acquisitions and for working capital purposes. The facilities are subject to certain financial covenants, which had significant headroom at 31 March 2026.

### Management of capital

The Group's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain robust capital ratios to support the development of the business with a view to providing strong returns to Shareholders. In order to maintain or adjust the capital structure, the Group increases bank borrowings, issues new shares or changes the amount of dividends paid to Shareholders. In respect of this objective, the Group had a target gearing range last year of between 1.5x and 2.0x. During this year, as part of the Group's banking facility extension, the associated gearing covenant was increased from 3.0x to 3.5x. This provides us with additional flexibility to operate temporarily our gearing range above 2.0x to optimise execution of our acquisition pipeline. Proforma gearing at 31 March 2026 (assuming the acquisitions of Trival and 3G had been completed before the year-end) was 2.2x and this is expected to reduce to 1.8x by the end of the year ending 31 March 2027.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 22, cash and cash equivalents in note 21 and equity attributable to Shareholders.

## 27. Financial assets and liabilities

### Fair values

The Group's principal non-derivative financial instruments comprise bank loans and overdrafts, cash and short-term borrowings. The Group also holds other financial instruments such as trade receivables and trade payables that arise directly from the Group's trading operations.

Derivative financial instruments are represented by short-term foreign currency forward contracts placed by the Group with external banks as part of the Group's cash management and foreign currency risk management activities. The fair value of derivative foreign exchange instruments is determined on initial recognition at forward market exchange rates at inception of the contract and subsequently remeasured based on forward market exchange rates at the balance sheet date. As at 31 March 2026, the gross value of these contracts was £29.6m, mainly in Euro and US Dollar (2025: £31.9m). The fair value of these derivatives included within trade and other receivables was an asset of £0.2m (2025: £nil) and included within trade and other payables was a liability of £0.2m (2025: £0.2m).

The carrying values of the Group's trade and other receivables and trade and other payables are disclosed in notes 20 and 28. The carrying value of these items approximates book value due to the short maturity of these instruments.

The carrying values of the Group's other financial assets and financial liabilities are set out below by category. Carrying values for all financial assets and liabilities are equivalent to fair values.

	Carrying amount 2026 £m	Fair value 2026 £m	Carrying amount 2025 £m	Fair value 2025 £m
<b>Financial assets at amortised cost</b>				
Cash at bank and in hand	125.3	125.3	139.3	139.3
Deferred consideration	–	–	0.3	0.3
<b>Financial liabilities at amortised cost</b>				
Bank overdrafts and short-term borrowings	(96.3)	(96.3)	(95.6)	(95.6)
Non-current interest-bearing loans and borrowings:				
Floating rate borrowings	(109.5)	(109.5)	(138.0)	(138.0)
Lease liabilities	(34.0)	(34.0)	(27.4)	(27.4)
<b>Financial liabilities at fair value through profit and loss ("FVTPL")</b>				
Contingent consideration	(3.0)	(3.0)	(9.3)	(9.3)

The methods and assumptions used to determine the fair value of financial assets and liabilities are set out below.

All material changes in fair value of financial instruments as at the balance sheet date have been recognised in the consolidated Statement of Profit or Loss. Impairment reviews did not identify any material impairment of financial assets from carrying values as reported at the balance sheet date and, as such, no material impairments are included in the consolidated Statement of Profit or Loss.

### Fair value methods and assumptions

Forward foreign exchange contracts ("forwards") – the fair value of forward foreign currency contracts is determined with reference to observable yield curves and foreign exchange rates at the reporting date. The FX contracts outstanding with banks at the year-end had a maturity of one year or less.

Loans and borrowings – the fair value of loans and borrowings has been calculated by discounting future cash flows, where material, at prevailing market interest rates.

### Fair value hierarchy

For financial assets and financial liabilities measured at fair value, as set out in the tables above, the fair value measurement techniques are based upon applying unadjusted, quoted market rates or prices or inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly.

IFRS 13 Fair Value Measurement requires financial instruments measured at fair value to be analysed into a fair value hierarchy based upon the valuation technique used to determine fair value. The highest level in this hierarchy is Level 3 within which inputs that are not based on observable market data for the asset or liability are applied.

The valuation techniques used by the Group for the measurement of derivative financial instruments, loans and deferred consideration are considered to be within Level 2, which includes inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 27. Financial assets and liabilities continued

Contingent consideration is included in Level 3 of the fair value hierarchy. The fair value is determined considering the expected payment, discounted to present value using a risk-adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement, taking into consideration the expected level of profitability of each acquisition. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the consolidated Statement of Profit or Loss in the period that the change occurs.

Reconciliation of Level 3 fair value of contingent consideration payable on acquisitions:

	2026 £m	2025 £m
At 1 April	9.3	6.7
Contingent consideration arising from current year acquisitions payable in future years	2.2	6.7
Contingent consideration paid in the current year relating to previous years' acquisitions	(2.8)	(2.3)
Costs (credited)/charged to the consolidated Statement of Profit or Loss:		
Subsequent adjustments on acquisitions	(5.8)	(1.7)
Exchange difference	0.1	(0.1)
<b>At 31 March</b>	<b>3.0</b>	<b>9.3</b>

Subsequent adjustments on acquisitions of £5.8m credit (2025: £1.7m credit) and exchange differences of £0.1m loss (2025: £0.1m credit) are included within operating costs.

For the year ended 31 March 2026, contingent consideration is not materially sensitive to forecast operating profits of the relevant acquired businesses. At 31 March 2026, the estimated fair value of contingent consideration payable on acquisitions would increase by £nil (2025: £5.0m) if projected forecast profits were higher by c.20% and decrease by £nil (2025: £5.7m) if projected forecast profits were lower by c.20%.

