RS Components Limited

Annual report and financial statements
for the year ended 31 March 2026

Company registration number: 01002091

RS Components Limited
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for the year ended 31 March 2026

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RS Components Limited
Company information
for the year ended 31 March 2026

Directors	E J Pointon P Malpas I Rybakova C Underwood
Registered office	Birchington Road Weldon, Corby Northamptonshire NN17 9RS
Company secretary	E Martin
Registered number	01002091
Independent auditors	Deloitte LLP Statutory Auditor Birmingham United Kingdom

The Directors present their Strategic Report of RS Components Limited (the "Company") for the year ended 31 March 2026.

Principal activity, business review and key performance indicators

The principal activity of RS Components Limited (the Company) is a distributor of product and service solutions, providing small volumes of suppliers' products to satisfy industrial customers' maintenance, repair and operations (MRO) demands. The Company is part of the RS Group (the Group) and operates primarily in the UK, with branch offices in the Philippines, South Africa and Taiwan, and also undertakes a significant proportion of the Group's central functions.

Turnover increased by 0.6% to £1,093.4 million (2025: £1,086.7 million) and profit before taxation increased by 12% to £125.8 million (2025: £111.8 million). Revenue performance reflected broadly flat volumes as geopolitical developments continued to impact market confidence and customer behaviour, particularly within mid-sized customers, whilst larger customers showed more robust performance. Gross margin decreased slightly year on year, primarily reflecting a shift in sales mix towards larger customers with lower contractual margins. Supplier price increases were effectively passed through where appropriate. Operating profit included a £14.9 million impairment charge on software assets and a £6.2 million reversal of impairment on group loans.

Distribution, marketing and administrative expenses increased by £9.0 million in the year (2025: £1.9 million reduction), driven by underlying inflationary increases. Within this cost base, higher freight costs were incurred but were partially offset through reductions across other administrative expenses.

The Company's net assets at 31 March 2026 were £249.3 million (2025: £265.3 million) reflecting the payment of dividends, partially offset by the increase in profit for the year.

In 2026 the Company's employee numbers were 2,136 (2025: 2,261). The decrease reflected restructuring initiatives undertaken within the UK affecting multiple functions across the organisation as part of a broader strategic effort to streamline operations and improve efficiency.

The Company's financial and non-financial key performance indicators are described above. No other key performance indicators are deemed necessary to explain the development, performance or position of the Company.

Section 172(1) statement

Under section 172(1) of the Companies Act 2006 (section 172), the Directors are required to act in a way that they consider, in all good faith, would most likely promote the success of the Company and all its stakeholders. Throughout the year the Company has strived to continue to demonstrate how, as a considerate, sustainable, responsible and solutions-driven business, the Directors and senior management have achieved this.

The Company is the largest UK subsidiary in the Group representing c. 23% (2025: 23%) of the Group's external revenue, operating the majority of the Group's central processes and the Company Directors are all senior managers of the Group. As a result of this and the Group's governance structure, from the perspective of the directors, the matters that the directors are responsible for considering under section 172 have been considered to an appropriate extent by the Group Board in relation to both the Group and the Company. The Directors have also considered relevant matters where appropriate which are summarised below. To gain a more detailed understanding of the development, performance and position of the Company under section 172, an explanation of how the Group Board has considered these matters is set out on page 69 of the 2026 RS Group plc Annual Report and Accounts.

The Company continues to prioritise the health, safety and wellbeing of its employees, building a high-performance, purpose-led culture and investing in its people to attract and retain the best talent. It invests in skills, education and formal training programmes through the Group's My Academy platform and provides career development and learning opportunities through the Group's Future Shapers and other programmes. Also, detailed information of how the Directors have supported the Company's employees is included in employee engagement on page 5 as well as in the 2026 RS Group plc Annual Report and Accounts on pages 79 and 82.

It is important to foster the Company's business relationships with its customers, suppliers and regulators. The Company is a trusted problem solver providing product and service solutions enabling its customers to achieve their goals sustainably. It engages with its suppliers and provides insight to expand revenue and develop new products while raising environmental and ethical standards across the supply chain. Detailed information of how the Directors supported the Company's customers, suppliers and regulators is included in the 2026 RS Group plc Annual Report and Accounts on pages 16 to 18.

Section 172(1) statement (continued)

The Directors consider all the Company's stakeholders and the long-term consequences of decisions taken when building on the work required to strengthen its strategic plans (see future developments on page 3), when ensuring it has robust data-driven insight to support key decisions and when assessing the level of dividends to pay.

Future developments

The Company plans to continue implementing the Group's strategy as outlined in the 2026 RS Group plc Annual Report and Accounts, focusing on:

- Customers
- Products and suppliers
- Services and solutions
- Experience
- Operational excellence

The Group's strategy is described in more detail in the 2026 RS Group plc Annual Report and Accounts.

Principal risks and uncertainties

Principal risks and uncertainties affecting the Company are summarised below. These risks are managed as part of the Group as a whole and details are fully described on pages 33 to 40 of the 2026 RS Group plc Annual Report and Accounts.

Cybersecurity

A successful attack on our systems, sites, data or a third party mean that confidential information is lost or business critical systems become unavailable. This may lead to negative customer or supplier impacts, regulatory action, reputational damage, reduced liquidity, and/or loss of business and revenue.

