

## Group accounts

**GROUP INCOME STATEMENT**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Revenue</b>	2,3,4	<b>2,881.1</b>	2,903.5
Cost of sales	5	<b>(1,630.8)</b>	(1,660.3)
<b>Gross profit</b>		<b>1,250.3</b>	1,243.2
Operating costs		<b>(1,011.7)</b>	(1,010.4)
<b>Operating profit</b>	2,3,6	<b>238.6</b>	232.8
Finance income	7	<b>2.9</b>	4.7
Finance costs	7	<b>(22.4)</b>	(32.0)
Share of profit of joint venture	17	<b>0.6</b>	0.6
<b>Profit before tax</b>		<b>219.7</b>	206.1
Income tax expense	11	<b>(57.8)</b>	(53.5)
<b>Profit for the year</b>		<b>161.9</b>	152.6
Profit for the year is attributable to:			
Owners of the Company		<b>162.0</b>	152.7
Non-controlling interests		<b>(0.1)</b>	(0.1)
		<b>161.9</b>	152.6
<b>Earnings per share attributable to owners of the Company</b>			
Basic	12	<b>34.6p</b>	32.5p
Diluted	12	<b>34.5p</b>	32.5p

The Notes on pages 134 to 175 form part of these Group accounts.

**GROUP STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Profit for the year</b>		<b>161.9</b>	152.6
<b>Other comprehensive income/(expense)</b>			
<b>Items that will not be reclassified subsequently to the income statement</b>			
Remeasurement of retirement benefit obligations	10	-	1.5
Related income tax	11	-	(0.3)
		-	1.2
<b>Items that may be reclassified subsequently to the income statement</b>			
Foreign exchange translation differences of joint venture	17	-	(0.1)
Foreign exchange translation differences		<b>32.6</b>	(84.1)
Fair value (loss)/gain on net investment hedges	27	<b>(5.2)</b>	6.6
Movement in cash flow hedges	27	<b>2.4</b>	1.4
Related income tax	11	<b>(0.6)</b>	(0.2)
		<b>29.2</b>	(76.4)
<b>Other comprehensive income/(expense) for the year</b>		<b>29.2</b>	(75.2)
<b>Total comprehensive income for the year</b>		<b>191.1</b>	77.4
Total comprehensive income is attributable to:			
Owners of the Company		<b>191.2</b>	77.5
Non-controlling interests		<b>(0.1)</b>	(0.1)
		<b>191.1</b>	77.4

The Notes on pages 134 to 175 form part of these Group accounts.

## Group accounts continued

**GROUP BALANCE SHEET**

For the year ended 31 March 2026

Company number: 647788

	Notes	2026 £m	2025 £m
<b>Non-current assets</b>			
Intangible assets	14	913.0	898.9
Property, plant and equipment	15	181.2	176.7
Right-of-use assets	16	52.3	54.3
Investment in joint venture	17	1.2	1.2
Other receivables	19	4.8	4.6
Retirement benefit net assets	10	2.4	2.5
Deferred tax assets	11	5.0	11.1
<b>Total non-current assets</b>		<b>1,159.9</b>	1,149.3
<b>Current assets</b>			
Inventories	18	595.0	617.3
Trade and other receivables	19	729.2	688.5
Cash and cash equivalents – cash and short-term deposits	22	166.5	147.7
Derivative assets	21	2.6	1.9
Current income tax receivables		17.6	15.9
<b>Total current assets</b>		<b>1,510.9</b>	1,471.3
<b>Total assets</b>		<b>2,670.8</b>	2,620.6
<b>Current liabilities</b>			
Trade and other payables	20	(634.2)	(611.0)
Cash and cash equivalents – bank overdrafts	22	(50.2)	(41.7)
Borrowings	22	(120.6)	(23.5)
Lease liabilities	16,22	(16.9)	(15.5)
Derivative liabilities	21	(2.8)	(1.8)
Provisions	24	(4.7)	(5.0)
Current income tax liabilities		(12.8)	(17.9)
<b>Total current liabilities</b>		<b>(842.2)</b>	(716.4)

	Notes	2026 £m	2025 £m
<b>Non-current liabilities</b>			
Other payables	20	(6.6)	(7.4)
Retirement benefit obligations	10	(11.3)	(16.4)
Borrowings	22	(270.0)	(390.0)
Lease liabilities	16,22	(37.7)	(41.2)
Provisions	24	(4.0)	(3.1)
Deferred tax liabilities	11	(85.1)	(91.6)
<b>Total non-current liabilities</b>		<b>(414.7)</b>	(549.7)
<b>Total liabilities</b>		<b>(1,256.9)</b>	(1,266.1)
<b>Net assets</b>		<b>1,413.9</b>	1,354.5
<b>Equity</b>			
Share capital and share premium	26	287.1	287.1
Own shares held by Employee Benefit Trust (EBT)	26	(73.4)	(42.3)
Other reserves	27	58.9	32.0
Retained earnings		1,140.9	1,077.2
<b>Equity attributable to owners of the Company</b>		<b>1,413.5</b>	1,354.0
<b>Non-controlling interests</b>		<b>0.4</b>	0.5
<b>Total equity</b>		<b>1,413.9</b>	1,354.5

The Notes on pages 134 to 175 form part of these Group accounts.

The financial statements of RS Group plc were approved by the Board of Directors and authorised for issue on 19 May 2026. They were signed on its behalf by:

**Kate Ringrose**  
Chief Financial Officer

## Group accounts continued

**GROUP CASH FLOW STATEMENT**

For the year ended 31 March 2026

	Notes	2026 £m	2025 £m
<b>Cash flows from operating activities</b>			
Profit before tax		219.7	206.1
Depreciation and amortisation	6	80.1	85.4
Impairment of intangible assets	14	14.9	12.8
Impairment of property, plant and equipment	15	-	0.4
Profit on business disposal	29	(3.4)	-
Loss on disposal of non-current assets	6	0.3	0.1
Equity-settled share-based payments	8,9	10.4	9.9
Net finance costs		19.5	27.3
Share of profit of and dividends received from joint venture	17	-	-
Decrease in inventories		35.5	7.6
Increase in trade and other receivables		(11.2)	(2.0)
(Decrease)/increase in trade and other payables		(9.3)	12.3
Decrease in provisions		(0.5)	(0.4)
Defined benefit retirement contributions in excess of charge		(5.2)	(10.7)
<b>Cash generated from operations</b>		<b>350.8</b>	<b>348.8</b>
Interest received		2.9	4.7
Interest paid		(22.5)	(34.0)
Income tax paid		(67.4)	(60.4)
<b>Net cash from operating activities</b>		<b>263.8</b>	<b>259.1</b>

	Notes	2026 £m	2025 £m
<b>Cash flows from investing activities</b>			
Acquisition of businesses	29	(31.8)	(8.4)
Cash and cash equivalents acquired with businesses	29	7.4	-
Total cash impact on acquisition of businesses		(24.4)	(8.4)
Purchase of intangible assets		(34.0)	(33.1)
Purchase of property, plant and equipment		(18.9)	(16.2)
Proceeds from sale of business	29	4.5	-
<b>Net cash used in investing activities</b>		<b>(72.8)</b>	<b>(57.7)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	26	-	0.2
Purchase of own shares by EBT		(33.7)	(46.5)
Net repayment of revolving facilities and short-term loans		(27.4)	(42.3)
Other loans drawn down		-	24.0
Other loans repaid		-	(0.4)
Principal elements of lease payments		(17.2)	(15.7)
Dividends paid	13	(105.9)	(104.7)
<b>Net cash used in financing activities</b>		<b>(184.2)</b>	<b>(185.4)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6.8</b>	<b>16.0</b>
Cash and cash equivalents at the beginning of the year		106.0	96.0
Effect of exchange rate changes		3.5	(6.0)
<b>Cash and cash equivalents at the end of the year</b>	22	<b>116.3</b>	<b>106.0</b>

The Notes on pages 134 to 175 form part of these Group accounts.

Group accounts continued

## GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company						Total equity £m
	Share capital and share premium (Note 26) £m	Own shares held by EBT £m	Other reserves (Note 27) £m	Retained earnings £m	Total £m	Non-controlling interests £m	
<b>At 1 April 2024</b>	286.9	(1.8)	108.9	1,024.3	1,418.3	0.6	1,418.9
Profit for the year	-	-	-	152.7	152.7	(0.1)	152.6
Other comprehensive (expense)/income	-	-	(76.4)	1.2	(75.2)	-	(75.2)
<b>Total comprehensive (expense)/income</b>	-	-	(76.4)	153.9	77.5	(0.1)	77.4
Cash flow hedging gains transferred to inventories	-	-	(0.6)	-	(0.6)	-	(0.6)
Tax on cash flow hedging transferred to inventories	-	-	0.1	-	0.1	-	0.1
Dividends (Note 13)	-	-	-	(104.7)	(104.7)	-	(104.7)
Equity-settled share-based payments (Notes 8 and 9)	-	-	-	9.4	9.4	-	9.4
Settlement of share awards	0.2	6.0	-	(5.5)	0.7	-	0.7
Purchase of own shares by EBT	-	(46.5)	-	-	(46.5)	-	(46.5)
Tax on equity-settled share-based payments	-	-	-	(0.2)	(0.2)	-	(0.2)
<b>At 31 March 2025</b>	287.1	(42.3)	32.0	1,077.2	1,354.0	0.5	1,354.5
Profit for the year	-	-	-	<b>162.0</b>	<b>162.0</b>	<b>(0.1)</b>	<b>161.9</b>
Other comprehensive income	-	-	<b>29.2</b>	-	<b>29.2</b>	-	<b>29.2</b>
<b>Total comprehensive income/(expense)</b>	-	-	<b>29.2</b>	<b>162.0</b>	<b>191.2</b>	<b>(0.1)</b>	<b>191.1</b>
Cash flow hedging gains transferred to inventories	-	-	<b>(3.1)</b>	-	<b>(3.1)</b>	-	<b>(3.1)</b>
Tax on cash flow hedging transferred to inventories	-	-	<b>0.8</b>	-	<b>0.8</b>	-	<b>0.8</b>
Dividends (Note 13)	-	-	-	<b>(105.9)</b>	<b>(105.9)</b>	-	<b>(105.9)</b>
Equity-settled share-based payments (Notes 8 and 9)	-	-	-	<b>9.9</b>	<b>9.9</b>	-	<b>9.9</b>
Settlement of share awards	-	<b>2.6</b>	-	<b>(2.1)</b>	<b>0.5</b>	-	<b>0.5</b>
Purchase of own shares by EBT	-	<b>(33.7)</b>	-	-	<b>(33.7)</b>	-	<b>(33.7)</b>
Tax on equity-settled share-based payments	-	-	-	<b>(0.2)</b>	<b>(0.2)</b>	-	<b>(0.2)</b>
<b>At 31 March 2026</b>	<b>287.1</b>	<b>(73.4)</b>	<b>58.9</b>	<b>1,140.9</b>	<b>1,413.5</b>	<b>0.4</b>	<b>1,413.9</b>

The Notes on pages 134 to 175 form part of these Group accounts.

## Group accounts continued

# NOTES TO GROUP ACCOUNTS

For the year ended 31 March 2026

## 1 Basis of preparation

RS Group plc (the Company) is a public limited company registered in England and Wales and listed on the London Stock Exchange.

The Group accounts for the year ended 31 March 2026 are presented in sterling and rounded to £0.1 million. They are prepared in accordance with UK-adopted international accounting standards (UK IAS) and the requirements of the Companies Act 2006.

The Group accounts have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of retirement benefit obligations and certain financial assets and liabilities (including derivative financial instruments) as explained in the relevant notes. The principal accounting policies have been applied consistently unless otherwise stated.

In adopting the going concern basis for preparing these Group accounts, the Board has considered the Group's future trading prospects; the Group's available liquidity; the maturity of its debt facilities and obligations under its debt covenants; and the Group's principal risks.

We have undertaken reverse stress tests on the latest forecast to assess the circumstances that would threaten the Group's current financing arrangements. These included significant declines in revenue, significant declines in revenue and gross margin, and a major deterioration in cash collection. These reverse stress tests assumed that capital expenditure and operating costs are unchanged from those in the forecast, no significant working capital initiatives occur in mitigation, dividends continue to be paid and there are no changes in or extensions to debt financing.

Based on the assessment outlined above and the output of our detailed rolling forecasts, the Board believes that it is appropriate to continue to adopt the going concern basis in preparing the Group's accounts.

### Basis of consolidation

The Group accounts comprise the results, assets, and liabilities of the Company and all its subsidiaries (together referred to as the Group) and include the Employee Benefit Trust (EBT) and the Group's interest in a joint venture. Subsidiaries are entities controlled by the Company and the EBT is controlled by the Company. The joint venture is accounted for using the equity method of accounting.

The results of businesses acquired in the year are consolidated from the effective date of acquisition. The net assets of businesses acquired are incorporated in the Group accounts at their fair values at the date of acquisition.

Intra-group transactions and balances are eliminated in preparing the Group accounts and no profit or loss is recognised on intra-group transactions. Unrealised gains or losses arising from transactions with the joint venture are eliminated to the extent of the Group's interest in the entity.

## Estimates and judgements

The preparation of accounts in accordance with UK IAS requires the Group to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. Except for judgements involved in estimations, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the accounts. The judgements involved in estimations take account of the Group's latest expectations of the long-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties, and the impact was not material.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. The significant estimates made in preparing the accounts were in relation to inventory provisioning and further details on the application of these estimates can be found in Note 18. While not significant estimates, the Group also focuses on estimates made in relation to the fair values on acquisition of businesses (Note 29), the review of intangibles and other assets for impairment (Notes 14 and 23), and retirement benefit obligations (Note 10). Further details are provided in the relevant notes.

Actual results in the longer term may differ from these estimates.

## Foreign currency

### Foreign currency transactions

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in operating profit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rate ruling at the date the fair value was determined.

### Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates ruling at the balance sheet date. The income statement and cash flows of foreign operations are translated at the average rate for the period. Foreign exchange differences on translation of foreign operations are recognised in other comprehensive income.

## Standards and interpretations adopted in the year

### Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' titled 'Lack of Exchangeability'

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. There was no material impact on the reported results or financial position of the Group.

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 1 Basis of preparation continued

#### Standards or interpretations issued but not yet applied

The Group has not applied any of the following standards, interpretations, or amendments that have been issued but are not yet effective, and in some cases not yet adopted by the UK Endorsement Board (UKEB).

#### IFRS 18 'Presentation and Disclosures in Financial Statements'

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. The requirements are effective for annual reporting periods beginning on or after 1 January 2027.

The Group is currently assessing the impact of IFRS 18 on presentation and disclosures in the consolidated financial statements. It will affect how the Group presents and discloses its financial performance but will not impact the recognition or measurement of any items in the financial statements. The Group's profit before tax will not change.

Key areas of presentation which will be impacted include:

- items of income and expenses presented in the income statement will be grouped into the new categories: operating, investing, financing, income taxes, and discontinued operations, along with revised mandatory subtotals
- the starting point of the cash flow statement will be the operating profit subtotal
- enhanced disclosures on management-defined performance measures (MPMs) in the notes to the accounts
- revised principles for aggregation and disaggregation

IFRS 18 requires retrospective application with specific transition provisions. In the transition year, a reconciliation disclosure is required for each line item in the income statement between the restated amounts and amounts previously published upon transition from IAS 1 to IFRS 18.

#### Other

The Group does not consider that the following standards, interpretations, or amendments will have a significant impact on the accounts, except if indicated below.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Amendments to the Classification and Measurement of Financial Instruments' effective for annual reporting periods beginning on or after 1 January 2026. The potential impact on cash and banking operations and amounts reported in cash and cash equivalents on adoption of the amendments is currently being assessed.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' titled 'Contracts Referencing Nature-dependent Electricity' effective for annual reporting periods beginning on or after 1 January 2026.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures', not yet endorsed for adoption in UK IAS, effective for annual reporting periods beginning on or after 1 January 2027 with earlier application permitted.

### 2 Segmental reporting

The Group's operating segments comprise three geographical regions: EMEA, Americas and Asia Pacific. Their principal activities are described on pages 29 to 32. The operating segments' performance is assessed on revenue and adjusted operating profit on a monthly basis by the chief operating decision maker, who is the Chief Executive Officer. Inter-segment pricing is determined on an arm's length basis, comprising sales of product at cost and a handling charge included within distribution and marketing expenses.

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
<b>Revenue from external customers</b>	<b>1,803.0</b>	<b>854.7</b>	<b>223.4</b>	<b>2,881.1</b>
<b>Segmental operating profit</b>	<b>196.1</b>	<b>77.3</b>	<b>6.8</b>	<b>280.2</b>
Central costs				<b>(15.2)</b>
Adjusted operating profit <sup>1</sup>				<b>265.0</b>
Amortisation of acquired intangibles				<b>(20.2)</b>
Impairment of technology assets (Note 14)				<b>(14.9)</b>
Acquisition-related items (Note 3)				<b>8.7</b>
Operating profit				<b>238.6</b>
Net finance costs				<b>(19.5)</b>
Share of profit of joint venture				<b>0.6</b>
Profit before tax				<b>219.7</b>
<b>Segmental capital expenditure</b>	<b>44.9</b>	<b>7.9</b>	<b>1.0</b>	<b>53.8</b>
Central costs				<b>-</b>
<b>Capital expenditure</b>				<b>53.8</b>
<b>Segmental depreciation and amortisation</b>	<b>43.3</b>	<b>12.0</b>	<b>3.2</b>	<b>58.5</b>
Central costs				<b>1.4</b>
Amortisation of acquired intangibles				<b>20.2</b>
<b>Depreciation and amortisation (including of right-of-use assets)</b>				<b>80.1</b>

1. See Note 3 for definition of this APM.

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 2 Segmental reporting continued

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2025</b>				
<b>Revenue from external customers</b>	1,777.3	907.4	218.8	2,903.5
<b>Segmental operating profit</b>	200.5	81.6	6.1	288.2
Central costs				(14.0)
Adjusted operating profit <sup>1</sup>				274.2
Amortisation and impairment of acquired intangibles				(37.3)
Acquisition-related items (Note 3)				(4.1)
Operating profit				232.8
Net finance costs				(27.3)
Share of profit of joint venture				0.6
Profit before tax				206.1
<b>Segmental capital expenditure</b>	38.2	9.9	0.8	48.9
Central costs				-
<b>Capital expenditure</b>				48.9
<b>Segmental depreciation and amortisation</b>	41.7	13.1	3.2	58.0
Central costs				1.4
Amortisation of acquired intangibles				26.0
<b>Depreciation and amortisation (including of right-of-use assets)</b>				85.4

1. See Note 3 for definition of this APM.

#### Disaggregation of revenue

The Group's largest own brand is RS PRO. Services and solutions includes procurement solutions, maintenance solutions, and other solutions. In the tables to the right, revenue is disaggregated by sales channels, RS PRO or other, and services and solutions or other. £2,791.0 million of revenue is recognised at a point in time (2024/25: £2,805.2 million) and £90.1 million over time (2024/25: £98.3 million).

#### Sales channel

During the year the Group reviewed its categorisation of services and solutions revenue in Asia Pacific and identified that certain revenues should have been categorised differently, resulting in an increase in services and solutions revenue of £4.9 million in the year ended 31 March 2025. The information below represents the new categorisations.

