2026

Annual report and accounts

mothercare

Contents

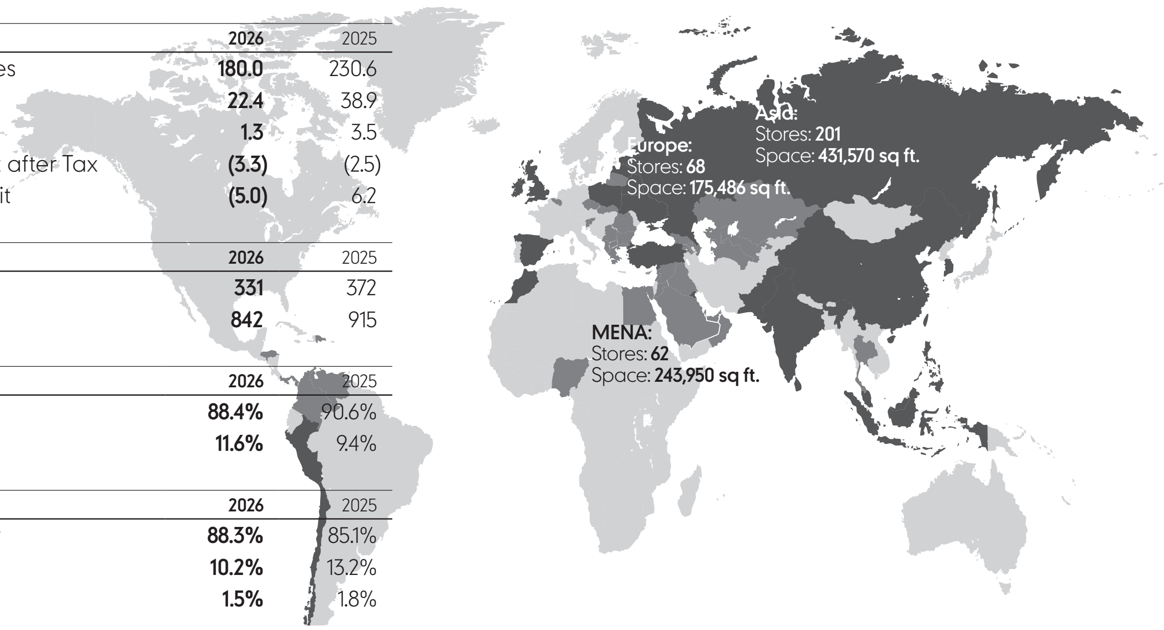
At a glance

	2026	2025
Worldwide retail sales	**180.0**	230.6
Revenue	**22.4**	38.9
Adjusted EBITDA	**1.3**	3.5
Adjusted (Loss)/Profit after Tax	**(3.3)**	(2.5)
Statutory (loss) / profit	**(5.0)**	6.2

Worldwide Stores	2026	2025
Stores	**331**	372
Space (k) sq. ft.	**842**	915

Worldwide Sales	2026	2025
Stores	**88.4%**	90.6%
Online	**11.6%**	9.4%

Product Mix	2026	2025
Clothing & Footwear	**88.3%**	85.1%
Home & Travel	**10.2%**	13.2%
Toys	**1.5%**	1.8%



Chairman's Statement

Clive Whiley
Chairman

As detailed in the Financial Review section, full year results for the 52-week period to 28 March 2026 ("FY26") were in line with the unaudited pre-close trading update issued in early April.

The Year under review

Worldwide retail sales by franchise partners for FY26 were £180.0 million, compared to £230.6 million for the previous financial year, a year-on-year decline of 22% on a reported basis (19% at constant currency exchange rates) with adjusted EBITDA of £1.3 million (FY25: £3.5 million) and an adjusted loss before taxation of £2.6 million (FY25: £1.7 million loss) notwithstanding a continued tight control of overheads delivering further cost savings of £2.1 million. Online retail sales participation for the period was slightly higher at 12% of total retail sales (FY25: 9%).

The performance reflects variously: the end of our exclusive distribution relationship with Boots at the end of 2025; foreign exchange rate impacts; the ongoing need for franchise partners to clear old inventory; and the longstanding uncertainty in our Middle Eastern markets, including the more recent impact of the Iran war in the last month of the period.

Net borrowings were £5.7 million at the year-end (March 2025: £3.7 million) and the pension scheme deficit remains at £35 million as at 30 June 2026, which is the latest available estimate (March 2025: £35 million) on a technical provisions basis.

Core Objectives

As highlighted in my previous Chairman's statements, we have struggled to reverse the dis-economies of scale associated with the more than halving of our franchise partners' store footprint over the last six years due to the pandemic, the Ukraine conflict and the uncertainty in the Middle East. This led to the transition of the business to an asset light global franchising business to focus upon our core international franchise and brand management competencies, as evidenced more recently by new agreements in both South Asia and Turkey.

The underlying strength of the business is nonetheless demonstrated by the fact that excluding the Middle East and the UK, our total retail sales on a like for like basis were positive for the full year to March 2026. We continue to believe that there remains a greater opportunity for the brand and a new partner in the UK, and negotiations with potential new partner continue.

We intend to utilise both the new South Asian region joint venture, and recent refinancing, alongside the new license agreement with ebebek (in Turkey) as a catalyst to redouble our efforts to capitalise upon the possibilities to grow the future global presence of the Mothercare brand: through connections with other businesses, the development of our branded product ranges and licensing within and beyond our existing perimeters.

These objectives are designed to rebalance the Mothercare brand IP value in a way that also promotes growth in our royalty income: ultimately improving profitability and the covenant of the underlying business for actuarial pension and stock market rating purposes alike.

Joint Venture

In October 2024 we announced a joint venture with an entry valuation of c£30 million for the South Asian region with Reliance Brands Ltd ("Reliance"), a wholly owned subsidiary of Reliance Industries Ltd, a Fortune 500 company and the largest private sector corporation in India, which:

- underlined the inherent value of the Mothercare brand;
- created an invigorated partnership in the South Asian region with Reliance, one of the world's largest, leading and respected business groups which will bring symbiotic and synergistic benefits; and
- significantly de-leveraged the business to finally allow a concentration upon the Company's future development.

We retain a residual 49% shareholding in a new joint venture company, JVCO 2024 Ltd ("JVCo"), covering Mothercare's franchise operations in India, Nepal, Sri Lanka, Bhutan and Bangladesh, which was granted perpetual rights for the use of the Mothercare brand and related intellectual property in those regions.

Whilst we temporarily receive revenues at lower rates than previously, Reliance have confirmed their aspirations for the reinvigorated business to significantly grow revenue levels, and we believe it is possible for them to grow their retail sales to around £300 million in five years, supported by a store opening programme targeting fifty new stores in the region in 2026. We also expect to benefit from both sourcing fees (supplying the joint venture with product) together with the value creation accruing to our residual 49% equity stake in JVCo.

Refinancing & Pension Schemes

On 20 February 2026, we announced the successful and timely refinancing of the Group's debt facilities and the deferral of contributions to the Group's pension schemes, both of which are detailed further in the Financial Review section.

More importantly this aligned the first-charge debt instrument more closely with our equity stakeholders, which is fundamental in the event of requiring further waivers to our covenant tests as we remain in discussions to restore and optimize critical mass.

Management & Board changes

We have a PLC Board that we believe is appropriate for a company of our size, nature and circumstances. Our Non-Executive Directors have relevant skills, continue to directly contribute to the ongoing change process, are regularly appraised and are encouraged to interface with the Operating Board.

The day-to-day management of the Group continues to be run by the Chief Financial Officer and the Operating Board, with oversight from me as Chairman. We continue to anticipate the appointment of a new Chief Executive Officer to be fulfilled as a natural consequence of the strategic discussions currently in train.

Dividend Policy

The Company has not paid a dividend since February 2012. The Directors understand the importance of optimising value for shareholders and are acutely aware of the funds dedicated to reducing the pensions deficit in the interim. It is the Directors' intention to return to paying a dividend when it is financially prudent for the Group to do so.

Summary and Outlook

Our results for last year reflect the underlying profitability and cash generation of our asset-light franchise system and the impact of the continuing uncertainty on our franchise partners' operations in the Middle East, where any longer-term impact upon supply chains is still unclear at this stage.

The refinancing of our debt facilities in February 2026 bought additional time to engineer a more comprehensive solution to harvest the significant operational gearing retained in the business where the current business model could support much higher volumes and would result in the vast majority of increased income falling straight to the bottom line.

In these circumstances the recent financial performance has been resilient and we are not planning for any material changes in market conditions as we look to FY27 as a whole, acknowledging the potential impact of the continuing disruption from events in the Middle East.

Given the external factors influencing some of the Company's key operating markets, our immediate priority remains to support our franchise partners, ultimately for the benefit of our own underlying business, where the strength of the Mothercare brand endures.

Accordingly, we remain in discussions to restore critical mass, a process greatly assisted by the recent refinancing and alignment of the first-charge debt instrument with our equity.

I would like to thank all of our colleagues and stakeholders for their support and efforts, once again in difficult circumstances, and the board remains determined to optimise the brand IP for the benefit of all stakeholders.

Clive Whiley
Chairman

Business model

Mothercare Global Brand Limited (MGB) owns the mothercare brand. We design, source and distribute products to our franchise partners, of which there are 18 partners across 29 countries.

Mothercare and Reliance have a joint venture covering franchise operations in India, Nepal, Sri Lanka, Bhutan and Bangladesh, granting the joint venture company perpetual rights for the use of the Mothercare brand and related intellectual property in those territories.

Within Turkey, ebebek has the exclusive right to use the Mothercare brand on products either designed and sourced by ebebek or Mothercare for a period of 10 years.

Our primary route to market is through our global franchise network of Mothercare stores. Physical retail continues to dominate, accounting for approximately 88% of our annual global sales. We operate across 50 e-commerce platforms and over 330 stores in 29 countries, including locations in many of the world's leading shopping malls. Our franchise partnerships typically involve multi-channel agreements granting exclusive rights to the mothercare brand within their territories.

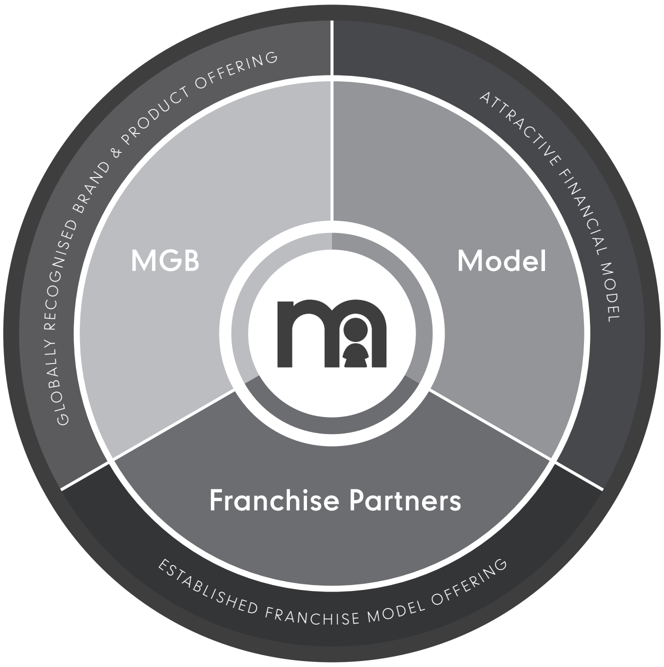
We design our product ranges to meet the diverse needs of parents worldwide. Franchise partners curate selections suitable for their local markets, and we support regional and seasonal adaptations to reflect cultural nuances. Where approved by MGB, partners may also supplement their ranges with third-party branded products to offer even greater choice.

Our financial model is built on efficiency and flexibility. MGB places orders with manufacturing partners only when there is a corresponding order from a franchise partner. These orders are made under a three-way agreement whereby the franchisee contracts directly with the manufacturer for payment and delivery.

As a result, MGB holds minimal stock – only that which is covered by confirmed sales orders. Products are generally shipped directly from the manufacturers to franchisees, minimising the need for warehouse infrastructure.

In most cases, invoices from manufacturing partners are addressed directly to and settled by our franchise partners. MGB generates most of its gross profit from royalties, calculated as a percentage of its franchise partners' net retail sales.

Now six years into this model, our franchise and manufacturing partners remain closely aligned with the mothercare brand. Their deep-rooted understanding has contributed to our continued improvements season after season. We are confident in the scalability of this model and are well-positioned to expand further into new markets and geographies.



The Value We Create

Customers

We strive to be the most trusted provider of quality products and expert guidance to parents throughout their parenting journey.

Business partners

We are committed to creating value for our partners by supporting their profitable and sustainable growth.

Colleagues

We aim to attract, retain, and develop talented individuals by offering fair remuneration, ongoing professional development, and comprehensive wellbeing support throughout their career journey with us.

Shareholders

We are focussed on delivering sustainable profit and long-term growth, creating value for our shareholders through a resilient and scalable business model.

KPIs

	2026	2025	2024	2023	2022
Worldwide Sales*					
Total retail sales £m	180.0	230.6	280.8	322.7	385.3
Online retail sales £m	20.9	21.8	28.5	29.3	40.9
Stores as a % of total sales	88.4%	90.6%	89.8%	90.9%	89.4%
Online as a % of total sales	11.6%	9.4%	10.2%	9.1%	10.6%
Worldwide Stores*					
Number of stores	331	372	457	506	680
Space (k) sq. ft.	842	915	1,149	1,223	1,828
International Growth*					
Year on year sales in constant currency	(19.2)%	(13.6)%	(8.7)%	(26.2)%	12.6%
Global Franchises					
Countries with a Mothercare presence	29	31	31	32	36
Product Mix*					
Clothing & Footwear	88.3%	85.1%	88.5%	86.3%	88.4%
Home & Travel	10.2%	13.2%	9.8%	11.7%	10.1%
Toys	1.5%	1.8%	1.7%	2.0%	1.5%

* Numbers presented relate to stores held by, and sales to end consumers by the Group's franchise partners with the exception of product mix which is based on MGB's sales to franchise partners. See accounting policies for definitions.