Geopolitical and macroeconomic environment

Increasing global destabilisation and macroeconomic uncertainties impact our international business activities in the form of increasing operating costs, additional trade sanctions, tariffs and supply chain delays.

Legal and regulatory compliance

Failure to manage legal and regulatory compliance risks could result in serious health and safety incidents; non-compliance, breaches or non-conformance to regulation across global markets, legislative requirements and operational compliance.

Business resilience

Inadequate preparation for business disruption would lead to inability to carry out key processes and functions.

Change initiatives

Inability to implement a successful business and technology change programme to deliver the strategic agenda, leading to a lack of engagement and prioritisation for deployment and embedding the required change initiatives into the business.

Talent and capability

Inability to attract, develop and retain the necessary high-performing employees and capabilities results in being unable to meet our strategic goals and maintain customer service levels and relationships.

Market disruption

Increasing uncertainty and unexpected changes in market buying behaviours result in lower than forecast financial results.

Climate change

The Company may not adequately manage the potential impacts on the business due to climate change effects. This could be either the physical risks of more extreme weather conditions or the transition risks associated with the consequences of the migration to a low-carbon industrial sector.

Non-financial and sustainability information statement

The climate-related risks and opportunities of the Group, and its arrangements for managing them (including the related time periods and potential impacts on the Group's business model and strategy), are discussed further on page 68 of the 2026 RS Group plc Annual Report and Accounts, which does not form part of this report.

As a result of the above, the Directors do not consider that it is necessary for an understanding of the Company's business to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios, or the targets or key performance indicators used.

Financial risk management

Foreign exchange risk

The Company's sales in Taiwan and South Africa are in the currencies of those countries; the UK has an export business, of which a small proportion of turnover is denominated in euros and US dollars; and the UK also sells to other Group companies in foreign currencies. The Company also makes purchases in foreign currencies. The Company is therefore exposed to the movement of these currencies against sterling on its foreign currency-denominated sales and purchases. Derivatives used for this purpose are foreign exchange forward contracts which are accounted for as cash flow hedges and recognised on the balance sheet at fair value. Turnover by geographical destination is disclosed in Note 5 to the accounts.

Liquidity and interest rate risk

The Company has arrangements with the Group that enable it to access funds when needed to meet its liquidity requirements. Interest receivable and payable on loans with other Group companies is calculated based on market rates of interest.

Credit risk

The Company is exposed to credit risk on financial assets such as cash balances (including deposits and cash and cash equivalents), derivative instruments and on trade and other debtors.

All financial risks of the Company are managed on its behalf by the Group's treasury function at the Group level, further details of which are available in the 2026 RS Group plc Annual Report and Accounts.

The strategic report was approved by the Board of Directors on 28 July 2026 and was signed on its behalf by:

I Rybakova
Director
Date: 28 July 2026

The Directors present their annual report and the audited financial statements for the year ended 31 March 2026.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the accounts were:

E J Pointon
P Malpas
C Underwood
I Rybakova

Directors' and Officers' liability insurance

In accordance with the Company's Articles of Association, the ultimate parent company (Note 28) entered into a new deed in 2024 to indemnify the Directors (from time to time) of the Company to the extent permitted by law. A copy of this indemnity (which remains in force as of the date on which this report was approved) is available at the registered office of the Company. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2025, which was renewed for 2026, for each of its Directors and each of the Directors of its subsidiary companies. It remains in force at the date of approval of this Directors' report. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

Dividends

A dividend of £120.0 million was paid during the year in respect of the year ended 31 March 2025 (2025: £120.0 million in respect of the year ended 31 March 2024). The Directors propose a final dividend of £120.0 million for the year ended 31 March 2026 (2025: £120.0 million).

Employee engagement

The Company recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. Through the Company's intranet site and other tools such as Microsoft Viva Engage, staff newsletters and regular meetings, employees are provided with information relating to the performance of the Company and on other matters of concern to them as employees. Employee representatives are consulted regularly on a wide range of matters affecting their interests. Employees are encouraged to participate in the performance of the Company by the Group's Savings-Related Share Option Scheme, further details can be found in Note 9.

Building a purpose-led, high-performance culture needs insight and solid foundations. Listening to employees is critical to understand progress and areas to improve. Engagement is fostered through regular team talks, engagement surveys, senior leader interactions, training programs, Employee Resource Groups, health and wellbeing resources, and financial advice seminars.

Employment of disabled persons

The Company is committed to a policy of equal opportunities with regards to its employment practices and procedures. The Company remains supportive of the employment and advancement of disabled persons, and adopts the Group's practices of giving fair consideration to applications for employment from disabled people as well as their training, career development and promotion. Where appropriate, facilities are adapted and retraining offered to any employee developing a disability whilst employed.

Business relationships

From the perspective of the Directors, as a result of the Group governance structure, the Group Board has taken the lead in carrying out the duties of a Board in respect of the Company's other stakeholders. The Directors have also considered relevant matters where appropriate. An explanation of how the Group Board has had regard to the need to foster the Company's business relationships with its suppliers, clients and others and the effect of that regard, including on the principal decisions taken by the Company during the year, is considered in the Strategic Report on page 2 of this annual report and accounts and on pages 16-18 of the 2026 RS Group plc Annual Report and Accounts.