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
Web	838.2	211.8	83.0	1,133.0
eProcurement and other digital	525.1	38.0	36.8	599.9
Digital	1,363.3	249.8	119.8	1,732.9
Offline	439.7	604.9	103.6	1,148.2
Revenue	1,803.0	854.7	223.4	2,881.1

#### Year ended 31 March 2025

Web	851.2	269.5	81.9	1,202.6
eProcurement and other digital	479.1	35.7	36.5	551.3
Digital	1,330.3	305.2	118.4	1,753.9
Offline	447.0	602.2	100.4	1,149.6
Revenue	1,777.3	907.4	218.8	2,903.5

#### RS PRO

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
RS PRO	371.4	8.1	35.4	414.9
Other	1,431.6	846.6	188.0	2,466.2
Revenue	1,803.0	854.7	223.4	2,881.1

#### Year ended 31 March 2025

RS PRO	351.5	7.1	33.7	392.3
Other	1,425.8	900.3	185.1	2,511.2
Revenue	1,777.3	907.4	218.8	2,903.5

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 2 Segmental reporting continued

#### Services and solutions

	EMEA £m	Americas £m	Asia Pacific £m	Group £m
<b>Year ended 31 March 2026</b>				
Services and solutions	<b>606.5</b>	<b>128.9</b>	<b>51.7</b>	<b>787.1</b>
Other	<b>1,196.5</b>	<b>725.8</b>	<b>171.7</b>	<b>2,094.0</b>
Revenue	<b>1,803.0</b>	<b>854.7</b>	<b>223.4</b>	<b>2,881.1</b>

#### Year ended 31 March 2025 (restated)

Services and solutions	557.1	133.7	51.6	742.4
Other	1,220.2	773.7	167.2	2,161.1
Revenue	1,777.3	907.4	218.8	2,903.5

#### Revenue and non-current assets by geographical location

In the table below, revenue is based on the location of the Group operation where the sales originated and non-current assets are based on the location of the assets. Non-current assets exclude financial instruments, retirement benefit net assets and deferred tax assets.

	Revenue		Non-current assets	
	2026 £m	2025 £m	2026 £m	2025 £m
UK (country of domicile)	<b>677.8</b>	669.5	<b>222.3</b>	209.0
US	<b>651.6</b>	671.0	<b>355.5</b>	366.8
France	<b>360.0</b>	331.1	<b>17.9</b>	16.2
Mexico	<b>165.7</b>	197.9	<b>192.3</b>	181.8
Germany	<b>165.1</b>	169.9	<b>52.7</b>	27.5
Italy	<b>126.4</b>	120.1	<b>9.3</b>	5.3
Switzerland	<b>43.3</b>	51.2	<b>267.8</b>	289.5
Rest of World	<b>691.2</b>	692.8	<b>29.9</b>	35.0
Group	<b>2,881.1</b>	2,903.5	<b>1,147.7</b>	1,131.1

### 3 Alternative Performance Measures (APMs)

The Group uses a number of APMs in addition to those measures reported in accordance with UK IAS. Such APMs are not defined terms under UK IAS and are not intended to be a substitute for any UK IAS measure. The Directors believe that the APMs are important when assessing the financial and operating performance of the Group. The APMs are used internally for performance analysis and in employee incentive arrangements, as well as in discussions with the investment analyst community.

The APMs assist with the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, number of trading days, and items, such as reorganisation costs, that are substantial in scope and impact and do not form part of operational or management activities that the Directors would consider when assessing performance. The Directors review on at least an annual basis the threshold for what is substantial, in the context of the business performance. The Directors also believe that excluding recent acquisitions, amortisation and impairment of acquired intangibles, and acquisition-related items aids comparison of the performance between reporting periods and between businesses with similar assets that were internally generated.

#### Adjusted profit measures

These are the equivalent UK IAS measures adjusted to exclude amortisation and impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, one-off pension credits or costs, significant tax rate changes and, where relevant, associated income tax effects. Adjusted operating profit conversion, adjusted operating profit margin, and adjusted earnings per share are financial key performance indicators (KPIs) which are used to measure the Group's progress in delivering the successful implementation of its strategy and monitor and drive its performance.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

	Operating costs £m	Operating profit £m	Operating profit margin <sup>1</sup> %	Operating profit conversion <sup>2</sup> %	Profit before tax £m	Profit for the year £m	Basic earnings per share p	Diluted earnings per share p
<b>Year ended 31 March 2026</b>								
Reported	(1,011.7)	238.6	8.3%	19.1%	219.7	161.9	34.6p	34.5p
Amortisation and impairment of acquired intangibles	20.2	20.2			20.2	15.3	3.3p	3.3p
Impairment of technology assets	14.9	14.9			14.9	11.2	2.3p	2.3p
Acquisition-related items	(8.7)	(8.7)			(8.7)	(7.2)	(1.5)p	(1.5)p
<b>Adjusted</b>	<b>(985.3)</b>	<b>265.0</b>	<b>9.2%</b>	<b>21.2%</b>	<b>246.1</b>	<b>181.2</b>	<b>38.7p</b>	<b>38.6p</b>
<b>Year ended 31 March 2025</b>								
Reported	(1,010.4)	232.8	8.0%	18.7%	206.1	152.6	32.5p	32.5p
Amortisation and impairment of acquired intangibles	37.3	37.3			37.3	28.0	6.0p	6.0p
Acquisition-related items	4.1	4.1			4.1	3.0	0.6p	0.6p
<b>Adjusted</b>	<b>(969.0)</b>	<b>274.2</b>	<b>9.4%</b>	<b>22.1%</b>	<b>247.5</b>	<b>183.6</b>	<b>39.1p</b>	<b>39.1p</b>

1. Operating profit margin is operating profit expressed as a percentage of revenue.

2. Operating profit conversion is operating profit expressed as a percentage of gross profit.

In the year ended 31 March 2026, the Group undertook a review of its assets and recognised an impairment charge of £14.9 million on certain technology assets, for which functionality was superseded by the release of new assets. In the year ended 31 March 2025, the customer contracts, relationships, and distribution agreements in relation to the acquisition of RS Integrated Supply EMEA were fully impaired, with an impairment charge of £10.9 million. In addition, £0.4 million of software acquired with RS Integrated Supply EMEA was also impaired.

Acquisition-related items comprise transaction costs directly attributable to the acquisition of businesses, any deferred consideration payments relating to the retention of former owners and key employees of acquired businesses expensed as remuneration, adjustments to acquisition-related indemnification assets and the related liabilities that result from events after the acquisition date, and any remeasurements of contingent consideration payable on acquisition of businesses that result from events after the acquisition date.

	2026 £m	2025 £m
Transaction costs – acquisition-related costs incurred in year	(1.2)	-
Acquisition-related legal settlement income	10.5	-
Acquisition-related legal claim costs	-	(2.1)
Retention bonuses	(0.2)	(1.7)
Other acquisition-related costs	(0.4)	(0.6)
Remeasurements of contingent consideration (Note 29)	-	0.3
<b>Acquisition-related items (in operating costs)</b>	<b>8.7</b>	<b>(4.1)</b>
Adjustments to uncertain tax provisions related to indemnification assets	0.4	0.7
Other associated income tax effects	(1.9)	0.4
<b>Acquisition-related items after tax</b>	<b>7.2</b>	<b>(3.0)</b>

Items recognised in the year to 31 March 2026 included £10.5 million related to legal settlement income following a successful arbitration relating to a historical acquisition, with a related tax charge of £2.5 million. For the year ended 31 March 2025, £2.1 million of legal costs were incurred in respect of this dispute.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

## Like-for-like revenue and profit measures

Like-for-like revenue and profit measures are adjusted to exclude the effects of changes in exchange rates on translation of overseas profits. They exclude acquisitions in the relevant years until they have been owned for a year, at which point they start to be included in both the current and comparative years for the same number of months. These measures enable management and investors to track more easily, and consistently, the performance of the business.

The principal exchange rates applied in preparing the Group accounts and in calculating the following like-for-like measures are:

	2026 Average	2026 Closing	2025 Average	2025 Closing
US dollar	1.341	1.324	1.276	1.293
Euro	1.157	1.151	1.189	1.198

## Like-for-like revenue change

Like-for-like revenue change is also adjusted to eliminate the impact of differences in trading days year-on-year. It is calculated by comparing the revenue of the base business for the current year with the prior year, converted at the current year's average exchange rates and pro-rated for the same number of trading days as the current year. It is a performance measure for the annual incentive and a financial KPI.

	£m
Revenue for 2025	2,903.5
Effect of exchange rates	(7.5)
Effect of trading days	(7.3)
<b>Revenue for 2025 at 2026 rates and trading days</b>	<b>2,888.7</b>

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates and trading days £m	Like- for-like change %
EMEA	1,803.0	6.2	1,796.8	1,777.3	1,806.6	(1)%
Americas	854.7	-	854.7	907.4	869.1	(2)%
Asia Pacific	223.4	-	223.4	218.8	213.0	5%
<b>Revenue</b>	<b>2,881.1</b>	<b>6.2</b>	<b>2,874.9</b>	2,903.5	2,888.7	(0)%

## Gross margin and like-for-like gross margin change

Gross margin is gross profit expressed as a percentage of revenue. Like-for-like change in gross margin is calculated by taking the difference between gross margin for the base business for the current year and gross margin for the prior year, with reported revenue and reported gross profit converted at the current year's average exchange rates.

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change pts
Revenue	2,881.1	6.2	2,874.9	2,903.5	2,896.0	
Gross profit	1,250.3	1.6	1,248.7	1,243.2	1,243.9	
<b>Gross margin</b>	<b>43.4%</b>	<b>25.8%</b>	<b>43.4%</b>	42.8%	43.0%	0.4 pts

## Like-for-like profit change

Like-for-like change in profit is calculated by comparing the base business for the current year with the prior year, converted at the current year's average exchange rates.

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change %
Segmental operating profit						
EMEA	196.1	0.4	195.7	200.5	207.7	(6)%
Americas	77.3	-	77.3	81.6	77.8	(1)%
Asia Pacific	6.8	-	6.8	6.1	5.3	28%
Segmental operating profit	280.2	0.4	279.8	288.2	290.8	(4)%
Central costs	(15.2)	-	(15.2)	(14.0)	(14.0)	9%
<b>Adjusted operating profit</b>	<b>265.0</b>	<b>0.4</b>	<b>264.6</b>	274.2	276.8	(4)%
<b>Adjusted profit before tax</b>	<b>246.1</b>	<b>0.4</b>	<b>245.7</b>	247.5	250.0	(2)%
<b>Adjusted basic earnings per share</b>	<b>38.7p</b>	<b>0.0p</b>	<b>38.7p</b>	39.1p	39.5p	(2)%
<b>Adjusted diluted earnings per share</b>	<b>38.6p</b>	<b>0.1p</b>	<b>38.5p</b>	39.1p		

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 3 Alternative Performance Measures (APMs) continued

	2026 Group £m	Less: acquisitions owned < 1 year £m	2026 base business £m	2025 £m	2025 at 2026 rates £m	Like- for-like change %
Segmental revenue						
EMEA	1,803.0	6.2	1,796.8	1,777.3	1,811.2	
Americas	854.7	-	854.7	907.4	871.3	
Asia Pacific	223.4	-	223.4	218.8	213.5	
Revenue	2,881.1	6.2	2,874.9	2,903.5	2,896.0	
Segmental operating profit margin						
EMEA	10.9%	-	10.9%	11.3%	11.5%	(0.6) pts
Americas	9.0%	-	9.0%	9.0%	8.9%	0.1 pts
Asia Pacific	3.0%	-	3.0%	2.8%	2.5%	0.5 pts
Adjusted operating profit margin	9.2%	-	9.2%	9.4%	9.6%	(0.4) pts

## Adjusted free cash flow and adjusted operating cash flow conversion

Adjusted free cash flow is net cash from operating activities less purchases of intangible assets, property, plant and equipment plus any proceeds on sale of intangible assets, property, plant and equipment, adjusted for the cash impact of substantial reorganisation costs and acquisition-related items.

Adjusted operating cash flow is adjusted free cash flow before income tax and net interest paid. Adjusted operating cash flow conversion is adjusted operating cash flow expressed as a percentage of adjusted operating profit and is a financial KPI.

	2026 £m	2025 £m
Net cash from operating activities	263.8	259.1
Purchase of intangible assets	(34.0)	(33.1)
Purchase of property, plant and equipment	(18.9)	(16.2)
Add back: impact of substantial reorganisation cash flows	-	0.2
Add back: impact of acquisition-related items cash flows	(8.7)	4.1

	2026 £m	2025 £m
Adjusted free cash flow	202.2	214.1
Add back: income tax paid	67.4	60.4
Add back: net interest paid	19.6	29.3
Adjusted operating cash flow	289.2	303.8
Adjusted operating profit	265.0	274.2
Adjusted operating cash flow conversion	109.1%	110.8%

## Earnings before interest, tax, depreciation and amortisation (EBITDA), net debt and net debt to adjusted EBITDA

EBITDA is operating profit excluding depreciation and amortisation. Net debt to adjusted EBITDA (one of the Group's debt covenants) is the ratio of net debt to EBITDA excluding impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, and one-off pension credits or costs on an annualised basis covering the preceding twelve-month period. Net debt comprises cash and cash equivalents, borrowings, and lease liabilities and is reconciled in Note 22.

	2026 £m	2025 £m
Operating profit	238.6	232.8
Add back: depreciation and amortisation	80.1	85.4
EBITDA	318.7	318.2
Add back: impairment of acquired intangibles	-	11.3
Add back: impairment of technology assets	14.9	-
Add back: acquisition-related items	(8.7)	4.1
Adjusted EBITDA	324.9	333.6
Net debt	328.9	364.2
Net debt to adjusted EBITDA	1.0x	1.1x

## Earnings before interest, tax and amortisation (EBITA) and EBITA to interest

EBITA is adjusted EBITDA after depreciation. EBITA to interest (one of the Group's debt covenants) is the ratio of EBITA to finance costs including capitalised interest less finance income (interest per debt covenants).

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**3 Alternative Performance Measures (APMs) continued**

	2026 £m	2025 £m
Adjusted EBITDA	324.9	333.6
Less: depreciation	(35.3)	(34.7)
<b>EBITA</b>	<b>289.6</b>	298.9
Finance costs	22.4	32.0
Less: finance income	(2.9)	(4.7)
Interest (per debt covenants)	19.5	27.3
<b>EBITA to interest</b>	<b>14.9x</b>	10.9x

**Return on capital employed (ROCE)**

ROCE is annualised adjusted operating profit expressed as a percentage of annualised monthly average net assets, excluding net cash/debt and retirement benefit obligations, and is an underpin for the LTIP Award and a financial KPI. Annualised monthly average net assets, annualised average net debt, and annualised average retirement benefit net (assets)/obligations are the average of those respective month-end balances of the preceding thirteen months.

	2026 £m	2025 £m
Average net assets	1,387.0	1,374.9
Add back: average net debt	323.1	414.7
Add back: average retirement benefit net (assets)/obligations	10.3	20.2
Average capital employed	1,720.4	1,809.8
Adjusted operating profit	265.0	274.2
<b>ROCE</b>	<b>15.4%</b>	15.2%

**Working capital as a percentage of revenue**

Working capital is inventories, current trade and other receivables, and current trade and other payables.

	2026 £m	2025 £m
Inventories	595.0	617.3
Current trade and other receivables	729.2	688.5
Current trade and other payables	(634.2)	(611.0)
Working capital	690.0	694.8
Revenue	2,881.1	2,903.5
<b>Working capital as a percentage of revenue</b>	<b>23.9%</b>	23.9%

**Inventory turn**

Inventory turn is cost of sales divided by inventories.

	2026 £m	2025 £m
Cost of sales	1,630.8	1,660.3
Inventories	595.0	617.3
<b>Inventory turn</b>	<b>2.7</b>	2.7

**Ratio of capital expenditure to depreciation**

Ratio of capital expenditure to depreciation is capital expenditure divided by depreciation and amortisation, excluding amortisation of acquired intangibles and depreciation of right-of-use assets.

	2026 £m	2025 £m
Depreciation and amortisation	80.1	85.4
Less: amortisation of acquired intangibles	(20.2)	(26.0)
Less: depreciation of right-of-use assets	(17.4)	(17.2)
Adjusted depreciation and amortisation	42.5	42.2
Capital expenditure	53.8	48.9
<b>Ratio of capital expenditure to depreciation</b>	<b>1.3 times</b>	1.2 times

**Annual incentive performance measures**

Two additional measures are used for the purpose of annual incentive targets, as presented in the Directors' Remuneration Report: adjusted profit before tax excluding restructuring and adjusted free cash flow excluding restructuring. These measures exclude restructuring costs and related cash flows incurred in the year and not already included in the definition of adjusting items.

	2026 £m	2025 £m
Adjusted profit before tax	246.1	247.5
Add back: Restructuring costs	2.5	8.2
<b>Adjusted profit before tax excluding restructuring</b>	<b>248.6</b>	255.7
Adjusted free cash flow	202.2	214.1
Add back: Restructuring cash flows	2.5	6.4
<b>Adjusted free cash flow excluding restructuring</b>	<b>204.7</b>	220.5

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**4 Revenue recognition**

Revenue from the sale of goods is recognised in the income statement when control of the goods has transferred, which in most countries is contractually on delivery to the customer but in a few countries is contractually on collection from the Group's distribution sites by the delivery company. When the Group arranges the delivery of goods where control has transferred on collection, the freight revenue is considered a separate performance obligation for which the Group acts as agent, and net commission is recognised in revenue when the delivery service has been arranged. Customers are invoiced on dispatch of the goods. Revenue is measured with reference to the amount invoiced to the customer, net of any immediate discounts applicable to the order. Obligations for retrospective customer volume discounts are calculated by estimating the expected discount percentage that will be achieved for the contractual period using historical data adjusted for current experience and applying that percentage to actual qualifying sales. When a customer has a right to return goods purchased, the Group estimates the obligation for the expected value of the refunds using recent experience. Obligations for both retrospective customer volume discounts and the expected value of refunds for returns are deducted from the revenue recognised when the goods are sold and included in other payables on the balance sheet, and at 31 March 2026 were £22.8 million (2024/25: £19.1 million).

Products sourced for customers under the provision of outsourced services are sent directly by suppliers to customers and the Group has no control over the products sourced and bears no inventory risk. The Group does not have discretion in establishing the price as the price, charged to customers is the price charged by the suppliers. Therefore, the Group acts as an agent in relation to these products and so does not recognise the value of these products in revenue or cost of sales. Revenue is measured with reference to the amount invoiced to the customer for management charges and is recognised either over time based on time elapsed for monthly management charges or when the related products are delivered for other management charges.

Invoices are raised monthly for monthly management charges or when the invoices for the related products are invoiced for other management charges, normally on a weekly or monthly basis. Income earned from suppliers for access to the Group's online procurement portals is recognised as revenue either over time, based on time elapsed for subscription fees, or as their products are delivered to the Group's customers for licence fees. Invoices are raised monthly, quarterly, or annually in advance for subscription fees depending on contractual terms. Credit notes for licence fee income are received from suppliers depending on contractual terms, with the least frequent being annual.

Revenue from the sale of calibration services is recognised when control of the services has transferred, which is upon delivery to the customer of the items which have been calibrated. Customers are invoiced on dispatch of the calibrated items. Revenue is measured with reference to the amount invoiced to the customer.

All revenue is recognised net of sales taxes and all payment terms are based on commercially reasonable terms for the respective markets and no element of financing is deemed present.

Remaining performance obligations (unsatisfied or partially unsatisfied) at the year end all relate to customer contracts that have an original expected duration of not more than one year or are invoiced based on time incurred. As permitted under IFRS 15 'Revenue from Contracts with Customers', the transaction price allocated to these remaining performance obligations is not disclosed.

**5 Cost of sales**

Cost of sales comprises the cost of goods delivered to customers and the write-down of inventories to net realisable value, excluding freight and packaging expenses.

When a customer has a right to return goods, the Group estimates the expected value of the goods that are likely to be returned based on historical experience and the expected gross margin. It recognises an asset in other receivables for the right to recover these goods and deducts this from cost of sales when the goods are sold.

The Group receives rebates from certain suppliers relating mainly to the volume of purchases made in a specified time period. These rebates are recognised as a reduction in cost of sales to the extent that the inventories purchased from the supplier and eligible for rebates have been sold in the year. Rebates on purchases that remain in inventories are deducted from the cost of inventories, thus reducing cost of sales in the income statement in the period in which the inventories are expensed. The Group recognises the rebate only where there is evidence of a binding arrangement with the supplier, the amount can be estimated reliably and receipt is probable. The Group estimates whether the supplier rebates relate to products already sold or remaining in inventories, based on inventory turns.