## 28. Trade and other payables

### Current

	2026 £m	2025 £m
Trade payables	49.4	42.3
Other payables	29.0	26.7
Accrued expenses and contract liabilities	13.5	12.1
	<b>91.9</b>	<b>81.1</b>

Trade payables are non-interest-bearing and are settled in accordance with credit terms. Other payables and accrued expenses are non-interest-bearing and are settled throughout the year. Included in current year other payables is contingent consideration of £2.6m relating to acquisitions in the current and prior years (2025: £3.1m), employee-related payable of £15.3m (2025: £13.5m), VAT payable of £4.3m (2025: £4.2m), a total of £3.4m of customers' deposits (2025: £3.5m) and £3.4m of other payables (2025: £2.4m).

Contract liabilities relate to contracts with customers, recognised and measured in accordance with the requirements of IFRS 15, and relate to either advance payments received for goods to be delivered in the future or amounts invoiced in respect of performance obligations which are not yet satisfied in full and due to be satisfied within a period of 12 months from the reporting date.

Contract liabilities as at 31 March 2026 amounted to £1.7m (2025: £1.7m). Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period amounted to £1.3m (2025: £1.3m).

Certain businesses in the Group participate in supply chain finance arrangements whereby suppliers may elect to receive early payment of their invoices from a bank by factoring their receivable from discoverIE entities. Under this arrangement, the payment term of invoices can be extended by 30–45 days from the original invoice due date, which impacts the timing of payment but does not alter the value of the recognised liability. Included within trade payables is £2.0m (2025: £2.1m) subject to such an arrangement.

## 28. Trade and other payables continued

### Non-current

	2026 £m	2025 £m
Other payables	0.5	6.2

Included in non-current trade and other payables is contingent consideration of £0.4m relating to acquisitions in the current and prior years (2025: £6.2m).

## 29. Share capital and Share Premium

Allotted, called-up and fully paid	2026 Number	2026 £m	2025 Number	2025 £m
Ordinary shares of 5p each	97,356,109	4.9	96,356,109	4.8

During the year to 31 March 2026, 1,000,000 shares of 5p each were issued to the Group's Employee Benefit Trust (2025: nil). At 31 March 2026 the Trust held 1,229,297 shares (2025: 299,219). During the year to 31 March 2026, employees exercised 69,922 share options under the terms of the various share option schemes (2025: 115,381).

During the year to 31 March 2026, a number of share options were exercised by employees under the CSOP scheme (note 30). £0.1m related to the exercise price paid by the employees to the Company was posted to the Share Premium account.

## 30. Share-based payment plans

The Group operates various share-based payment plans. The various schemes are explained below and have been separated into two separate disclosures. The charge to the consolidated Statement of Profit or Loss in respect of each of these schemes is:

	2026 £m	2025 £m
a) discoverIE Group plc long-term incentive plan ("the LTIP")	1.4	2.0
b) Deferred Share Bonus Plan ("DSBP")	-	-
c) Approved and unapproved executive share option schemes ("CSOP")	-	-
	1.4	2.0

### a) The LTIP

The LTIP involves a conditional award of shares on a grant of a nil-cost option. The award of shares to Executive Directors and senior management is recommended by the Remuneration Committee on the basis of various factors such as their contribution to the Group's success. The LTIPs are equity-settled and there are no cash-settled alternatives. The vesting of an award is dependent on the individual's continued employment for a three-year period from the date of grant and the satisfaction by the Company of certain performance conditions. For Executive Directors and certain senior management, the exercise of the awards is also subject to a two-year holding period from the date of vesting.

For awards made in the year ended 31 March 2026, the performance conditions are as follows:

LTIPs for Executive Directors and certain senior management:

- 50% of the award is based on the Company's comparative total shareholder return ("TSR") against a comparator group made up of the constituents of the FTSE250 Index; and
- 50% of the award is based on the Company's absolute earnings per share ("EPS") performance.

LTIPs for certain operational management:

- 75% of the award is based on local earnings targets; and
- 25% of the award is based on the Company's EPS performance.

LTIPs for certain other employees:

- 100% of the award has no performance conditions.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 30. Share-based payment plans continued

### b) DSBP

In accordance with the Remuneration Policy, 20% of the bonus awarded to Executive Directors for FY2025/26 was deferred and provided in the form of LTIPs with no performance conditions.

Awards are valued using the Monte Carlo model and Black-Scholes model. No non-market performance conditions were included in the fair value calculations. The fair value per award granted and the assumptions used in the calculation are as follows:

Awards granted in the year ended 31 March 2026:

<b>Grant date</b>	<b>11 June 2025 TSR</b>	<b>11 June 2025 EPS</b>	<b>11 June 2025 EPS/Local</b>	<b>11 June 2025 No performance conditions</b>
Share price at grant date	£6.71	£6.71	£6.71	£6.71
Exercise price	nil	nil	nil	nil
Number of employees	13	13	32	12
Shares under option	272,869	272,869	197,965	43,611
Vesting period (years)	3	3	3	3
Expected volatility	36.95%	36.95%	36.95%	36.95%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	3.92%	3.92%	3.92%	3.92%
Expected dividend yield	nil	nil	nil	nil
Fair value <sup>1</sup>	£4.45	£6.71	£6.71	£6.71

<sup>1</sup> The TSR and EPS FV for the two Executive Directors where the holding period is applicable are £4.11 and £6.19, respectively.

Awards granted in the year ended 31 March 2025:

<b>Grant date</b>	<b>12 June 2024 TSR</b>	<b>12 June 2024 EPS</b>	<b>12 June 2024 ESG</b>	<b>12 June 2024 EPS/Local</b>
Share price at grant date	£7.17	£7.17	£7.17	£7.17
Exercise price	nil	nil	nil	nil
Number of employees	15	15	15	36
Shares under option	235,229	235,229	52,273	178,744
Vesting period (years)	3	3	3	3
Expected volatility	39.36%	39.36%	39.36%	39.36%
Option life (years)	10	10	10	10
Expected life (years)	5	5	5	5
Risk-free rate of return	4.37%	4.37%	4.37%	4.37%
Expected dividend yield	nil	nil	nil	nil
Fair value	£3.81	£6.56	£6.56	£6.72

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the LTIP and DSBP schemes was £1.4m (2025: £2.0m).