Other information to report

The following information is set out on the pages below:

- Financial results - page 12
- Financial instruments and financial risk management - pages 4, 20, 28
- Likely future developments - page 3
- Branches outside of the UK - page 2

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report each confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Corporate governance arrangements

During the year, the Company's parent company, RS Group plc, applied the UK Corporate Governance Code which was applied throughout the Group. In doing so, the Company's governance arrangements reflect those that are set out in the 2026 RS Group plc Annual Report and Accounts on pages 70 to 86.

Going concern

The Company is in a strong net asset position and generated significant profit during the year. The Directors have assessed the Company's ability to continue as a going concern, taking into account the principal risks and uncertainties, the current financial position, and the timing of future obligations.

Following a review of the Company's forecasts and risk assessments, the Directors are satisfied that the Company has sufficient resources to continue operating for at least 12 months from the date of approval of these financial statements and therefore continue to adopt the going concern basis of preparation. Furthermore the Company has arrangements within the Group that enable it to access funding, if needed, to meet its liquidity requirements. A letter of support has been received from the Parent Company, RS Group plc, confirming the availability of such funding for a period of at least 12 months from the date of approval of these financial statements.

Statement of directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditor

Deloitte LLP has expressed their willingness to continue in office as auditor. Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP were reappointed as auditor during the year.

The Directors' report was approved by the Board of Directors on 28 July 2026 and was signed on its behalf by:

I Rybakova
Director
Date: 28 July 2026

Report on audit of the financial statements

Opinion

In our opinion the financial statements of RS Components Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

- Challenging the assumptions used in the forecast with reference to current performance, industry and market data and the historical accuracy of the forecasts prepared by management;
- Understanding the sophistication of the model used to prepare the forecasts which included testing of arithmetical accuracy of the forecasts;
- Assessing the company's financing facilities including access to Group support. Our assessment therefore included consideration of the nature, repayment terms and covenants on the Group facilities; and performing sensitivity analysis on the assumptions and headroom used in management's forecasts with regards to liquidity headroom and covenant compliance.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- Valuation of the inventory provision - we have recalculated the provision in line with management's methodology and challenged the methodology based on historical sales and returns of inventory. We tested the completeness and accuracy of data used to calculate the provision by agreeing samples of sales, and returns to supporting evidence. We also reconciled the inventory subledger to the trial balance. A sample of sales have also been agreed to supporting documentation to assess the validity of the sales data used in the model.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Signed by:
Rebecca Drew
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Rebecca Drew FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
28 July 2026

RS Components Limited
Profit and loss account and Other comprehensive income
for the year ended 31 March 2026

	Note	2026 £m	2025 £m
Turnover	5	**1,093.4**	1,086.7
Cost of sales		**(764.3)**	(757.2)
Gross profit		**329.1**	329.5
Distribution and marketing expenses		**(382.8)**	(370.6)
Administrative expenses		**(15.3)**	(19.0)
Other operating income		**204.9**	183.4
Operating profit	6	**135.9**	123.3
Interest receivable and similar income		**0.6**	0.6
Interest payable and similar expenses	10	**(10.7)**	(12.1)
Profit before taxation		**125.8**	111.8
Tax on profit	11	**(23.3)**	(21.3)
Profit for the financial year		**102.5**	90.5
Other comprehensive expense			
Net gain on cash flow hedges		**0.8**	1.5
Remeasurement loss on net defined benefit pension obligation		**(5.4)**	(11.2)
Tax on components of other comprehensive income		**1.5**	2.3
Other comprehensive expense for the year, net of income tax		**(3.1)**	(7.4)
Total comprehensive income for the year		**99.4**	83.1

All results in the current and prior year relate to continuing operations.

The notes on pages 15 to 31 are an integral part of these accounts.

RS Components Limited
Balance sheet
As at 31 March 2026

	Notes	2026 £m	2025 £m
Fixed assets			
Intangible assets	12	**84.2**	89.7
Tangible assets	13	**32.6**	32.0
Investments	14	**-**	-
		116.8	121.7
Current assets			
Inventories	15	**256.1**	257.0
Debtors: amounts falling due within one year	16	**366.0**	321.5
Debtors: amounts falling due after more than one year	16	**1.0**	-
Cash at bank and in hand		**11.6**	5.6
Total current assets		**634.7**	584.1
Creditors: amounts falling due within one year	17	**(500.4)**	(437.6)
Provisions for liabilities and charges	20	**(0.5)**	-
Net current assets		**133.8**	146.5
Total assets less current liabilities		**250.6**	268.2
Creditors: amounts falling due after more than one year	18	**(1.0)**	(0.8)
Provisions for liabilities and charges	20	**(0.3)**	(2.1)
Net assets		**249.3**	265.3
Capital and reserves			
Share capital	24	**0.1**	0.1
Share premium	24	**0.1**	0.1
Hedging reserve	24	**(0.1)**	(0.4)
Merger reserve	24	**(35.1)**	(35.1)
Profit and loss account	24	**284.3**	300.6
Total equity		**249.3**	265.3

The notes on pages 15 to 31 form an integral part of these financial statements.