When estimating the value of supplier rebates earned but not yet received, the Group makes assumptions about the likely volume of eligible purchases to be made over the remaining rebate period. As at 31 March 2026, the Group had £1.0 million (2024/25: £3.3 million) of supplier rebates recognised within trade and other receivables.

	2026 £m	2025 £m
Inventory scrapped	19.5	15.1
Movement in inventory provisions	(3.1)	7.1
Write-down of inventories to net realisable value	16.4	22.2
Loss on foreign exchange related to sales and purchases	-	0.4
Net gains on forward foreign exchange contracts classified as fair value through profit or loss	(0.5)	(0.1)
Direct costs related to the provision of outsourced services	39.8	42.6
Inventories recognised as an expense	1,575.1	1,595.2
<b>Cost of sales</b>	<b>1,630.8</b>	1,660.3

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 6 Operating profit

	2026 £m	2025 £m
The following items have been included in operating profit:		
Amortisation of intangible assets (Note 14)	44.8	50.7
Depreciation of property, plant and equipment (Note 15)	17.9	17.5
Depreciation of right-of-use assets (Note 16)	17.4	17.2
Depreciation and amortisation	80.1	85.4
Impairment of intangible assets (Note 14)	14.9	12.8
Impairment of property, plant and equipment (Note 15)	-	0.4
Freight and packaging expenses	113.4	111.0
Amortisation of government grants	(0.1)	(0.1)
Loss/(gain) on other foreign exchange	0.3	(0.6)
Net (gains)/losses on forward foreign exchange contracts classified as fair value through profit or loss	(0.1)	0.7
Acquisition-related legal settlement income	(10.5)	-
Profit on business disposal	(3.4)	-
Loss on disposal of intangible assets	-	0.3
Loss on disposal of property, plant and equipment	-	0.1
Loss/(gain) on disposal of right-of-use assets	0.3	(0.3)
Increase in impairment allowance for financial assets (Note 23)	2.1	4.2
Employee costs (Note 8)	499.6	496.0

Fees paid to the Auditors were:

	2026 £m	2025 £m
Fees payable to the Company's Auditors for the audit of the Company and Group accounts	2.7	2.1
Fees payable to the Company's Auditors and their associates for other services:		
Audit of the Company's subsidiaries	1.6	2.0
Audit-related assurance services	0.1	0.1
Total fees payable to the Company's Auditors and their associates	4.4	4.2

## 7 Finance income and costs

Finance costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Interest on financial assets and liabilities measured at amortised cost and on lease liabilities is calculated using the effective interest method and recognised in the income statement as incurred.

Invoice finance charges relate to costs incurred when the Group makes use of its customers' supplier invoice financing options where this is commercially and administratively attractive. These options are used for some outsourced services customers, including where they give the Group access to the customers' invoice portals to simplify the invoice query reconciliation process and so speed up the receipt of payments.

	2026 £m	2025 £m
<b>Finance income</b>		
Interest income on financial assets measured at amortised cost	2.9	4.7
<b>Finance income</b>	2.9	4.7
<b>Finance costs</b>		
Interest expense on financial liabilities measured at amortised cost	(16.5)	(25.8)
Interest expense on lease liabilities	(2.8)	(2.8)
Interest expense on financial liabilities not at fair value through profit or loss	(19.3)	(28.6)
Interest expense on tax payable	-	(0.1)
Interest credit/(charge) on uncertain income tax positions	(0.2)	0.4
Invoice finance charges	(2.9)	(3.7)
<b>Finance costs</b>	(22.4)	(32.0)

## 8 Employees

Average number of employees	2026	2025
EMEA	5,640	5,689
Americas	2,150	2,192
Asia Pacific	750	760
Central	60	68
<b>Group</b>	<b>8,600</b>	<b>8,709</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 8 Employees continued

	2026 £m	2025 £m
<b>Employment costs</b>		
Wages and salaries	401.0	401.9
Social security costs	58.0	51.0
Share-based payments – equity-settled (Note 9)	9.9	9.4
Share-based payments – cash-settled (Note 9)	0.9	(0.8)
Defined contribution retirement benefit costs (Note 10)	22.4	21.4
Defined benefit retirement benefit costs (Note 10)	2.9	3.4
	495.1	486.3
Termination benefits	4.5	9.7
<b>Total</b>	<b>499.6</b>	<b>496.0</b>

Information on the Directors' remuneration is given in the Directors' Remuneration report on pages 98 to 117.

## 9 Share-based payments

The Group operates share-based payment schemes which are the hybrid Long Term Incentive Plan (LTIP), the Deferred Share Bonus Plan (DSBP) and the Savings-Related Share Option Scheme (SAYE).

Equity-settled share-based payments are measured at fair value at the grant date, calculated using an appropriate option pricing model. The fair value is expensed in the income statement with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The income statement charge is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

Cash-settled share-based payments are measured at fair value at the balance sheet date, taking into account the estimated number of awards that will actually vest and the relative completion of the vesting period. This fair value is included in liabilities and changes in the value of these liabilities are recognised in the income statement.

The Employee Benefit Trust (EBT) established to administer the schemes owns shares in the Company which are shown in equity.

## LTIPs – equity-settled and cash-settled

The Group's active equity-settled and cash-settled LTIPs are granted under the Long Term Incentive Plan 2022 (2022 LTIP), the Restricted Share Incentive Plan 2024 (2024 RSU) and the Restricted Share Incentive Plan 2025 (2025 RSU). Under these LTIPs, awards made to plan participants are generally subject to service conditions and may also be subject to performance conditions. At the vesting date the award will either vest, in full or in part, or expire, depending on the outcome of the performance conditions (if any). All awards have £nil exercise price and generally receive accrued dividends on settlement.

Awards under the 2022 LTIP are subject to a market performance condition based on TSR of the Group versus a defined comparator group (see the Directors' Remuneration report for details) and a non-market performance condition based on the adjusted EPS compound annual growth rate (CAGR) over the vesting period with a ROCE underpin.

Awards under the 2024 RSU and 2025 RSU made to senior management are generally subject to a discretionary underpin based on a holistic review of overall business performance delivered over the vesting period, as determined by the Remuneration Committee. Awards under the 2025 RSU made to all other employees are only subject to service conditions.

The fair values of equity-settled LTIP awards were calculated at the grant date using the assumptions below, with the fair value of those subject to market performance conditions calculated using a Monte Carlo model.

Grant date	2026			2025	
	December 2025	July 2025	June 2025	December 2024	June 2024
<b>Market performance conditions</b>					
Awards granted	21,029	273,526	128,576	32,298	447,743
Fair value at grant date	234p	209p	213p	243p	268p
Assumptions used:					
Share price	665p	580p	573p	701p	698p
Expected volatility	29.3%	30.3%	30.3%	29.2%	29.0%
Expected life	2 years 5 months	3 years	3 years	2 years 5 months	3 years
Risk-free interest rate	3.79%	3.92%	3.88%	4.07%	4.24%
<b>Other conditions</b>					
Awards granted - LTIP	21,029	273,526	128,576	32,298	447,743
Fair value at grant date	605p	528p	522p	640p	637p
Awards granted - restricted shares	259,384	546,735	1,451,621	136,838	774,977
Fair value at grant date	665p	580p	573p	701p	698p

Expected volatility was estimated based on the historical total return of the Company over the most recent period leading up to the grant date as equal to the remaining performance period. The risk-free interest rate has been based on the implied yield of zero-coupon UK government bonds with a remaining term equal to the expected life of the awards.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**8 Employees** continued

The fair values of cash-settled LTIP awards at 31 March 2026 were:

	Awards granted	Fair value
June 2024 - Other conditions	7,035	560p
June 2025 - Other conditions	4,079	560p
July 2025 - Other conditions	3,735	560p

The movements in the LTIP awards (equity- and cash-settled) were:

	2026 Number of awards	2025 Number of awards
Outstanding at 1 April	7,330,127	6,827,091
Forfeited during the year	(586,135)	(507,411)
Expired during the year	(3,371,386)	(427,907)
Exercised during the year	(114,929)	(475,579)
Granted during the year	3,118,596	1,913,933
<b>Outstanding at 31 March</b>	<b>6,376,273</b>	7,330,127

**DSBP – equity-settled**

Under the DSBP, one-third of the total annual incentive earned by plan participants is awarded as shares and vests after two years, normally subject to the continued employment of the participant within the Group. There are no other performance conditions. The participants receive accrued dividends on vesting. Deferred share awards relating to the annual incentive for the year ended 31 March 2026 are expected to be awarded in June 2026. The fair value of the shares awarded during the year was 570p (2024/25: 698p) per share award which was the share price at the date of award.

The movements in the DSBP awards were:

	2026 Number of awards	2025 Number of awards
Outstanding at 1 April	177,395	248,588
Forfeited during the year	(15,873)	-
Exercised during the year	(161,387)	(115,527)
Granted during the year	178,353	44,334
<b>Outstanding at 31 March</b>	<b>178,488</b>	177,395

**SAYE – equity-settled and cash-settled**

The SAYE scheme is available to the majority of employees of the Group employed at the time that the invitation period commences. The UK element is equity-settled and the overseas element is cash-settled. The option price is based on the average market price of the Company's shares over the three days prior to the offer, discounted by 20%. The option exercise conditions are the employee's continued employment for a three-year period and the maintenance of employee's regular monthly savings. Failure of either of these conditions is normally deemed a forfeiture of the option. Employees may subscribe to the three-year or, when offered, the five-year savings period. Under the UK element, at the end of the savings period, the employee has six months to either exercise their options to purchase the shares at the agreed price or withdraw their savings with accrued interest. Under the overseas element, at the end of the savings period, the employee has six months to either exercise their options to receive cash equal to the difference between the market price and the option price or withdraw their savings with accrued interest. There are no market conditions attached to the vesting of the options.

The fair value of equity-settled SAYE options was calculated at the grant date using a Black-Scholes model, with the assumptions below.

	2026 3 year December 2025	2025 3 year December 2024
Grant date		
Options granted	1,485,010	879,923
Fair value at grant date	168p	219p
Assumptions used:		
Share price	601p	722p
Exercise price	452p	573p
Expected volatility	29.1%	31.5%
Expected option life	3 years 5 months	3 years 2 months
Expected dividend yield	4.33%	2.93%
Risk-free interest rate	3.71%	4.01%

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent three-year period. Expected dividend yield was the annual dividend yield as at the grant date. The risk-free interest rate was the yield, at the grant date, of three-year UK government bonds.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**9 Share-based payments** continued

The fair values of cash-settled SAYE options at 31 March 2026 are shown below and were calculated using a Black-Scholes model, using a share price of 560p, expected dividend yield of 3.8% and additional assumptions below.

	Options granted	Fair value	Exercise price	Expected volatility	Expected remaining option life	Risk-free interest rate
5 year September 2021	11,939	2p	824p	27.4%	0.6	4.38%
3 year November 2023	707,264	58p	562p	29.3%	0.8	4.38%
3 year December 2024	309,326	83p	573p	30.6%	1.8	4.41%
3 year December 2025	632,825	149p	452p	29.2%	2.8	4.42%

Expected volatility is estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected remaining life of the option. Expected dividend yield is the annual dividend yield as at the year end. The risk-free interest rate is the yield, at the year end, of UK government bonds with duration commensurate to the expected remaining life of the option.

The movements in and weighted average exercise price of the SAYE options (equity- and cash-settled) were:

	2026		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	612p	4,500,577	616p	4,526,870
Forfeited during the year	638p	(464,848)	641p	(195,806)
Expired during the year	629p	(1,283,413)	623p	(646,268)
Exercised during the year	525p	(122,209)	500p	(373,468)
Granted during the year	452p	2,117,835	573p	1,189,249
<b>Outstanding at 31 March</b>	<b>535p</b>	<b>4,747,942</b>	612p	4,500,577
Exercisable at 31 March	704p	615,345	767p	391,978

SAYE options outstanding at the year end were:

	2026	2025
Option prices:		
£4.00 - £4.99	2,074,988	57,406
£5.00 - £5.99	2,082,612	3,284,752
£7.00 - £7.99	565,629	795,500
£8.00 - £8.99	24,713	362,919
	<b>4,747,942</b>	4,500,577
Weighted average remaining contractual life (in years)	1.75	2.01
Weighted average share price during period of exercise	626p	701p

**10 Retirement benefit obligations**

For defined benefit schemes, the surplus or deficit recognised in the balance sheet is the difference between the fair value of the scheme assets and the present value of the obligations at the balance sheet date. The present value of the obligations is calculated by independent actuaries using the projected unit credit method. It is determined by discounting estimated future cash outflows using a discount rate reflecting yields on high-quality corporate bonds with terms approximating the terms of the related obligation. The operating profit charge comprises the current service cost, net interest cost, past service costs, administrative expenses, curtailment gains and losses and settlement gains and losses. The net interest cost is based on the discount rate at the beginning of the year, contributions paid in and the surplus or deficit during the year. Past service costs and curtailment gains and losses are recognised at the earlier of when the scheme amendment or curtailment occurs and when any related reorganisation costs or termination benefits are recognised. Settlement gains and losses are recognised when the settlement occurs. Remeasurements, representing returns on scheme assets excluding amounts included in interest and actuarial gains and losses arising from changes in demographic and financial assumptions and experience adjustments, are recognised in other comprehensive income.

The Group's largest defined benefit pension scheme is in the UK, providing benefits based on final pensionable pay for eligible employees who joined on or before 1 April 2003. The scheme is administered by a corporate trustee and the funds are independent of the Group's finances. The Group also has defined benefit pension schemes in Germany and the Republic of Ireland, which are closed to both new members and accruals for future service, defined benefit retirement indemnity schemes in France and Italy, and a contribution-based pension scheme in Switzerland that guarantees a minimum rate of investment return and so is accounted for under IAS 19 'Employee Benefits' as a defined benefit pension scheme.

## Group accounts continued

# NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 10 Retirement benefit obligations continued

For defined contribution schemes, the costs are charged to operating profit as they fall due. The Group has defined contribution schemes in a number of countries, including the UK, the US, Australia, and Germany, and contributes to government schemes in a number of other countries that are defined contribution schemes. The Group also makes payments to employees' personal pensions in the UK when their employing company does not provide defined benefit or defined contribution schemes.

### Regulatory framework and governance

The UK scheme, the RS Group Pension Scheme, is a registered scheme established under trust law and, as such, is subject to UK pension, tax, and trust legislation. It is managed by a corporate trustee, RS Group Pension Trustees Limited (the Trustee). The Trustee includes representatives appointed by both the Company and members. Although the Company bears the financial cost of the scheme, the Trustee directors are responsible for the overall management of the scheme, including compliance with applicable regulations and legislation. The Trustee directors are required by law to act in the interest of all relevant beneficiaries and to set certain policies, to manage the day-to-day administration of the benefits and to set the scheme investment strategy in consultation with the Company.

UK pensions are regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk).

### Deficit position and funding

The funding of the UK scheme is assessed using assumptions in accordance with the advice of independent actuaries. These assumptions may be different to those used for the accounting valuation. The last triennial funding valuation was carried out as at 31 March 2022 and showed a deficit of £36.4 million on a statutory technical provisions basis. The Trustee and the Company agreed a recovery plan to eliminate this deficit over time. Under this plan, the Group agreed to make deficit contributions of £11.1 million per annum with the aim that the scheme will be fully funded on a statutory technical provisions basis by 30 September 2025. This recovery plan has now been completed. The 31 March 2025 triennial valuation is still being processed, however the preliminary results show that the UK Scheme is likely to be in surplus on a statutory technical provisions basis.

The rules of the UK scheme give the Trustee powers to wind up the scheme, which it may exercise if the Trustee is aware that the assets of the scheme are insufficient to meet its liabilities. Although the scheme was in deficit on a statutory funding basis at 31 March 2022, the Trustee has confirmed that it has no current intention to exercise its power to wind up the scheme.

Under the UK scheme's rules the power to wind up the scheme and augment benefits is with the Trustee and, therefore, under IFRIC 14 the Group does not have an unconditional right to any surplus that may arise. On that basis, the defined benefit net asset at 31 March 2026 has been restricted to £nil (2024/25: £nil). There is no additional liability as at 31 March 2026 (2024/25: £5.4 million) as the recovery plan has been completed and no further deficit contributions are payable.

Based on the funding position as at 31 March 2026, in the year ending 31 March 2027 the Group expects to pay £nil contributions to the UK scheme, and £0.4 million to the other defined benefit schemes.

### Investment strategy and risk exposure

The defined benefit schemes expose the Group to actuarial risks such as longevity, interest rate, inflation, and investment risks. The approach for managing the UK scheme's investment strategy and risks are set out below.

#### Interest rate risk

The Trustee has set a benchmark for total investment in bonds (government and corporate), interest rate swaps, inflation swaps, gilt repurchase agreements, and cash as part of its matching asset portfolio (comprising the qualifying investor alternative investment fund (QIAIF), a bespoke pooled structure in which the scheme is the sole investor). Under this strategy, if gilt yields fall, the value of the investments within the matching asset portfolio will rise to help match the increase in the valuation of the liabilities arising from a fall in the discount rate, which is derived from gilt yields. Similarly, if gilt yields rise, the value of the matching asset portfolio will fall, as will the valuation of the liabilities because of an increase in the discount rate.

#### Inflation risk

The scheme holds index-linked gilts, inflation swaps, and repurchase agreements to manage against inflation risk associated with pension liability increases. Derivatives are only held indirectly, via the QIAIF.

#### Longevity risk

Prudent mortality assumptions are used that appropriately allow for future improvements in life expectancy. These assumptions are reviewed on a regular basis to ensure they remain appropriate. The Trustee uses the Club Vita Service to provide a better estimate of the mortality rates of the scheme's membership than the standard tables. Club Vita facilitates the accumulation and pooling of data and helps pension schemes understand and manage longevity risk by providing data-driven insights into life expectancy patterns and trends, enabling more informed strategic decisions and better risk management. With effect from 1 June 2008, the scheme introduced a mortality risk sharing mechanism whereby members' benefits for pensionable service after that date will be reduced if the life expectancy of the scheme's members increases more quickly than a pre-determined rate.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued**Environmental, social and governance (ESG) and climate risk**

The Trustee considers how ESG and climate change are integrated within investment processes and how they align with the Trustee's policies in appointing new investment managers and monitoring existing investment managers. The Trustee has set out clear expectations for its advisors and the scheme's investment managers to consider ESG issues, including climate change, where relevant to investment outcomes. The Trustee, together with its advisor, monitors annually the extent to which ESG factors, including explicit consideration of climate change, are integrated into the investment managers' approaches. To supplement this, the Trustee makes regular use of the investment consultant's ESG ratings and will engage proactively with investment managers whose ESG ratings are judged to be lagging their peers within the asset class. The investment and risk subcommittee meets all investment managers at least annually to discuss ESG and climate change issues specifically.

**Assumptions****Financial assumptions**

The principal assumptions used to determine the UK defined benefit obligations were:

	2026	2025
Discount rate	<b>6.20%</b>	5.80%
Rate of increase in pensionable salaries	<b>Nil</b>	Nil
Rate of RPI inflation	<b>3.30%</b>	3.10%
Rate of CPI inflation	<b>3.10%</b>	2.80%
Rate of pension increases		
RPI inflation capped at 5.0% p.a.	<b>3.05%</b>	2.90%
RPI inflation capped at 2.5% p.a.	<b>2.00%</b>	1.90%

**Life expectancy assumptions**

Based upon the demographics of scheme members, the weighted average life expectancy assumptions used to determine the UK defined benefit obligations were:

	2026 Years	2025 Years
Member aged 65 (current life expectancy) – male	<b>22.0</b>	22.1
Member aged 65 (current life expectancy) – female	<b>23.8</b>	23.5
Member aged 45 (life expectancy at aged 65) – male	<b>22.1</b>	22.5
Member aged 45 (life expectancy at aged 65) – female	<b>24.8</b>	25.2

At 31 March 2026, the weighted average duration of the UK defined benefit obligation was 12 years (2024/25: 12 years).