### 30. Share-based payment plans continued

#### Outstanding LTIP and DSBP

A summary of the awards that have been granted under the LTIP and DSBP and remain outstanding is given below:

##### At 31 March 2026

Outstanding at 1 April 2025	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2026	Exercise dates
452,990	–	–	(13,710)	<b>439,280</b>	2023–2027
312,508	–	–	–	<b>312,508</b>	2023–2028
510,654	–	–	(8,175)	<b>502,479</b>	2024–2029
503,030	–	–	(37,387)	<b>465,643</b>	2025–2030
286,124	–	–	(741)	<b>285,383</b>	2026–2031
560,455	–	(368,299)	(719)	<b>191,437</b>	2027–2032
477,633	–	(19,081)	–	<b>458,552</b>	2028–2033
701,475	–	(36,548)	–	<b>664,927</b>	2029–2034
–	787,314	(37,977)	–	<b>749,337</b>	2030–2035
<b>3,804,869</b>	<b>787,314</b>	<b>(461,905)</b>	<b>(60,732)</b>	<b>4,069,546</b>	

##### At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise dates
5,500	–	–	(5,500)	–	2022–2026
452,990	–	–	–	452,990	2023–2027
312,508	–	–	–	312,508	2023–2028
614,531	–	–	(103,877)	510,654	2024–2029
506,328	–	(2,619)	(679)	503,030	2025–2030
358,925	–	(72,456)	(345)	286,124	2026–2031
574,015	–	(13,560)	–	560,455	2027–2032
488,500	–	(10,867)	–	477,633	2028–2033
–	701,475	–	–	701,475	2029–2034
<b>3,313,297</b>	<b>701,475</b>	<b>(99,502)</b>	<b>(110,401)</b>	<b>3,804,869</b>	

The weighted average remaining contractual life for the share options outstanding at 31 March 2026 is 5.5 years (2025: 5.9 years) and the weighted average share price for the exercises during the year ended 31 March 2026 was £6.53 (2025: £6.85).

The range of exercise prices for options outstanding at the end of the year was £nil (2025: £nil).

#### c) CSOP

The Group operates an approved and an unapproved executive share option scheme, the rules of which are similar in all material respects. The grant of options to senior management is recommended by the Remuneration Committee on the basis of their contribution to the Group's success. The options vest after three years. The exercise price of the options is equal to the closing mid-market price of the shares on the trading day prior to the date of the grant. Exercise of all options is subject to continued employment. The life of each option granted is ten years. There are no cash settlement alternatives. Options are valued using the Black-Scholes model. No non-market performance conditions were included in the fair value calculations.

No options under the approved and unapproved executive share option scheme were granted during the year ended 31 March 2026.

The expected volatility is based on historical volatility over the period of time commensurate with the expected term immediately prior to the date of grant. The expected life is the average expected period to exercise. The risk-free rate of return used in the valuation is the rate of interest obtainable from government securities over a period commensurate with the expected term of the equity incentive.

The total charge for the year relating to the approved and unapproved share option schemes was £30,000 (2025: £35,000).

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 30. Share-based payment plans continued

### Outstanding share options under the executive share option schemes

A summary of the options over ordinary shares that have been granted under the approved and unapproved executive share option schemes and remain outstanding is given below:

#### At 31 March 2026

Outstanding at 1 April 2025	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2026	Exercise price (pence)	Exercise dates
6,144	–	–	(6,144)	–	421.17	2022–2029
6,582	–	–	–	<b>6,582</b>	603.60	2023–2030
5,183	–	–	–	<b>5,183</b>	803.00	2024–2031
8,381	–	–	–	<b>8,381</b>	686.80	2025–2032
12,204	–	–	–	<b>12,204</b>	918.00	2026–2033
20,555	–	(967)	–	<b>19,588</b>	724.00	2027–2034
59,049	–	(967)	(6,144)	<b>51,938</b>		

#### At 31 March 2025

Outstanding at 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Outstanding at 31 March 2025	Exercise price (pence)	Exercise dates
6,144	–	–	–	6,144	421.17	2022–2029
11,374	–	(4,792)	–	6,582	603.60	2023–2030
11,731	–	(6,548)	–	5,183	803.00	2024–2031
13,855	–	(5,474)	–	8,381	686.80	2025–2032
17,882	–	(5,678)	–	12,204	918.00	2026–2033
–	28,285	(7,730)	–	20,555	724.00	2027–2034
60,986	28,285	(30,222)	–	59,049		

### Changes in share options

A reconciliation of option movements over the year to 31 March 2026 is shown below:

	2026		2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 April	59,049	£7.21	60,986	£7.35
Granted	–	–	28,285	£7.24
Exercised	(6,144)	£4.21	–	–
Forfeited	(967)	£7.24	(30,222)	£7.52
<b>Outstanding at 31 March</b>	<b>51,938</b>	<b>£7.56</b>	59,049	£7.21
<b>Exercisable at 31 March</b>	<b>20,146</b>	<b>£6.90</b>	29,249	£5.99

The weighted average remaining contractual life for the share options outstanding at 31 March 2026 is 6.9 years (2025: 7.5 years).

The range of exercise prices for options outstanding at the end of the year was £6.03 to £9.18 (2025: £4.21 to £9.18).

## 31. Pension

### Defined contribution schemes

The Group makes payments to various defined contribution pension schemes, the assets of which are held in separately administered funds. In the United Kingdom, the main scheme is the discoverIE Group plc Employee Pension Scheme ("the discoverIE scheme"). Contributions by both employees and Group companies are held in externally invested trustee-administered funds.