The financial statements on pages 12 to 31 were approved by the board of Directors on 28 July 2026 and were signed on its behalf by:

I Rybakova
Director
Company registered number: 01002091

RS Components Limited
Statement of changes in equity
for the year ended 31 March 2026

	Share capital £m	Share premium account £m	Hedging reserve £m	Merger reserve £m	Profit and loss account £m	Total equity £m
Balance at 1 April 2024	0.1	0.1	-	(35.1)	332.0	297.1
Comprehensive expense for the year						
Profit for the financial year	-	-	-	-	90.5	90.5
Net gain on cash flow hedges	-	-	1.5	-		1.5
Remeasurement loss on net defined benefit pension obligation	-	-	-	-	(11.2)	(11.2)
Tax on other comprehensive income	-	-	(0.4)	-	2.7	2.3
Total comprehensive income for the year	-	-	1.1	-	82.0	83.1
Cash flow hedging gains transferred to inventories	-	-	(2.0)	-	-	(2.0)
Tax on cash flow hedging transferred to inventories	-	-	0.5	-		0.5
Dividends (Note 25)	-	-	-	-	(120.0)	(120.0)
Equity-settled share-based payments	-	-	-	-	6.6	6.6
Balance at 31 March 2025	0.1	0.1	(0.4)	(35.1)	300.6	265.3
Balance at 1 April 2025	**0.1**	**0.1**	**(0.4)**	**(35.1)**	**300.6**	**265.3**
Comprehensive income for the year						
Profit for the financial year	**-**	**-**	**-**	**-**	**102.5**	**102.5**
Net gain on cash flow hedges	**-**	**-**	**0.8**	**-**		**0.8**
Remeasurement loss on net defined benefit pension obligation	**-**	**-**	**-**	**-**	**(5.4)**	**(5.4)**
Tax on other comprehensive income	**-**	**-**	**-**	**-**	**1.5**	**1.5**
Total comprehensive income for the year	**-**	**-**	**0.8**	**-**	**98.6**	**99.4**
Cash flow hedging gains transferred to inventories	-	-	**(0.5)**	-	-	**(0.5)**
Dividends (Note 25)	-	-	-	-	**(120.0)**	**(120.0)**
Equity-settled share-based payments	-	-	-	-	**5.1**	**5.1**
Balance at 31 March 2026	**0.1**	**0.1**	**(0.1)**	**(35.1)**	**284.3**	**249.3**

The notes on pages 15 to 31 form an integral part of these financial statements.

1. General information

The Company is a wholly-owned subsidiary of RS Group plc (Parent Company). The Company is a private company limited by shares and is incorporated, registered and domiciled in England and Wales. The address of its registered office is Birchington Road, Weldon, Corby, Northamptonshire NN17 9RS, UK.

2. Statement of compliance

The Company is included in the Parent Company's consolidated accounts which are publicly available (Note 28) and is therefore exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated accounts.

These separate 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. They are presented in sterling and rounded to the nearest £0.1 million.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

3. Accounting policies

The Company's ultimate parent undertaking, RS Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of RS Group plc are available to the public and may be obtained from Fifth Floor, Two Pancras Square, London, N1C 4AG, United Kingdom. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key management personnel compensation disclosures.

As the consolidated financial statements of RS Group plc include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share-based Payments, where the share-based payment arrangement concerns equity instruments of another group entity;
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1;
- Certain disclosures required by FRS 102.29 Income Tax in respect of Pillar Two Income Taxes; and
- Certain disclosures required by FRS 102.7 Statement of Cash Flows in respect of supplier finance arrangements.

The principal accounting policies applied in the preparation of these accounts are set out below and have been consistently applied unless otherwise stated.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

3. Accounting policies (continued)

(a) New and amended section adopted by the Company

The Company has adopted the following in these financial statements:

- Amendments to Section 7 - Management reviewed the disclosures and determined that no updates were required as a result of the amendments.

Amendments to FRS 102 not yet applied:

The following amendments to FRS 102 have been issued but not applied in these financial statements. The entity has not elected to adopt the amendments of FRS 102 early, and accordingly these have not been applied in the preparation of these financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated;

- Amendments to Section 20 Leases (effective 1 January 2026). FRED 82 introduces an on balance sheet model for lessee accounting, bringing most leases onto the balance sheet through the recognition of a right of use asset and a corresponding lease liability. Under the previous FRS 102 requirements, operating lease payments were generally recognised as an expense on a straight line basis over the lease term, with no related asset or liability recognised. While these changes will affect the statement of financial position and the presentation of expenses in the profit and loss account, the Company does not expect a significant impact on overall profitability over the life of the leases. The Company is in the process of completing its detailed assessment and will quantify the impact of these changes on transition once the new requirements are adopted in FY27. The Company expects a material impact on the balance sheet for the gross lease assets and liabilities.
- Amendments to Section 23 Revenue from Contracts with Customers (effective 1 January 2026). The Financial Reporting Council has issued amendments to FRS 102, effective for financial periods beginning 1 Jan 2026, developed from FRED 82, introducing a five step model for revenue recognition and clarifying the allocation of transaction prices to performance obligations.

  The company has assessed the impact of these amendments on its revenue recognition policies and does not expect a material effect on reported revenue. No changes are therefore anticipated to the presentation or measurement of revenue in the financial statements as a result of the amendments.
- Amendments to Section 2A Fair Value Measurement (effective 1 January 2026). This aligns definitions with latest international standards and provides additional guidance.
- Amendments to Section 26 Share-based Payment (effective 1 January 2026). This provides additional guidance aiding application of the principles in certain situations.
- Amendments to Section 29 Income Tax (effective 1 January 2026). This introduces guidance on accounting for uncertain tax positions.
- Amendments to Section 34 Specialised Activities (effective 1 January 2026). This includes various improvements and clarifications to existing requirements and makes consequential changes to reflect other amendments.