FY22 to FY23 includes the impact of the loss of operations in Russia.

Risk Management

Overview and Objectives

As a global franchisor, operating across 29 territories and engaging with manufacturers, supply chain sources and Franchise Partners, the Group is exposed to multiple risks across the markets within which it operates, in addition to navigating localised nuances across an ever-evolving socio-economic landscape. As such, there is a risk management framework in place which is congruent with the size, complexity, and financial position of the business.

The Group continues to maintain its risk management function in line with the Quoted Companies Alliance Corporate Governance Code (QCA Code) complying with AIM Rule 26.

- The **Audit & Risk Committee** provides oversight and assurance as to the overall suitability and effectiveness of the risk management approach. The plc Board retains overall responsibility for risk management and internal control, and formally reviewed and approved the Principal Risks and assessed control effectiveness in FY26.

- The **Operating Board** formally reviews, discusses and documents the Principal Risks to the business at least annually, supporting each business function with the right 'tone from the top'.

- The **Risk Committee**, which is chaired by the CFO, sits quarterly to understand existing and developing issues. Consisting of representatives from each operational department, this provides a consistent approach to the support of a responsible and risk aware culture.

- The **Senior Management** contribute to and update Operational Risk registers, as a minimum also quarterly. This provides regular monitoring and reporting of risks in order to identify suitable mitigation through controls, actions, or contingencies.

In addition, since September 2025 the business has adapted its risk management framework in light of the new 'failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act 2023', effective 1 September 2025. Whilst the Group is not within scope from the top down, colleagues are reminded to recognise their responsibility to proactively identify and manage risk through the course of day-to-day activities and planning with emphasis on proportionate, risk-based prevention procedures.

Principles and Process

The principles adopted balance the pursuit of growth, within a complex, challenging, and ever-evolving, global retail environment, whilst also providing sound opportunity for investors. The risk management framework is adopted throughout the Group to protect and enhance business value with an approach that is both impactful and resilient, enabling considered and strategic decision-making.

The primary principles are designed to promote the protection and improvement of working capital, and the design and supply of sustainable, safe, desirable product for Franchise Partners, they are:

- business decisions being made with risk in mind, with Principal Risks reviewed annually.

- risk tolerance determined by Group strategy, with annual Operating Board review.

- best practice adopted to ensure legal compliance, through company-wide policies and training.

- risk aware culture is promoted, with quarterly departmental Operational Risk Register reviews, aligned to Risk Committee meetings attended by all senior management.

Operational Risk Registers are maintained to inform the business of those areas having the biggest impact on the Principal Risks and the threat they pose to the Group achieving its strategic objectives.

All business departments contribute quarterly to Risk Registers with updates on progress, developing threats and risks that have been reduced or removed. They are Brand, Buying & Design, Commercial, Finance, Legal, IT, Merchandising, Technical, People and Supply Chain, with each represented at quarterly Risk Committee meetings by Departmental Head(s), with oversight from the accountable Operating Board members.

Risk Management FY26

The Group continues to have effective and proactive measures to ensure ongoing assessment of business risk from both Principal and Operational aspects. The risk management principles and process have been implemented to deliver an efficient, profitable, and growth-centric franchise proposition, with appropriate controls where mitigation, contingency and actions are required in assessing individual departmental risks. There is regular Board oversight of the risk framework with quarterly management reporting as part of the Risk Committee meetings. No material deficiencies in the risk management framework have been identified during external audits and there have been no material breaches of laws and regulations. No significant weaknesses or remedial actions in the risk framework were identified during FY26.

The introduction of new 'Failure to Prevent Fraud legislation' in September 2025 provided fresh impetus for review of internal process and procedure around risk assessment, which was initiated and monitored through the quarterly risk meeting framework. Wholesale change was not required due to the maturity of our existing practices; it was more so about ensuring that all forms of potential fraud had been captured within the existing risk framework and proportionate mitigation measures could be articulated. This workstream was sponsored by the Operating Board, recognising that the legislation called for top-level commitment.

Throughout the year, the business has continued to navigate its way through a complex geo-political landscape and associated macroeconomic uncertainty, which has impacted all our markets to a greater or lesser extent, not least of course due to the impact of the US-Israeli conflict with Iran, its associated impact on both our Franchise Partner in the region and far reaching consequences ranging from inflationary pressure to global shipping delays. Managing the associated financial and commercial risks effectively has been key in identifying the most effective way forward, most notably around both Group liquidity and the business's inherent dependency on its key partners, both franchisees and manufacturers. Proactive, structured and supportive communication with all Franchise and Supply Chain partners remains key to ensuring we are agile and balanced in how we deal with such existential challenges as both a business and wider stakeholder group. Supporting both our Franchise Partners and supply base through this period of difficult trading and suppressed demand, linked to both trading conditions and inventory levels, is key to safeguarding longer-term business prosperity.

System and process-wise, the business has remained relatively stable through 2026, following the introduction of the Microsoft Dynamics 365 ERP system the year before. Whilst to an extent the business continues to evolve and flex its processes, according to its changing needs, systemically we are now largely in steady state. The business continues to proactively review whether its systems and processes are fit for purpose, not least in the context of on-going license and management costs, particularly given the reduction in business revenue since system implementation. A full review of the Product Lifecycle Management (PLM) element of the system was undertaken in year, albeit ultimately it was established that the benefits of the existing solution far outweighed the cost and potential risks associated with removing it in favour of an alternative.

Throughout the year, breaches of trademarks have continued to be considered through assessment of the potential harm and detriment, and consequent devaluation of the Mothercare brand, and where ascertained, have been acted upon decisively, protecting brand image and value for all our partners.

Principal risks and uncertainties

Reviewed, discussed, and agreed by the Operating Board annually, the Principal Risks are determined through consideration of the Group's strategic objectives, operating environment and assessment of key operational risks. The Board also considers emerging risks and opportunities as part of its review to support strategic success and improve future performance. The impact of operational risks on these determines the focus for senior management and their teams.

↑ Risk Increased ↓ Risk Decreased ↔ Risk Stable

Principal Risk	Potential Impact	Key Mitigations and Control
Liquidity		
MGB may fail to control cash management and working capital as a result of lower trading receipts, increased partner debt, interest rates or overhead costs and reduced order books, potentially combined with a reduction in overall partner profitability. An increase in risk has been identified due to reduced trading receipts driven by recent conflict in the Middle East combined with the exit of UK partner during the year. ↑	Whilst the business has already recognised breaches to banking covenants and has been operating in a position of default for some time, there of course remains an underlying risk that cashflows will be insufficient for the business to continue operating should cash not be managed effectively through key pinch points.	• Strong cash management governance in place, including weekly Cash Committee chaired by CFO. • Tri-partite, Quad-partite and Manufacturer Agreements, with Franchisees and Suppliers, significantly improved working capital. • Franchise partner Bank Guarantees set up in line with the associated agreements. • Direct Shipment and Direct Invoice supply principles in place with key partners across the franchise estate. • The £8.5m refinancing of debt facilities in February 2026 together with the additional £1.5m of funds raised in July 2026, has provided greater financial flexibility while the business continues to evaluate strategic and longer-term funding alternatives. The facility is in default as a result of breaching financial covenants which cannot be remedied, and so is repayable on demand. However, the facility is controlled by shareholders and the further funding of £1.5 m provided post year end, demonstrates their ongoing support of the business.

Risk Management
continued

Principal Risk	Potential Impact	Key Mitigations and Control
Dependency on a small number of partners Due to the reduction in breadth and scale across the franchise base, there is an increased dependency on key franchise partners whose success directly dictates the success of the Group in the absence of further franchise partner development. Additionally, with some key franchise partners, and some manufacturing partners, the Group is exposed to movements in foreign currency exchange rates. The cessation of the UK franchise arrangement with Boots has further crystalised the reliance on remaining, larger partners. During the year the Group had three customers individually representing more than 10% of Group revenue (27%,13% and 11%).	Any damage to, or loss of, the Group's relationship with key partners, could have a material impact on the franchise model success, operational capability, and financial stability. Further reduction in demand from what is already a smaller number of key franchise partners may impact liquidity, sourcing scale, supplier engagement, profitability and long-term business sustainability.	• Ongoing identification and sufficiently risk spread review of new business channels, partnerships, and territories to grow our global business and reduce this reliance. • Proactively seeking new UK partner to replace Boots, in addition to other means of diversifying the franchise and/or revenue generation model e.g. joint venture with India FP to revitalise market potential, License Agreement with ebebek for Turkey territory. • Collaboration with all partners continues with the aim of enabling growth, supported by Quarterly Business Reviews with Franchisees. • Revised contracts continue to provide increased transparency, competitive pricing, and royalty rates. • The majority of the exchange rate risk is limited to the royalties we earn based on a percentage of the local currency retail sales.
Conflict in the Middle East The continuation of conflict between Iran and USA-Israel represents a new and multi-faceted risk to MGB, significant enough in isolation to sit separately, despite its linkage to other Principal risks already outlined. Note this is a post year end addition to the Principal risks.	The escalation from diplomatic hostility to full-scale military action in the region, most notably in relation to the collateral impact across the Gulf States where the Mothercare franchise network extends, resulted in significant and immediate impact to sales within the region. As the conflict has progressed, further impacts were experienced in relation to supply of goods into the region, linked to disruption in the Strait of Hormuz and demand for future supply. Future demand expectations from Alshaya have also reduced materially, which has made it increasingly difficult for the Group to develop future ranges with a) the breadth to meet partner expectations b) scale to source optimally and c) sufficient quantities to meet production minimums. Supplier interest is starting to wane as a result with several Manufacturing Partners having chosen to exit. Indirect effects on production include cost and timing of freight plus supplier pricing, due to knock on economic impacts.	• The Group is maintaining a very close relationship with Alshaya to understand the week-to-week impact of the conflict across all territories. • The Group is kept abreast of senior decision-making and strategy within Mothercare Alshaya and Alshaya group level in order to understand and respond to direction of travel. • The cash impact from any reductions in Franchise Partner sales are proactively embedded into the latest business planning modelling and short-term cash flow forecasting. • Ranges for future seasonal product offerings are being developed in conjunction with Alshaya and in the context of latest Open to Buy (OTB) views. • Relationships with key suppliers are being managed closely and proactively; remaining buy consolidated where possible to increase interest in continuing to work with the Group. • Supply chain risk is well understood and monitored regularly from both a commercial and operational perspective.

Principal Risk	Potential Impact	Key Mitigations and Control
Product volume diseconomies		
The global product buy has reduced significantly as a result of increased dependency on a smaller partner-base, including the exit of the UK partner during FY26, and also as a result of many partner's right sizing order levels in light of current sales and levels of stock holding. As a result, the business has less scale and breadth for both Clothing and Home Travel orders to place across its supply base. This can have an adverse impact on price and ability to meet volume thresholds whilst also impacting practicable range breadth. ↑	Reduced leverage on pricing, driven by reducing order quantities on both a) specific lines and b) overall business offered to individual Manufacturing Partners can adversely impact both partner or supplier margin and propensity to buy-in. Where orders are insufficient to meet Minimum Order Quantities (MOQs) or generate a competitive price, lines are likely to be dropped. Even where orders do meet MOQs, increasing instances of lower end volumes are hampering supplier productivity and reducing the appeal of working with the Group. Where the range is narrowed, in mitigation, this may result in Franchise Partners having a suboptimal range to suit their individual market needs.	• As outlined within the partner dependency risk, the business remains proactively committed to supplementing the Franchise Partner base in order to inject new volume into the order base. • Collaboratively working with major Franchise Partners through range building process to ensure demand is best understood upfront. • Moving or consolidating supply where practicable to ensure the most efficient price and volume mix. • Negotiating hard on MOQ levels, order phasing and other means of delivering a balanced solution for Franchise Partners and Manufacturing Partners. • Supporting Franchise Partners in the short-term by subsidising pricing uplifts on key Like for Like options to maintain volumes. • Focus on relationships with key Manufacturing Partners, including those which hold the biggest shares of business and those which specialise in niche or harder to replace areas of the product offering.
Global economic and political conditions		
The Group may be negatively affected by challenging economic conditions and geo-political developments affecting the international markets in which it operates. In addition to the continued conflicts in both the Middle East and Ukraine, significant uncertainty has arisen from tariffs imposed by the USA and a moderation in global economic growth, including a marked slowdown in many developed economies, including some MGB markets. ↑	Economic and geo-political uncertainty may impact supply of product or potential to continue with a partner and could have a material adverse effect on the Group's business. Impact on the global economy, or individual markets, as exacerbated by US protectionist policy, could have a continued effect on the prosperity of local markets and, in turn, our franchise partners.	• The business works closely and conducts regular reviews with individual Franchise Partners to understand developing situations and to mitigate risks from changing geo-political conditions. • Political and economic stability of potential partners is considered by the Operating Board during discussions related to business development engagement. • Supply chain operations are managed and monitored on a daily basis to limit the impact of delivery service interruption and contracted obligations • Franchise Partners have the contracted ability to source product locally if required and our sourcing territories are spread to ensure supply interruption impact is reduced.
IT Systems		
The Group's legacy IT systems have been successfully replaced by a fully integrated ERP system. However, inherent risks remain in relation to critical system failure, cyber security, data integrity and information storage, which continue to be actively managed by the business. Threats to cyber security continue to evolve in both frequency and sophistication and could impact business continuity, operational resilience, data security and stakeholder confidence. ↔	IT infrastructure disruption could result in the inability to support our global partners to trade effectively. Any failure of, or attack relating to stock management or finance systems, would significantly impact operational efficiency and ultimately Group profitability. The escalation in frequency and severity of cyber-attacks across a number of well-known corporations have served as a reminder of the potential severity of malicious, external threats.	• IT-specific Disaster Recovery Plan is in place, in addition to departmental continuity plans. • Core Data Integrity forms a part of all departments assessed and mitigated risk landscape supporting the ongoing accuracy, completeness and integrity of data within the Group. • Enterprise-wide support extensions are in place to protect core systems, supplemented by security monitoring and penetration testing. Third party penetration testing conducted in 2026 with only one high risk point on password control which has already been addressed successfully. • Network and Server Monitoring in place for security vulnerability scanning with an up-to-date patching schedule completed. • Controls and Ownership Registers ensure role specific responsibility for system processes.