The Group contributes a specified percentage of earnings for members of the discoverIE scheme and, thereafter, has no further obligations in relation to the discoverIE scheme. At 31 March 2026, 94 employees were active members of the discoverIE scheme (2025: 99). The total cost charged to the consolidated Statement of Profit or Loss in relation to the UK-based discoverIE scheme was £487,000 (2025: £491,000). Employer contributions in respect of other UK-based schemes and overseas pension schemes were £849,000 (2025: £906,000) and £2,383,000 (2025: £2,673,000) respectively. Total contributions payable in the next financial year are expected to be at rates broadly similar to those in FY 2025/26 but based on actual salary levels in FY 2026/27.

### Defined benefit schemes

The acquisition of the Sedgemoor Group in June 1999 brought with it certain defined benefit pension schemes, together "the Sedgemoor Scheme". The Sedgemoor Scheme is funded by the Group, provides retirement benefits based on final pensionable salary and its assets are held in a separate trustee-administered fund.

Following the acquisition of the Sedgemoor Group, the Sedgemoor Scheme was closed to new members. Shortly thereafter, employees were given the opportunity to join the discoverIE scheme and future service benefits ceased to accrue to members under the Sedgemoor Scheme.

Contributions to the Sedgemoor Scheme are determined in accordance with the advice of independent, professionally qualified actuaries and are set based upon funding valuations carried out every three years.

On 21 January 2025, the Trustee entered into a bulk annuity "buy-in" policy with an insurance company. This policy covers all known current members of the Scheme and its fair value matches the present value of the benefits insured. The Group paid cash contributions to the Scheme of £0.9m over the year to March 2026, of which £0.3m was paid from the escrow account. This is to support the expenses of running the Scheme and payments required to members related to the data cleanse.

As part of the buy-in process, the Trustee is carrying out a data cleanse. At the end of the process, a true-up premium or refund to the Company will be calculated by the insurer to cover any changes in data and benefits relative to those currently insured.

Other than the Trustee bank account, the buy-in policy is the only asset now held by the Trustee as part of the Scheme's investment strategy. Under the terms of the policy, the Trustee will receive income equal to the pension benefits that have been insured. This largely removes exposure to the Group from pension scheme investment, inflation and longevity risks. Residual differences between the benefits currently insured under the buy-in policy and those paid out by the Fund are allowed for within the IAS19 figures.

For the year ended 31 March 2026, a total of £0.4m (2025: £0.8m) was paid into the escrow account and £0.6m was paid directly into the Scheme (2025: £1.5m). The estimated amount of employer contribution expected to be paid to the Sedgemoor Scheme over the year to 31 March 2027 is £0.8m, of which £0.4m is to be paid into escrow.

The main actuarial assumptions used are set out as follows:

	2026	2025
Rate of increase of pensions in payment	2.5%	2.4%
Discount rate	5.9%	5.6%
Inflation assumption – RPI	3.6%	3.3%
Inflation assumption – CPI <sup>1</sup>	2.5%	2.2%

<sup>1</sup> 3.5% from 2030.

The discount rate is based on the yields on AA-grade Sterling corporate bonds at the reporting date.

Pensioner mortality assumptions are based on 110% of the rates in the "S4NA" table, projected from 2013 and with long-term improvement rates in line with CMI 2023 projections based on each member's actual date of birth with a long-term annual rate of improvement of 1.25% p.a. These projections are the "core" projections released by the CMI, other than allowing for a 20% weighting of 2022 and 2023 mortality data reflecting our best estimate of the impact on long-term mortality trends.

The weighted average duration of the defined benefit obligation at 31 March 2026 was 9 years (2025: 9 years).

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 31. Pension continued

The Directors consider that were a pension asset to be realised in respect of this Scheme after all member benefits have been paid and after the Scheme is wound up, this would be fully recoverable by the Group in line with the rules of the Scheme.

The charges recognised in the consolidated Statement of Profit or Loss in respect of defined benefit schemes are as follows:

	2026 £m	2025 £m
Pension charge (recognised in operating costs)	0.9	0.7

## Past service cost

The charges recognised in the consolidated Statement of Comprehensive Income are as follows:

	2026 £m	2025 £m
<b>Remeasurement (losses)/gains:</b>		
Return on plan assets (excluding amounts included in net interest expense)	(0.2)	(7.6)
Actuarial changes arising from changes in actuarial assumptions	0.5	2.9
Actuarial gain/(loss) recorded in the consolidated Statement of Comprehensive Income	0.3	(4.7)

There was £0.1m (2025: £nil) additional actuarial gain relating to the unfunded retirement and leaving indemnity schemes (note 25) recorded in the consolidated Statement of Comprehensive Income.

The fair value of assets and expected rates of return used to determine the amounts recognised in the consolidated Statement of Financial Position are as follows:

	2026 £m	2025 £m
Cash	0.1	0.2
Accruals for payment	(0.3)	–
Bulk annuity policy	22.0	23.3
Fair value of scheme assets	21.8	23.5
Present value of funded defined benefit obligations	(22.0)	(24.0)
<b>Liability recognised in the consolidated Statement of Financial Position</b>	<b>(0.2)</b>	<b>(0.5)</b>

Over the year to 31 March 2026, the deficit reduced from £0.5m to £0.2m. The movement related to pension administration costs of £1.1m (2025: £0.7m), offset by past service credit of £0.2m, actuarial gain of £0.3m (2025: £4.7m loss) recognised in the consolidated Statement of Comprehensive Income and employer contributions to the Scheme of £0.9m (2025: £4.5m).