**Sensitivity analysis of the impact of changes in key assumptions**

The calculations of the defined benefit obligations are sensitive to the assumptions used.

The sensitivity analysis below is based on a change in reasonably possible assumptions for the UK scheme while holding all other assumptions constant, as the amount of the Retirement Obligation for the other defined benefit schemes is less material to the Group; in practice changes in some of the assumptions may be correlated.

A change would have the following increase/(decrease) on the UK defined benefit obligations as at 31 March 2026:

	Increase in assumption £m	Decrease in assumption £m
Effect on obligation of a 0.5 pts change to the assumed discount rate	(18.3)	20.2
Effect on obligation of a 0.25 pts change in the assumed inflation rate	5.4	(5.9)
Effect on obligation of a change of one year in assumed life expectancy	(8.1)	10.1

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 10 Retirement benefit obligations continued

#### Income statement

The net charge/(credit) recognised in operating profit for retirement benefit obligations was:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Current service cost	1.0	0.6	1.6	1.1	0.5	1.6
Past service cost	-	(0.2)	(0.2)	-	(0.1)	(0.1)
Interest expense on obligation	19.3	0.9	20.2	18.4	0.8	19.2
Interest income on scheme assets	(22.8)	(0.6)	(23.4)	(20.5)	(0.6)	(21.1)
Interest expense on asset ceiling/ onerous liability	3.7	0.1	3.8	2.6	0.1	2.7
Administrative expenses	0.9	-	0.9	1.1	-	1.1
<b>Total charge for defined benefit schemes</b>	<b>2.1</b>	<b>0.8</b>	<b>2.9</b>	<b>2.7</b>	<b>0.7</b>	<b>3.4</b>
<b>Total charge for defined contribution schemes and personal pensions</b>	<b>11.3</b>	<b>11.1</b>	<b>22.4</b>	<b>11.2</b>	<b>10.2</b>	<b>21.4</b>

The other defined benefit schemes were:

	2026				2025			
	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling/onerous liability £m	Retirement benefit obligations £m
Germany's defined benefit pension scheme	-	(7.0)	-	(7.0)	-	(6.8)	-	(6.8)
Republic of Ireland's defined benefit pension scheme	7.5	(5.1)	-	2.4	7.0	(5.1)	-	1.9
France's defined benefit retirement indemnity scheme	-	(3.3)	-	(3.3)	-	(3.0)	-	(3.0)
Italy's defined benefit retirement indemnity scheme	-	(1.0)	-	(1.0)	-	(1.2)	-	(1.2)
Switzerland's contribution-based scheme	26.8	(21.6)	(5.2)	-	25.5	(20.6)	(4.3)	0.6
<b>Other</b>	<b>34.3</b>	<b>(38.0)</b>	<b>(5.2)</b>	<b>(8.9)</b>	<b>32.5</b>	<b>(36.7)</b>	<b>(4.3)</b>	<b>(8.5)</b>

#### Balance sheet

The amounts included in the balance sheet arising from the Group's assets/(obligations) in respect of its defined benefit schemes was:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Fair value of scheme assets	398.5	34.3	432.8	400.4	32.5	432.9
Present value of defined benefit obligations	(338.7)	(38.0)	(376.7)	(342.6)	(36.7)	(379.3)
Effect of asset ceiling/onerous liability	(59.8)	(5.2)	(65.0)	(63.2)	(4.3)	(67.5)
<b>Retirement benefit net obligations</b>	<b>-</b>	<b>(8.9)</b>	<b>(8.9)</b>	<b>(5.4)</b>	<b>(8.5)</b>	<b>(13.9)</b>
Amount recognised on the balance sheet – liability	-	(11.3)	(11.3)	(5.4)	(11.0)	(16.4)
Amount recognised on the balance sheet – asset	-	2.4	2.4	-	2.5	2.5

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued

Movements in the present value of the defined benefit obligations in the year were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	342.6	36.7	379.3	385.1	36.7	421.8
Acquisitions	-	-	-	-	0.6	0.6
Current service cost	1.0	0.6	1.6	1.1	0.5	1.6
Past service cost	-	(0.2)	(0.2)	-	(0.1)	(0.1)
Interest expense	19.3	0.9	20.2	18.4	0.8	19.2
Effect of changes in demographic assumptions	2.4	(0.2)	2.2	-	-	-
Effect of changes in financial assumptions	(10.7)	(0.4)	(11.1)	(43.5)	(1.0)	(44.5)
Effect of experience adjustments	4.2	0.9	5.1	0.9	0.8	1.7
Benefits paid	(20.1)	(2.7)	(22.8)	(19.4)	(1.4)	(20.8)
Employee contributions	-	0.2	0.2	-	0.2	0.2
Exchange differences	-	2.2	2.2	-	(0.4)	(0.4)
<b>At 31 March</b>	<b>338.7</b>	<b>38.0</b>	<b>376.7</b>	342.6	36.7	379.3

Of the UK scheme's present value of the defined benefit obligations, £22.9 million (2024/25: £30.9 million) relates to active members, £115.9 million (2024/25: £135.9 million) to vested deferred members and £199.9 million (2024/25: £175.8 million) to retirees.

Movements in the fair value of the schemes' assets in the year were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	400.4	32.5	432.9	421.2	30.8	452.0
Acquisitions	-	-	-	-	-	-
Interest income	22.8	0.6	23.4	20.5	0.6	21.1
Return on scheme assets (excluding interest income)	(10.7)	0.3	(10.4)	(33.9)	1.5	(32.4)
Contributions by company	7.0	1.1	8.1	13.1	1.0	14.1
Benefits paid	(20.1)	(2.7)	(22.8)	(19.4)	(1.4)	(20.8)
Administrative expenses	(0.9)	-	(0.9)	(1.1)	-	(1.1)
Employee contributions	-	0.2	0.2	-	0.2	0.2
Exchange differences	-	2.3	2.3	-	(0.2)	(0.2)
<b>At 31 March</b>	<b>398.5</b>	<b>34.3</b>	<b>432.8</b>	400.4	32.5	432.9

The fair values of the schemes' assets were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
QIAIF (liability driven investment and credit portfolio of quoted assets)	217.1	-	217.1	213.5	-	213.5
Quoted equities	-	9.1	9.1	-	10.7	10.7
Quoted debt instruments	66.5	15.7	82.2	102.6	13.5	116.1
Unquoted debt instruments	114.4	-	114.4	83.5	-	83.5
Property	-	9.2	9.2	-	8.2	8.2
Cash	0.5	0.3	0.8	0.8	0.1	0.9
<b>Total market value of scheme assets</b>	<b>398.5</b>	<b>34.3</b>	<b>432.8</b>	400.4	32.5	432.9

Property relates to investments in unquoted real estate funds and no property or real estate funds are held directly. The split of UK quoted and unquoted debt instruments is based on the split of the underlying assets of pooled investment vehicles in which the scheme is invested.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**10 Retirement benefit obligations** continued

The fair values of the unquoted debt instruments are determined by the fund managers, using quoted prices for similar assets or other valuation techniques where all the inputs are directly observable or indirectly observable from market data.

The defined benefit schemes do not invest in the Company and no assets owned by the schemes are used by the Group.

Movements in the effect of asset ceiling/onerous liability were:

	2026			2025		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	<b>63.2</b>	<b>4.3</b>	<b>67.5</b>	52.2	3.7	55.9
Acquisitions	-	-	-	-	-	-
Interest expense	<b>3.7</b>	<b>0.1</b>	<b>3.8</b>	2.6	0.1	2.7
Change in asset ceiling/onerous liability (excluding interest expense)	<b>(7.1)</b>	<b>0.5</b>	<b>(6.6)</b>	8.4	0.5	8.9
Exchange differences	-	<b>0.3</b>	<b>0.3</b>	-	-	-
<b>At 31 March</b>	<b>59.8</b>	<b>5.2</b>	<b>65.0</b>	63.2	4.3	67.5

**11 Taxation**

Current and deferred tax are recognised in the income statement, except when they relate to items recognised in other comprehensive income or directly in equity when the related tax is also recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year and the charge is based on the results for the year, adjusted for items which are non-taxable or non-tax deductible, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The Group intends to settle its current tax assets and liabilities on a net basis in a particular jurisdiction if offset is permissible according to the relevant jurisdiction's tax laws and that authority permits the Group to make a single net payment.

The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so, and when they relate to income taxes levied by the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date taking into account the recoverability of the deferred tax assets, future profitability and any restrictions on use. The Group considers available evidence to assess future profitability over a reasonably foreseeable time period.

No deferred tax liabilities are recognised on the initial recognition of goodwill. However, when goodwill arises in a jurisdiction where it is deductible in determining taxable profit, the amortisation for tax purposes of goodwill creates a taxable temporary difference and this resulting deferred tax liability is recognised. Deferred tax is also not recognised for temporary differences related to investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the temporary difference and it is probable that this will not reverse in the foreseeable future.

The Group recognises a current tax provision when the Group has a present obligation as a result of a past event, and it is considered probable that there will be a future outflow of funds. As an international business, the Group is exposed to the income tax laws of the large number of jurisdictions in which it operates and is subject to factors that may affect future tax charges, including transfer pricing, tax rate and tax legislation changes, tax authority interpretation, expiry of statute of limitations and resolution of tax audits and disputes. These laws are complex and subject to different interpretations by taxpayers and tax authorities.

The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management's professional judgement concerning the ultimate outcome of any tax audit or dispute, supported by external advisors where necessary to assess the range of potential outcomes and estimate additional tax that may be due. At any given time the Group has unagreed years outstanding in various countries and is involved in tax audits and disputes, some of which may take several years to resolve.

The Group believes that it has made adequate provision about the position likely to be taken by each tax authority in relation to unagreed years, tax audits and disputes. The Group has made a provision where it is considered probable that the tax authority will not accept the tax treatment used. The actual liability for a particular issue may be higher or lower than the amount provided, resulting in a negative or positive effect on the tax charge in any given year. A reduction in the tax charge may also arise for other reasons such as an expiry of the relevant statute of limitations. Such an impact can vary year-on-year.

Provisions for uncertain tax positions are included within current tax liabilities. The Group's uncertain tax positions relate principally to cross-border transfer pricing. As at 31 March 2026, the total value of these tax provisions was £9.3 million (2024/25: £9.1 million). £2.2 million (2024/25: £1.9 million) of penalties and interest on provisions for uncertain tax positions are included in Note 24.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**11 Taxation** continued**Tax expense/(income) recognised in the income statement**

	2026 £m	2025 £m
<b>Current tax</b>		
Current tax on profits for the year	61.0	58.6
Adjustments for prior years	3.3	(0.1)
Total current tax	64.3	58.5
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(4.4)	(4.3)
Changes in tax rates and laws	(0.2)	-
Adjustments for prior years	(1.9)	(0.7)
Total deferred tax	(6.5)	(5.0)
<b>Income tax expense</b>	<b>57.8</b>	53.5

The income tax expense for the year can be reconciled to the profit per the income statement as follows:

	2026 £m	2025 £m
Profit before tax	219.7	206.1
Expected tax charge at UK corporation tax rate of 25% (2025: 25%)	54.9	51.6
<b>Recurring items</b>		
Differences in overseas corporation tax rates	(3.0)	(1.2)
Impact of tax losses	(0.2)	(1.7)
Items not taxable for tax purposes	(0.9)	(0.8)
Items not deductible for tax purposes	1.1	3.3
Other local taxes suffered overseas	3.5	2.1
<b>Non-recurring items</b>		
Changes in tax rates and laws	0.2	0.7
Movement in uncertain tax positions in current year	0.8	1.1
Movement in uncertain tax positions for prior years	(0.6)	(0.8)
Prior year adjustments	2.0	(0.8)
	<b>57.8</b>	53.5

In the year ended 31 March 2026, other local taxes suffered overseas includes state taxes, trade tax and withholding taxes on dividends.

The OECD Pillar Two GloBE Rules (Pillar Two) introduce a global minimum corporation tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million. All participating OECD members are required to incorporate these rules into national legislation. The Group is within the scope of the OECD Pillar Two model rules, which the UK government substantively enacted Pillar Two rules in its Finance (No.2) Act 2023 on 20 June 2023, introducing an income inclusion rule and domestic minimum top-up tax that apply for accounting periods beginning on or after 31 December 2023. The Group has reviewed the impact of these rules and it does not have a material impact on the reported results or financial position of the Group. The Group is adopting the mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules.

**Effective tax rate**

In assessing the underlying performance, the Group uses adjusted profit before tax. The tax effect of the adjusting items (see Note 3) is excluded in calculating the effective tax rate (being the tax rate on adjusted profit before tax) which is shown in the table below.

	2026 £m	2025 £m
Income tax expense	57.8	53.5
Tax associated with adjusting items (Note 3)	7.1	10.4
<b>Tax on adjusted profit</b>	<b>64.9</b>	63.9
Profit before tax	219.7	206.1
Adjusting items (Note 3)	26.4	41.4
<b>Adjusted profit before taxation</b>	<b>246.1</b>	247.5
Reported tax rate	26.3%	26.0%
Effective tax rate	26.4%	25.8%

**Tax expense recognised directly in other comprehensive income**

	2026 £m	2025 £m
Relating to remeasurement of retirement benefit obligations	-	0.3
Relating to movement in cash flow hedges	0.6	0.2
	<b>0.6</b>	0.5

Tax recognised directly in equity includes a charge of £0.2 million (2024/25: £0.2 million) for share-based payments, and a credit of £0.8 million (2024/25: £0.1 million) in relation to cash flow hedging.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 11 Taxation continued

## Movement in deferred tax assets and liabilities

	Intangible assets (excluding goodwill), right- of-use assets and property, plant and equipment £m	Goodwill £m	Retirement benefit obligations £m	Employee benefits £m	Tax losses £m	Lease liabilities £m	Provisions, inventory and other short- term temporary differences £m	Net tax (liabilities)/ assets £m
At 1 April 2024	(90.4)	(49.9)	6.1	6.5	6.8	18.9	12.8	(89.2)
Acquisitions	(0.8)	-	-	-	-	-	-	(0.8)
Credit/(charge) to income statement	12.6	(0.4)	(0.1)	(1.1)	(3.6)	(5.0)	2.6	5.0
Recognised directly in equity	-	-	(2.7)	(0.4)	-	-	-	(3.1)
Translation differences	6.0	1.1	-	(0.2)	(1.2)	-	1.9	7.6
At 31 March 2025	(72.6)	(49.2)	3.3	4.8	2.0	13.9	17.3	(80.5)
Acquisitions (Note 29)	<b>(3.5)</b>	-	-	-	-	<b>0.7</b>	-	<b>(2.8)</b>
Credit/(charge) to income statement	<b>7.4</b>	<b>(0.9)</b>	<b>0.8</b>	<b>4.2</b>	<b>0.1</b>	<b>(1.4)</b>	<b>(3.7)</b>	<b>6.5</b>
Recognised directly in equity	-	-	<b>(1.9)</b>	<b>(0.2)</b>	-	-	<b>0.2</b>	<b>(1.9)</b>
Translation differences	<b>(3.4)</b>	<b>1.0</b>	<b>(0.1)</b>	-	-	<b>0.7</b>	<b>0.4</b>	<b>(1.4)</b>
<b>At 31 March 2026</b>	<b>(72.1)</b>	<b>(49.1)</b>	<b>2.1</b>	<b>8.8</b>	<b>2.1</b>	<b>13.9</b>	<b>14.2</b>	<b>(80.1)</b>

Analysed in the balance sheet as:

	2026 £m	2025 £m
Deferred tax assets	<b>5.0</b>	11.1
Deferred tax liabilities	<b>(85.1)</b>	(91.6)
	<b>(80.1)</b>	(80.5)

The Group has gross unused tax losses of £10.5 million (2024/2025: £13.5 million) available for offset against future profits, of which £5.6 million will expire within 7 years. A deferred tax asset of £2.1 million (2024/2025: £2.0 million) has been recognised for tax losses where current projections show that sufficient taxable profits will arise in the near future against which these losses may be offset. A deferred tax asset totalling £4.3 million (2024/2025: £3.0 million) has not been recognised in respect of total carried forward tax and capital losses. The total unrecognised losses now include unused capital losses of £9.7 million (2024/2025: £9.7 million). The losses have not been recognised as it is not probable that future taxable profits or chargeable gains will be available against which they can be utilised. Management will reassess the recoverability of deferred tax assets at each balance sheet date by taking into account all relevant and available information.

## 12 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of shares in issue during the year, excluding shares held by the EBT.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. The share-based payment schemes which result in the issue of shares at a value below the market price of the shares are potentially dilutive.

	2026 Number	2025 Number
Weighted average number of shares	<b>467,881,253</b>	470,022,152
Dilutive effect of share-based payments	<b>1,467,287</b>	214,829
Diluted weighted average number of shares	<b>469,348,540</b>	470,236,981
Basic earnings per share	<b>34.6p</b>	32.5p
Diluted earnings per share	<b>34.5p</b>	32.5p

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 13 Dividends

	2026 £m	2025 £m
Final dividend for the year ended 31 March 2025 – 13.9p (2024: 13.7p)	65.1	64.9
Interim dividend for the year ended 31 March 2026 – 8.7p (2025: 8.5p)	40.8	39.8
	<b>105.9</b>	104.7

The trustees of the EBT have waived their right to receive dividends and this amounts to £1.5 million (2024/25: £0.8 million).

A proposed final dividend for the year ended 31 March 2026 of 14.2p is subject to approval by shareholders at the Annual General Meeting on 16 July 2026 and the estimated amount to be paid of £65.8 million has not been included as a liability in these accounts.

## 14 Intangible assets

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value attributed to the net assets acquired (including contingent liabilities). Goodwill is not amortised but is reviewed annually for impairment. Acquisition-related costs are charged to the income statement as incurred.

Intangible assets excluding goodwill are stated at cost, or fair value at the date of acquisition, less accumulated amortisation and any provisions for impairment. Residual value is reassessed annually. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred. Amortisation is calculated to write off the cost on a straight-line basis over the following useful lives from the date the assets are first available for use: software 2 – 11 years; development expenditure 3 years; brands 5 – 10 years; customer contracts, relationships and distribution agreements 4 – 18 years; and acquired research 3 years.

An internally generated intangible asset arising from development expenditure, including the cost of internally developed software, is recognised in the income statement as incurred unless it is probable that economic benefits will flow to the Group from the asset being developed, the cost of the asset can be reliably measured and technical feasibility can be demonstrated. When these conditions are met, the expenditure is capitalised as an intangible asset on the balance sheet.

Where the Group enters into licence agreements to use cloud based software, these arrangements are treated as service contracts and expensed in the income statement, unless the Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor. In such cases the licence agreement is capitalised as software within intangible assets. Costs to configure or customise a cloud software licence are expensed alongside the related service contract in the income statement, unless they result in the creation of a separately identifiable resource controlled by the Group, in which case such costs are capitalised.