Risk Management
continued

Principal Risk	Potential Impact	Key Mitigations and Control
Regulatory and Legal		
A failure to comply with increasing regulatory requirements or introduction of new regulations impacting MGB or any of our partners could result in brand damage, fines or impact our ability to operate profitably. Updated to cover the 'failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act 2023', effective 1 September 2025. Whilst the Group is not within scope it is considered a key risk and adhered to as part of the risk framework. ⟷	The Group is reliant on manufacturers, suppliers, and distributors to comply with employment, environmental and other laws. Regulatory compliance requires monitoring and reporting to avoid damage to the Mothercare brand. Changes to regulations or import restrictions and taxes could also significantly impact profitability of some partners.	• Consultation between sourcing design departments and the Group's in-house Legal team to ensure brand clearance, IP infringement and local regulations do not expose the Group to potential litigation. • Third-party engaged to complete and report on an ongoing programme of supplier partner audits covering global ethical and quality standards reporting to the Operating Board. • Development of a sourcing strategy to allow for greater flexibility in moving suppliers in response to regulatory obligations. • Mandatory compliance training, MGB Code of Conduct sign off and Conflict of Interest declarations is embedded within the UK and overseas colleagues. • Regular risk assessments across all departments, proportionate due diligence and ongoing monitoring are undertaken in relation to fraud prevention compliance.
Brand, Reputation and Relationships		
The Mothercare Brand is a key asset that is both strong and desirable, should this be negatively impacted through neglected partner relationships, an unsupported poorly executed Brand vision, failure to meet customer expectation, or third-party abuse of registered trademarks. ⟷	Our brand could be impacted by product failures, ineffective management of product incidents, public scandals relating to any partners, inappropriate behaviour, data breaches or third-party IP abuse, all of which may result in a deterioration of brand confidence and reduction in future global opportunities.	• Ongoing programme of partner consultation, consumer trend analysis and creation of strong digital assets for global brand promotion. • Agreements in place for every trade supplier reducing Group liabilities and promoting governance expectations, including factory audits and annual responsible sourcing audits. • Group trademarks are formally logged in country of operation with a proactive enforcement of IP rights through an ongoing Online Brand Enforcement programme. • Significant breaches of Mothercare brand trademarks are identified, managed, and acted upon categorically, firmly and in a timely manner in order to protect all partner interests.
Pension Scheme Funding		
MGB is exposed to the financial uncertainties of its defined benefit pension plans and particularly as a result of continued economic instability and lack of confidence around future growth due to macro-economic factors, political uncertainty etc. ⟷	Whilst the Bank of England have been slow to make significant changes to interest rates over the past year, more aggressive fiscal policy in future could result in an increased funding shortfall. Equally, any reduction in investment returns may result in an increase in the scheme deficit and the resultant future contributions to be paid by MGB.	• The Trustees of the schemes are experienced professionals, with whom the Group maintains a very close relationship, and their investment plans are reviewed by the Group. • Pension Deficit Reduction Contributions continue to remain paused in the short-term, in agreement with the Trustee to support the business. The Trustee has currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group. • Buy out of the Executive Scheme was completed on 31 March 2026. • Contributions are reviewed and assessed between the Trustee Chair and Mothercare plc Board regularly to ensure all obligations are adhered to for the benefit of scheme members.
Personnel and talent		
Failure to attract, retain, motivate, and progress our top talent, within a compact and evolving team and in an exceptionally competitive job market, could lead to high attrition rates and an inability to 'attract and retain' to meet our strategic intentions. As the size of the team has reduced, there has become a greater need to carefully prioritise cover of business-critical tasks and knowledge. ⟷	'Critical role' loss may interrupt strategic vision and focus with resultant decline in partner support and associated reputational impact. With the new ERP embedded, there has been a tempered reliance on key personnel with knowledge of legacy business process and systems in certain areas, whilst noting this still exists to a degree.	• Consistent benefit structure and annual review process in place to position the business as an attractive and competitive employer, supporting colleague retention, engagement and wellbeing. • Leadership development, technical training and ongoing professional development opportunities are provided to support colleague growth and strengthen succession planning. • Cross-functional training, documented business processes and knowledge sharing help reduce dependency on individual colleagues and preserve critical business knowledge. • The embedded ERP platform has reduced reliance on certain legacy processes and individuals through greater standardisation, automation and transparency of key operational activities.

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered their general duties under Section 172(1) of the Companies Act 2006 to act in a manner they would consider would be most likely to promote the success of the company for the long-term for the benefit of its shareholders as a whole whilst having regard, among other things, to the interests of all stakeholders including employees, business relationships with suppliers, customers and others.

Mothercare's stakeholders include its shareholders, employees, franchise partners, manufacturing partners, the trustees of the pension scheme and its lenders. Key board decisions throughout the year considered the key stakeholder groups and regular methods of engagement with those groups.

During the year the board was cognisant of its s172 duties and specific examples are set out below.

Significant event / decision	Key s172 stakeholders affected	Actions and impact
License agreement with ebebek Mağazacılık A.Ş.	Franchise partners	Mothercare and ebebek entered into a 10 year agreement, giving ebebek the exclusive right, solely within Turkey, to use the Mothercare brand on products they design or source, subject to Mothercare's prior approval and in accordance with Mothercare's guidelines and standards. Under the agreement, ebebek may also purchase Mothercare branded products from MGB solely for sale within Turkey. On the sale of any Mothercare branded product ebebek will pay a percentage of the sale as a royalty. The agreement also allows Mothercare to purchase products ebebek has sourced for itself, either under its own brands or Mothercare, for sale by our franchise partners outside of the territories where ebebek trades and to re-brand these products with the Mothercare brand if relevant. This agreement will not only provide additional revenue to our Company but will also potentially enable us to obtain synergies and the resultant benefits, from combining the purchasing power of our two businesses.
Financing – new financing arrangements with a consortium of investors concluded in February 2026	Lenders	We highlighted in our full year 2025 results announcement that the Group expected to breach the liquidity financial covenant of its £8 million debt facility and we subsequently breached this covenant, which meant the facility was repayable on demand. The Group continued to benefit from the ongoing support of its then lender and as set out in that announcement we continued to have regular and positive discussions with them. Our former lender did not indicate that they required immediate repayment of the facility. Whilst during certain points of our working capital cycle we had not met the liquidity financial covenant, we continued to have sufficient cash to trade for the foreseeable future. Notwithstanding that, as set out in the FY26 interim statement, we pursued the refinancing of those debt financing facilities. This resulted in Mothercare entering into financing arrangements with a consortium of investors to refinance and vary the existing facility via a special purpose vehicle. This new arrangement has enlarged the debt facilities to £8.46m on signing (with the potential to upsize to £10m subject to further investor demand) and extended the facility's term to 31 December 2027. The facility as amended now carries a coupon of 25% per annum, comprising an unchanged 10% per annum cash pay coupon and an additional 15% per annum "payment in kind" non-cash coupon. Richard Griffiths (and associated undertakings) is one of the consortium of investors, contributing £5m to and the majority shareholder in the special purpose vehicle (SPV), and as he is a substantial shareholder in Mothercare the refinancing therefore falls within AIM Rule 13 as a related party transaction. The directors of Mothercare consider, having consulted with Deutsche Numis as Nominated Adviser to Mothercare, that the terms of the transaction are fair and reasonable insofar as Mothercare shareholders are concerned. Whilst the new facility remains in default and so is still repayable on demand, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders.

Section 172 statement
continued

Significant event / decision	Key s172 stakeholders affected	Actions and impact
Pension schemes	Pension trustees, active and deferred pensioners, lenders, shareholders	In our full year 2025 results announcement we noted that the Group's Pension Trustee had agreed to defer the first six months' payments of pension contributions due in the year to March 2026 and that we had requested a further deferral of such payments for the remainder of this financial year to support the Company's cash flows whilst we are exploring growth opportunities. We are pleased to announce that the Trustee has agreed to extend the deferral of contributions to March 2026. The total contributions due in the year to March 2026 that are deferred amount to £3.0 million. This sum together with the remaining contributions due, will be paid in accordance with a new schedule of contributions to be put in place no later than 31 March 2026 and which will include a resumption of contributions from 19 April 2026 at a level that the Trustee considers to be affordable. As previously announced the Group's pension Trustee has agreed to defer the payment of pension contributions due in the year to March 2026, to support the Company's cash flows whilst we are exploring growth opportunities. The Trustee has now agreed to extend the deferral to March 2027. The pension deficit contributions due in the years to March 2027 and March 2026 that are deferred amount to £3.0 million in each year, a total of £6 million. This sum together with the remaining contributions due, will be paid in accordance with a new schedule of contributions to be put in place no later than 31 March 2027, which will include a resumption of contributions from 19 April 2027 at a level that the Trustee considers to be affordable.

Shareholders
Regular dialogue has been maintained throughout the year with the Company's major shareholders whom represent c80% of the share register.

Employees
The business continues to support flexible working arrangements. Regular coffee mornings (that were introduced during lockdown) have continued to be held with digital being the default method of hosting. All employees join with two-way communication encouraged providing opportunities to ask questions either anonymously or in person. A number of wellbeing initiatives and access to support for an array of matters are available to all employees.

Lenders
The board kept the financial needs and available resources of the group under close review and refinanced the debt facilities as detailed above. The Company keeps its lenders appraised of its financial status and maintains regular dialogue.

Pension trustees
Regular dialogue took place with the trustees of the defined benefit pension schemes with continual discussions on the value of the deficit and scope for mitigating risk to all stakeholders.

Franchise and manufacturing partners
We maintain regular dialogue with our franchise and manufacturing partners, and we continue to collaborate to identify opportunities.

Financial review

Worldwide retail sales by our franchise partners were £180.0 million (2025: £230.6 million) a decline of 22% year on year, or 19% at constant currency. The decline largely resulted from the longstanding uncertainty in our Middle Eastern markets, including the more recent impact of the war in Iran, together with phasing out of the UK market as we ended our exclusive distribution relationship with Boots at the end of 2025.

The underlying strength of the business is demonstrated by the fact that excluding the Middle East and the UK, where we continue to believe that there remains a greater opportunity for the brand with a new partner in the UK, on a like for like basis our total retail sales were positive for the full year to March 2026.

The loss from operations in the year was £1.2 million (2025: £16.0 million profit). To better understand the underlying results, the Group uses a non- statutory reporting measure of adjusted profit, to show results before any one-off significant non- trading items. In the current year this primarily involves adjusting for restructuring and reorganisation costs which are non-recurring, resulting in £1.7 million added back. In prior year £13.6 million was subtracted predominantly related to the India sale of IP rights. These adjusting items, together with depreciation and amortisation of £1.5 million (2025: £1.5 million), result in an adjusted EBITDA for the year of £1.3 million (2025: £3.5 million).

The Group recorded a loss for the 52 weeks to 28 March 2026 of £5.0 million (2025: £6.2 million profit). The adjusted loss for the year was £3.3 million (2025: £2.5 million). The adjusting items are detailed in note 6.

Whilst revenues decreased by £16.5 million, adjusted cost of sales decreased by £11.5 million, resulting in an adjusted gross profit reduction of £5.3 million. This was primarily driven by the reduction of royalties by £3.5 million, as a result of the lower retail sales together with the impact of the India JV deal.

Administrative expenses before adjusted items were £10.4 million, a reduction of £2.1 million compared to the previous year. The largest reduction was IT costs of £1.4 million driven by continued savings generated by the new ERP system and reduced cost of IT support, with further savings driven by tight control of overheads, most notably across payroll, professional fees and pension costs.

Retail space at the end of the year was 0.8 million sq. ft. from 331 stores (2025: 0.9 million sq. ft. from 372 stores).

FINANCING

In February 2026, prior to the balance sheet date, the Group entered into a new financing arrangement with a consortium of investors through a special purpose vehicle, CTM Funding Ltd, to refinance and amend its existing debt facility. The previous £8.0 million Gordon Brothers facility was repaid and replaced with a new facility provided by CTM Funding Ltd.

Richard Griffiths, a substantial shareholder in Mothercare, is one of the consortium of investors, contributing £5.0 million to and the majority shareholder in CTM Funding. The Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders.

The new facility initially provided funding of £8.46 million. The maturity of the facility has been extended to 31 December 2027, providing the Group with greater medium-term funding comfort. After the year end additional funding of £1.54 million has been raised via the same special purpose vehicle.

The amended facility carries a total coupon of 25% per annum, comprising a 10% cash coupon, consistent with the previous facility, together with an additional 15% payment in-kind (PIK) coupon, which accrues to the loan balance and is non-cash in nature.

At the year-end Mothercare had total cash of £ 2.8 million (March 2025: £4.3 million), against the £8.5 million (March 2025: £8.0 million) of the Group's revised loan facility. The facility was fully drawn up to the new financing agreement in February 2026 and remained fully drawn to year end.