Changes in the present value of the defined benefit obligation are as follows:

	2026 £m	2025 £m
Opening defined benefit obligations	24.0	27.8
Net interest cost	1.3	1.3
Actuarial gains due to:		
Experience on benefit obligation	(0.2)	(0.7)
Changes in financial assumptions	(0.3)	(1.9)
Changes in demographic assumptions	–	(0.4)
Benefit payments	(2.6)	(2.1)
Past service credit	(0.2)	–
Closing defined benefit obligations	22.0	24.0

Changes in the fair value of the scheme assets are as follows:

### 31. Pension continued

	2026 £m	2025 £m
Opening fair value of scheme assets	23.5	28.1
Interest on scheme assets	1.3	1.3
Actual return on plan assets less interest on plan assets	(0.2)	(7.6)
Pension administration costs	(1.1)	(0.7)
Contributions	0.9	4.5
Benefit payments	(2.6)	(2.1)
Closing fair value of scheme assets	21.8	23.5

### Sensitivities

The sensitivity of the 2026 pension liabilities to changes in assumptions are as follows:

Assumption	Change in assumption	Increase in scheme deficit £m
Discount rate	Decrease by 0.5%	1.0
Inflation	Increase by 0.5%	0.3
Life expectancy	Increase by 1 year	1.0

Following the buy-in, any such changes above would result in a corresponding change in the asset and no net impact on the balance sheet position.

### 32. Auditors' remuneration

During the year the Group paid fees for the following services from the auditors:

	2026 £m	2025 £m
Auditors' remuneration:		
Audit of the Group Financial Statements (including the Company)	0.7	0.7
Audit of local subsidiary Financial Statements	0.9	0.8
<b>Total audit fees</b>	<b>1.6</b>	<b>1.5</b>
Audit-related assurance services:		
Review of the half-year interim statement	-	0.1
<b>Total audit and non-audit fees</b>	<b>1.6</b>	<b>1.6</b>

The fee for non-audit services was £6,500 (2025: £83,500), of which £nil (2025: £80,000) relates to interim review and £6,500 (2025: £3,500) relates to reporting required by regulators in overseas countries.

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 33. Related party disclosures

As at 31 March 2026 the Group's subsidiaries are set out below. Unless otherwise stated, the Group holds (directly or indirectly) 100% of the total voting rights of all subsidiaries.

Except where noted, all material subsidiaries have a 31 March year-end and the shares carry the same voting rights as their effective interest.

UK-registered subsidiaries that qualify to take the statutory audit exemption as set out within Section 479A of the Companies Act 2006 for the year ended 31 March 2026 are listed below. discoverIE Group plc will guarantee the debts and liabilities of those companies at the balance sheet date in accordance with Section 479C of the Companies Act 2006.

### Audit exempt entities within Section 479A of Companies Act 2006

Name	Company Number
2J Antennas UK Limited	08356756
Antenova Limited	03835617
CDT 123 Limited	09637514
Contour Electronics Limited	02773976
Contour Holdings Limited	06846542
Cursor Controls Holdings Limited	09472278
Cursor Controls Limited	04105605
CustomDesignTechnologies Limited	02081576
discoverIE Electronics Limited	06556285
discoverIE Holdings Limited	01618416
discoverIE Management Services Limited	02036196
discoverIE Nordic Holdings Limited	09056483
Herga Technology Limited	00533707
Hivolt Capacitors Limited	N1029851
Keymat Technology Limited	01981733
Noratel UK Limited	04136659
Santon Switchgear Limited	03207845
Sens-Tech Limited	00668759
Silver Telecom Limited	03434576
SLV Holdings Limited	09943868
Stortech Electronics Limited	02217300
Variohm Holdings Limited	05783452
Variohm-Eurosensor Limited	02736925
Vertec Scientific Limited	01677833
Xi-Tech Limited	07068708

With the exception of Hivolt Capacitors Limited, the country of incorporation and registration for the entities above is England and Wales and the registered address is 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH. The country of incorporation and registration for Hivolt Capacitors Limited is Northern Ireland, and the registered address is Maydown Industrial Estate, Derry, BT47 6UQ.

### 33. Related party disclosures continued

Name and nature of business	Registered address	Country of incorporation and registration
<b>Management Services - Head Office</b>		
discoverIE Management Services Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
<b>Operating Companies</b>		
2J Antennas s.r.o	Štefánikova 61, 085 01 Bardejov	Slovakia
2J Antennas UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
2J Antennas USA Corporation	2020 W Guadalupe Rd, Suite 8, Gilbert, Arizona, 85233	USA
Antenova Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
burster Inc.	850 New Burton Road, Suite 201, Dover, DE 19904	USA
burster präzisionsmesstechnik GmbH & Co KG	Talstraße 1-5, 76593 Gernsbach	Germany
Calculagraph Company (trading as Control Products Inc)	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Coil-Tran de Mexico, S.A. de C. V. <sup>1,2</sup>	Calle Matamoros 124, Colonia Centro, Municipio Agualeguas, Nuevo Leon, CP 65800	Mexico
Contour Electronics Asia Limited	Room 601, 6/F Shing Yip Industrial Building, 19-21 Shing Yip Street, Kwun Tong, Kowloon	Hong Kong
Contour Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
CustomDesignTechnologies Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Danselbud Noratel Transformator sp. z o.o.	ul. Szczecinska 1K, Dobra Szczecinska PL-72-003	Poland
Diamond Technologies, Inc.	43 Broad Street, Unit C103, Hudson, MA 01749	USA
EMC Innovation Limited <sup>1</sup>	Woolim Lions Valley B-909 & 910, 283 Bupyeong-daero, Bupyeong-gu, Incheon	South Korea
Flux A/S	Industrivangen 5, 4550 Asnaes	Denmark
Flux International Limited	41/27, 23 Village No. 6, Phuncharoen Lane, Bangna-Trad K.M. 16.5 Road, Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province, 10540	Thailand
Foshan Noratel Electric Co Limited <sup>1</sup>	Building A10-1, Plainvim (Foshan Nanhai) International Intelligent Industrial Park, No.12-1, Huasha Road, Shishan Town, Nanhai District, Foshan City, Guangdong Province	China
Foss Fiber Optics AS	Dansrudveien 45, N-3036 Drammen	Norway
Foss Fibre Optics s.r.o	Odborárska 52, 831 02 Bratislava	Slovakia
Hectronic AB	Åkaregatan 2, 754 54 Uppsala	Sweden
Hivolt Capacitors Limited	Maydown Industrial Estate, Derry, BT47 6UQ	Northern Ireland
Keymat Technology Limited (trading as Storm Interface)	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Limitor GmbH	Dieselstraße 22, 73660 Urbach	Germany
Limitor Hungaria Kft	Pécs, Makay István út 13/b, 7634	Hungary
Limitor Solutions GmbH	Dieselstraße 22, 73660 Urbach	Germany
Logic PD, Inc. (trading as Beacon EmbeddedWorks)	850 New Burton Road, Suite 201, Dover, DE 19904	USA