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
<b>Cost</b>							
At 1 April 2024	646.3	387.4	1.8	22.0	279.7	1.1	1,338.3
Acquisitions	5.9	–	–	–	0.5	–	6.4
Additions - internally generated	–	16.5	–	–	–	–	16.5
Additions - other	–	16.5	–	–	–	–	16.5
Disposals	–	(2.4)	–	–	–	–	(2.4)
Reclassifications	–	3.0	–	–	–	–	3.0
Translation differences	(35.8)	(2.0)	–	(0.7)	(26.3)	–	(64.8)
At 31 March 2025	616.4	419.0	1.8	21.3	253.9	1.1	1,313.5
Acquisitions (Note 29)	<b>9.3</b>	–	–	<b>2.2</b>	<b>9.0</b>	–	<b>20.5</b>
Additions - internally generated	–	<b>16.2</b>	–	–	–	–	<b>16.2</b>
Additions - other	–	<b>17.9</b>	–	–	–	–	<b>17.9</b>
Disposals	–	<b>(16.2)</b>	–	–	–	–	<b>(16.2)</b>
Disposals from sale of business (Note 30)	<b>(2.0)</b>	–	–	–	<b>(0.7)</b>	–	<b>(2.7)</b>
Translation differences	<b>11.0</b>	<b>0.7</b>	–	<b>0.9</b>	<b>12.1</b>	–	<b>24.7</b>
<b>At 31 March 2026</b>	<b>634.7</b>	<b>437.6</b>	<b>1.8</b>	<b>24.4</b>	<b>274.3</b>	<b>1.1</b>	<b>1,373.9</b>

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**14 Intangible assets** continued

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
<b>Amortisation</b>							
At 1 April 2024	-	289.1	1.8	2.0	61.7	1.1	355.7
Charge for the year	-	24.7	-	2.6	23.4	-	50.7
Impairment losses	-	1.9	-	-	10.9	-	12.8
Disposals	-	(2.1)	-	-	-	-	(2.1)
Reclassifications	-	2.4	-	-	-	-	2.4
Translation differences	-	(1.2)	-	(0.1)	(3.6)	-	(4.9)
At 31 March 2025	-	314.8	1.8	4.5	92.4	1.1	414.6
Charge for the year	-	<b>24.6</b>	-	<b>2.7</b>	<b>17.5</b>	-	<b>44.8</b>
Impairment losses	-	<b>14.9</b>	-	-	-	-	<b>14.9</b>
Disposals	-	<b>(16.2)</b>	-	-	-	-	<b>(16.2)</b>
Disposals from sale of business (Note 30)	-	-	-	-	<b>(0.1)</b>	-	<b>(0.1)</b>
Translation differences	-	<b>0.6</b>	-	<b>0.3</b>	<b>2.0</b>	-	<b>2.9</b>
<b>At 31 March 2026</b>	<b>-</b>	<b>338.7</b>	<b>1.8</b>	<b>7.5</b>	<b>111.8</b>	<b>1.1</b>	<b>460.9</b>
<b>Net book value</b>							
<b>At 31 March 2026</b>	<b>634.7</b>	<b>98.9</b>	<b>-</b>	<b>16.9</b>	<b>162.5</b>	<b>-</b>	<b>913.0</b>
At 31 March 2025	616.4	104.2	-	16.8	161.5	-	898.9

There were no reclassifications during the year. In the prior year, £2.4 million was reclassified between cost and accumulated amortisation of software following a review of the fixed asset register. £0.6 million was also reclassified between software and plant and machinery.

As at 31 March 2026, the cost and accumulated amortisation of internally generated intangible assets included in software were £107.0 million and £69.1 million (2024/25: £91.6 million and £59.4 million) respectively.

At 31 March 2026, the material individual software assets was the new product management system with a net book value of £16.0 million (2024/25: £18.2 million), which will have a useful life of 8 years. Material individual customer contracts, relationships and distribution agreements are from the acquisitions of Synovos, Risoul, Distrelec and BPX with net book values of £6.5 million, £76.9 million, £61.0 million and £9.0 million respectively (2024/25: £10.4 million, £75.8 million, £63.6 million and £nil) and remaining useful lives of 4 years, 1 to 14 years, 15 years and 12 to 18 years respectively.

Goodwill is allocated at acquisition to groups of cash generating units (CGUs) that are expected to benefit from the synergies arising as a result of the acquisition, with £383.9 million (2024/25: £380.1 million) relating to the Americas group of CGUs, £241.6 million (2024/25: £227.5 million) relating to the EMEA group of CGUs and £9.2 million (2024/25: £8.8 million) relating to the Asia Pacific group of CGUs. Cash generating units represent the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets. The goodwill from the BPX acquisition forms part of the EMEA group of CGUs.

The Group reviews its intangible assets regularly to assess if there are any indications the assets may be impaired. In addition, goodwill and any other intangible assets that are not yet being amortised are subject to annual impairment reviews.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In the year ended 31 March 2026, the Group undertook a review of its assets and recognised an impairment charge of £14.9 million on certain technology assets including the production management system and inventory availability and production fulfilment module, for which functionality was superseded by the release of new assets. These assets were assessed as providing no future economic benefits and these components were fully written down. In the previous year, the impairment assessment of the customer contracts, relationships and distribution agreements indicated that the asset related to the acquisition of RS Integrated Supply EMEA required full impairment, with an impairment charge of £10.9 million recorded in the year ended 31 March 2025. In addition, £0.4 million of software acquired with RS Integrated Supply EMEA was also impaired.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**14 Intangible assets** continued

For the goodwill impairment reviews, the recoverable amount of the groups of CGUs are based on value-in-use calculations, which use cash flow projections based on the Group's annual targets and strategic plan which cover the next five years. The strategic plan is also used as the basis for the viability statement. When the strategic plan was prepared it considered current performance and made assumptions about future revenue and gross margin growth rates, determined using internal forecasts based upon historical growth rates and future medium-term plans which consider, and are consistent with, relevant macroeconomic indicators. It also took into account expected increases in costs of products and overheads, including those related to climate change as well as expected benefits from the expansion of the Group's more sustainable product range and ESG solutions business. The cash flows from the strategic plan are extrapolated using the relevant long-term growth rate for the groups of CGUs and discounted at the Group's externally sourced pre-tax weighted average cost of capital adjusted for the estimated tax cash flows and risk applicable for the groups of CGUs to estimate cash flow projections. These cash flow projections are adjusted to take account of the likely future capital expenditure costs of meeting the Group's climate change commitments to be net zero in its direct operations by 2030 (expected to be c. £14 million over the period to 2030/31) and are consistent with the Group's climate scenario analysis of physical and transition risk impacts conducted for the Task Force on Climate-related Financial Disclosures (TCFD).

For the Americas group of CGUs, the long-term growth rate is 2.4% (2024/25: 2.5%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Americas. The nominal pre-tax discount rate is 12.0% (2024/25: 11.5%).

For the EMEA group of CGUs, the long-term growth rate is 1.9% (2024/25: 2.0%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for EMEA. The nominal pre-tax discount rate is 12.5% (2024/25: 11.2%).

For the Asia Pacific group of CGUs, the long-term growth rate is 2.4% (2024/25: 1.4%), which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Asia Pacific. The nominal pre-tax discount rate is 17.4% (2024/25: 15.9%).

There is significant headroom between the carrying amount and the value in use of the groups of CGUs and so the Directors believe that currently all reasonably likely changes in the key assumptions referred to above would not give rise to an impairment charge.

**15 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment after taking into account any impact of the Group's strategy related to climate change. The Group monitors property, plant and equipment throughout the year and tests for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. The cost of self-constructed assets includes the cost of materials, direct labour and certain direct overheads.

No depreciation has been charged on freehold land. Other assets are depreciated to residual value, which is reassessed annually, on a straight-line basis over the following useful lives: freehold buildings and improvements to leasehold buildings 50 years (or the lease term if shorter); plant and machinery 5 – 20 years; and computer equipment 3 – 5 years. This reassessment of residual value includes consideration of the Group's climate scenario analysis of physical and transition risk impacts conducted for the TCFD and there have been no significant changes in the year.

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Cost</b>				
At 1 April 2024	163.1	246.9	68.7	478.7
Acquisitions	0.1	1.7	-	1.8
Additions	0.9	13.2	1.8	15.9
Disposals	(1.4)	(6.3)	(1.8)	(9.5)
Reclassifications	-	(0.6)	-	(0.6)
Translation differences	(2.7)	(2.9)	(0.6)	(6.2)
At 31 March 2025	160.0	252.0	68.1	480.1
Acquisitions (Note 29)	<b>0.2</b>	<b>1.0</b>	<b>0.1</b>	<b>1.3</b>
Additions	<b>2.8</b>	<b>13.6</b>	<b>3.3</b>	<b>19.7</b>
Disposals	<b>(1.6)</b>	<b>(1.4)</b>	<b>(7.2)</b>	<b>(10.2)</b>
Reclassifications	<b>(0.5)</b>	<b>0.7</b>	<b>(0.2)</b>	<b>-</b>
Translation differences	<b>1.2</b>	<b>1.7</b>	<b>(0.1)</b>	<b>2.8</b>
<b>At 31 March 2026</b>	<b>162.1</b>	<b>267.6</b>	<b>64.0</b>	<b>493.7</b>

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**15 Property, plant and equipment** continued

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Depreciation</b>				
At 1 April 2024	63.2	172.7	61.9	297.8
Charge for the year	3.8	11.6	2.1	17.5
Disposals	(1.3)	(6.3)	(1.8)	(9.4)
Impairment losses	0.4	-	-	0.4
Translation differences	(0.9)	(1.4)	(0.6)	(2.9)
At 31 March 2025	65.2	176.6	61.6	303.4
Charge for the year	<b>3.8</b>	<b>11.9</b>	<b>2.2</b>	<b>17.9</b>
Disposals	<b>(1.6)</b>	<b>(1.4)</b>	<b>(7.2)</b>	<b>(10.2)</b>
Translation differences	<b>0.6</b>	<b>0.8</b>	-	<b>1.4</b>
<b>At 31 March 2026</b>	<b>68.0</b>	<b>187.9</b>	<b>56.6</b>	<b>312.5</b>
<b>Net book value</b>				
<b>At 31 March 2026</b>	<b>94.1</b>	<b>79.7</b>	<b>7.4</b>	<b>181.2</b>
At 31 March 2025	94.8	75.4	6.5	176.7

Included above is £7.7 million of property, plant and equipment under construction at 31 March 2026 (2024/25: £1.8 million).

**16 Leases**

The Group assesses at the inception of a contract whether the contract is, or contains, a lease. Where it conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is deemed to be, or to include, a lease. The Group leases various properties, plant and machinery, computer equipment and vehicles typically for periods between two and 20 years. Where a contract includes a vehicle lease, the Group has elected to account for the non-lease components as part of the lease. Where the Group determines, at the commencement date of each lease, that it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, the additional period is included within the lease term.

Leases are recognised on the balance sheet at their commencement date as a liability representing the present value of the future lease payments not yet paid and a right-of-use asset reflecting the future benefit to the Group generated by using the underlying asset. The discount on the lease liability is calculated using the Group's incremental borrowing rate, as rates implicit in the Group's leases cannot be readily determined, and is charged to finance costs in the income statement as it unwinds. The Group's incremental borrowing rate is adjusted to take account of the country risk, lease term and start date for each lease. Fixed payments less any lease incentives receivable, in-substance fixed payments and variable payments based on an index or rate form part of the lease liability. Variable payments which are not based on an index or rate are expensed when the event that triggers the payment occurs.

The right-of-use asset is stated at cost less accumulated depreciation and any provisions for impairment. Initially the cost of the right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement of the lease less any lease incentives received, plus any direct costs incurred and an estimate of the cost to restore the underlying asset. The right-of-use asset is depreciated on a straight-line basis over the lease term (or useful life of the asset, if shorter), which is reassessed as the underlying facts and circumstances of the lease change.

The Group has elected to not recognise the lease liability and right-of-use asset in respect of short-term leases and leases of low-value assets on the balance sheet. Short-term leases and leases of low-value assets are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is remeasured when there is a change in the future lease payments or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset. If the carrying value of the right-of-use asset is reduced to zero, any further reductions are recognised in the income statement.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as an operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**16 Leases** continued

The amounts recognised relating to leases were:

	2026 £m	2025 £m
<b>Right-of-use assets</b>		
Buildings	42.1	45.1
Plant and machinery	0.5	0.3
Vehicles	9.7	8.9
<b>Right-of-use assets</b>	<b>52.3</b>	54.3
<b>Lease liabilities</b>		
Current	16.9	15.5
Non-current	37.7	41.2
<b>Lease liabilities</b>	<b>54.6</b>	56.7
<b>Depreciation charge for right-of-use assets</b>		
Buildings	12.7	12.8
Plant and machinery	0.2	0.1
Vehicles	4.5	4.3
<b>Depreciation charge for right-of-use assets</b>	<b>17.4</b>	17.2
<b>Additions to right-of-use assets</b>		
Right-of-use assets acquired with businesses	3.3	2.4
Other additions to right-of-use assets	10.5	5.9
<b>Additions to right-of-use assets</b>	<b>13.8</b>	8.3

	2026 £m	2025 £m
<b>Total cash outflow/(inflow) for leases</b>		
Included in cash flows from operating activities:		
Interest expense	2.8	2.8
Expense relating to short-term leases	0.6	0.8
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	0.4	0.3
Expense relating to variable lease payments not included in measurement of lease liabilities	1.4	2.0
Income from sub-leasing right-of-use assets	-	(0.4)
Included in cash flows from financing activities:		
Principal elements of lease payments	17.2	15.7
<b>Total cash outflow for leases</b>	<b>22.4</b>	21.2

Right-of-use asset disposals of £0.7 million (2024/25: £16.8 million) were recognised in the year. The interest expense on lease liabilities recognised in the income statement was £2.8 million (2024/25: £2.8 million). Potential future cash outflows that are not reflected in the measurement of lease liabilities were not material. The contractual maturity analysis of lease liabilities is included in liquidity risk in Note 23.

**17 Investment in joint venture**

The Group's share of the post-tax profit of its joint venture is included in profit before tax. The investment in the joint venture is carried in the Group balance sheet at historical cost plus post-acquisition changes in the Group's share of the joint venture's net assets. The Group owns 50% of the share capital of RS Components & Controls (India) Limited, its joint venture.

	2026 £m	2025 £m
At 1 April	1.2	1.3
Group's share of profit for the year	0.6	0.6
Group's share of other comprehensive income/(expense)	-	(0.1)
Group's share of total comprehensive income	0.6	0.5
Dividends	(0.6)	(0.6)
<b>At 31 March</b>	<b>1.2</b>	1.2

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**18 Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and for finished goods and goods for resale includes attributable overheads.

The Group estimates the net realisable value of inventories in order to determine the value of any provision required. In this estimation judgements, including any impact of obsolescence including that related to regulatory changes due to amongst other things climate change, are made in relation to the number of years of sales there are in inventories of each product and the value recoverable from those inventories. In determining the recoverable value, judgement is taken about the ability of the Group to return a proportion of stock to suppliers under supplier specific contractual provisions. The Group bases its estimates on recent historical experience and knowledge of the products on hand and the terms of contractual arrangements with suppliers. Should more or less inventory be able to be returned to suppliers than planned, there would be a consequential impact on the inventory provision.

	2026 £m	2025 £m
Raw materials and consumables	87.7	97.6
Finished goods and goods for resale	587.9	606.5
Gross inventories	675.6	704.1
Inventory provisions	(80.6)	(86.8)
<b>Net inventories</b>	<b>595.0</b>	<b>617.3</b>

**Sensitivity analysis of the impact of changes in key assumptions**

A reduction in the value recoverable, which is based on observable sell through and returns data, leading to an increase in provision rates of 10%, up to a maximum of 100% provision per product, would increase the inventory provisions by £7.5 million (2024/25: £2.7 million). An increase in the value recoverable leading to a decrease in provision rates of 10% would decrease the inventory provisions by £7.8 million (2024/25: £8.6 million).

**19 Trade and other receivables**

	2026 £m	2025 £m
<b>Current</b>		
Gross trade receivables	651.9	615.9
Impairment allowance (Note 23)	(11.4)	(11.5)
Net trade receivables	640.5	604.4
Amounts owed by joint venture	1.8	1.3
Prepayments	48.9	44.5
Other taxation and social security	6.7	8.8
Contract assets	1.5	2.8
Other receivables	29.8	26.7
<b>Current trade and other receivables</b>	<b>729.2</b>	<b>688.5</b>
<b>Non-current</b>		
Prepayments	0.1	0.1
Other receivables	4.7	4.5
<b>Non-current other receivables</b>	<b>4.8</b>	<b>4.6</b>

Contract assets relate mainly to licence fee income and are where the Group has performed its part of the contract for that element, but other performance obligations are required to be completed before it can receive the credit note for licence fee income from suppliers or raise the invoice for other contracts with customers.

Current other receivables include £6.0 million (2024/25: £8.1 million) for amounts yet to be invoiced to customers related to product sales where the Group acts as an agent (Note 4), expected inventory returns and loans to employees. Non-current other receivables include insurance claims receivables and lease deposits.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 20 Trade and other payables

	2026 £m	2025 £m
<b>Current</b>		
Trade payables	376.6	359.4
Other taxation and social security	41.0	41.2
Government grants	0.1	0.1
Cash-settled share-based payment liability	0.4	0.4
Accruals	167.0	165.2
Contract liabilities	2.4	3.9
Other payables (including estimated obligations for customer volume discounts and refunds – Note 4)	46.7	40.8
<b>Current trade and other payables</b>	<b>634.2</b>	<b>611.0</b>
<b>Non-current</b>		
Government grants	2.0	2.0
Cash-settled share-based payment liability	1.3	0.6
Other employee benefits	3.3	3.1
Other payables	–	1.7
<b>Non-current other payables</b>	<b>6.6</b>	<b>7.4</b>

Contract liabilities are where the Group has received payment but is yet to perform its part of the contract.

Government grants related to expenditure on property, plant and equipment are credited to the income statement at the same rate as the depreciation on the asset to which the grant relates.

The Group offers a supply chain finance facility to its suppliers. This was set up when the Group worked with suppliers to extend payment terms to protect its working capital position. It is primarily provided to give suppliers the option to protect their own working capital position from the impact of this extension.

Judgement is required to assess the payables subject to these arrangements and whether they should continue to be classified as trade payables and whether the cash flows should still be classified as operating. The substance of the contractual terms with the bank providing the financing does not differ from the terms under the supplier contracts. The standard payment terms under supplier contracts are 60 days, with a maximum payment term of 180 days. As there are no changes to the invoice terms, the amount owed to the bank is included in trade payables. Related cash flows are included in cash generated from operations.

	2026	2025
<b>Carrying amount of the financial liabilities that are subject to supplier finance arrangements (£m)</b>		
Presented within trade and other payables	14.0	14.7
– of which suppliers have received payment from the bank	11.1	0.3
<b>Range of payment due dates (days after invoice date)</b>		
Trade payables subject to supplier finance arrangement	Up to 180	Up to 180
Comparable trade payables	Up to 180	Up to 180

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. There were no material non-cash changes in these liabilities.

The Group does not face a significant liquidity risk as a result of its supplier finance arrangements, given the limited amount of liabilities subject to supplier finance arrangements and the Group's access to other sources of finance on similar terms.

## 21 Financial instruments

The Group uses derivative financial instruments, principally forward foreign exchange contracts and occasionally currency swaps, to cover its exposure to foreign exchange risk arising from operational and financing activities.

In accordance with its treasury policies, the Group designates the majority of its derivative financial instruments as cash flow hedges. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised at fair value. Derivative financial instruments that do not qualify for cash flow hedge or net investment hedge accounting are classified as measured at fair value through profit or loss (FVTPL) and changes in their fair values are recognised in the income statement as they arise.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**21 Financial instruments** continued**Cash flow hedge accounting**

The Group uses derivative financial instruments, namely forward foreign exchange contracts, to hedge variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income, while any ineffective part is recognised immediately in the income statement. When the hedged item subsequently results in the recognition of a non-financial asset or liability (e.g. inventories), the associated cumulative gain or loss recognised in the hedging reserve is transferred to the initial carrying amount of the asset or liability. When the hedged item subsequently results in the recognition of a financial asset or liability, the associated cumulative gain or loss that was recognised in other comprehensive income is reclassified from equity to the income statement in the same period that the hedged item affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group discontinues hedge accounting as it no longer meets the Group's risk management objective but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is reclassified from equity when the transaction occurs in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified to the income statement.

The fair value of forward foreign exchange contracts is the difference between their discounted contractual forward price and their current forward price.