The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. However, the facility is controlled by shareholders and additional funding of £1.5 million has been raised post year end, which demonstrates the ongoing support provided to the business.

PENSION SCHEME CONTRIBUTIONS

At 28 March 2026, there were two defined benefit schemes, both of which have been closed to new members, the Staff Scheme and the Executive Scheme. Following the full actuarial triennial valuation at 31 March 2023, the deficit on the Staff Scheme was £35.0 million, resulting from assets of £197.6 million and liabilities of £232.6 million, the Executive Scheme was in surplus, with assets of £81.2 million and liabilities of £80.5 million. The schemes are independent and so the small surplus on the Executive Scheme cannot be used to set off the deficit on the Staff Scheme.

After the reporting date, the Group completed a full buy-out of the liabilities of the Executive Scheme with an insurance company. As a result of this transaction, all obligations relating to the Executive Scheme have been irrevocably transferred to the insurer, together with the scheme assets, and the Group has no further legal or constructive obligation in respect of this scheme. The buy-out was completed on 31 March 2026. Accordingly, the Executive Scheme will be derecognised from the Group's statement of financial position in the financial year ending 27 March 2027.

The deficit on the Staff Scheme to be funded at 31 March 2023 of £35.0 million was a significant reduction from the total deficit of £124.6 million at 31 March 2020: the Staff Scheme deficit of £101.7 million, from assets of £278.0 million and liabilities of £379.7 million and the Executive Scheme deficit of £22.9 million, from assets of £105.7 million and liabilities of £128.6 million. The 31 March 2026 valuation will take place over the coming year.

These deficits are on an actuarial technical provisions basis, which is used to determine the contributions required and produces different figures from those included in the balance sheet, which are required to be from applying IAS 19 and resulted in the £20.1 million liability on the balance sheet in relation to the pension schemes as at 28 March 2026 (£21.1 million as at 29 March 2025).

The annual contributions previously agreed for the Staff Scheme in the year to March 2026 and March 2027 were £3 million in each year, a total of £6 million. However, in order to support the Company's cash flows whilst it is exploring growth opportunities, the Trustee agreed to defer these contributions to March 2027, with a revised schedule of contributions to be agreed by 31 March 2027. This will include a resumption of contributions from 19 April 2027 at a level that the Trustee considers to be affordable to the Group.

Prior to the contributions deferral the following annual contributions for the Staff Scheme and the costs for both schemes, which had been agreed with the Trustee, for the years ending in March are as follows: 2026 and 2027 - £3.0 million: 2028 and 2029 - £4.0 million; 2030 and 2031 £5.0 million; 2032 - £6.0 million and 2033 £0.5 million.

OPERATING MODEL

The Group continues to work towards its goal of becoming an asset light business. We continue to use our tripartite agreement ('TPA') process, whereby the franchise partners commit to paying the manufacturing partners for the product when due and in return the manufacturing partners are generally willing to offer improved credit terms.

We have subsequently further improved the TPA model whereby the franchise partner is invoiced directly by the manufacturing partner. This allows the manufacturing partners the opportunity to obtain credit insurance in relation to the franchise partners' debt, which due to MGB's limited trading history was sometimes difficult to obtain for invoices raised to MGB. Additionally, this model removes the Group's exposure to the debt and working capital requirement for these products. Where this is the case, under IFRS 15 the Group is the agent in the transaction – previously the Group was the principal. Hence for these products the creditors and stock are not recognised by the Group and whilst the associated revenue and cost of sales is excluded there is no material impact on the absolute margin earned. The responsibility for design, quality control and choice of manufacturing partner for these products are unchanged and remains with the Group. The impact in 2026 of partners newly adopting the direct invoice model versus prior year is reduced revenue of £1.9 million with a corresponding reduction in cost of sales of £1.9 million (£0.9 million impact in prior year).

For those orders where the franchise partner is not invoiced directly, the majority are covered by letters of credit, bank or other guarantees to reduce our bad debt exposure.

Additionally, for orders which are not invoiced directly, we have moved the currency of the payments from our franchise partners to match the currency paid to our manufacturing partners, hence removing a significant amount of foreign exchange exposure.

BALANCE SHEET

Net liabilities increased by £1.5 million during the year, reflecting the continued impact of challenging retail conditions, lower levels of trading activity and the effect of financing arrangements entered into prior to the year end.

	28 March 2026 £ million	29 March 2025 £ million
Investment in associate	**10.8**	10.8
Intangible fixed assets	**6.7**	7.8
Retirement benefit obligations liability	**(20.1)**	(21.1)
Net borrowings (excluding IFRS 16 lease liabilities)	**(5.7)**	(3.7)
Trade and other receivables	**4.0**	4.1
Trade and other payables	**(5.0)**	(6.2)
Current tax liabilities	**(1.2)**	(1.3)
Other net liabilities	**(0.4)**	0.2
Net liabilities	**(10.9)**	(9.4)
Share capital and premium	**198.1**	198.1
Reserves	**(209.0)**	(207.5)
Total equity	**(10.9)**	(9.4)

NON-CURRENT ASSETS

Total non-current assets reduced during the year, principally as a result of depreciation and amortisation. Property, plant and equipment and right of use assets decreased by £0.3 million, primarily reflecting the depreciation of existing assets, while intangible assets reduced by £1.1 million following the normal annual amortisation charge.

TRADE AND OTHER RECEIVABLES

Trade and other receivables decreased by £0.1 million, largely due to timing of trade activity around the year end.

TRADE AND OTHER PAYABLES

Trade and other payables reduced by £1.2 million, reflecting both the lower level of trading during the year and timing of activity around year end. Accruals decreased by £0.4 million, trade payables reduced by £0.4 million, and advance receipts from customers and other payables decreased by £0.3 million. Tax liabilities remained broadly consistent with the prior year, decreasing marginally by £0.1 million.

INVENTORY

Year-on-year inventory levels decreased to nil, from £0.6 million in prior year, as the Group continued to benefit from its tripartite supply arrangement with suppliers and franchise partners. This model enables products to be shipped directly from suppliers to franchise partners, reducing working capital requirements and warehouse inventory while supporting efficient fulfilment. The reduced working capital requirement as a result of this model combined with favourable timing of shipments at year end resulted in a nil stock balance.

BORROWINGS AND CASH AND CASH EQUIVALENTS

Net borrowings increased by £2.0 million during the year to £5.7 million. This primarily reflected the refinancing of the Group's borrowing facilities together with lower cash generation from trading. Cash and cash equivalents of £2.8 million decreased by £1.5 million versus prior year, driven principally by the reduced level of trading activity. In addition, the Group incurred facility arrangement fees of £0.1 million associated with the new financing arrangements.

Details of the income statement net charge, total cash funding and net assets and liabilities in respect of the defined benefit pension schemes are as follows:

£ million	52 weeks ending 27 March 2027*	52 weeks ended 28 March 2026	52 weeks ended 29 March 2025
Income statement			
Running costs	(0.8)	(1.3)	(1.4)
Net (expense) / income for interest on liabilities / return on assets	(1.3)	(1.3)	(1.2)
Past service cost	–	–	(0.3)
Net charge	(2.1)	(2.6)	(2.9)
Cash funding			
Regular contributions	–	–	–
Deficit contributions	–	(0.3)	(2.1)
Total cash funding	–	(0.3)	(2.1)
Balance sheet**			
Fair value of schemes' assets	n/a	219.6	227.2
Present value of defined benefit obligations	n/a	(239.7)	(248.3)
Net deficit	n/a	(20.1)	(21.1)

* Forecast based on the Trustee's agreement to extend the deferral to March 2027.

** The forecast fair value of schemes' assets and present value of defined benefit obligations is dependent upon the movement in external market factors, which have not been forecast by the Group for 2026 and therefore have not been disclosed.

PENSION OBLIGATIONS

The Group's defined benefit pension deficit improved during the year, reducing from £21.1 million to £20.1 million.

Scheme liabilities decreased from £248.3 million to £239.7 million, principally reflecting favourable movements in financial assumptions, including an increase in the discount rate, which resulted in a gain on liabilities of £13.9 million.

Scheme assets decreased from £227.2 million to £219.6 million, primarily due to lower-than-expected investment returns, giving rise to an asset experience loss of £5.7 million. Overall, the schemes recorded an actuarial gain of £3.3 million during the year.

Financial review
continued

INCOME STATEMENT

	52 weeks to 28 March 2026 £million	52 weeks to 29 March 2025 £million
Revenue	**22.4**	38.9
Adjusted EBITDA (EBITDA before exceptionals)	**1.3**	3.5
Depreciation and amortisation	**(1.5)**	(1.5)
Adjusted (loss) / profit before interest and taxation	**(0.2)**	2.0
Adjusted net finance costs	**(2.4)**	(3.7)
Adjusted (loss) before taxation	**(2.6)**	(1.7)
Adjusted (costs) / income	**(1.7)**	13.6
(Loss) / profit before taxation	**(4.3)**	11.9
Taxation	**(0.7)**	(5.7)
Total (loss) / profit	**(5.0)**	6.2
(Loss) / earnings per share – basic	**(0.9)p**	1.1p
Adjusted loss per share – basic	**(0.6)p**	(0.4)p

FOREIGN EXCHANGE

The main exchange rates used to translate International retail sales are set out below:

	52 weeks ended 28 March 2026	52 weeks ended 29 March 2025
Average:		
Saudi riyal	**5.02**	4.78
Emirati dirham	**4.92**	4.68
Kuwaiti dinar	**0.410**	0.391
Qatari riyal	**4.88**	4.65
Indonesian rupiah	**22,229**	20,415
Indian rupee	**118.2**	107.8
Euro	**1.16**	1.19
Closing:		
Saudi riyal	**4.97**	4.84
Emirati dirham	**4.90**	4.72
Kuwaiti dinar	**0.406**	0.398
Qatari riyal	**4.87**	4.72
Indonesian rupiah	**22,642**	21,345
Indian rupee	**125.3**	111.1
Euro	**1.15**	1.19

The principal currencies that impact the translation of International sales are shown below. The net effect of currency translation caused worldwide retail sales and profit to decrease by £7.9 million (2025: £10.6 million) and £0.4 million (2025: £0.5 million) respectively as shown below:

	Worldwide sales £ million	**Adjusted loss £ million**
Saudi riyal	(1.1)	(0.1)
Emirati dirham	(1.0)	(0.1)
Kuwaiti dinar	(0.7)	(0.1)
Qatari riyal	(0.6)	–
Indonesian rupiah	(2.2)	(0.1)
Indian rupee	(1.6)	–
Euro	0.6	–
Other currencies	(1.2)	–
	(7.9)	(0.4)

NET FINANCE COSTS

Net finance costs decreased by £1.0 million compared with the prior year, primarily reflecting a significant reduction in borrowing costs following the Group's refinancing activities. In the current year, interest was charged on a loan principal of £8.0 million at a reduced interest rate of 11.5% for 11 months of the year resulting in the loan interest expense decreasing by £1.3 million to £1.7 million. The loan principal increased in February 2026 to £8.46 million at an all-in rate of 25%. In prior year, the Group's borrowings peaked at £19.9 million with associated interest rates reaching 19% resulting in a relatively higher interest of £3.0 million driven by both the quantum of debt and cost of funding. Part of the loan was repaid in October 2024 reducing the principal amount to £8.0 million.

Net interest on pension obligations increased by £0.2 million year on year, due to the interest cost on liabilities exceeding the return on assets.

PROFIT FOR THE PERIOD

For the current financial 52 week period ended 28 March 2026, the total statutory loss after tax for the Group is £5.0 million (2025: £6.2 million profit).

TAXATION

The tax charge on adjusted result/loss was £0.7 million (2025: £0.8 million), comprising primarily withholding taxes which arises on overseas royalty income notwithstanding the overall loss.

There was no tax charge relating to adjusted items in the current year. In the prior year, the tax charge on adjusted items was £4.9 million, comprising a current tax charge of £1.4 million arising on the disposal of intellectual property and a charge of £3.4 million relating to the utilisation of recognised tax losses against the gain arising on the transfer of intellectual property to the Group's Indian subsidiary.

The total statutory tax charge for the year was £0.7 million (2025: £5.7 million).

EARNINGS PER SHARE

Statutory loss per share was 0.9 pence (2025: earnings per share of 1.1 pence). Adjusted basic loss per share was 0.6 pence (2025: adjusted loss per share of 0.4 pence).

CASH FLOW

Operating cash flow improved by £1.6 million during the year, generating a net cash inflow of £0.1 million compared with a net cash outflow of £1.5 million in the prior year. This improvement was principally driven by stronger working capital performance, with a net working capital outflow of £0.4 million compared with £1.5 million in the prior year, reflecting continued cost management initiatives and tight control of debtors.

Net cash used in investing activities was £0.2 million (2025: net cash generated of £14.8 million). The prior year included proceeds of £16.0 million from the disposal of the Group's interest in JVCO 2024 Ltd, whereas current year investing activity primarily comprised capital expenditure on asset additions.

Net cash used in financing activities was £1.4 million (2025: £14.0 million). During the year, the Group completed the refinancing of its debt facilities, resulting in a net cash inflow of £0.3 million. In the prior year, financing cash flows were principally impacted by the part repayment of £11.9 million of the loan facility.

Overall, net cash inflows from operating activities of £0.1 million were more than offset by net cash outflows from investing activities of £0.2 million and financing activities of £1.4 million, resulting in a net decrease in cash and cash equivalents of £1.5 million during the year.