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 33. Related party disclosures continued

### Operating Companies

Magnasphere Corporation	850 New Burton Road, Suite 201, Dover, DE 19904	USA
MTC Micro Tech Components GmbH	Josef-Krätz-Straße 13, 89407 Dillingen a.d. Donau	Germany
Myrra Deutschland GmbH	Marie-Curie-Str. 4/1, D – 71083 Herrenberg	Germany
Myrra Hong Kong Limited	42/F Central Plaza, 18 Harbour Road, Wanchai	Hong Kong
Myrra Power sp. z o.o.	ul. Warszawska 1, 05-310 Kaluszyn	Poland
Myrra SAS	2 Boulevard de La Haye, 77600 Bussy-Saint-Georges	France
Noratel AS	Elektroveien 7, 3300 Hokksund	Norway
Noratel Canada Inc	267 Matheson Boulevard East, Unit 2, Mississauga, ON L4Z 1X8	Canada
Noratel Denmark A/S	Metalvej 7F, 4000 Roskilde	Denmark
Noratel Finland Oy	Kiertokatu 5, PB 11, 24280, Salo	Finland
Noratel Germany AG	Elsenthal 53, DE-94481, Grafenau	Germany
Noratel India Power Components Pvt Limited	Nila Technopark, Trivandrum, Kerala, 695581	India
Noratel International (Private) Limited	P.O Box 15, Phase II, KEPZ, Katunayake	Sri Lanka
Noratel sp. z o.o.	ul. Szczecinska 1K, Dobra Szczecinska, PL-72-003	Poland
Noratel Sweden AB	Lars Lindahlsväg 2, Box 108, Laxå 69522	Sweden
Noratel UK Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Noratel US, LLC	850 New Burton Road, Suite 201, Dover, DE 19904	USA
NSI bvba	Kapittelstraat 18, 3740 Bilzen	Belgium
Phoenix America LLC	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Santon GmbH	Oberstrasse 1, Altes Rathaus Hinsbeck, Postfach 5217, 41334 Nettetal	Germany
Santon Holland B.V.	Willem Beukelszstraat 1, 3261 LV Oud-Beijerland	Netherlands
Sens-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Shape LLC	850 New Burton Road, Suite 201, Dover DE 19904	USA
Silver Telecom Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Stortech Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Variohm-Eurosensor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Vertec Scientific Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Zhongshan Myrra Electronic Co Limited <sup>1</sup>	39-2 Industrial Road, Xiaolan Industrial Park, Xiaolan Town, 528400, Zhongshan, Guangdong Province	China

<sup>1</sup> Coil-Tran de Mexico SA de C.V., EMC Innovation Co. Limited, Foshan Noratel Electric Co Limited, and Zhongshan Myrra Electronic Co Limited have 31 December year-ends.

<sup>2</sup> 15% of Coil-Tran de Mexico SA de C.V. is owned by local management.

### 33. Related party disclosures continued

#### Holding Companies

Aramys SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
CDT 123 Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Cursor Controls Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Europe Holding B.V.	Willem Beukelszstraat 1, 3261LV Oud-Beijerland	Netherlands
discoverIE France Holdings SAS	2 Boulevard de la Haye, Parc Gustave Eiffel, 77600 Bussy-Saint-Georges	France
discoverIE General Partner GmbH	Talstraße 1-5, 76593 Gernsbach	Germany
discoverIE German Acquisition Company GmbH	Talstraße 1-5, 76593 Gernsbach	Germany
discoverIE German Holdings GmbH	Dieselstraße 22, 73660 Urbach	Germany
discoverIE Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE Nordic Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
discoverIE US Holdings Inc.	850 New Burton Road, Suite 201, Dover, DE 19904	USA
Sedgemoor Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
SLV Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Trafo Holding AS	Elektroveien 7, 3300 Hokksund	Norway
Variohm Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Xi-Tech Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

#### Dormant Companies

Acal Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
ACTECH Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Advanced Crystal Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Amega Electronics Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Amega Group Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Bosunmark Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Coil-Mag LLC (dba Imag Electronics)	160 South Illinois Street, Hobart, Indiana 46342-4512	USA
Contour Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Gothic Crellon Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Herga Technology Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

# NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 33. Related party disclosures continued

### Dormant Companies

Noratel Power Engineering LLC	3780 Kilroy Airport Way, Suite 200, Long Beach, CA 90822	USA
Radiatron Components Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Radiatron Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Santon Switchgear Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Group Supplementary Pension Trustees Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Sedgemoor Holdings Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales
Townsend-Coates Limited	2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey, GU2 7AH	England & Wales

### Related parties

#### Remuneration of key management personnel

The Group considers key management personnel as defined in IAS 24 Related Party Disclosures to be the members of the Group Management Committee as set out on page 99. Remuneration is set out below in aggregate. The charge for share-based payments of £1.2m (2025: £1.8m) relates to the Group's LTIP as detailed in note 30.

	2026 £m	2025 £m
Short-term employee benefits	4.3	4.6
Pension benefits	0.2	0.2
Share-based payments	1.2	1.8
	5.7	6.6

#### Terms and conditions of transactions with related parties

All transactions with related parties were on an arm's length basis. Outstanding balances at year-end are unsecured and settlement occurs in cash.