**Net investment hedge accounting**

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in the income statement. Amounts taken to other comprehensive income are reclassified from equity to the income statement when the foreign operations are sold or liquidated.

**Other financial instruments**

All other financial instruments are initially recognised at fair value and adjusted for transaction costs. Initial fair value is generally the transaction price. Subsequent measurement is as follows:

- Borrowings are measured at amortised cost. Options to extend the term of facilities are considered to be loan commitments.
- All other financial assets, including current receivables, are measured at amortised cost less any impairment allowances on the basis that these assets are held to collect all contractual cash flows being principal and interest on the amount outstanding.
- All other financial liabilities, including current payables, are measured at amortised cost.

**Classes and categories of financial instruments**

	2026 £m	2025 £m
<b>Financial assets measured at amortised cost</b>		
Non-current other receivables	4.7	4.5
Cash and cash equivalents - cash and short-term deposits	166.5	147.7
Trade and other receivables	664.7	625.3
	<b>835.9</b>	777.5
<b>Financial assets mandatorily measured at FVTPL</b>		
Derivative financial instruments	0.8	0.1
<b>Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)</b>		
Derivative financial instruments	1.8	1.8
	<b>838.5</b>	779.4
<b>Financial liabilities measured at amortised cost</b>		
Non-current other payables	-	(1.7)
Cash and cash equivalents - bank overdrafts	(50.2)	(41.7)
Trade and other payables	(526.7)	(504.4)
Multicurrency revolving facility	(65.0)	(112.6)
Unsecured bank facilities	(44.6)	(23.5)
Term loan	(129.6)	(124.2)
Private placement loan notes	(151.4)	(153.2)
Lease liabilities	(54.6)	(56.7)
	<b>(1,022.1)</b>	(1,018.0)

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 21 Financial instruments continued

	2026 £m	2025 £m
<b>Financial liabilities mandatorily measured at FVTPL</b>		
Derivative financial instruments	(0.5)	(0.1)
Contingent consideration liabilities	(1.7)	-
<b>Derivatives designated and effective as hedging instruments (fair value movements through other comprehensive income)</b>		
Derivative financial instruments	(2.3)	(1.7)
<b>Total financial liabilities</b>	<b>(1,026.6)</b>	<b>(1,019.8)</b>

## Fair values

Under IFRS 13 'Fair Value Measurement', fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities.
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly.
- Level 3 – not based on observable market data (unobservable).

The derivatives listed above are measured at fair value using Level 2 inputs, estimated by discounting the future contractual cash flows using appropriate market-sourced data at the balance sheet date. The overall valuation is classified as Level 2 on the fair value hierarchy. The contingent consideration is measured at fair value using Level 3 inputs.

For all financial assets and liabilities, fair value approximates the carrying amounts in the balance sheet except for the following:

	2026		2025	
	Carrying amounts £m	Fair value £m	Carrying amounts £m	Fair value £m
Non-current and current private placement loan notes	(151.4)	(144.8)	(153.2)	(145.4)

The fair values are calculated by discounting future cash flows to net present values using prevailing interest rate curves, a Level 2 input, and indicative values of the Group's credit margin, a Level 3 input. The overall valuation is classified as Level 3 on the fair value hierarchy.

## Derivatives

	2026		2025	
	Current assets £m	Current liabilities £m	Current assets £m	Current liabilities £m
Forward foreign exchange contracts designated as cash flow hedges (principal amount £157.0 million (2024/25: £150.5 million))	1.8	(2.3)	1.8	(1.7)
Forward foreign exchange contracts classified as fair value through profit or loss	0.8	(0.5)	0.1	(0.1)
<b>Derivatives</b>	<b>2.6</b>	<b>(2.8)</b>	<b>1.9</b>	<b>(1.8)</b>

## Netting arrangements for financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has no financial instruments that meet the criteria for offsetting.

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**22 Net debt**

	2026 £m	2025 £m
Cash and short-term deposits	166.5	147.7
Bank overdrafts (unsecured)	(50.2)	(41.7)
<b>Cash and cash equivalents</b>	<b>116.3</b>	106.0
	<b>2026 £m</b>	<b>2025 £m</b>
<b>Non-current borrowings</b>		
Unsecured private placement loan notes repayable after more than five years	(37.7)	(38.6)
Unsecured private placement loan notes repayable from four to five years	-	(37.8)
Unsecured private placement loan notes repayable from three to four years	(37.7)	-
Unsecured private placement loan notes repayable from one to two years	-	(76.8)
Unsecured multicurrency revolving credit facility repayable from four to five years	-	(112.6)
Unsecured multicurrency revolving credit facility repayable from three to four years	(65.0)	-
Unsecured term loan repayable from three to four years	-	(124.2)
Unsecured term loan repayable from two to three years	(129.6)	-
<b>Non-current borrowings</b>	<b>(270.0)</b>	(390.0)
<b>Current borrowings</b>		
Unsecured bank facilities repayable within one year	(44.6)	(23.5)
Unsecured private placement loan notes repayable within one year	(76.0)	-
<b>Current borrowings</b>	<b>(120.6)</b>	(23.5)
<b>Total borrowings</b>	<b>(390.6)</b>	(413.5)
Cash and cash equivalents	116.3	106.0
Non-current lease liabilities	(37.7)	(41.2)
Current lease liabilities	(16.9)	(15.5)
<b>Net debt</b>	<b>(328.9)</b>	(364.2)

See Note 3 for definition of net debt which is an APM. Cash and cash equivalents comprise cash in hand and in current accounts, overnight deposits, and short-term deposits of less than three months, net of overdrafts with qualifying financial institutions. Borrowings represent loans from qualifying financial institutions. See Note 23 for details of the Group's committed debt facilities.

Movements in net debt were:

	Borrowings £m	Lease liabilities £m	Total liabilities from financing activities £m	Cash and cash equivalents £m	Net debt £m
At 1 April 2024	(440.3)	(73.9)	(514.2)	96.0	(418.2)
Cash flows	18.7	15.7	34.4	16.0	50.4
Acquired with businesses	-	(2.3)	(2.3)	-	(2.3)
New leases	-	(5.9)	(5.9)	-	(5.9)
Lease modifications	-	(7.8)	(7.8)	-	(7.8)
Disposal of leases	-	16.8	16.8	-	16.8
Translation differences	8.1	0.7	8.8	(6.0)	2.8
At 31 March 2025	(413.5)	(56.7)	(470.2)	106.0	(364.2)
Cash flows	<b>27.4</b>	<b>17.2</b>	<b>44.6</b>	<b>(0.6)</b>	<b>44.0</b>
Acquired with businesses	-	(3.3)	(3.3)	7.4	4.1
New leases	-	(10.5)	(10.5)	-	(10.5)
Lease modifications	-	(2.8)	(2.8)	-	(2.8)
Disposal of leases	-	0.4	0.4	-	0.4
Translation differences	(4.5)	1.1	(3.4)	3.5	0.1
<b>At 31 March 2026</b>	<b>(390.6)</b>	<b>(54.6)</b>	<b>(445.2)</b>	<b>116.3</b>	<b>(328.9)</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management**

The principal financial risks to which the Group is exposed are those of credit, liquidity, and market. Market risk includes foreign currency transaction risk and interest rate risk. Each of these is managed in accordance with Board-approved policies.

**Credit risk**

The Group is exposed to credit risk on financial assets such as cash deposits, derivative instruments, and trade and other receivables.

The amounts in the balance sheet represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk at the balance sheet date, as exposure is spread over a large number of counterparties, customers, and geographic locations. The Group has reviewed its credit risk again carefully this year due to the current global economic and geopolitical uncertainties and the Group does not believe it has materially altered during the year.

For cash deposits and derivative instruments, the Group identifies counterparties of suitable creditworthiness based on ratings assigned by international credit-rating agencies and has procedures to ensure that only these parties are used, that exposure limits are set based on the external credit ratings and that these limits are not exceeded. The impairment losses on these are immaterial. The table below sets out the credit exposure to counterparties by rating for cash and cash equivalents and derivatives.

The maximum exposure with a single bank for deposits was £34.1 million (2024/25: £22.7 million) and the largest mark to market exposure for derivative financial instruments to a single bank was £0.4 million (2024/25: £0.2 million). The Group also occasionally uses money market funds to invest surplus cash, thereby diversifying credit risk, and at 31 March 2026 its exposure to these funds was £nil (2024/25: £nil).

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	-	100.9	59.2	1.5	4.9	166.5
Third-party financial derivatives	-	1.8	0.8	-	-	2.6
<b>At 31 March 2026</b>	-	<b>102.7</b>	<b>60.0</b>	<b>1.5</b>	<b>4.9</b>	<b>169.1</b>

	Aaa £m	Aa £m	A £m	Baa £m	Ba1 and below/ unrated £m	Total £m
Bank balances and deposits	-	98.1	46.0	0.8	2.8	147.7
Third-party financial derivatives	-	1.0	0.9	-	-	1.9
<b>At 31 March 2025</b>	-	<b>99.1</b>	<b>46.9</b>	<b>0.8</b>	<b>2.8</b>	<b>149.6</b>

For trade and other receivables, all operating companies have credit policies and monitor their credit exposure on an ongoing basis. Each operating company performs credit evaluations on all customers seeking credit over a certain amount. For countries with no local operating company presence, export credit limits are set and monitored on a country basis monthly by the Treasury Committee. The impairment losses on contract assets, amounts owed by joint venture, and other receivables are immaterial.

The impairment allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the number of days from date of invoice. The expected loss rates are based on the payment profile of sales over a 36-month period from 1 April 2022 and the corresponding historical credit losses experienced within this period, calculated as the trade receivables from this period that have not been paid by the year end. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the impairment allowance for trade receivables was determined as follows:

	2026			2025		
	Expected loss rate %	Gross carrying amount £m	Loss allowance £m	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
0 - 30 days from date of invoice	0.4%	386.1	1.7	0.7%	348.6	2.3
31 - 60 days from date of invoice	0.5%	163.4	0.8	0.6%	162.0	1.0
61 - 90 days from date of invoice	1.0%	50.4	0.5	1.4%	50.8	0.7
91 - 120 days from date of invoice	2.9%	17.5	0.5	3.3%	18.4	0.6
Over 120 days from date of invoice	22.9%	34.5	7.9	19.1%	36.1	6.9
<b>Total</b>		<b>651.9</b>	<b>11.4</b>		<b>615.9</b>	<b>11.5</b>

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued

The ageing of net trade receivables at the reporting date was:

	2026 £m	2025 £m
Not past due	510.4	469.2
Past due 1 - 30 days	71.1	73.3
Past due 31 - 60 days	24.9	26.5
Past due 61 - 120 days	14.2	14.3
Past due over 120 days	19.9	21.1
<b>Total</b>	<b>640.5</b>	<b>604.4</b>

The movement in the impairment allowance for trade receivables was:

	2026 £m	2025 £m
At 1 April	(11.5)	(11.1)
Acquisitions	(0.1)	–
Trade receivables written off	2.2	3.5
Increase in impairment allowance recognised in profit or loss	(2.1)	(4.2)
Translation differences	0.1	0.3
<b>At 31 March</b>	<b>(11.4)</b>	<b>(11.5)</b>

Trade receivables are written off when there is no reasonable expectation of recovery, for example when a customer enters liquidation or the Group agrees with the customer to write off an outstanding invoice. The Group continues to limit its exposure through tight credit policies, proactive monitoring, and collections. Historically, the Group has generally experienced very low levels of trade receivables not being recovered, including those significantly past due, and this was also the case during 2025/26. However, with the continued global economic and geopolitical uncertainties, the Group remains cautious about its exposure and so has reviewed carefully, and maintained at a higher level, its expected loss rates for those markets and industries that are most affected.

At 31 March 2026, the largest trade receivable balance was £12.6 million (2024/25: £15.5 million), of which £4.0 million has been received since the year end.

**Liquidity risk**

The Group's key priority is to ensure that it can meet its liabilities as they fall due. The Group ensures this by having sufficient committed debt facilities in place to meet its anticipated funding requirements. The Group's forecast funding requirements and its committed debt facilities are reported to and monitored by the Treasury Committee monthly.

As at 31 March 2026, the Group had the following committed debt finance in place:

- Private placement loan notes of €18 million with a maturity of October 2026, US\$80 million with a maturity of December 2026, €13 million with a maturity of October 2029, US\$35 million with a maturity of March 2030 and US\$50 million with a maturity of October 2031.
- A £400 million multicurrency revolving credit facility, with an accordion of up to a further £100 million, which has a maturity of October 2029. Amounts borrowed under this facility are borrowed for fixed amounts of time, after which they can be repaid or rolled up to a maximum of the facility maturity.
- A €150 million term loan repayable by October 2028.

As at 31 March 2026, the Group had £335.0 million (2024/25: £287.4 million) of available undrawn committed debt facilities in respect of which all conditions precedent had been met.

The Group also uses bank overdrafts, uncommitted short-term money market loans, cash, and short-term investments. The main purpose of these financial instruments is to manage the Group's day-to-day funding and liquidity requirements.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 23 Financial risk management continued

The contractual maturities of financial liabilities, including contractual future interest payments were:

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
<b>Derivative financial liabilities</b>							
Inflows for foreign exchange contracts	N/A	209.3	209.3	-	-	-	-
Outflows for foreign exchange contracts	N/A	(211.3)	(211.3)	-	-	-	-
Forward foreign exchange contracts	(2.8)	(2.0)	(2.0)	-	-	-	-
<b>Non-derivative financial liabilities</b>							
Multicurrency revolving credit facility	(65.0)	(75.8)	(3.0)	(3.0)	(3.0)	(66.8)	-
Unsecured bank facilities	(44.6)	(45.3)	(45.3)	-	-	-	-
Term loan	(129.6)	(141.5)	(4.3)	(4.3)	(132.9)	-	-
Private placement loan notes	(151.4)	(164.9)	(80.0)	(2.5)	(2.5)	(40.1)	(39.8)
Lease liabilities	(54.6)	(63.0)	(19.1)	(12.7)	(9.2)	(6.1)	(15.9)
Bank overdrafts	(50.2)	(50.2)	(50.2)	-	-	-	-
Trade payables, other payables and accruals	(524.8)	(524.8)	(524.8)	-	-	-	-
<b>At 31 March 2026</b>	<b>(1,023.0)</b>	<b>(1,067.5)</b>	<b>(728.7)</b>	<b>(22.5)</b>	<b>(147.6)</b>	<b>(113.0)</b>	<b>(55.7)</b>

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	After 4 years £m
<b>Derivative financial liabilities</b>							
Inflows for foreign exchange contracts	N/A	161.7	161.7	-	-	-	-
Outflows for foreign exchange contracts	N/A	(163.2)	(163.2)	-	-	-	-
Forward foreign exchange contracts	(1.8)	(1.5)	(1.5)	-	-	-	-
<b>Non-derivative financial liabilities</b>							
Multicurrency revolving credit facility	(112.6)	(134.7)	(4.8)	(4.8)	(4.8)	(4.8)	(115.5)
Unsecured bank facility	(23.5)	(24.0)	(24.0)	-	-	-	-
Term loan	(124.2)	(141.8)	(4.5)	(4.5)	(4.5)	(128.3)	-
Private placement loan notes	(153.2)	(171.9)	(4.8)	(81.0)	(2.5)	(2.5)	(81.1)
Lease liabilities	(56.7)	(67.2)	(17.9)	(14.8)	(9.0)	(6.2)	(19.3)
Bank overdrafts	(41.7)	(41.7)	(41.7)	-	-	-	-
Trade payables, other payables and accruals	(504.1)	(504.1)	(500.6)	(3.5)	-	-	-
<b>At 31 March 2025</b>	<b>(1,017.8)</b>	<b>(1,086.9)</b>	<b>(599.8)</b>	<b>(108.6)</b>	<b>(20.8)</b>	<b>(141.8)</b>	<b>(215.9)</b>

## Market risk – foreign currency transaction risk

The Group is exposed to foreign currency transaction risk as it has operating companies with payables and receivables in currencies other than their functional currency. The Group also has foreign currency translation risk resulting from foreign currency debt (mainly denominated in US dollars and euros) and investment in foreign subsidiaries.

Hedging of currency exposures during periods when operating companies cannot easily change their selling prices is implemented in order to shelter the forecast gross profit during those periods. In this way the impacts of currency fluctuations can be smoothed until selling prices can be changed in the light of movements in exchange rates.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**23 Financial risk management** continued

The hedges are enacted through forward foreign exchange contracts entered into by Group Treasury in appropriate currencies, based on trading projections provided by the operating companies, with fixed terms mainly of between three and seven months and occasionally out to 11 months for some more certain US dollar trading projections. The Group's largest exposures relate to euros and US dollars.

In addition, specific cash flows relating to material transactions in currencies other than the functional currency of the local business are hedged when the commitment is made.

As of 31 March 2026, net transactions of £20 million (2024/25: £77 million) and £34 million (2024/25: £40 million) were hedged for EUR/GBP and USD/GBP respectively.

The Group classifies forward foreign exchange contracts as hedging instruments against forecast cash receipts and payments for sales and purchases, and designates the forward element of these contracts as cash flow hedges for accounting purposes on a 1:1 basis, which means the fair value movement in the hedged item is equal and opposite to the fair value movement in the hedging instrument. The forecast cash flows are expected to occur evenly throughout the forecast period from the year end, which is between three and 11 months, and will affect the income statement in the period in which they occur or the inventories are sold. The average forward prices of the outstanding forward foreign exchange contracts are €1.16:£1 and US\$1.35:£1 (2024/25: €1.16:£1 and US\$1.27:£1).

Foreign currency transaction exposures, and the hedges in place to mitigate them, are monitored monthly by the Treasury Committee. The Group does not believe its foreign currency transaction risk has altered materially during the year. Ineffectiveness may arise if actual foreign currency transactions are lower than the trading projections. There may also be hedge ineffectiveness from the effect of the counterparty and Group's own credit risk on the fair value of forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates, or basis risk or from the timing of transaction. No other sources of ineffectiveness emerged from these hedging relationships.

The Group has designated up to US\$165 million private placement loan notes (2024/25: US\$165 million), with a carrying amount of up to £124.5 million (2024/25: £127.3 million), as hedges of up to US\$165 million (2024/25: US\$165 million) of net investments in its US dollar functional currency subsidiaries. The Group has designated up to €181 million of private placement loan notes and term loan (2024/25: €181 million), with a carrying amount of up to £156.5 million (2024/25: £150.1 million), as hedges of up to €181 million (2024/25: €181 million) of net investments in its euro functional currency subsidiaries. These hedges are expected to remain highly effective as the change in the value of the net assets of the subsidiaries hedged is always exactly offset by the related change in the fair value of the private placement loan notes and term loan. No other foreign currency translation exposures are explicitly hedged although local currency debt is used, where economically and fiscally efficient, in the financing of subsidiaries and this provides a degree of natural hedging. Guidelines are in place to manage the currency mix of the Group's net debt.

The Group does not believe its foreign currency translation risk has altered materially during the year. The balance in the cumulative translation reserve relating to the US\$165 million and €181 million net investment hedges is a gain of £8.5 million (2024/25: £13.7 million) with a further loss of £36.7 million (2024/25: £36.7 million) relating to previous net investment hedging relationships. During the year to 31 March 2026 a loss of £5.2 million was recognised in OCI.