GOING CONCERN

The Group's business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

The Group entered into financing arrangements during the year with a consortium of investors, the majority of which are current shareholders, to refinance and vary the existing facility via a special purpose vehicle (SPV). This included extending the facility's term to 31 December 2027. The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand, however, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders. £8.46 million was raised during the year with further funding of £1.54 million being raised after year end via the same SPV.

The consolidated financial statements have been prepared on a going concern basis. When considering the going concern assumption, the Directors of the Group have reviewed a number of factors, including the Group's trading results and its continued access to sufficient borrowing facilities against the Group's latest forecasts and projections, comprising:

- A Base Case forecast; and
- A Sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

The Base Case forecast is based on current retail trends and, as such, already includes the impact of the conflict in the Middle East on retail sales. The Sensitised forecast shows a further decrease in worldwide retail sales of 10%, as compared to the Base Case, in the remainder of the financial year to March 2027 and for the year to March 2028, with the overhead costs assumed to remain constant.

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the ongoing financial restructuring of the Group, which includes:

- The Group's ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. The Trustee has currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group; and
- The loan facility of £8.46 million at year end was extended to 31 December 2027 during the year, however, the facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. The facility is controlled by shareholders and further funding of £1.54 million has been provided post year end, demonstrating the ongoing support of the business. Management remains in continual dialogue with the current lender and the lender has not indicated that it intends to demand immediate repayment.

The Board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash for at least the next 12 months, and the Group's proven cash management capability supports our preparation of the financial statements on a going concern basis and therefore financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

However, if trading conditions were to deteriorate beyond the level of risks applied in the sensitised forecast, or the Group was unable to mitigate the material uncertainties assumed in the Base Case Forecast and the Group was not able to execute further cost or cash management programmes, the Group would at certain points of the working capital cycle have insufficient cash. If this scenario were to crystallise the Group would be unable to meet liabilities as they fall due and potentially need to secure additional funding. Therefore, we have concluded that, in this situation, there is a material uncertainty that casts significant doubt that the Group will be able to operate as a going concern without utilising uncommitted or new financing facilities.

TREASURY POLICY AND FINANCIAL RISK MANAGEMENT

The Board approves the Group's treasury policies, with day-to-day treasury activities managed by senior management within the limits of those approved policies.

The principal financial risks to which the Group is exposed are foreign currency risk, interest rate risk and credit risk. Where appropriate, cost-effective and practicable, the Group uses financial instruments, including derivative instruments, to manage these risks. However, the Group's primary approach is to minimise exposures through natural hedging wherever possible. The Group does not undertake speculative transactions in derivatives, foreign currencies or other financial instruments.

FOREIGN CURRENCY RISK

The Group operates internationally and is exposed to foreign currency risk, principally in relation to the US dollar. Foreign exchange risk arises on future commercial transactions and recognised monetary assets and liabilities denominated in currencies other than the Group's functional currency, which is pounds sterling.

International sales to franchisees are invoiced principally in Pounds sterling or US dollars. US dollar sales provide a partial natural hedge against the Group's US dollar-denominated product purchases, reducing the overall net currency exposure. The tripartite purchasing arrangements has increased the level of currency matching between purchases and sales, further enhancing the Group's natural hedge and reducing exposure to foreign exchange volatility.

INTEREST RATE RISK

The Group's principal exposure to interest rate risk relates to its £8.5 million term loan. The facility carries a cash interest coupon of 10% per annum together with a 15% payment-in-kind ("PIK") coupon. The PIK interest accrues monthly, is capitalised into the outstanding principal balance and becomes payable on repayment of the facility. Accordingly, increases in the outstanding loan balance resulting from the PIK coupon give rise to additional financing costs and future cash flow obligations, which is the key exposure rather than variability in market interest rates.

CREDIT RISK

Credit risk arises from cash and cash equivalents and credit exposures to customers including outstanding receivables.

The Group has no significant concentrations of credit risk.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum, rating of 'A' are accepted.

Trade credit risk is managed through established credit control procedures. Credit assessments are performed for new customers using external credit reference agencies where appropriate, and individual credit limits are established and monitored on an ongoing basis. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, recognising a lifetime expected credit loss allowance for trade receivables. Expected credit losses are measured using provision matrices based on shared credit risk characteristics and the ageing of receivables. Trade receivables are written off when there is no reasonable expectation of recovery, for example where a customer has failed to engage with the Group regarding repayment or where all appropriate recovery actions have been exhausted.

SHAREHOLDERS' FUNDS

At 28 March 2026, the Group reported a net liabilities position of £10.9 million (2025: £9.4 million), reflecting a £1.5 million increase in the deficit during the year. The movement principally reflects the loss for the year of £5.0 million, partially offset by an actuarial gain of £3.3 million recognised in respect of the Group's defined benefit pension scheme. The reduction in shareholders' funds also reflects the impact of challenging trading conditions during the year, especially in the Middle East arising from regional geopolitical instability.

The directors' statement in respect of section 172 of the Companies Act 2006 can be found on page 11.

This strategic report was approved by the Board on 13 August 2026 and signed on its behalf by:

Andrew Cook

Chief Financial Officer

Environmental, Social and Governance (ESG)

The 'E' in ESG

Responsible sourcing is a key element of MGB's responsible business programme. MGB is committed to respecting internationally recognised human rights and partnering with suppliers that:

- Provide decent, safe and fair working conditions for their employees;
- Treat employees with dignity and respect;
- Reduce the environmental impact of their operations; and
- Demonstrate a strong commitment to business ethics.

MGB's Responsible Sourcing Code of Practice sets out the standards we require at the factories operated by our manufacturing partners who we have a direct agreement with to produce Mothercare products. MGB's Code of Practice is based on:

- The UN Guiding Principles on Business and Human Rights which outline the corporate responsibility to respect human rights, avoid infringing on the human rights of others and address relevant adverse human rights impacts;
- The Ethical Trading Initiative (ETI) Base Code which is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice;
- The UK Bribery Act 2010 which states that bribery and corruption on an individual and company basis is a criminal offence; and
- The UK Modern Slavery Act 2015 which requires eligible businesses (including Mothercare) to report against the measures taken to eradicate slavery and human trafficking in their operations and supply chains.

It is our manufacturing partners' responsibility to ensure these standards at their factories and within their own supply chains. Implementation of this Code must be sensitive to the rights and livelihoods of the workers it is aiming to protect.

In addition to the standards noted above, manufacturing partners must comply with all relevant local and national laws. Where any conflict between those laws and MGB's standards exist, the manufacturing partner must adhere to the standard which provides the worker with the greatest protection. There may also be country-specific requirements which MGB will discuss directly with the local manufacturing partner.

MGB requires that manufacturing partners must implement management systems and training for all employees (staff, workers and supervisors) to ensure compliance with this Code and all relevant national laws.

MGB monitors compliance with this Code via third party factory audits and the support services of Verisio.

MGB's Responsible Sourcing Handbook provides detail for manufacturing partners in the following areas:

- Child Labour policy
- Sub-contracting and sub-supplier policy
- Home worker policy
- Migrant worker policy
- Freedom of movement policy for workers living in hostels
- Packaging policy
- Timber sourcing policy
- Animal welfare policy
- Cotton sourcing policy

MGB is building on sustainable sourcing of its products. All our products are designed and manufactured using high quality materials and durable manufacturing processes to enable products to be long lasting and so be able to be handed down. We currently offer recycled polyesters within our outwear clothing ranges and will be widening the number of products made from recycled yarns and components.

Mothercare is committed to reducing the environmental impact of its products in production, transportation, use and end of life. Our aim is to develop packaging which fulfils its essential function of preserving the product during transportation, distribution, storage, sale, providing information, and in use, whilst minimising the environmental impact.

Energy and Carbon

The group is no longer captured by the UK Government's 'Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance' as it does not meet two of the three criteria (turnover of £36m or more, balance sheet total of £18m or more, number of employees 250 or more), and is not reporting on FY2026 performance.

The 'S' in Social

The business supports an holistic approach to wellbeing including physical, mental, financial and social, and recognises that it can often be challenging to balance work and home commitments. To that end, we provide educational resources for our people on how they can support themselves and others using both internal and external resources to help foster mental wellbeing in the workplace and ensuring parity between physical and mental health.

Being cognisant that many of MGB's colleagues work on a hybrid basis, a number of resources have been made available utilising online platforms. Informative lunch and learn sessions hosted by third parties including the Retail Trust and the defined contribution pension provider were undertaken during the year and are planned on an ongoing basis. We continue to host weekly coffee mornings via an online portal so that all colleagues can join no matter where they are located.

As well as hybrid working arrangements, MGB offers a number of policies including flexible working, career breaks, paid time off for volunteering which in the first year of the scheme contributed to 85 days of volunteering in the community and received positive feedback from both the organisations and the employees.

MGB participates in the Cycle to Work scheme, eyecare vouchers, discounted retail platform as well as other benefits such as a free pension transfer service and counselling services for children of employees.

We also offer a care concierge service to help employees navigate the complexities of being a carer while trying to maintain their day job and a funeral concierge service which offers employees a will writing service, online document storage and funeral planning service all for free.

The 'G' in Governance

Mothercare adopted the QCA Code on its move to AIM and more information can be found in the Corporate Governance report at page 25.

Board of Directors

Committee Memberships key:
A — Audit and Risk Committee
R — Remuneration Committee
N — Nomination Committee
F — Full board member

Clive Whiley
N F

Position: Chairman

Appointment: April 2018

Skills, competencies, experience: Clive Whiley has forty years' experience in regulated strategic management positions since becoming a Member of the London Stock Exchange. He has extensive main board executive director experience across a broad range of financial services, engineering, manufacturing, distribution, leisure, retail and mining businesses: encompassing the UK, Europe, North America, Australasia, the Middle East and the People's Republic of China.

Other Directorships: Mr Whiley is the Chair of STV Group PLC, Senior Independent Director of Mpac Group plc, Chairman of China Venture Capital Management Limited, First China Venture Capital Limited, Y-LEE Limited, Senior Independent Director of Griffin Mining Limited. Formerly: SID of Sportech PLC, Chairman of De La Rue plc, Dignity plc and a Non-Executive Director of Grand Harbour Marina plc and Stanley Gibbons Group plc.

Andrew Cook
F

Position: Chief Financial Officer

Appointment: January 2020

Skills, competencies, experience: Andrew served as Corporate Development Director of Mothercare from April 2019 until his appointment as CFO in 2020. Andrew is a highly-experienced, results-oriented finance executive having successfully transformed business profitability across a number of sectors, including retail. He was most recently Chief Financial Officer for Stanley Gibbons Group plc. Prior to that role, he held senior director roles within Medina Dairy Group, Kelly Services, The Body Shop and Virgin Group.

Other Directorships: None

Gillian Kent
R A N F

Position: Non-executive director and Remuneration Committee Chair

Appointment: March 2017

Skills, competencies, experience: Gillian has had a broad executive career in digital businesses with functional specialism in customer, brand and marketing. Gillian was Chief Executive of real estate portal Propertyfinder until its acquisition by Zoopla, and spent 15 years with Microsoft including three years as Managing Director of MSN UK. Formerly a non-executive director at Pendragon Plc, Dignity plc, Coull Limited, Skadoosh Limited, Portswigger Limited, National Accident Helpline Group Plc, Ascential Plc, SIG plc, Marlowe plc and Theo Topco Limited (Key Group).

Other Directorships: Gillian holds non-executive director roles at THG plc, Crest Nicholson PLC and STV Group plc.

Brian Small
A R N F

Position: Non-executive director and Audit and Risk Committee Chair

Appointment: December 2019

Skills, competencies, experience: Brian is an experienced FTSE 250 CFO with broad general management experience in retail, wholesale and consumer-branded manufacturing. Brian was the CFO for JD Sports Fashion plc from 2004 to 2018 before retiring to focus on non-executive roles.

Other Directorships: Formerly at Pinewood Technologies plc (formerly Pendragon Plc) and De La Rue plc.

Lynne Medini

Position: Group Company Secretary

Appointment: May 2018

Skills, competencies, experience: Lynne is an experienced Chartered Governance Professional with a career spanning more than 30 years at Mothercare. Fellow, The Chartered Governance Institute.

Operating Board

Andrew Cook – CFO
See previous page for biography.

Jo Nicholls

Position: Chief Product Officer, Mothercare Global Brand

Skills, competencies, experience: Formerly Director of Merchandising of MGB and promoted to the role of Chief Product Officer in 2025. Prior to joining MGB in November 2021 she was Director of Merchandising of George Clothing. Jo has over 30 years of merchandising with both retail and online experience and has extensive knowledge of the clothing sector. She has implemented large scale change programmes in planning, merchandise processes and the introduction of new systems.

Harriet Poppleton

Position: Chief Operating Officer, Mothercare Global Brand

Skills, competencies, experience: Formerly International and Business Development director of Monsoon Accessorize. Harriet has over 15 years of extensive International retailing experience in various leadership roles in USA, Middle East and the UK. Having spearheaded a global change programme Harriet is used to managing the complexities of multi-channel global partnerships and business models whilst delivering a global brand with consistency.

Corporate governance

Introduction from Clive Whiley, non-executive Chairman

The Board believes that establishing and maintaining high standards of corporate governance are critical to the successful delivery of the group's strategy and to safeguard the interests of its shareholders, franchise partners, manufacturing partners, staff and other stakeholders. It considers that The Quoted Companies Alliance Corporate Governance Code (the QCA Code) is appropriate for its size and complexity. We set out how we have complied with the QCA Code at page 26.

Clive Whiley
Non-executive Chairman

13 August 2026

QCA CODE VERIFIED VERSION ESTABLISHED 2013

The directors as at the date of this report along with their biographical details and committee memberships are shown on the preceding pages. The directors' attendance at meetings for the year ended 28 March 2026 is set out in the table below. The table sets out for each director both the number of meetings attended and the maximum number of meetings that could have been attended. Only the attendance of members of the committees is shown in the table although other directors have also attended at the invitation of the respective committee chair.