#### Transactions with other related parties

There were no transactions with Directors (other than the payment of salaries and fees and the provision of employee benefits as outlined in the Remuneration Report) during the year.

### 34. Exchange rates

The Statement of Profit or Loss of overseas subsidiaries are translated into Sterling at average rates of exchange for the year and the Statements of Financial Position are translated at year-end rates. The main currencies are the US Dollar, the Euro and the Norwegian Krone. Details of the exchange rates used are as follows:

	Year to 31 March 2026		Year to 31 March 2025	
	Closing rate	Average rate	Closing rate	Average rate
US Dollar	<b>1.3242</b>	<b>1.3400</b>	1.2947	1.2754
Euro	<b>1.1516</b>	<b>1.1562</b>	1.1971	1.1883
Norwegian Krone	<b>12.9127</b>	<b>13.4760</b>	13.6624	13.8861

### 35. Events after the reporting date

There were no matters arising, between the balance sheet date and the date on which these Financial Statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 Events after the Reporting Period. The following important non-adjusting events should be noted:

#### Dividends

A final dividend of 8.95p per share (2025: 8.60p), amounting to a dividend of £8.6m (2025: £8.3m) and bringing the total dividend for the year to 13.0p (2025: 12.50p), was declared by the Board on 2 June 2026. The Group Financial Statements do not reflect this dividend.

#### Acquisition of Trival Antene d.o.o (“Trival”)

On 1 April 2026, following receipt of regulatory approvals, the Group completed the acquisition of Trival Antene d.o.o (“Trival”), a Slovenian-based designer and manufacturer of communication antennae and masts for defence applications, for an initial cash consideration of €45.5m (£39.9m) on a debt free, cash free basis, before expenses. In addition, deferred consideration of up to €1.65m (£1.45m) will be payable subject to certain conditions twelve months from completion and an earn-out of up to €5.5m (£4.8m) will be payable subject to Trival achieving certain growth and performance conditions in the period up to 31 March 2028.

Due to the timing of acquisition completion, and its proximity to the results announcement, the assessment of the fair value of identifiable assets and liabilities is not yet finalised and is not disclosed.

#### Acquisition of 3Gmetalworx (“3G”)

On 19 May 2026, the Group announced the acquisition, subject to regulatory approval, of 90% of 3Gmetalworx (“3G”), a North American designer and manufacturer of electromagnetic shielding and thermal management products, for a cash consideration of \$67.5m (£49.6m) on a debt free, cash free basis. Ongoing management will continue to hold 10% of 3G. These management shares will be subject to a put / call option exercisable between the third and fifth anniversary of the date of completion. Once exercised, the Group will own 100% of the business.

# COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Investments	5	192.7	191.3
Deferred tax assets	6	1.0	0.8
Debtors	6	90.5	88.7
		<b>284.2</b>	280.8
<b>Current assets</b>			
Debtors	6	3.2	4.1
Cash at bank and in hand		48.9	55.8
		<b>52.1</b>	59.9
<b>Total assets</b>		<b>336.3</b>	340.7
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(44.2)	(48.5)
		<b>(44.2)</b>	(48.5)
<b>Total liabilities</b>		<b>(44.2)</b>	(48.5)
<b>Net assets</b>		<b>292.1</b>	292.2
<b>Capital and reserves</b>			
Called-up share capital	8	4.9	4.8
Share premium account		192.1	192.0
Merger reserve		2.9	2.9
Profit and loss account		92.2	92.5
<b>Total Shareholders' funds</b>		<b>292.1</b>	292.2

The profit of the Company for the financial year ended 31 March 2026 was £10.6m (2025: £15.4m).

These Financial Statements on pages 206 to 209 were approved by the Board of Directors on 2 June 2026 and signed on its behalf by:

**Nick Jefferies**  
Group Chief Executive

**Simon Gibbins**  
Group Finance Director

# COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Share capital £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total £m
<b>At 1 April 2024</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>86.8</b>	<b>286.5</b>
Profit for the year	–	–	–	15.4	15.4
Share-based payments	–	–	–	2.0	2.0
Dividends	–	–	–	(11.7)	(11.7)
<b>At 31 March 2025</b>	<b>4.8</b>	<b>192.0</b>	<b>2.9</b>	<b>92.5</b>	<b>292.2</b>
Profit for the year	–	–	–	10.6	10.6
Shares issued	0.1	0.1	–	–	0.2
Share-based payments including tax	–	–	–	1.3	1.3
Dividends <sup>1</sup>	–	–	–	(12.2)	(12.2)
<b>At 31 March 2026</b>	<b>4.9</b>	<b>192.1</b>	<b>2.9</b>	<b>92.2</b>	<b>292.1</b>

<sup>1</sup> Refer to note 12 of the consolidated Financial Statements.

At 31 March 2026, an amount of £65.3m (2025: £66.9m) out of the total £92.2m (2025: £92.5m) in the profit and loss account is available for distribution, subject to filing these Financial Statements with Companies House. When making a distribution to Shareholders, the Directors determine profits available for distribution by reference to guidance on realised and distributable profits under the Companies Act 2006 issued by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants of Scotland in April 2017. The profits of the Company have been received in the form of dividends from subsidiary companies which have been paid to the Company in cash. The availability of distributable reserves in the Company is dependent on dividends received from subsidiary companies meeting the definition of qualifying consideration within the guidance referred to above, and on the available cash resources of the Group and other accessible sources of funds. The level of distributable reserves is subject to any future restrictions or limitations at the time such distribution is made.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2026

## 1. Basis of preparation

The separate Financial Statements of the Company have been prepared for all periods presented, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006. These Financial Statements are prepared on the going concern basis and under the historical cost convention modified for fair values, as described in note 2 to the consolidated Financial Statements.

## 2. Summary of material accounting policies

The summary of material accounting policies for the Company is described in note 2 to the consolidated Financial Statements.

There are no judgements, assumptions and estimation uncertainties as at 31 March 2026 that could result in a material adjustment to the carrying amount of the Company's assets and liabilities in the next financial year.