Borrowings are analysed by currency as:

	Bank overdrafts £m	Bank facilities £m	Term loan £m	Multicurrency revolving credit facility £m	Private placement loan notes £m	Total £m
<b>At 31 March 2026</b>						
Sterling	(31.0)	(25.0)	-	(65.0)	-	(121.0)
US dollar	(4.8)	-	-	-	(124.5)	(129.3)
Euro	(2.1)	-	(129.6)	-	(26.9)	(158.6)
Canadian dollar	(7.9)	-	-	-	-	(7.9)
Other	(4.4)	(19.6)	-	-	-	(24.0)
Total borrowings	(50.2)	(44.6)	(129.6)	(65.0)	(151.4)	(440.8)
<b>At 31 March 2025</b>						
Sterling	(22.0)	-	-	(50.0)	-	(72.0)
US dollar	(5.6)	-	-	-	(127.3)	(132.9)
Euro	(8.0)	-	(124.2)	(62.6)	(25.9)	(220.7)
Canadian dollar	(4.0)	-	-	-	-	(4.0)
Other	(2.1)	(23.5)	-	-	-	(25.6)
Total borrowings	(41.7)	(23.5)	(124.2)	(112.6)	(153.2)	(455.2)

**Market risk - interest rate risk**

The Group's policy dictates regular monitoring of interest rate exposure, with a view to taking suitable actions should exposure reach certain levels.

As at 31 March 2026 (and 31 March 2025), the Group had US\$165 million and €31 million of private placement loan notes at fixed interest rates. All other borrowings were at variable rates. At 31 March 2026, 34% (2024/25: 34%) of the Group's gross borrowings excluding lease liabilities (total borrowings plus bank overdrafts) was at fixed rates, with surplus cash deposited at variable rates.

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**23 Financial risk management** continued**Sensitivity analysis of exposure to interest rates and foreign exchange rates**

The sensitivity analysis is based on the following:

- Change of one percentage point in market interest rates affecting all variable rate elements of financial instruments.
- Change of 5% in euro and US dollar exchange rates affecting the fair value of derivative financial instruments designated as hedging instruments and other financial assets and liabilities. The transactional foreign exchange effect in equity due to net investment hedges included below would be offset in full by the translation of the US and European subsidiaries.

	2026		2025	
	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m	Impact on income statement gain/(loss) £m	Impact on equity gain/(loss) £m
One percentage point increase in interest rates	(1.2)	-	(1.6)	-
5% weakening of the euro	(2.1)	6.9	1.5	5.5
5% weakening of the US dollar	(0.7)	7.1	(1.9)	12.1

A corresponding decrease in interest rates or strengthening of exchange rates would result in an equal and opposite effect to the amounts above.

**Capital management**

The Board's policy is to maintain a strong capital base always, with an appropriate debt to equity mix, to ensure investor, creditor, and market confidence and to support the future development of the business. The Board monitors ROCE (Note 3) and the level of dividends to ordinary shareholders.

The Group seeks to raise debt from a variety of sources and with a variety of maturities. See Note 22 for further details.

The Group's debt covenants are net debt to adjusted EBITDA to be less than 3.25 times and EBITA to interest to be greater than 3 times, which are measured on a rolling 12-month basis at half-year and year-end. At the year-end the Group comfortably met these covenants with net debt to adjusted EBITDA of 1.0x (2024/25: 1.1x) and EBITA to interest of 14.9x (2024/25: 10.9x).

There were no significant changes in the Group's approach to capital management during the year.

**24 Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation as a result of a past event and a reasonable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless the transfer of economic benefits is remote.

	Reorganisation provision £m	Penalties and interest on uncertain income tax provision £m	Dilapidation provision £m	Total £m
At 1 April 2025	3.8	1.9	2.4	8.1
Acquisitions (Note 29)	-	-	0.6	0.6
Additions	3.9	0.2	-	4.1
Utilised	(3.7)	-	-	(3.7)
Released	(0.7)	-	-	(0.7)
Translation differences	0.1	0.1	0.1	0.3
<b>At 31 March 2026</b>	<b>3.4</b>	<b>2.2</b>	<b>3.1</b>	<b>8.7</b>

Analysed in the balance sheet as:

	2026 £m	2025 £m
Current	4.7	5.0
Non-current	4.0	3.1
	<b>8.7</b>	<b>8.1</b>

Provisions for uncertain tax positions are recognised in current tax liabilities, with relevant penalties and interest recognised in provisions. See Note 11. The reorganisation provision is expected to be fully utilised by March 2027 and the dilapidation provision is expected to be fully utilised by March 2028.

At 31 March 2026, there were no material contingent liabilities (2024/25: none).

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**25 Capital commitments**

As at 31 March 2026, the Group is contractually committed to, but has not provided for, future capital expenditure of £6.3 million (2024/25: £12.9 million) for property, plant and equipment and £2.2 million (2024/25: £4.5 million) for intangible assets.

**26 Share capital and share premium**

	Number of shares	Share capital £m	Share premium £m	Total £m
Issued and fully paid ordinary shares of 10p each:				
At 1 April 2024	474,012,312	47.4	239.5	286.9
Issues to settle employee share awards	37,156	-	0.2	0.2
At 31 March 2025	474,049,468	47.4	239.7	287.1
<b>At 31 March 2026</b>	<b>474,049,468</b>	<b>47.4</b>	<b>239.7</b>	<b>287.1</b>

The EBT buys shares on the open market and holds them in trust for employees participating in the Group's share-based payment schemes. At 31 March 2026, the EBT held 10,883,849 shares (2024/25: 5,538,418 shares) which had not yet vested unconditionally with employees.

**27 Other reserves**

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
At 1 April 2024	(0.4)	109.3	108.9
Foreign exchange translation differences	-	(84.2)	(84.2)
Fair value gain on net investment hedges (Note 23)	-	6.6	6.6
Cash flow hedging losses taken to equity	(5.6)	-	(5.6)
Cash flow hedging losses transferred to cost of sales	7.0	-	7.0
Tax on other comprehensive income (Note 11)	(0.2)	-	(0.2)
Total comprehensive expense	1.2	(77.6)	(76.4)
Cash flow hedging gains transferred to inventories	(0.6)	-	(0.6)
Tax on cash flow hedging transferred to inventories	0.1	-	0.1
At 31 March 2025	0.3	31.7	32.0

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
Foreign exchange translation differences	-	32.6	32.6
Fair value loss on net investment hedges (Note 23)	-	(5.2)	(5.2)
Cash flow hedging gains taken to equity	4.0	-	4.0
Cash flow hedging gains transferred to cost of sales	(1.6)	-	(1.6)
Tax on other comprehensive income (Note 11)	(0.6)	-	(0.6)
Total comprehensive income	1.8	27.4	29.2
Cash flow hedging gains transferred to inventories	(3.1)	-	(3.1)
Tax on cash flow hedging transferred to inventories	0.8	-	0.8
<b>At 31 March 2026</b>	<b>(0.2)</b>	<b>59.1</b>	<b>58.9</b>

**28 Related parties**

The Group's joint venture (Note 17) is a related party and during the year, the Group made sales of £0.9 million (2024/25: £4.4 million) to the joint venture, and a balance of £1.8 million (2024/25: £1.3 million) was outstanding at the year end.

The Group's pension schemes are related parties and the Group's transactions with them are disclosed in Note 10. Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

The key management personnel of the Group are the Directors and the Senior Management Team/ Executive Committee, whose compensation was:

	2026 £m	2025 £m
Short-term employee benefits	8.3	9.5
Post-employment benefits	0.1	0.1
Termination benefits	0.4	0.4
Share-based payments	3.2	1.4
	<b>12.0</b>	<b>11.4</b>

## Group accounts continued

**NOTES TO GROUP ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**29 Acquisitions**

On 1 March 2026 the Group acquired 100% of the issued share capital of BPX Group Holdings Limited, a UK and Ireland based specialist distributor of industrial automation and control products. BPX stocks, supports, and supplies automation and control components, devices and solutions from many of the world's leading electrical, electronic and pneumatic manufacturers. Serving over 6,000 active customers, BPX's offering is highly complementary to the Group's automation and control capabilities, and further expand the Group's relationship with key suppliers. The goodwill arising on the acquisition represents the anticipated revenue synergies through offering enhanced product and capability to complementary customers in addition to the optimisation of combined costs over the medium term.

The fair value of the net assets acquired, consideration, and goodwill arising, plus transaction costs and contribution to the Group's results since acquisition were:

	<b>£m</b>
Intangible assets – customer contracts, relationships and distribution agreements	<b>9.0</b>
Intangible assets – brands	<b>2.2</b>
Property, plant and equipment	<b>1.3</b>
Right-of-use assets	<b>3.3</b>
Inventories	<b>7.0</b>
Current trade and other receivables	<b>15.2</b>
Cash and cash equivalents – cash and short-term deposits	<b>7.4</b>
Current trade and other payables	<b>(12.3)</b>
Current lease liabilities	<b>(0.9)</b>
Non-current lease liabilities	<b>(2.4)</b>
Non-current other provisions	<b>(0.6)</b>
Current income tax liabilities	<b>(0.3)</b>
Deferred tax liabilities	<b>(2.8)</b>
Net assets acquired	<b>26.1</b>
Goodwill	<b>9.3</b>
Consideration paid – cash	<b>31.8</b>
Deferred consideration payable	<b>1.9</b>
Contingent consideration payable	<b>1.7</b>
<b>Total consideration</b>	<b>35.4</b>

	<b>£m</b>
Acquisition-related costs charged to administrative expenses:	
In 2025/26	<b>1.2</b>
Revenue since acquisition	<b>6.2</b>
Profit after tax since acquisition	<b>0.4</b>
Trade and other receivables:	
Gross contractual amounts receivable	<b>15.3</b>
Estimate of amounts not expected to be collected	<b>0.1</b>

At 31 March 2026 the measurement period for the purchase price allocation remained open and accordingly, the fair values presented are provisional.

The goodwill will not be deductible for tax purposes. The deferred consideration is due 12 months after the completion date and the contingent consideration is based on EBITDA performance in the 12 months to October 2026, with a range of outcomes from £nil to £3.0 million.

If the acquisition had occurred on 1 April 2025, the Group's revenue and profit for the year ended 31 March 2026 would have been £2,940.5 million and £162.9 million respectively, including the additional amortisation of acquired intangibles that would have been charged and the consequential tax effects.

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

**30 Disposals**

On 1 August 2025 the Group disposed of its sales activities in Finland, Estonia, Lithuania, and Latvia to Boreo plc, the Group's exclusive regional distributor in those regions. RS will continue to supply Distrelec customers in these markets through an expanded distribution agreement. These trading activities were acquired on 30 June 2023 as part of the acquisition of Distrelec B.V. and its subsidiaries (Distrelec), a high-service, digital-led distributor of industrial and maintenance, repair and operations (MRO) product in Europe, and were included in the EMEA segment. The transaction was in the form of both a transfer of share capital (Finland) and of assets and trade, with compensation received for any working capital liabilities (Estonia, Lithuania, and Latvia). The disposal includes the transfer of customer relationships and staff, excluding the shared service centre activities in Latvia which is retained by the Group. The gain on disposal is recognised in the income statement within operating profit.

The carrying value of the net assets disposed, consideration received, and resulting gain on disposal were:

	<b>£m</b>
Goodwill	<b>(2.0)</b>
Intangible assets – customer relationships	<b>(0.6)</b>
Trade and other receivables	<b>(0.3)</b>
Cash and cash equivalents – cash and short-term deposits	<b>(0.4)</b>
Current trade and other payables	<b>0.6</b>
Deferred tax liabilities	<b>0.1</b>
Net assets disposed	<b>(2.6)</b>
Consideration received – cash	<b>4.9</b>
Consideration receivable	<b>1.1</b>
Total consideration	<b>6.0</b>
Gain on disposal	<b>3.4</b>

**31 Related undertakings**

A full list of related undertakings (comprising subsidiaries and a joint venture) is set out below. All subsidiaries are wholly owned except where indicated below and operate within their countries of incorporation. Those companies marked with an asterisk (\*) are indirectly held by the Company.

<b>Name and registered address of undertaking</b>	<b>Country of incorporation</b>	<b>Class of share held</b>
<b>Distributor of product and service solutions</b>		
<b>RS Components Pty Limited*</b>		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
<b>Trident Australia Pty Limited*</b>		
25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
<b>RS Components Handelsgesellschaft m.b.H.*</b>		
Albrechtser Straße 11, 3950, Gmünd, Austria	Austria	Share of equity
<b>RS Integrated Supply Belgium*</b>		
Louizalaan 65/11, 1050 Elsenne, Belgium	Belgium	Ordinary
<b>RS Americas (Canada), Inc.*</b>		
22 St Clair Avenue East, Suite 200, Toronto, Ontario, M4T2S3, Canada	Canada	Common
<b>RS Integrated Supply Canada Corp.*</b>		
600-1741 Lower Waters Street, Halifax, NS, B3J 0J2, Canada	Canada	Common
<b>RS Group Limitada (DBA - RS Limitada)*</b>		
Av. Eduardo Frei Montalva, 6001-71 Conchali, Santiago, Chile	Chile	Ordinary
<b>RS Components Limited*</b>		
4/F, VC House, 4-6 On Lan Street, Central, Hong Kong	China	Ordinary
<b>RS Components (Shanghai) Company Limited*</b>		
East Part, 2 Floor, No.27 building, No.30, Fu Te East Third Road China (Shanghai) Pilot Free Trade Zone	China	Ordinary
<b>RS Group (Macau) Limited*</b>		
Block DH, 15th Floor, Dynasty Plaza Building, No.411-417 Song Yusheng Plaza, Macau	China	Ordinary
<b>RS Components A/S*</b>		
Nattergalevej 6, 2400, København NV, Denmark	Denmark	Ordinary
<b>Risoul Dominicana S.R.L.*</b>		
Autopista Duarte KM 17, Calle Los Almejos, Palma Enana No 13, Nave 1, Villa Linda, Palmarejito, Santo Domingo Oeste, Dominican Republic	Dominican Republic	Ordinary
<b>Elfa Distrelec OÜ*</b>		
Hobujaama 4, Tallinn 10151, Estonia	Estonia	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>RS Components SAS*</b> Rue Norman King, 60000, Beauvais, France	France	Ordinary
<b>RS Integrated Supply France*</b> Rue Norman King BF 453, F-60031 Beauvais Cedex, France	France	Ordinary
<b>RS Components GmbH*</b> Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
<b>RS Integrated Supply Deutschland GmbH*</b> Bleibtreustr. 21, 10623, Berlin, Germany	Germany	Ordinary
<b>RS Integrated Supply Hungary Korlátolt Felelősségű Társaság*</b> 1134 Budapest, Váci út. 23-27	Hungary	Ordinary
<b>RS Components &amp; Controls (India) Limited*†</b> 222 Okhla Industrial Estate, New Delhi, India	India	Ordinary
<b>RS Components S.r.l.*</b> Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
<b>RS Integrated Supply Italy S.r.l.*</b> Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
<b>RS Components KK*</b> West Tower 12F, Yokohama Business Park, 134 Godocho, Hodogaya, Yokohama, Kanagawa, 240-0005, Japan	Japan	Ordinary
<b>Elfa Distrelec SIA*</b> Krišjāņa Valdemāra iela 62, Rīga LV 1013, Latvia	Latvia	Ordinary
<b>Elfa Distrelec, UAB*</b> Jogailos g.9, LT-01116 Vilnius	Lithuania	Ordinary
<b>RS Components Sdn. Bhd.*</b> Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, Johor Bahru, 80000, Johor, Malaysia	Malaysia	Ordinary
<b>Allied Electronics &amp; Automation S. de R.L. de C.V.*</b> Piso 10, Apt. 1004, Office 1004-A, 505 Ejército Nacional Avenue, Granada, Miguel Hidalgo, Mexico City, 1152, Mexico	Mexico	Ordinary
<b>Risoul y Cia, S.A. de C.V.*</b> Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>RS Custom Order Solutions, S.A. de C.V.*</b> Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary
<b>Storeroom Solutions Mexico, S. de R.L. de C.V.*</b> Florencia 57 P, 3 Juarez Distrito Federal, 06600, Mexico	Mexico	Ordinary
<b>Liscombe B.V.*</b> Jarmuiden 56 a, 1046 AE, Amsterdam, Netherlands	Netherlands	Ordinary
<b>Distrelec B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Components B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Integrated Supply Netherlands B.V.*</b> Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
<b>RS Components Limited*</b> KPMG, 18 Viaduct Harbour Avenue, Auckland, 1010, New Zealand New Zealand	New Zealand	Ordinary
<b>RS Components AS*</b> Kristian Augusts Gate 13, 0164 Oslo, Norge	Norway	Ordinary
<b>RS Components Corporation*</b> 21st Floor Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City, Philippines	Philippines	Common and preference
<b>RS Components sp. z.o.o.*</b> Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
<b>RS Integrated Supply Poland Sp. z.o.o.*</b> Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
<b>BPX Electromechanical Company Limited*</b> Unit 3A, Deerpark Business Complex, Dublin Road, Carlow, Ireland	Republic of Ireland	Ordinary
<b>Radionics Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
<b>RS Integrated Supply Ireland Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Synovos Ireland Limited*</b> Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
<b>RS Components Pte Ltd*</b> 133 Cecil Street, #14-01, Keck Seng Tower, Singapore	Singapore	Ordinary
<b>RS Integrated Supply Singapore Pte. Ltd.*</b> 10 Ubi Crescent, #06-18 Ubi Techpark, 408564, Singapore	Singapore	Ordinary
<b>Synovos Singapore Pte. Ltd.*</b> 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	Singapore	Ordinary
<b>RS Integrated Supply Slovakia s.r.o.*</b> Landererova 12, Bratislava - mestská časť Staré Mesto, 81109, Slovakia	Slovakia	Ordinary
<b>Amidata S.A.U.*</b> Avenida de Bruselas 6, Alcobendas, 28108, Madrid, Spain	Spain	Ordinary
<b>Risoul Iberica SA*</b> 08402 - Granollers, calle Girona, numero 85, Barcelona, Spain	Spain	Ordinary
<b>Elfa Distrelec AB*</b> Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
<b>RS Components AB*</b> Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
<b>RS Integrated Supply Sweden AB*</b> Drottninggatan 96, 113 60, Stockholm, Sweden	Sweden	Ordinary
<b>Distrelec Schweiz AG*</b> Grabenstrasse 6, 8606 Nänikon, Switzerland	Switzerland	Ordinary
<b>Domnick (Thailand) Co., Ltd.* (86.74%)</b> No. 99/1-3, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yan Nawa, Bangkok, 10120, Thailand	Thailand	Ordinary and preference
<b>RS Components Co., Ltd.*</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>Risoul (Trinidad and Tobago) Limited*</b> Nunez & Co, Level 2, Invaders Bay Tower, Invaders Bay, Off Audrey Jeffers Highway, Port of Spain, Trinidad and Tobago	Trinidad and Tobago	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Automation Technology Limited*</b> Unit 11 Rutherford Way, Drayton Fields, Daventry, Northamptonshire	UK	Ordinary
<b>BPX Electro-Mechanical Company Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components (Anglia) Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Controls &amp; Drives Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Distrelec Ltd*</b> 7th floor, 2 St Peter's Square, Manchester, M2 3AA, UK	UK	Ordinary
<b>IESA A &amp; D Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>Leicester Switch &amp; Control Co. Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>OKdo Technology Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Components Limited</b> Birchington Road, Weldon, Corby, Northamptonshire, NN17 9RS, UK	UK	Ordinary
<b>RS Integrated Supply UK Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>Truelec Control Systems Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>MRO Distribution, Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

## Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

## 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>New DEAM, LLC*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>RS Americas, Inc*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>RS Integrated Supply Puerto Rico LLC*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>RS Integrated Supply US Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common

## Holding, Financing and Management Companies

<b>RS Components Business Services (Foshan) Limited*</b> 22nd Floor, Glory International Financial Center, No.25, Ronghe Road, Guicheng, Nanhai District, Foshan, Guangdong, 528200, China	China	Ordinary
<b>Electrocomponents France SARL*</b> Rue Norman King, 60000, Beauvais, France	France	Ordinary
<b>Bodenfeld Immobilien GmbH*</b> Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
<b>Electrocomponents Jersey Finance Unlimited*</b> 44 Esplanade, St Helier, JE4 9WG, Jersey	Jersey	Common
<b>Synovos Netherlands C.V.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	Netherlands	Partnership
<b>BPX Electromechanical Holdings Limited*</b> Unit 3, Deerpark Business Park, Dublin Road, Ballyvergal, Carlow, Ireland	Republic of Ireland	Ordinary
<b>Electrocomponents Holdings (Thailand) Limited* (49.00%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Electrocomponents Newco (Thailand) Limited* (86.73%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>Electrocomponents (Thailand) Limited* (73.99%)</b> GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
<b>BPX Group Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>BPX Group Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components Holdings Ltd*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Control Components Incorporated Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Electrocomponents Overseas Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>Electrocomponents US Finance Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>IESA A &amp; D Holdings Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>IESA Holdings Limited*</b> IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
<b>RS Components Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Group International Holdings Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Group Pension Trustees Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary

Group accounts continued

## NOTES TO GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 31 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Electrocomponents, Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common and preference
<b>Electrocomponents North America, Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents North America LLC*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents (US), Inc.*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Electrocomponents US LLC*</b> 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
<b>Synovos International, Inc.*</b> Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
<b>Not currently trading</b>		
<b>RS Components (Proprietary) Limited*</b> 20 Indianapolis Street, Kyalami Business Park, Kyalami Midrand, Gauteng, 1684, South Africa	South Africa	Ordinary
<b>Electro Lighting Group Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>IESA Limited</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>RS Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
<b>John Liscombe Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
<b>Needlers Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference

Name and registered address of undertaking	Country of incorporation	Class of share held
<b>Needlers Holdings Limited*</b> Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
<b>BPX Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Ranger Computer Systems Limited*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary
<b>Ranger Industries Ltd*</b> Unit 3 Rothley Lodge Commercial Park, Loughborough Road, Rothley, Leicestershire, United Kingdom	UK	Ordinary

### Subsidiary exemptions

For the year ended 31 March 2026 the following subsidiaries of the Company have taken advantage of the exemption from an audit available under s479a of the Companies Act 2006, as the Company has given a statutory guarantee of all of the outstanding liabilities of these subsidiaries as at 31 March 2026.