The ad hoc board meetings which approved the interim results and full year report and accounts were constituted by the Board from those members available at that time, having considered the views of the whole Board beforehand.

Directors' conflict of interest

The Board has maintained procedures whereby potential conflicts of interest are reviewed regularly. These procedures have been designed so that the Board may be reasonably assured that any potential situation where a director may have a direct or indirect interest which may conflict or may possibly conflict with the interests of the Company are identified and, where appropriate, dealt with in accordance with the Companies Act 2006 and the Company's Articles of Association.

Board evaluation

An internal board evaluation was undertaken during the financial year under review by way of questionnaire. The results were collated into an anonymised summary. The main take out from the results was that the composition of the board is appropriate for the size of the organisation.

					Committee	
	Board		Audit and Risk		Nomination	Remuneration
Maximum number of meetings	9 formal	2 additional: sub-committee	4 formal	1 additional	1 formal	4 formal
Director:						
Clive Whiley	9/9	2/2			1/1	
Andrew Cook	9/9	2/2				
Gillian Kent	9/9		4/4	1/1	1/1	4/4
Brian Small	9/9		4/4	1/1	1/1	4/4

The Chairman meets with the non-executive directors without management present at least annually.

Corporate governance statement

For FY26 the Company applied the principles of the 2023 QCA Code.

	QCA Corporate Governance Code 2023:	Mothercare plc application
	10 principles and related disclosures	
Principle	DELIVER GROWTH	
1	Establish a purpose, strategy and business model which promote long-term value for shareholders	The group's business model is set out on page 4. The group's revenue principally derives from royalties payable on global franchise partners' retail sales, operating through approximately 331 stores and some 29 countries around the world. Since 2020 we have been working with MGB's franchise partners on an asset-light model in which MGB places orders with manufacturing partners only when there is a corresponding order from a franchise partner. These orders are made under a three-way agreement whereby the franchisee contracts directly with the manufacturer for payment and delivery. Now six years into this model, our franchise and manufacturing partners remain closely aligned with the Mothercare brand. Their deep-rooted understanding has contributed to our continued improvements season after season. We are confident in the scalability of this model and are well-positioned to expand further into new markets and geographies.
2	Promote a corporate culture that is based on ethical values and behaviours	The Company believes that establishing and maintaining high standards of corporate governance are critical to the successful delivery of the group's strategy and to safeguard the interests of its stakeholders. The group is committed to respecting internationally recognised human rights and partnering with suppliers that: provide decent, safe and fair working conditions for their employees with dignity and respect; reduce the environmental impact of their operations; and demonstrate a strong commitment to business ethics. MGB will continue to evolve and strengthen the group as it develops its global relationships.
3	Seek to understand and meeting shareholder needs and expectations	The Company maintains a very close dialogue with its major investors, communicating directly with them several times a year. The Company maintains an investor relations inbox that all shareholders are invited to use and, specifically to ask questions that they might ordinarily ask at general meetings of the company.
4	Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	See section 172 statement on page 11 The main stakeholders in the business include its people, franchise partners, manufacturing partners and pension trustees. Regular dialogue is maintained with them all.

Principle	QCA Corporate Governance Code 2023: 10 principles and related disclosures DELIVER GROWTH	Mothercare plc application
5	Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	See our Principal risks and uncertainties on pages 7 to 10
6	Establish and maintain the board as a well-functioning, balanced team led by the chair	See our governance statement on pages 25 to 27
7	Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities	A key element of the Board's responsibility is monitoring and reviewing the effectiveness of the company's system of internal control, and the non-executive directors challenge and scrutinise its effectiveness and integrity. The roles and responsibilities of the Directors, eg where they sit on and / or chair a specific committee are set out at page 25. The terms of reference and matters reserved for the board are available on the Company's website, www.mothercareplc.com
8	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	See our governance statement on pages 25 to 27
9	Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	See our directors' remuneration report from page 30
10	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders	Reports of the work of the Board and its committees are set out in the Annual Report 2026: Board: corporate governance pages 25 – 27 and Directors' report pages 33 – 34 Audit and Risk Committee: page 28 Nomination Committee – page 29 Remuneration Committee – pages 30 – 32 Shareholder notices of meetings and voting at general meetings is available on the regulatory information service at www.mothercareplc.com. There have been no significant votes cast against since 2018 Copies of previous annual reports are available on the same URL

Governance and Committees

The Board is assisted by three main committees that meet and report on a regular basis. At the year end the members of the committees were as set out below. A record of the meetings held during the year of the Board and its principal committees and the attendance by each director is set out on page 25.

	A Audit and Risk Committee	**R** Remuneration Committee	**N** Nomination Committee
Committee members	Brian Small (Chair) Gillian Kent	Gillian Kent (Chair) Brian Small	Clive Whiley (Chair) Gillian Kent Brian Small

Audit and risk committee

The Committee comprises Brian Small as Chair and Gillian Kent. Brian is a Chartered Accountant with recent and relevant financial experience.

The Committee meets regularly during the year with attendance noted at page 25 of the Governance report.

The Company's chairman, CFO and external audit partner are invited to attend when appropriate along with other board directors and executives from time to time.

The Committee's remit is to review the independence and performance of the external auditor and the scope and issues arising from the audit and matters relating to financial control and risk. It assists the Board in its review of corporate governance and in the presentation of the Company's financial results through its review of the interim and full year accounts before approval by the Board, focusing in particular on compliance with accounting principles, changes in accounting practice and major areas of judgement.

Significant matters considered by the Committee included onerous contracts and bad debt provision. In respect of onerous contracts, the Committee considered and approved the treatment. The Committee considered bad debt provisioning and a risk matrix which had been used to assess the required level of provisioning. The Committee concurred with the treatment and approved it.

Further, during its scheduled meetings the Committee considered the unaudited interim statement, a review of the risk management policy, the risk register and risk committee terms of reference and minutes. It also reviews internal control reports on the operation of the principal franchisees.

RPG Crouch Chapman LLP were appointed at the last AGM and the Board is recommending an 'in favour' vote for their reappointment at the forthcoming AGM.

Non audit services

A policy in respect of non-audit work by the audit firm is in effect. The general principle is that the audit firm should not be requested to carry out non-audit services on any activity of the Company where they may in the future be required to give an audit opinion. Furthermore, the appointment of the audit firm for any non-audit work must be approved by the Committee (or by the Chair of the Committee in the case of minor matters), and will be approved only if it is regarded as being in the best interests of the Company and the Committee will not approve (and the Company will not pay) any non-audit fees to the auditors on a contingent basis.

Nomination committee

The Committee comprises Clive Whiley as Chair and Brian Small and Gillian Kent. The terms of reference are available on the Company's website, mothercareplc.com.

As a matter of process, the Committee makes recommendations to the Board on candidates to fill board vacancies which are then considered by the Board in conjunction with any advice or recommendation from the Remuneration Committee.

The business was and continues to be led by the CFO and Chairman. We continue to anticipate the search for a CEO to be fulfilled as a natural consequence of the multiple strategic discussions currently in train.

A review of the NED cohort concluded that its size was appropriate for the scale of the business.

An internal board evaluation was undertaken during the financial year under review by way of questionnaire. The results were collated into an anonymised summary. The main take out from the results was the size and composition of the board remained appropriate for the size of business.

Remuneration Committee – see page 30.

Directors’ remuneration report

DIRECTORS’ REMUNERATION REPORT

STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

Dear Shareholder,

On behalf of my colleagues on the Remuneration Committee and the Board, I am pleased to present the directors’ remuneration report for the financial year ended 28 March 2026.

The directors’ remuneration report provides details of the amounts earned in respect of FY2026 and how the directors’ remuneration policy is intended to be implemented for FY2027. The directors’ remuneration report is subject to an advisory vote at the 2026 AGM. The Committee believes the advisory vote provides a greater degree of accountability and provides our shareholders with a ‘say on executive pay’.

The directors’ remuneration policy was approved as part of an advisory vote on the FY2025 directors’ remuneration report at the company AGM on the 12 November 2025 and is available on our website.

FY2026 annual bonus outcome

The CFO was granted an annual bonus with a maximum opportunity equal to 100% of salary in line with the directors’ remuneration policy. The bonus was subject to Adjusted EBITDA performance (50% of award), financial based strategic objectives (20% of award) and non-financial based strategic objectives (30% of award). Taking into account EBITDA performance, performance against the strategic objectives, underlying performance for FY2026 and the CFO’s significant contributions during the year, the Committee considered a bonus outcome equal to 50% of salary (equivalent to 50% of maximum opportunity) to be appropriate. See page 31 for further details.

No long-term incentive awards were granted or capable of vesting during FY2026.

Implementation of directors’ remuneration policy for FY2027

Salary/Fees

The CFO’s salary, with effect from 1 July 2026, will remain at £302,600 in line with no average salary increases awarded to the wider workforce.

There is no change in NED fees or the Chairman’s fee.

Annual bonus

The CFO’s annual bonus opportunity is in line with the directors’ remuneration policy at a maximum of 100% of salary and subject to stretching financial and non-financial performance measures. Details of the performance measures will be disclosed in the FY2027 directors’ remuneration report.

Long term incentives

There is no intention to grant LTIP awards to executive directors during FY2027.

Conclusion

We are committed to a responsible and transparent approach in respect of executive pay. We continue to welcome any feedback from shareholders and hope to receive your support at the 2026 AGM.

Gillian Kent

Chair of the Remuneration Committee

13 August 2026

Annual report on remuneration

Single total figure of remuneration (audited)

The table below shows the single total figure remuneration for directors in FY2026 with comparative figures for FY2025.

	Salary and fees		Benefits		Pension		Annual bonus		Long Term Incentives		Total	
Director	2026 £000	2025 £000	2026 £000	2025 £000	2026 £000	2025 £000	2026 £000	2025 £000	2026 £000	2025 £000	2026 £000	2025 £000
Executive												
Andrew Cook	299.7	286.9	11	11	19.4	17.2	151	145.5	–	–	481	460.6
Non Executive												
Clive Whiley	120	120	–	–	–	–	–	–	–	–		
Gillian Kent	57.5	57.5	–	–	–	–	–	–	–	–	57.5	57.5
Brian Small	57.5	57.5	–	–	–	–	–	–	–	–	57.5	57.5

Executive director base salary (auditable)

Base salary and fees

	2026 £000	2025 £000	% increase
Andrew Cook	302.6	302.6	0%

Non-executive director fees (auditable)

	2026 £000	2025 £000	% increase
Chairman	120	120	0
Non-executive director	50	50	0
Chair of audit and risk committee	7.5	7.5	0
Chair of remuneration committee	7.5	7.5	0

Annual bonus plan (audited)

Andrew Cook, the CFO, was granted an annual bonus with a maximum opportunity equal to 100% of salary in line with the directors' remuneration policy. The bonus was subject to Adjusted EBITDA performance (50% of award), financial based strategic objectives (20% of award) and non-financial based strategic objectives (30% of award).

We have delivered Adjusted EBITDA for FY2026 of £1.3m which is in line with market expectations.

Performance against the financial and non-financial based strategic objectives is summarised below.

Measure	Assessment
Financial based strategic objectives (20%)	
Financial management to maintain strategic optionality	Strong financial management of the business and relationship management of financial stakeholders. GBB first-charge debt refinancing has removed some material uncertainty for the Company and better aligned the interests of the debt and equity stakeholders.
Non-financial based strategic objectives (30%)	
Stabilise and optimise the global franchise operating model	New South Asian joint venture partnerships with Reliance and licence agreement for Turkey with ebebek. Clear business plans have been established with existing franchise partners along with strengthening and timeliness of reporting and the use of data to optimise range planning while also improving the consistency of brand execution in particular in-store.
Stakeholder confidence and communication	Credibility, support and trust have been managed with investors, lenders and partners through the delivery of a clear and consistent strategic narrative, endorsed by the board, and through the delivery of high- quality, timely stakeholder materials.
Leadership team cohesion and organisational health	Leads a strong, unified and high performing management team driving for continual review and refinement of the operating model to improve efficiency and productivity. Critical leadership talent retained.

Taking into account EBITDA performance, performance against the strategic objectives, underlying performance for FY2026 and Andrew Cook's significant contributions during the year, the Committee considered a bonus outcome equal to 50% of salary (equivalent to 50% of maximum opportunity) to be appropriate.

Long term incentive (audited)

There was no LTIP award granted to the CFO during FY2026.

Payments to past directors and payments for Loss of Office

There were no payments to past directors nor any payments for loss of office made during FY2026.

Statement of directors' shareholding and share interests (audited)

The interests of the directors and their connected persons in the Company's ordinary shares as at 29 March 2025 and 28 March 2026 are set out below. As at the date of this report, the Company has not been advised of any changes to the interests of the directors or their connected persons.

Shareholdings

Director	Shareholding requirement (% salary)	Current Shareholding (% salary)[1]	Shares held at 28 March 2026	Shares held at 29 March 2025
Executive directors				
Andrew Cook	200%	39%	6,862,375	1,862,375
Non-executive directors				
Clive Whiley	n/a	n/a	50,000,000	8,000,000
Gillian Kent	n/a	n/a	–	–
Brian Small	n/a	n/a	–	–

1 Current shareholding as a % of salary was calculated by reference to the average mid-market quoted share price over the 30 dealing days to the balance sheet date (1.72 pence.