(b) Basis of preparation

These accounts are 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 or loss.

(c) Going concern

These accounts are 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 or loss. The Directors have assessed the Company's ability to continue as a going concern, taking into account the principal risks and uncertainties, the current financial position, and the timing of future obligations. Following a review of the Company's forecasts and risk assessments, the Directors are satisfied that the Company has sufficient resources to continue operating for at least 12 months from the date of approval of these financial statements and therefore continue to adopt the going concern basis of preparation. Furthermore the Company has arrangements within the Group that enable it to access funding, if needed, to meet its liquidity requirements. A letter of support has been received from the Parent Company, RS Group plc, confirming the availability of such funding for a period of at least 12 months from the date of approval of these financial statements.

3. Accounting policies (continued)

(d) Acquisitions

The results of businesses acquired in the year are included from the effective date of acquisition. The net assets of businesses acquired from another RS Group company are incorporated in the Company's accounts at either their fair values or their book values (referred to as merger accounting) at the date of acquisition, depending on which most fairly presents the substance of the arrangement and with reference to the accounting used for previous transactions that are considered similar in nature. Where merger accounting is applied, appropriate adjustments are made to achieve uniformity of accounting policies and the difference between the book values of the net assets acquired and the consideration paid is recorded in the merger reserve.

(e) Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

(f) Turnover

Turnover from the sales of goods and services is recognised when the significant risks and rewards of ownership have been transferred, which is in most cases upon delivery to the customer. Freight recharged to customers is included. Turnover represents the sale of goods and services and is stated net of sales taxes and volume discounts. When a customer has a right to return goods purchased, the Company estimates the obligation for the expected value of the refunds using recent experience. Obligations for both retrospective volume discounts and the expected value of refunds for returns are deducted from the turnover recognised and included in other creditors on the balance sheet and at 31 March 2026 were £10.1m (2025: £8.0m).

(g) 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. The Company 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 profit and loss account in the period in which the inventories are expensed. The Company 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.

(h) Share-based payments

The Parent Company operates a number of share-based payment schemes for employees of the Group, including employees of the Company.

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 with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The profit and loss account charge is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

3. Accounting policies (continued)

(i) Post-employment benefits

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

Defined benefit pension 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 the Parent Company are the sponsoring employers. The majority of the scheme members work for the Company and so it accounts for the UK scheme as a defined benefit scheme in these accounts. Details of the pension scheme are disclosed in Note 10 to the Group Accounts of the 2026 RS Group plc Annual Report and Accounts.

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 obligation at the balance sheet date. The present value of the obligation is measured using the projected unit credit method and a discount rate reflecting yields on high-quality corporate bonds. Any surplus recognised is restricted to the amount that can be recovered through reduced contributions in the future, resulting in retirement benefit net assets of £nil at 31 March 2026 (2025: £nil).

The operating profit charge is recognised in distribution and marketing expenses and comprises the current service cost, net interest cost, past service costs, 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. During the year an operating profit charge of £1.8m (2025: £1.9m) was recognised in the profit and loss account.

Remeasurements, representing returns on scheme assets excluding amounts included in interest and actuarial gains and losses, are recognised in other comprehensive income. During the year this amounted to £5.4m (2025: £11.2m).

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

(j) Leases

Operating leases rentals are charged to operating profit on a straight-line basis over the lease term, net of rent-free periods and similar incentives which are credited to operating profit on the same basis and over the same period.

(k) Other operating income

Other operating income represents amounts recharged to companies in the Group for the costs of central processes incurred by the Company.

(l) Interest receivable and payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

3. Accounting policies (continued)

(m) Taxation

Current and deferred tax are recognised in the profit and loss account, except when they relate to items recognised directly in equity when the related tax is also recognised in equity. It includes tax relating to the overseas branches. Current tax is the amount of income tax payable in respect of the taxable profit for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred tax is recognised on all timing differences at the balance sheet date except for certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the accounts that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the accounts. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of the timing difference.

(n) Intangible fixed 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) less accumulated amortisation and any provisions for impairment. Goodwill is amortised over 10 years.

Other intangible assets are stated at cost less accumulated amortisation and any provisions for impairment. 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; customer contracts and relationships 5 years; and acquired research 3 years.

Intangible assets are reviewed annually at balance sheet date for any indicators of impairment and if any such indication exists, the recoverable amount of the asset is calculated as the higher of fair value less costs of disposal and value in use and an impairment loss is recognised if the carrying amount exceeds the recoverable amount.

(o) Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and any provisions for impairment. The Company monitors tangible assets throughout the year and tests for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. No depreciation has been charged on freehold land. Other tangible assets are depreciated to residual value, on a straight-line basis over the following useful lives: freehold and improvements to leasehold buildings 50 years (or the lease term if shorter); plant and machinery 5 - 10 years; and computer equipment 3 - 5 years.

(p) Government grants

Government grants related to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the asset to which the grants relate. The unamortised balance of grants is included within creditors.

(q) Investments

Investments are held at cost less any accumulated impairment losses.

(r) Inventories

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

3. Accounting policies (continued)

(s) Basic financial instruments

Basic financial assets, including debtors, cash at bank and in hand and amounts owed by other Group companies, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

Basic financial liabilities, including creditors and amounts owed to other Group companies, are initially recognised at transaction price and then subsequently at amortised cost.