## 3. Profit of the Company

The profit of the Company for the financial year was £10.6m (2025: £15.4m). Dividend income received from subsidiary undertakings amounted to £18.6m (2025: £24.9m). By virtue of section 408(3) of the Companies Act 2006, the Company is exempt from presenting a separate Statement of Profit or Loss.

## 4. Employees

The Directors also provide services to other Group undertakings and received remuneration from a subsidiary Group undertaking, discoverIE Management Services Limited, in respect of services to the Group. Directors' emoluments are disclosed in note 8 to the consolidated Financial Statements.

## 5. Investments

	<b>Subsidiary undertakings £m</b>
At 1 April 2024	189.3
Share-based payments	2.0
<b>At 31 March 2025</b>	<b>191.3</b>
Share-based payments	1.4
<b>At 31 March 2026</b>	<b>192.7</b>

Details of all direct and indirect holdings in subsidiaries are provided in note 33 of the consolidated Financial Statements.

Equity investments in subsidiary undertakings are reviewed annually for indicators of impairment of the carrying value, measured at cost less accumulated impairment losses. Where the net assets of a subsidiary fall below the carrying amount of the investment, an impairment test is performed. The impairment test compares the carrying amount to the estimated recoverable amount, calculated based on value in use of the forecast business cash flows, discounted at the Company's pre-tax discount rate.

## 6. Debtors

	<b>2026 £m</b>	<b>2025 £m</b>
<b>Amounts falling due within one year:</b>		
Corporation tax	<b>1.3</b>	2.0
Other debtors	<b>1.8</b>	2.0
Prepayments	<b>0.1</b>	0.1
	<b>3.2</b>	4.1
<b>Amounts falling due over one year:</b>		
Other debtors	<b>1.8</b>	–
Amounts owed by subsidiary undertakings	<b>88.7</b>	88.7
	<b>90.5</b>	88.7

Amounts owed by subsidiary undertakings bore interest at a Sterling base rate plus a margin of 1.75% (2025: 1.75%). All amounts are repayable on demand. There are no material expected credit losses recognised for these receivables.

## 6. Debtors continued

At 31 March 2026, the Company has recognised a deferred tax asset of £1.0m (2025: £0.8m) in respect of losses. Deferred tax assets are recognised to the extent that there are sufficient forecast future taxable profits against which the Company's losses can be offset. At 31 March 2026, the Company had not recognised a deferred tax asset in respect of tax losses of £2.1m (2025: £2.1m).

## 7. Creditors: amounts falling due within one year

	2026 £m	2025 £m
Bank loans and overdrafts	20.6	6.3
Amounts owed to subsidiary undertakings	20.7	40.2
Other payables	0.7	0.7
Accruals	2.2	1.3
	44.2	48.5

Amounts owed to subsidiary undertakings bore interest at a nil rate (2025: nil rate) and are repayable on demand.

## 8. Called-up share capital

Allotted, called-up and fully paid	2026 Number	2026 £m	2025 Number	2025 £m
Ordinary shares of 5p each	97,356,109	4.9	96,356,109	4.8

During the year to 31 March 2026, 1,000,000 shares were issued to the Group's Employee Benefit Trust (2025: nil).

At 31 March 2026, there were outstanding options for employees of subsidiaries to purchase up to 4,121,484 (2025: 3,863,918) ordinary shares of 5p each between 2022 and 2035 at prices ranging from £nil per share to £9.18 per share. These are subject to certain performance conditions as disclosed in note 30 of the consolidated Financial Statements. During the year to 31 March 2026, employees exercised 69,922 share options under the terms of the various schemes (2025: 115,381). The shares exercised during the year ended 31 March 2026 were settled by the Trust.

## 9. Related parties

The Company is exempt under the terms of FRS 101 from disclosing related-party transactions with wholly owned entities that are part of the Group as these transactions are fully eliminated on consolidation.

## 10. Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Borrowings by subsidiary undertakings totalling £111.9 (2025: £139.3m) which are included in the Group's borrowings (note 22) have been guaranteed by the Company.

## 11. Share-based payments

For detailed disclosures of share-based payments granted to the employees of subsidiaries, refer to note 30 of the consolidated Financial Statements.

## 12. Post balance sheet events

There were no matters arising, between the Statement of Financial Position date and the date on which these Financial Statements were approved by the Board of Directors, requiring adjustment in accordance with IAS 10 Events after the Reporting Period. The following important non-adjusting events should be noted:

### Dividends

A final dividend of 8.95p per share (2025: 8.60p), amounting to a dividend of £8.6m (2025: £8.3m) and bringing the total dividend for the year to 13.0p (2025: 12.50p), was declared by the Board on 2 June 2026.

# FIVE-YEAR RECORD

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
<b>Consolidated Statement of Profit or Loss</b>					
Revenue	<b>443.3</b>	422.9	437.0	448.9	379.2
Adjusted operating profit	<b>61.0</b>	60.5	57.2	51.8	41.4
Adjusted profit before tax	<b>51.9</b>	50.1	48.2	46.3	37.6
Profit before tax	<b>36.1</b>	32.0	22.2	29.1	17.1
Profit for the year	<b>29.0</b>	24.6	15.5	21.3	9.7
<b>Earnings per share</b>					
Adjusted earnings per share	<b>40.3p</b>	38.7p	36.8p	35.2p	29.4p
Diluted earnings per share	<b>29.4p</b>	25.0p	15.8p	21.7p	10.1p
Dividend per share	<b>13.0p</b>	12.5p	12.0p	11.45p	10.8p
<b>Consolidated Statement of Financial Position</b>					
Net debt	<b>(80.5)</b>	(94.3)	(104.0)	(42.7)	(30.2)
Non-current assets	<b>395.1</b>	396.9	381.0	335.9	326.5
Net assets	<b>328.6</b>	308.0	301.6	303.6	290.4