Share interests

Director	Award	Date of award	Number of awards at 30.03.24	Awards granted	Awards vested	Awards lapsed	Number of awards at 29.03.26	Exercise price	Date at which award vests
Andrew Cook	Restricted Share Award 2023	25.09.2023	3,000,000	–	–	–	3,000,000	Nil	25.09.2026

Advisers

During the year, the Committee received independent advice from Deloitte. Deloitte is a founder member of the Remuneration Consultants Group and voluntarily operates under its code of conduct in dealings with the Committee.

Statement of voting at General Meeting

The FY2025 directors' remuneration report was approved at the Annual General Meeting held on 12 November 2025. The table below sets out the voting outcome.

Resolution	Votes For	% of Votes For	Votes Against	% of Votes Against	Votes Withheld*
To approve the directors' remuneration report	419,036,761	99.98	103,006	0.02	31,358

* A vote withheld is not a vote in law and is not counted in the calculation of votes 'for' and 'against' each resolution

APPROVAL

This report was approved by the board of directors on 13 August 2026 and signed on its behalf by Gillian Kent, Chair of the remuneration committee.

Directors' report

The directors present their report on the affairs of the group, together with the financial statements and auditors' report for the 52-week period ended 28 March 2026. The corporate governance statement set out on pages 25 to 27 forms part of this report. The Chairman's statement on page 2 gives further information on the work of the Board during the period. In accordance with section 414C(11) of the Companies Act 2006, the Company has chosen to provide disclosures and information in relation to certain matters elsewhere in this annual report. To that end, the business review, section 172 statement, principal risks, ESG and KPIs are set out within the Strategic Report.

The principal activity of the group is undertaken by its subsidiary and owner of the Mothercare intellectual property, Mothercare Global Brand (MGB). MGB specialises in designing and sourcing Mothercare products and licensing and franchising the brand. The group's headquarters is in the UK and it operates in some countries through its network of franchise partners.

An overview of future developments can be found within the Chairman's statement on page 2.

Directors

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Act 2006 and related legislation and best corporate governance practice. The Articles may be amended by special resolution of the shareholders. The business of the Company is managed by the Board which may exercise all the powers of the Company subject to the provision of the Articles of Association, the Companies Act and any ordinary resolution of the Company.

The following directors served during the 52-week period ended 28 March 2026:

Name	Appointment
Clive Whiley	Executive Chairman and chair of the Nomination Committee
Andrew Cook	Executive director
Gillian Kent	Non-executive director and chair of the remuneration committee
Brian Small	Non-executive director and chair of the audit and risk committee

The directors will all retire and offer themselves for re-election at the forthcoming AGM.

The directors have had regard to the need to foster the Company's business relationship with suppliers, customers and others, and the effect of that regard, including the principal decisions taken by the Company during FY2026 are as set out in more detail in the section 172 statement on page 11.

Dividend

The directors are not recommending the payment of a final dividend for the year and no interim dividend was paid during the year (2025: nil). The Company's dividend policy is set out on page 3 of the Chairman's statement.

Capital structure

As at 12 August 2026, the Company's issued ordinary share capital was 563,836,626 ordinary shares of 1p each all carrying voting rights. The details of the Company's issued share capital as at 28 March 2026 are set out in note 25 to the financial statements. No shares were held in Treasury.

Details of the share plans operated by the group are set out at note 30 to the financial statements.

Substantial shareholdings

As at 28 March 2026, the Company had been advised by, or was aware of, the following interests above 3% in the Company's ordinary share capital:

	% of issued share capital
Richard Griffiths and controlled undertakings	33.22
Lombard Odier Asset Management (Europe) Limited	19.40
M&G Plc	9.50
Mr Clive Whiley	8.87
Hargreaves Lansdown	3.14

Treasury policy and financial risk management

Treasury policy, financial risk management and foreign currency, interest rate and credit risk are set out on page 18 of the financial review.

Charitable giving

In FY26 we hosted five sample sales raising a total of £18,550 for charity. Further, MGB also donated approximately 245 boxes of surplus clothing and home & travel items to local charities.

Should colleagues wish to donate their time, MGB also offers one, non-contractual, paid Volunteer Day each financial year for colleagues to volunteer for any organisation that is a registered UK charity and demonstrates a positive social or environmental benefit. In the first year of the scheme 85 days were donated to organisations.

Energy and Carbon

The group is no longer captured by the UK Government's 'Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance' as it does not meet two of the three criteria (turnover of £36m or more, balance sheet total of £18m or more, number of employees 250 or more), and is not reporting on FY2026 performance.

Political donations

It is the Company's policy not to make political donations and none were made during the year.

Auditors

Each of the persons who was a director of the Company at the date of approval of this annual report confirms that:

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

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

Auditor

RPG Crouch Chapman LLP (RPGCC) was appointed at the last AGM and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

Annual general meeting (AGM)

The AGM will be held on 24 September 2026.

By order of the board

Lynne Medini
Group Company Secretary

13 August 2026

Directors’ responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare Group Consolidated Financial Statements in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard (FRS) 101 “Reduced Disclosure Framework” 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 Group and Company and of the profit or loss of the Group for that period.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the Group financial statements comply with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006;
- state with regard to the parent Company financial statements that United Kingdom accounting standards, comprising FRS101 have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Group and parent Company will not continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Group financial statements and the Directors’ Remuneration Report comply with the Companies Act 2006.

The financial statements for the year ended 28 March 2026 are included in the Annual Report, which is published in printed form and made available on our website. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors’ confirmations

In the case of each director in office at the date the directors’ report is approved:

- so far as the director is aware, there is no relevant information of which the Group’s and Company’s auditors are unaware: and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group’s and parent Company’s auditors are aware of that information.

This responsibility statement was approved by the board of directors on 13 August 2026 and is signed on its behalf by:

Clive Whiley
Chairman

Andrew Cook
Chief Financial Officer

Independent auditor’s report to the members of Mothercare plc

Opinion

We have audited the financial statements of Mothercare Plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the 52 weeks ended 28 March 2026 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards as adopted in the United Kingdom (IFRS). The Company financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (UK GAAP).

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 28 March 2026 and of the Group’s Loss for the 52 weeks then ended;
- the Group financial statements have been properly prepared in accordance with IFRS;
- the Parent Company’s financial statements have been properly prepared in accordance with UK GAAP; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, 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.

Material Uncertainty Related to Going Concern

We draw attention to the Going Concern section within the accounting policies, which describes the Directors’ assessment of the Group’s ability to continue as a going concern. There was a significant downturn in revenue in the current year due to the tensions in the middle east region which had a material impact on the group’s performance. As disclosed in Note 2, the Group incurred a Pre-tax loss for the year (Pre-adjustment) of £2.6m (2025: £1.7m profit) and had net current liabilities of £8.5m (2025: £0.8m net current liabilities) at the reporting date.

As at the date of approval of these financial statements, the Group has moved to a new lender in February 2026 from Gordon Brothers to CTM which is a related party who is also a shareholder. The Group has breached its liquidity financial covenant on its loan facility and are in discussion with the current lender who have not given any indication that they would seek repayment as at this time. The Trustee have currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Company.

These circumstances, along with the other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern. Should the Group be unable to secure the necessary funding, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

We identified going concern as a Key Audit Matter given its significance to the financial statements and the level of judgement involved in the Directors’ assessment. In auditing the financial statements, we concluded that the Directors’ use of the going concern basis of accounting is appropriate. Our evaluation of the Directors’ assessment of the Group’s ability to continue as a going concern included the following procedures:

- Discussing the Group’s future funding plans with management and assessing the status and availability of its financing arrangements;
- Reviewing management’s budgets, cash-flow forecasts and going concern assessment for the Group;
- Challenging the key assumptions used in the forecasts and obtaining supporting evidence where available;
- Reviewing Board minutes from meetings held during and after the year for matters relevant to going concern;
- Considering financial and non-financial events arising after the year end and their potential impact on the going concern assessment; and
- Reviewing the adequacy and consistency of the going concern disclosures included in the financial statements.

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

Our approach to the audit

<table>
<tr><td rowspan="6">Key audit matters</td><td></td><td>2026</td><td>2025</td></tr>
<tr><td>Revenue recognition</td><td>✓</td><td>✓</td></tr>
<tr><td>Management override</td><td>✓</td><td>✓</td></tr>
<tr><td>Going concern</td><td>✓</td><td>✓</td></tr>
<tr><td>Expected Credit Losses on Trade Receivables and Other Receivables</td><td>×</td><td>✓</td></tr>
<tr><td>Defined Benefit Pension</td><td>×</td><td>✓</td></tr>
<tr><td>Materiality</td><td colspan="3">Group financial statements as a whole
£224,000 (2025: £390,000) based on 1% (2025: 1%) of revenue.</td></tr>
</table>

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate. We performed full-scope audits of the material components of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Mothercare plc continued

The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in an earlier section of this report. The other key audit matters identified are described below.

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td>Revenue recognition has a presumed risk of fraud under International Auditing Standards. The majority of fees are in relation to initial and ongoing services in terms of revenue recognised.

There is a risk over the occurrence of revenue. Management could manipulate revenue to inflate reported performance and the attractiveness of the Group. This risk is considered more significant because the Group is reliant upon external funding.</td><td>Our audit work included:
• Updating our understanding of the internal control environment for the material revenue streams and performing walkthroughs of the key processes and controls operating during FY26;
• Reviewing the Group's revenue recognition policies for compliance with IFRS 15;
• Substantively testing Franchise Partner sales through a confirmation process;
• Reassessing whether the Group acts as principal or agent for its material revenue streams and considering any changes from FY25;
• Assessing the completeness and accuracy of revenue included within the consolidated financial statements; and
• Reviewing the adequacy of the related disclosures in the financial statements.</td></tr>
<tr><th colspan="2">Management override</th></tr>
<tr><td>Management override of controls is a presumed risk of fraud under the International Auditing Standards.

Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have applied professional scepticism throughout our audit procedures.</td><td>Our audit work included:
• Obtaining the population of manual journals posted during FY26 and using TeamMate Analytics to identify and test journal entries meeting specified fraud-risk criteria;
• Analysing the users posting journals during the year and considering the related system access controls;
• Reviewing post-year-end journals for evidence of transactions omitted from the FY26 financial statements or inappropriate subsequent amendments;
• Reviewing the Group consolidation workings and consolidation journals for evidence of management override;
• Assessing significant accounting estimates, judgements and accounting policies for evidence of management bias;
• Updating our understanding of the financial reporting processes, systems and controls operating across the Group;
• Considering identified and unadjusted audit differences for evidence of deliberate misstatement or management bias; and
• Applying professional scepticism throughout the audit, particularly when assessing contradictory or unusual audit evidence.</td></tr>
</table>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Parent company financial statements	
	2026 £	2025 £	2026 £	2025 £
Materiality	224,000	390,000	38,000	86,000
Basis for determining materiality	1% of Revenue		1.5% of Gross Assets	
Rationale for the benchmark applied	This benchmark is considered to be the most significant determinant of the group's financial performance used by the users of the financial statements. For each component, the materiality was set at a lower level.		We believe that the gross assets is an appropriate measure used by shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.	
Performance materiality	179,000	290,000	30,000	65,000
Basis for determining performance materiality	80% of Group Materiality	75% of Group Materiality	80% of Group Materiality	75% of Group Materiality
Rationale for the percentage applied for performance materiality	This benchmark is considered to be the most significant determinant of the group's financial performance used by the users of the financial statements. For each component, the materiality was set at a lower level.		We believe that the gross assets is an appropriate measure used by shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.	

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Mothercare plc continued

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities on page 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks within which the Company/Group operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

Steven Johnson
Senior Statutory Auditor

for and on behalf of **RPG Crouch Chapman LLP**
Chartered Accountants and Statutory Auditors
40 Gracechurch Street
London
EC3V 0BT

Date: 13th August 2026

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales with registered number OC375705.

Consolidated income statement
For the 52 weeks ended 28 March 2026

		52 weeks ended 28 March 2026			52 weeks ended 29 March 2025		
	Note	Before adjusted items £ million	Adjusted items[1] £ million	Total £ million	Before adjusted items £ million	Adjusted items[1] £ million	Total £ million
Revenue	4	**22.4**	**–**	**22.4**	38.9	–	38.9
Cost of sales		**(12.6)**	**(0.2)**	**(12.8)**	(24.1)	(0.6)	(24.7)
Gross profit		**9.8**	**(0.2)**	**9.6**	14.8	(0.6)	14.2
Share of profit from associate		**0.1**	**–**	**0.1**	–	–	–
Administrative (expense)/ income	6	**(10.4)**	**(0.8)**	**(11.2)**	(12.5)	14.6	2.1
Impairment gain/(loss) on receivables	19	**0.3**	**–**	**0.3**	(0.3)	–	(0.3)
(Loss)/profit from operations	7	**(0.2)**	**(1.0)**	**(1.2)**	2.0	14.0	16.0
Finance costs	8	**(2.4)**	**(0.7)**	**(3.1)**	(3.7)	(0.4)	(4.1)
(Loss)/profit before taxation		**(2.6)**	**(1.7)**	**(4.3)**	(1.7)	13.6	11.9
Tax charge	9	**(0.7)**	**–**	**(0.7)**	(0.8)	(4.9)	(5.7)
(Loss)/profit for the period		**(3.3)**	**(1.7)**	**(5.0)**	(2.5)	8.7	6.2
(Loss)/profit for the period attributable to equity holders of the parent		**(3.3)**	**(1.7)**	**(5.0)**	(2.5)	8.7	6.2
Earnings per share							
Basic	11			**(0.9)p**			1.1p
diluted	11			**(0.9)p**			1.1p

1 Adjusted items are considered to be one-off or significant in nature and /or value. Excluding these items from profit metrics provides readers with helpful additional information on the performance of the business across the periods because it is consistent with how business performance is reviewed by the Board.