(t) 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 currency exposure arising from sales and purchases and other receivables in currencies other than the functional currency is managed on behalf of the Company by the Parent Company. Derivatives used for these purposes are forward foreign exchange contracts, some of which are accounted for as cash flow hedges and some as other derivative instruments at fair value through profit or loss, and recognised at fair value which is estimated by discounting the future contractual cash flows using appropriate market-sourced data at the balance sheet date.

(u) Provisions for liabilities and charges

Provisions for liabilities and charges are recognised when the Company has a present obligation as a result of a past event and a reasonable estimate can be made of a probable adverse outcome.

(v) Distributions

Dividends and other distributions are recognised in the statement of changes in equity and as a liability in the balance sheet in the period in which the dividends and other distributions are approved by the Company's shareholder.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of accounts under FRS 102 requires the Company to make judgements and estimates that affect the application of accounting policies and the 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 Company'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 Company's latest expectations of the longer-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities within the next year. The significant estimate made in the accounts was in relation to inventory provisioning.

The Company also focuses on estimates made in relation to 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 Company to return a proportion of stock to suppliers under supplier specific contractual provisions. The Company 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.

5. Turnover

The Company has a single class of business being the provision of product and service solutions. Turnover by geographical destination is as follows:

	2026 £m	2025 £m
Europe	**958.5**	951.5
Asia	**82.6**	81.9
Rest of world	**52.3**	53.3
	1,093.4	1,086.7

6. Operating profit

Operating profit is stated after charging / (crediting):

	2026 £m	2025 £m
Fee payable to the Company's auditors for the audit of the accounts	**0.2**	0.2
Depreciation of tangible assets	**6.6**	5.8
Amortisation of intangible assets	**17.6**	13.8
Amortisation of government grants	**0.1**	(0.1)
Impairment of intangible assets	**14.9**	1.1
(Decrease)/Increase in impairment allowance for loans to other Group companies	**(6.2)**	6.2
Loss on foreign exchange	**2.4**	2.1
Operating lease rentals payable	**4.7**	4.3

During the year the Company incurred £nil (2025: £40,000) non-audit fees payable to the Company's auditors.

During the year an impairment reversal of £6.2 million was recognised in profit and loss against amounts owed by other Group companies relating to IESA Group (2025: charge of £6.2 million).

7. Directors' remuneration

Certain of the Directors of the Company predominantly perform services for and are remunerated by the Parent Company. These Directors received no emoluments for their qualifying services to the Company.

The remuneration of other Directors in respective of qualifying services were as follows:

	2026 Highest paid director £m	**2026 Other directors £m**	2025 Highest paid director £m	2025 Other directors £m
Emoluments	**0.6**	**0.4**	0.6	0.4
Company contributions to money purchase pension schemes	**-**	**-**	0.1	-
	0.6	**0.4**	0.7	0.4

	Number of directors	
	2026	2025
Are members of a defined benefit pension scheme	**1**	1
Are members of a money purchase pension scheme	**2**	2
Entitled to receive shares under the Parent Company's long term incentive schemes	**2**	2

The highest paid Director received shares in the Parent Company as part of long term incentive schemes.

£nil (2025: £nil) was paid in compensation to directors for loss of office.

8. Employees

The average number of persons employed by the Company during the year was as follows:

	2026	2025
Management and administration	**82**	80
Distribution and marketing	**2,054**	2,181
	2,136	2,261

8. Employees (continued)

Employee costs charged to profit and loss were as follows:

	2026	2025
	£m	£m
Wages and salaries	**136.2**	139.2
Social security costs	**18.1**	14.1
Share-based payments - equity-settled	**5.1**	6.6
Defined contribution retirement benefit costs	**9.7**	9.7
Defined benefit retirement benefit costs	**1.8**	1.9
	170.9	171.5
Termination benefits	**2.0**	6.3
	172.9	177.8

The cost numbers above relate to employees who work for the Company. They include an average of 730 employees (2025: 789 employees) whose contracts of employment are not with the Company but who perform services directly for the Company.

9. Share-based payments

The RS 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). 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.

Long Term Incentive Plan (LTIP)

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 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.

9. Share-based payments (continued)

Savings-Related Share Option Scheme (SAYE)

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.

Deferred Share Bonus Plan (DSBP)

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 (2025: 698p) per share award which was the share price at the date of award.

10. Interest payable and similar expenses

	2026 £m	2025 £m
Interest payable to the Parent Company	**9.6**	11.9
Interest payable on bank overdrafts	**1.1**	0.1
Interest payable on tax	**-**	0.1
	10.7	12.1

11. Taxation

Recognised in the profit and loss account

	2026 £m	2025 £m
Current tax		
Current tax on profits for the year	**24.5**	22.7
Adjustment for prior years	**0.5**	(2.6)
Total current tax	**25.0**	20.1
Deferred tax		
Origination and reversal of timing differences	**(0.5)**	0.7
Adjustment for prior years	**(1.2)**	0.5
Total deferred tax	**(1.7)**	1.2
Tax on profit	**23.3**	21.3

11. Taxation *(continued)*

Reconciliation of effective tax rate

The tax expense for the year can be reconciled to the profit and loss account as follows:

	2026 **£m**	2025 £m
Profit before taxation	**125.8**	111.8
Tax using the UK corporation tax rate of 25% (2025: 25%)	**31.5**	27.9
Effects of:		
Overseas taxes	**0.2**	0.2
Non taxable income	**(1.5)**	-
Non-deductible expenses	**0.3**	2.3
Adjustments for prior years	**(0.7)**	(2.1)
Group relief	**(6.5)**	(8.1)
Other adjustments	**-**	1.1
Total tax expense	**23.3**	21.3

Factors that may affect future tax charges

The Company is within the scope of the OECD Pillar Two model rules. The Group has carried out a review of the impact of these rules and it does not have a material impact on the reported results or financial position of the Company.