Name	Company Number
Distrelec Ltd	10698604
Electrocomponents Overseas Limited	2397713
Electrocomponents US Finance Limited	4180300
IESA A & D Holdings Limited	9082338
IESA A & D Limited	4621135
IESA Holdings Limited	6337851
John Liscombe Limited	144689
RS Components Holdings Limited	3718521

### 32 Post balance sheet events

On 20 May 2026, the Company announced the commencement of a share buyback programme to purchase ordinary shares of 10 pence each in the capital of the Company for up to a maximum consideration of £100,000,000, excluding stamp duty and expenses.

The purpose of the programme is to reduce the share capital of the Company. The programme began on the date of announcement and will end no later than 19 May 2027. All ordinary shares purchased under the programme will be cancelled.

## Company accounts

## COMPANY BALANCE SHEET

As at 31 March 2026

	Notes	2026 £m	2025 £m
<b>Fixed assets</b>			
Tangible assets	7	13.9	14.5
Investments in subsidiaries	8	599.0	558.6
<b>Total fixed assets</b>		<b>612.9</b>	573.1
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	22.6	17.7
Debtors: amounts falling due within one year	10	1,221.6	1,130.6
Cash at bank and in hand		15.1	29.0
<b>Total current assets</b>		<b>1,259.3</b>	1,177.3
Creditors: amounts falling due within one year	11	(451.6)	(332.5)
<b>Net current assets</b>		<b>807.7</b>	844.8
<b>Total assets less current liabilities</b>		<b>1,420.6</b>	1,417.9
Creditors: amounts falling due after more than one year	12	(270.3)	(390.4)
<b>Net assets</b>		<b>1,150.3</b>	1,027.5
<b>Capital and reserves</b>			
Share capital	16	47.4	47.4
Share premium account	16	239.7	239.7
Own shares held by Employee Benefit Trust (EBT)	16	(73.4)	(42.3)
Profit and loss account (including profit for the year of £251.7 million (2024/25: £128.9 million))	16	936.6	782.7
<b>Total equity</b>		<b>1,150.3</b>	1,027.5

The Company accounts on pages 176 to 180 were approved by the Board of Directors and authorised for issue on 19 May 2026. They were signed on its behalf by:

**Kate Ringrose**

Chief Financial Officer

RS Group plc  
Company number: 647788

## COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Share capital £m	Share premium account £m	Own shares held by EBT £m	Profit and loss account £m	Total £m
<b>At 1 April 2024</b>	47.4	239.5	(1.8)	754.4	1,039.5
Profit and total comprehensive income for the year	-	-	-	128.9	128.9
Dividends (Note 16)	-	-	-	(104.7)	(104.7)
Equity-settled share-based payments (Note 5)	-	-	-	9.4	9.4
Settlement of share awards (Note 16)	-	0.2	6.0	(5.1)	1.1
Purchase of own shares by EBT (Note 16)	-	-	(46.5)	-	(46.5)
Tax on equity-settled share-based payments	-	-	-	(0.2)	(0.2)
<b>At 31 March 2025</b>	47.4	239.7	(42.3)	782.7	1,027.5
Profit and total comprehensive income for the year	-	-	-	251.7	251.7
Dividends (Note 16)	-	-	-	(105.9)	(105.9)
Equity-settled share-based payments (Note 5)	-	-	-	9.9	9.9
Settlement of share awards (Note 16)	-	-	2.6	(2.2)	0.4
Purchase of own shares by EBT (Note 16)	-	-	(33.7)	-	(33.7)
Tax on equity-settled share-based payments	-	-	-	0.4	0.4
<b>At 31 March 2026</b>	<b>47.4</b>	<b>239.7</b>	<b>(73.4)</b>	<b>936.6</b>	<b>1,150.3</b>

## Company accounts continued

## NOTES TO THE COMPANY ACCOUNTS

For the year ended 31 March 2026

### 1 General information

RS Group plc (the Company) is the parent company of the RS Group and is included in the consolidated accounts of RS Group plc (the Group accounts). The Company is a public limited company and is incorporated, registered and domiciled in England and Wales. The address of its registered office is Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

### 2 Statement of compliance

The individual accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

### 3 Basis of preparation

These are the Company's separate accounts and have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. They are presented in sterling and rounded to the nearest £0.1 million. The principal accounting policies have been applied consistently unless otherwise stated.

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, that are included in these accounts.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- i. preparation of a cash flow statement
- ii. financial instrument disclosures
- iii. share-based payment disclosures
- iv. key management personnel compensation disclosure

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in profit or loss.

As part of the Periodic Review 2024, Section 20 'Leases' was significantly amended, with changes effective for annual reporting periods beginning on or after 1 January 2026. The amendments introduce new lease accounting requirements based on IFRS 16 'Leases', with appropriate simplifications. The Company expects the application of this amendment to result in the recognition of a right-of-use asset and a lease liability on the balance sheet.

### 4 Employees

	2026	2025
<b>Average number of employees</b>		
Management and administration for the Company	60	68
Management and administration for the Company's subsidiaries	730	789
<b>Management and administration total</b>	<b>790</b>	857
	2026	2025
<b>Aggregate employment costs</b>	<b>£m</b>	<b>£m</b>
Wages and salaries	11.7	9.5
Social security costs	1.7	1.2
Share-based payments - equity-settled (Note 5)	2.1	1.0
Share-based payments - cash-settled	0.2	(0.1)
Defined contribution retirement benefit costs (Note 6)	0.4	0.5
	<b>16.1</b>	12.1
Termination benefits	<b>(0.1)</b>	0.6
<b>Total</b>	<b>16.0</b>	12.7

Information on the Directors' remuneration is in the Directors' Remuneration Report on pages 98 to 117.

The numbers above are for employees who work for the Company. There are a number of Group employees whose contracts of employment are with the Company but who actually work in its subsidiaries and perform no services directly for the Company. These employees are not included in the cost numbers above.

### 5 Share-based payments

The Company operates a number of share-based payment schemes for employees of the Group, details of which are in Note 9 of the Group accounts. A number of the Company's employees participate in the equity-settled LTIPs, DSBP, and equity-settled SAYE, which grant rights to the Company's own equity instruments and hence are accounted for as equity-settled share-based payments.

## Company accounts continued

## NOTES TO COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 6 Post-employment benefits

Employees of the Company may be members of the Group's UK pension schemes.

#### Defined benefit scheme

There is no agreement or stated policy for charging the net defined benefit cost for the scheme to the individual Group entities. Both the Company and RS Components Limited, the main UK trading subsidiary of the Company, are the sponsoring employers. The majority of the scheme members work for RS Components Limited and so it accounts for the UK scheme as a defined benefit scheme in its accounts. The Company recognises a cost equal to its contributions.

Details of the UK defined benefit scheme is in Note 10 of the Group accounts.

#### Defined contribution scheme

Contributions to the defined contribution scheme are expensed as they fall due.

### 7 Tangible assets

Tangible assets are stated at cost (or deemed cost for the freehold warehouse facility which is occupied by a wholly owned subsidiary) less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, and any dismantling and restoration costs.

No depreciation has been charged on land. Other assets are depreciated to residual value on a straight-line basis over the following useful lives: investment property (freehold warehouse facility occupied by a wholly owned subsidiary) 50 years; leasehold improvements 10 years; plant and machinery 10 years; and computer equipment 5 years.

	Investment property £m	Leasehold improvements £m	Plant and machinery £m	Computer equipment £m	Total £m
<b>Cost</b>					
<b>At 1 April 2025 and 31 March 2026</b>	<b>18.2</b>	<b>1.2</b>	<b>9.2</b>	<b>0.8</b>	<b>29.4</b>
<b>Depreciation</b>					
At 1 April 2025	4.0	0.9	9.2	0.8	14.9
Charged in the year	0.5	0.1	-	-	0.6
<b>At 31 March 2026</b>	<b>4.5</b>	<b>1.0</b>	<b>9.2</b>	<b>0.8</b>	<b>15.5</b>
<b>Net book value</b>					
<b>At 31 March 2026</b>	<b>13.7</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>13.9</b>
At 31 March 2025	14.2	0.3	-	-	14.5

### 8 Investments in subsidiaries

Investments in subsidiaries are carried at the lower of cost and expected recoverable amount. This includes loans that are intended for use on a continuing basis in the entity's activities, including acquisition of subsidiaries, and expected to be repaid after more than one year, although there is an option for the Company to require repayment on demand. Impairments are recognised in the profit and loss account.

The expense relating to share-based payments that grant rights to the Company's equity instruments to employees of other Group companies is treated as an increase in investments, with the corresponding credit taken directly to reserves. In the year ended 31 March 2026, this amounted to £7.8 million (2024/25: £8.4 million).

	Shares £m	Loans £m	Total £m
<b>Cost</b>			
At 1 April 2025	243.8	329.9	573.7
Additions	7.8	30.2	38.0
Translation differences	-	2.4	2.4
<b>At 31 March 2026</b>	<b>251.6</b>	<b>362.5</b>	<b>614.1</b>
<b>Impairments</b>			
At 1 April 2025	-	15.1	15.1
<b>At 31 March 2026</b>	<b>-</b>	<b>15.1</b>	<b>15.1</b>
<b>Net book value</b>			
<b>At 31 March 2026</b>	<b>251.6</b>	<b>347.4</b>	<b>599.0</b>
At 31 March 2025	243.8	314.8	558.6

During the year, additional loans of £30.2 million (2024/25: £nil) were extended to a subsidiary holding company to restructure its balance sheet and support long-term investment in the EMEA market.

A list of the Company's related undertakings is in Note 31 to the Group accounts.

Company accounts continued

## NOTES TO COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2026

### 9 Financial instruments

#### Derivative financial instruments and hedging activities

The Company has elected to adopt the recognition and measurement provisions of IAS 39 (as adopted in the UK) and the disclosure provisions of FRS 102 in respect of financial instruments.

The Company uses derivative financial instruments to cover its exposure to foreign exchange risks arising from operational and financing activities. It principally employs forward foreign exchange contracts to hedge against changes in exchange rates on behalf of its operating subsidiaries, using back-to-back external and intra-group forward foreign exchange contracts, and these subsidiaries apply cash flow hedging where appropriate. In accordance with its treasury policies, the Company does not hold or issue derivative financial instruments for trading purposes.

All the Company's derivatives are measured at fair value with changes in the fair values recognised in profit or loss.

#### Other financial instruments

All other financial assets, including cash and bank balances and amounts owed by subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

All other financial liabilities, including accruals, other creditors, bank overdrafts and loans, private placement loan notes, and amounts owed to subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost.

### 10 Debtors

	2026 £m	2025 £m
<b>Amounts falling due within one year:</b>		
Amounts owed by subsidiary undertakings	1,210.3	1,123.2
Other derivative assets	5.0	3.6
Prepayments	5.1	3.8
Other receivables	1.2	-
<b>Debtors: amounts falling due within one year</b>	<b>1,221.6</b>	<b>1,130.6</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by subsidiary undertakings	21.1	17.5
Deferred tax asset (Note 13)	1.5	0.2
<b>Debtors: amounts falling due after more than one year</b>	<b>22.6</b>	<b>17.7</b>

During the year, a net impairment reversal of £18.7 million (2025/26: impairment of £14.4 million) was recognised in profit and loss against amounts owed by subsidiary undertakings, mainly due to the restructuring of subsidiary loans (Note 8).

Amounts owed by subsidiary undertakings are unsecured, bear interest at market rates, and are repayable on demand. The carrying amount includes an impairment allowance of £36.1 million (2024/25: £54.8 million).

### 11 Creditors: amounts falling due within one year

	2026 £m	2025 £m
Amounts owed to subsidiary undertakings	288.5	281.2
Unsecured private placement loan notes repayable within one year	76.0	-
Unsecured term loan repayable within one year	25.0	-
Bank overdrafts	48.4	41.6
Other derivative liabilities	4.7	3.7
Provisions	-	0.3
Accruals	7.7	4.7
Other creditors	1.3	1.0
	<b>451.6</b>	<b>332.5</b>

Amounts owed to subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand.

## Company accounts continued

**NOTES TO COMPANY ACCOUNTS CONTINUED**

For the year ended 31 March 2026

**12 Creditors: amounts falling due after more than one year**

	2026 £m	2025 £m
Unsecured private placement loan notes repayable after more than five years	37.7	38.6
Unsecured private placement loan notes repayable from four to five years	-	37.8
Unsecured private placement loan notes repayable from three to four years	37.7	-
Unsecured private placement loan notes repayable from one to two years	-	76.8
Unsecured multicurrency revolving facility agreement repayable from four to five years	-	112.6
Unsecured multicurrency revolving facility agreement repayable from three to four years	65.0	-
Unsecured term loan repayable from three to four years	-	124.2
Unsecured term loan repayable from two to three years	129.6	-
Other creditors	-	0.3
Cash-settled share-based payment liability	0.3	0.1
	<b>270.3</b>	390.4

Details of the private placement loan notes, and multicurrency revolving facility agreement are in Notes 21 to 23 of the Group accounts.

**13 Deferred tax**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are attributable to the following:

	2026 £m	2025 £m
Equity-settled share-based payments	1.5	0.2
<b>Deferred tax asset (Note 10)</b>	<b>1.5</b>	0.2

The Company has gross unused capital losses of £6.6 million (2024/2025: £6.6 million) available for offset against future chargeable gains. No deferred tax asset has been recognised on these unused losses as it is not probable that future chargeable gains will be available against which they can be utilised.

**14 Operating lease commitments**

Future minimum amounts payable under non-cancellable operating leases are:

	2026 £m	2025 £m
Within one year	1.2	1.2
From one to five years	0.4	1.5
	<b>1.6</b>	2.7

**15 Contingent liabilities**

The Company enters into financial guarantee contracts to guarantee the indebtedness of certain other companies within the Group. The Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Guarantees exist in respect of bank facilities available to certain subsidiaries, up to a maximum of £110.6 million (2024/25: £110.6 million), of which £9.0 million (2024/25: £0.9 million) had been drawn down at the end of the year.

**16 Capital and reserves and dividends**

Details of the Company's share capital, share premium account, EBT, and dividends paid to shareholders are in Notes 13 and 26 of the Group accounts.

The Company has sufficient distributable reserves to pay dividends for a number of years and is also able to increase its distributable reserves further by receiving distributions from its subsidiaries.

**17 Post balance sheet events**

On 20 May 2026, the Company announced the commencement of a share buyback programme to purchase ordinary shares of 10 pence each in the capital of the Company for up to a maximum consideration of £100,000,000, excluding stamp duty and expenses.

The purpose of the programme is to reduce the share capital of the Company. The programme began on the date of announcement and will end no later than 19 May 2027. All ordinary shares purchased under the programme will be cancelled.

## Five-year record

## FIVE-YEAR RECORD

Year ended 31 March

## Summary income statements and related metrics

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
<b>Revenue</b>	<b>2,881.1</b>	2,903.5	2,942.4	2,982.3	2,553.7
Operating profit	<b>238.6</b>	232.8	274.5	383.0	308.8
Add back: amortisation and impairment of acquired intangibles	<b>20.2</b>	37.3	26.6	16.6	11.6
Add back: acquisition-related items	<b>(8.7)</b>	4.1	5.1	2.6	-
Add back: substantial reorganisation costs and substantial asset write-downs	<b>14.9</b>	-	-	-	-
<b>Adjusted operating profit</b>	<b>265.0</b>	274.2	306.2	402.2	320.4
Net finance costs	<b>(19.5)</b>	(27.3)	(31.9)	(12.2)	(7.1)
Share of profit of joint venture	<b>0.6</b>	0.6	0.6	0.7	0.5
<b>Adjusted profit before tax</b>	<b>246.1</b>	247.5	274.9	390.7	313.8
Amortisation and impairment of acquired intangibles	<b>(20.2)</b>	(37.3)	(26.6)	(16.6)	(11.6)
Acquisition-related items	<b>8.7</b>	(4.1)	(5.1)	(2.6)	-
Substantial reorganisation costs and substantial asset write-downs	<b>(14.9)</b>	-	-	-	-
Profit before tax	<b>219.7</b>	206.1	243.2	371.5	302.2
Income tax expense	<b>(57.8)</b>	(53.5)	(63.8)	(86.7)	(72.2)
Profit for the year attributable to owners of the Company	<b>161.9</b>	152.6	179.4	284.8	230.0
<b>Basic earnings per share</b>	<b>34.6p</b>	32.5p	37.9p	60.4p	48.9p
<b>Adjusted basic earnings per share</b>	<b>38.7p</b>	39.1p	42.9p	63.6p	51.3p
<b>Dividend per share</b>	<b>22.9p</b>	22.4p	22.0p	20.9p	18.0p

## Summary balance sheets and other metrics

	2026 £m	2025 £m	2024 £m	2023 £m	2022 £m
Non-current assets	<b>1,159.9</b>	1,149.3	1,257.0	953.7	706.1
Current assets	<b>1,510.9</b>	1,471.3	1,622.8	1,577.1	1,395.1
Current liabilities	<b>(842.2)</b>	(716.4)	(815.3)	(838.9)	(726.2)
Non-current liabilities	<b>(414.7)</b>	(549.7)	(645.6)	(357.0)	(266.5)
<b>Net assets</b>	<b>1,413.9</b>	1,354.5	1,418.9	1,334.9	1,108.5
Add back: net debt	<b>328.9</b>	364.2	418.2	113.0	42.1
Add back: retirement benefit net assets/ (obligations)	<b>8.9</b>	13.9	25.7	36.4	12.4
<b>Capital employed</b>	<b>1,751.7</b>	1,732.6	1,862.8	1,484.3	1,163.0
<b>Return on capital employed (ROCE)<sup>1</sup></b>	<b>15.4%</b>	15.2%	17.1%	29.7%	28.7%
<b>Adjusted free cash flow</b>	<b>202.2</b>	214.1	151.2	263.6	162.9
<b>Average number of employees</b>	<b>8,600</b>	8,709	8,964	7,818	7,383
<b>Share price at 31 March</b>	<b>560.0p</b>	561.5p	726.8p	914.0p	1,084.0p

1. ROCE is based on monthly average capital employed.