12. Intangible assets

	Goodwill £m	**Software £m**	**Development expenditure £m**	**Customer contracts and relations £m**	**Acquired research £m**	**Total £m**
Cost						
At 1 April 2025	1.9	325.5	1.8	0.5	1.0	330.7
Additions	-	27.0	-	-	-	27.0
Disposals	-	(16.2)	-	-	-	(16.2)
At 31 March 2026	**1.9**	**336.3**	**1.8**	**0.5**	**1.0**	**341.5**
Amortisation						
At 1 April 2025	0.8	237.0	1.8	0.4	1.0	241.0
Charged in the year	-	17.6	-	-	-	17.6
Impairment losses	-	14.9	-	-	-	14.9
Disposals	-	(16.2)	-	-	-	(16.2)
At 31 March 2026	**0.8**	**253.3**	**1.8**	**0.4**	**1.0**	**257.3**
Net book value						
At 31 March 2026	**1.1**	**83.0**	**-**	**0.1**	**-**	**84.2**
At 31 March 2025	1.1	88.5	-	0.1	-	89.7

12. Intangible assets *(continued)*

The amorisation charge for the year ended 31 March 2026 of £17.6m (2025: £13.8m) is included within the distribution and marketing expenses line in the profit and loss account.

In the year ended 31 March 2026, the Company undertook a review of its assets and recognised an impairment charge of £14.9 million on certain technology assets including the old 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. These are included in administrative expenses.

At 31 March 2026, the only material individual software asset was the new product management system with a net book value of £16.0 million (2025: £18.2 million) which will have a useful life of 8 years.

13. Tangible assets

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
Cost				
At 1 April 2025	31.4	119.6	49.2	200.2
Additions	0.4	4.5	2.3	7.2
Disposals	-	(0.3)	-	(0.3)
At 31 March 2026	**31.8**	**123.8**	**51.5**	**207.1**
Depreciation				
At 1 April 2025	20.4	102.6	45.2	168.2
Charged in the year	0.6	4.7	1.3	6.6
Disposals	-	(0.3)	-	(0.3)
At 31 March 2026	**21.0**	**107.0**	**46.5**	**174.5**
Net book value				
At 31 March 2026	**10.8**	**16.8**	**5.0**	**32.6**
At 31 March 2025	11.0	17.0	4.0	32.0

14. Investment

The Company operates branch offices in the Philippines, South Africa and China (Taiwan). The Company owns 33.333% of the ordinary share capital of RS Group International Holdings Limited, a RS Group company incorporated in the UK whose registered address is Fifth Floor, Two Pancras Square, London N1C 4AG, UK. The cost of this investment is £2 (2025: £2).

15. Inventories

	2026 £m	2025 £m
Raw materials and consumables	**86.2**	96.4
Finished goods and goods for resale	**211.9**	205.8
Gross inventories	**298.1**	302.2
Inventory provisions	**(42.0)**	(45.2)
Net inventories	**256.1**	257.0

During the year £10.2 million was recognised in cost of sales relating to the write-down of inventories to net realisable value (2025: £8.4 million).

16. Debtors

	2026 £m	2025 £m
Amounts falling due after more than one year:		
Deferred tax (Note 21)	**1.0**	-
	1.0	-
Amounts falling due within one year:		
Trade debtors	**114.7**	110.0
Amounts owed by the Parent Company	**63.7**	56.2
Amounts owed by group undertakings	**142.9**	124.0
Other debtors	**3.6**	2.2
Other derivative assets (Note 19)	**0.8**	0.2
Corporation tax	**10.5**	3.8
Other taxation and social security	**0.1**	0.1
Prepayments	**29.7**	25.0
	366.0	321.5

Trade debtors are stated after provisions for impairment of £1.1 million (2025: £1.1 million). The Company has historically experienced very low levels of trade debtors not being recovered, including those significantly past due, and this was also the case during 2026. However, with the continued global economic and geopolitical uncertainties, the Company remains cautious about its exposure and so has carefully reviewed its provisions for those types of customers that are most affected.

During the year an impairment reversal of £6.2 million was recognised in profit and loss against amounts owed by other Group companies relating to IESA Group (2025: charge of £6.2 million).

Amounts owed by the Parent Company and by other Group companies are unsecured, interest free and repayable on demand.

17. Creditors: amounts falling due within one year

	2026 £m	2025 £m
Trade creditors	**178.0**	171.1
Amounts owed to the Parent Company	**243.2**	188.9
Amounts owed to other group undertakings	**7.0**	10.9
Other derivative liabilities (Note 19)	**0.6**	1.0
Other creditors	**12.9**	10.8
Taxation and social security	**5.8**	5.8
Government grants	**0.1**	0.1
Accruals	**52.8**	49.0
	500.4	437.6

Amounts owed to the Parent Company are unsecured, repayable on demand and bear interest based on the Bank of England base rate plus a margin of 0.8%. Amounts owed to other Group companies are unsecured, interest free and repayable on demand.

18. Creditors: amounts falling due after more than one year

	2026 £m	2025 £m
Government grants	**0.6**	0.7
Other creditors	**0.4**	0.1
	1.0	0.8

19. Derivative financial instruments

	2026 Debtors £m	2026 Creditors £m	2025 Debtors £m	2025 Creditors £m
Forward foreign exchange contracts designated as cash flow hedges	**0.8**	**(0.6)**	0.2	(1.0)

The Company uses forward foreign exchange contracts to hedge highly probable forecast transactions and designates these as cash flow hedges. The forecast cash flows are expected to occur evenly throughout the forecast period from the year end, which is between three and seven months, and will affect the profit and loss account in the period in which they occur.

For the year ended 31 March 2026, cash flow hedge gains of £0.5 million (2025: gains of £2.0 million) were reclassified from equity to inventories, cash flow hedge gains of £2.3 million (2025: gains of £4.3 million) reclassified from equity to profit or loss for the year and cash flow hedge losses of £1.5 million (2025: loss of £2.8 million) were recognised directly in equity.

20. Provisions for liabilities and charges

	Deferred tax £m	Reorganisation provision £m	Dilapidation provision £m	Total £m
At 1 April 2025	0.5	1.3	0.3	2.1
Charge for the year	-	0.5	-	0.5
Utilised	(0.5)	(1.3)	-	(1.8)
At 31 March 2026	**-**	**0.5**	**0.3**	**0.8**

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.

The 2025 deferred tax provision of £0.5m has been represented from creditors to provisions in the balance sheet to give consistency with the current period.

21. Deferred tax

Recognised deferred tax assets/(liabilities) are attributable to the following:

	2026 £m	2025 £m
Capital allowances	**(1.9)**	(1.9)
Retirement benefit net assets	**0.2**	0.2
Employee benefits	**2.4**	1.4
Other timing differences	**0.3**	(0.2)
Deferred tax asset/(liability) (Note 16, Note 20)	**1.0**	(0.5)

The following are the major deferred tax assets/(liabilities) recognised by the Company and movements thereon during the current reporting period:

	Capital allowances £m	Retirement benefit net assets £m	Employee benefits £m	Other timing differences £m	2026 Total £m
Deferred tax asset/(liability) as at 1 April 2025	(1.9)	0.2	1.4	(0.2)	(0.5)
Credit to profit or loss (Note 11)	-	0.4	1.0	0.3	1.7
(Charge)/credit to other comprehensive income	-	(0.4)	-	0.2	(0.2)
Deferred tax asset/(liability) (Note 16)	**(1.9)**	**0.2**	**2.4**	**0.3**	**1.0**

Deferred tax assets and liabilities are offset where the Company has 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. The deferred tax balances have no expiry date.

22. Operating lease commitments

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

	2026	2025
	£m	£m
Within one year	**4.5**	4.4
From one to five years	**6.3**	8.6
After five years	**0.5**	0.7
	11.3	13.7

23. Capital commitments

As at 31 March 2026, the Company is contractually committed to, but has not provided for, future capital expenditure of £2.3 million (2025: £2.0 million), all of which is for intangible assets.

24. Capital and reserves

Called up share capital

	2026	2025
Allotted, issued and fully paid:	**£m**	£m
50,000 (2025: 50,000) Ordinary shares of £1.00 each	**0.1**	0.1
	0.1	0.1

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses net of dividends and other adjustments.

Merger reserve

The merger reserve arose on the transfer of trade and assets of Needlers Limited to RS Components Limited in 2022.

25. Dividends

During the year, the Directors paid an ordinary dividend of £120.0 million in respect of the year ended 31 March 2025 (2025: £120.0 million).

The Directors recommend the payment of a final ordinary dividend of £120.0 million for the year ended 31 March 2026 (2025: £120.0 million).

26. Contingent liabilities

The Company has entered into financial guarantee contracts to guarantee, jointly with another RS Group company, the indebtedness of the Parent Company. 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. The Company is a guarantor under these facilities as, within the RSCL Group structure, it directly or indirectly holds the Group's trading operations and therefore supports the financing arrangements of the wider Group.

Guarantees exist in respect of the Parent Company's private placement loan notes, multicurrency revolving facility and term loan, up to a maximum of £681.3 million (2025: £678.8 million), of which £390.3 million (2025: £391.4 million) had been drawn down at the end of the year.

27. Related party transactions

The Company made sales of £4.0 million (2025: £3.7 million) to RS Components & Controls (India) Limited, a joint venture of the Group, and a balance of £1.5 million (2025: £1.0 million) was outstanding at the balance sheet date and included within Debtors: amounts falling due within one year - amounts owed by other Group companies (Note 16).

28. Controlling parties

The immediate and ultimate parent company and the smallest and largest group to consolidate these accounts is RS Group plc Copies of the RS Group plc Annual Report and Accounts are available to the public and may be obtained the RS Group plc registered office at Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

29. Post balance sheet events

On 28 July 2026, the Board of Directors approved a dividend of £120.0 million in respect of the financial year ended 31 March 2026. In accordance with FRS 102, this represents a non-adjusting event after the reporting period and, accordingly, no provision has been made in these financial statements. The dividend will be accounted for in the period in which it is paid.