Consolidated statement of comprehensive income

For the 52 weeks ended 28 March 2026

	Note	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Profit for the period		**(5.0)**	6.2
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of net defined benefit liability:			
Actuarial gain on defined benefit pension schemes	31	**3.3**	3.7
Fair value gain on intellectual property	13	**–**	10.7
Deferred tax relating to items not reclassified		**–**	–
		3.3	14.4
Items that may subsequently be reclassified to the Group income statement:			
Retranslation of net assets of overseas subsidiaries		**–**	(0.1)
Deferred tax relating to items reclassified		**–**	–
Total other comprehensive income for the year		**3.3**	14.3
Total comprehensive (expense)/income for the period wholly attributable to equity holders of the parent		**(1.7)**	20.5

Financials

Consolidated balance sheet

As at 28 March 2026

	Note	**28 March 2026 £ million**	29 March 2025 £ million
Non-current assets			
Investment in associate	13	**10.8**	10.8
Intangible assets	14	**6.7**	7.8
Property, plant and equipment	15	**0.1**	0.2
Right-of-use leasehold assets	16	**0.6**	0.8
Deferred tax assets	17	**0.1**	0.1
		18.3	19.7
Current assets			
Inventories	18	**–**	0.6
Trade and other receivables	19	**4.0**	4.1
Current tax assets		**–**	–
Cash and cash equivalents	20	**2.8**	4.3
		6.8	9.0
Total assets		**25.1**	28.7
Current liabilities			
Trade and other payables	23	**(5.0)**	(6.2)
Lease liabilities	16/29	**(0.2)**	(0.1)
Current tax liabilities		**(1.2)**	(1.3)
Provisions	24	**(0.4)**	(0.6)
Borrowings	21	**(8.5)**	–
		(15.3)	(8.2)
Non-current liabilities			
Borrowings	21	**–**	(8.0)
Lease liabilities	16/29	**(0.5)**	(0.7)
Provisions	24	**(0.1)**	(0.1)
Retirement benefit obligations	31	**(20.1)**	(21.1)
		(20.7)	(29.9)
Total liabilities		**(36.0)**	(38.1)
Net liabilities		**(10.9)**	(9.4)
Equity attributable to equity holders of the parent			
Share capital	25	**89.3**	89.3
Share premium account	26	**108.8**	108.8
Own shares		**(0.2)**	(0.2)
Translation reserve	27	**(3.8)**	(3.8)
Revaluation reserve		**10.7**	10.7
Retained loss		**(215.7)**	(214.2)
Total equity		**(10.9)**	(9.4)

Approved by the board and authorised for issue on 13 August 2026 and signed on its behalf by:

Andrew Cook
Chief Financial Officer

Company Registration Number: 1950509

Consolidated statement of changes in equity

For the 52 weeks ended 28 March 2026

	note	Share capital £ million	Share premium account £ million	Own shares £ million	Translation reserve £ million	Revaluation reserve £ million	Retained earnings £ million	Total equity £ million
Balance at 29 March 2025		**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(214.2)**	**(9.4)**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**(5.0)**	**(5.0)**
Other comprehensive income:								
Retranslation of net assets of overseas subsidiaries		–	–	–	–	–	–	–
Remeasurement of defined benefit schemes		–	–	–	–	–	**3.3**	**3.3**
Total other comprehensive income		**–**	**–**	**–**	**–**	**–**	**3.3**	**3.3**
Total comprehensive expense		**–**	**–**	**–**	**–**	**–**	**(1.7)**	**(1.7)**
Transactions with owners								
Share-based payments	30	–	–	–	–	–	**0.2**	**0.2**
Balance at 28 March 2026		**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(215.7)**	**(10.9)**

For the 52 weeks ended 29 March 2025

	note	Share capital £ million	Share premium account £ million	Own shares £ million	Translation reserve £ million	Revaluation reserve £ million	Retained earnings £ million	Total equity £ million
Balance at 30 March 2024		**89.3**	**108.8**	**(0.2)**	**(3.7)**	**–**	**(224.3)**	**(30.1)**
Profit for the year		–	–	–	–	–	6.2	6.2
Other comprehensive income:								
Retranslation of net assets of overseas subsidiaries		–	–	–	(0.1)	–	–	(0.1)
Remeasurement of defined benefit schemes		–	–	–	–	–	3.7	3.7
Fair value gain		–	–	–	–	10.7	–	10.7
Total other comprehensive income		**–**	**–**	**–**	**(0.1)**	**10.7**	**3.7**	**14.3**
Total comprehensive income		**–**	**–**	**–**	**(0.1)**	**10.7**	**9.9**	**20.5**
Transactions with owners								
Share-based payments	30	–	–	–	–	–	0.2	0.2
Balance at 29 March 2025		**89.3**	**108.8**	**(0.2)**	**(3.8)**	**10.7**	**(214.2)**	**(9.4)**

Consolidated cash flow statement

For the 52 weeks ended 28 March 2026

	note	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Net cash inflow/(outflow) from operating activities	28	**0.1**	(1.5)
Cash flows from investing activities:			
Investment in associate		**–**	(0.1)
Proceeds from sale of IP		**–**	16.0
Purchase of intangibles – software		**(0.2)**	(1.1)
Net cash (outflow)/inflow from investing activities		**(0.2)**	14.8
Cash flows from financing activities:			
Repayment of borrowings		**(8.1)**	(11.9)
Drawdown of new facility		**8.4**	–
Proceeds from post administration distribution		**–**	1.2
Interest paid		**(0.8)**	(3.0)
Lease interest paid		**(0.1)**	–
Facility fee paid		**(0.1)**	–
Repayment of leases		**(0.1)**	(0.3)
Transaction costs paid on borrowings		**(0.6)**	–
Net cash outflow from financing activities		**(1.4)**	(14.0)
Net decrease in cash and cash equivalents		**(1.5)**	(0.7)
Cash and cash equivalents at beginning of period		**4.3**	5.0
Cash and cash equivalents at end of period	28	**2.8**	4.3

Notes to the consolidated financial statements

1 General information

Mothercare plc is a company incorporated in Great Britain under the Companies Act 2006. The address of the registered office is given in the shareholder information on page 89. The nature of the Group's operations and its principal activities are set out in the business model on page 4.

These financial statements are presented in UK pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

2 Significant accounting policies

Basis of presentation

The Group's accounting period covers the 52 weeks ended 28 March 2026. The comparative period covered the 52 weeks ended 29 March 2025.

Basis of accounting

The consolidated financial statements of Mothercare Plc as of 28 March 2026 and for the year then ended (the "consolidated financial statements") have been prepared in accordance with UK adopted International Accounting Standards ("IFRS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for its annual reporting period commencing on or after 1 January 2025:

Amendments to IAS 21 – Lack of Exchangeability

The amendment above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards issued but not yet effective for 28 March 2026

- IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18, 'Presentation and Disclosure in Financial Statements' in response to investors' concerns about comparability and transparency of entities' performance reporting. The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosure requirements for 'management defined performance measures' will enhance transparency. IFRS 18 is effective from 1 January 2027 and has not yet been adopted by the Group.

We are in the process of determining the impact of IFRS 18 on the Group. We have prepared a transition plan and are on track to report our first IFRS 18 compliant interim financial statements for the period ending 25 September 2027 and annual financial statements for the period ending 25 March 2028.

The Group currently presents an operating profit subtotal. We are performing a detailed assessment to determine the appropriate classification of items to ensure that the operating profit subtotal will comply with the requirements of IFRS 18. It is anticipated that we will reclassify income from associates from other income and interest income from finance income, however as this amount has historically not been material, we do not expect to present an investing category. The new aggregation and disaggregation requirements will lead to certain minor changes to present the most useful structured summary.

We currently report on adjusted profit to stakeholders. It is expected that this measure will meet the definition of a management-defined performance measure. The Group is performing an assessment of other measures that are currently being reported outside the financial information and whether or not these meet the definition of a management-defined performance measure.

Other changes relating to amendments to IAS 7, totals and subtotals presented in the income statement, presentation of goodwill and earnings per share has no impact on the group financial statements.

At each subsequent reporting period, we will provide an update on the progress towards transition to IFRS 18.

- Amendments to IFRS 9 and IFRS 7 – 'Amendments to the Classification and Measurement of Financial Instruments'

We do not expect these amendments to have any material impact on the Group financial statement as we currently do not have such financial assets.

Going concern

As stated in the strategic report, the Group's business activities and the factors likely to affect its future development are set out in the principal risks and uncertainties section of the Group financial statements. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial review.

The Group entered into financing arrangements during the year with a consortium of investors, the majority of which are current shareholders, to refinance and vary the existing facility via a special purpose vehicle (SPV). This included extending the facility's term to 31 December 2027. The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand, however, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders. £8.46 million was raised during the year with further funding of £1.54 million being raised after year end via the same SPV.

The consolidated financial statements have been prepared on a going concern basis. When considering the going concern assumption, the Directors of the Group have reviewed a number of factors, including the Group's trading results and its continued access to sufficient borrowing facilities against the Group's latest forecasts and projections, comprising:

- A Base Case forecast; and
- A Sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

2 Significant accounting policies (continued)

The Base Case forecast is based on current retail trends and, as such, already includes the impact of the conflict in the Middle East on retail sales. The Sensitised forecast shows a further decrease in worldwide retail sales of 10%, as compared to the Base Case, in the remainder of the financial year to March 2027 and for the year to March 2028, with the overhead costs assumed to remain constant.

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the ongoing financial restructuring of the Group which includes:

- The Group's ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. The Trustee has currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group.
- The loan facility of £8.46 million at year end was extended to 31 December 2027 during the year, however, the facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. The facility is controlled by shareholders and further funding of £1.54 million has been provided post year end, demonstrating the ongoing support of the business. Management remains in continual dialogue with the current lender and the lender has not indicated that it intends to demand immediate repayment.

The Board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash for at least the next 12 months, and the Group's proven cash management capability supports our preparation of the financial statements on a going concern basis and therefore financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

However, if trading conditions were to deteriorate beyond the level of risks applied in the sensitised forecast, or the Group was unable to mitigate the material uncertainties assumed in the Base Case Forecast and the Group was not able to execute further cost or cash management programmes, the Group would at certain points of the working capital cycle have insufficient cash. If this scenario were to crystallise the Group would be unable to meet liabilities as they fall due and potentially need to secure additional funding. Therefore, we have concluded that, in this situation, there is a material uncertainty that casts significant doubt that the Group will be able to operate as a going concern without utilising uncommitted or new financing facilities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 28 March 2026. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has the right, to variable returns from its involvement with the investee; and
- has the ability to use its powers to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The accounting policies of subsidiaries are in line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but where the Group does not have control or joint control over those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the accounting policy on impairment of assets.

Revenue recognition

Revenue is recognised only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. Revenue is measured at the transaction price the Group expects to be entitled to in a contract with a customer and excludes amounts collected on behalf of third parties, discounts, value-added taxes (VAT) and other sales-related taxes.

Revenue recognition has been considered in accordance with IFRS 15 and two separate performance obligations have been identified in relation to income received from franchise partners:

2 Significant accounting policies (continued)

The first performance obligation identified relates to the sale of goods to international franchise partners. Turnover from such sales is recognised at the point in time at which the control of goods is transferred, which is on dispatch. There are two potential points in time depending on the method of shipping. In the first instance, control passes to the franchise partner once the goods are loaded on their shipping vessel. In the second instance, control passes to the franchise partner at the point where their freight carrier collects the goods from one of our distribution centres.

The second performance obligation is in relation to royalty revenue from licences provided to franchise partners to trade under the mothercare brand name. The licence provides franchise partners with a right to access the mothercare brand and related intellectual property throughout the licence term. As the Group undertakes ongoing activities that support and maintain the value of the brand, the licence represents a performance obligation satisfied over time in accordance with IFRS 15.

Revenue is recognised in the form of sales-based royalties as the subsequent retail sales by franchise partners occur, consistent with the exception in IFRS 15 for sales- or usage-based royalties on licences of intellectual property. This recognition method faithfully depicts the transfer of the licence service because the Group's consideration is directly linked to, and varies with, the franchise partner's sales, which reflect the franchise partner's consumption of the benefits of the licence over the licence term.

Royalty consideration is entirely variable and is typically calculated as an agreed percentage of the franchise partner's retail sales. Franchise partners report sales periodically, with royalties generally invoiced and payable shortly after the end of the relevant reporting period in accordance with the contractual payment terms. As revenue is recognised only when the underlying sales occur, receivables are recognised when the Group has an unconditional right to consideration following the reporting of those sales. Contract liabilities do not typically arise in respect of these royalty arrangements, as franchise partners do not generally make payments in advance of the related licence service being provided.

The Group has also recognised revenue with certain customers on an agency basis. The most significant consideration under IFRS 15 in determining this treatment is that control of the stock passes directly from the manufacturer to the franchise partner, therefore the Group never takes control of the stock during the logistics cycle. Agency revenue, being solely the margin element of the sale, is recognised at the point that control of the goods passes to the franchise partner.

Given the Group's business model, management are required to apply their judgment as to whether the Group is contracting in the capacity of an agent or a principal. The key determining factor considered by management in making such a judgment is whether control of the stock passes to the Group (before transferring to the franchise partner).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Accrued income

Accrued income relates to revenue the Group is entitled to, where amounts have not yet been invoiced, and is treated as a receivable yet to be invoiced, dependent only on the passage of time. In these instances, the Group has an unconditional right to the revenue.

Adjusted earnings

The Group considers that adjusted profit before tax provides additional useful information for shareholders. The term adjusted earnings is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for IFRS measures of profit.

As the Group has chosen to present an alternative earnings per share measure, a reconciliation of this alternative measure to the statutory measure required by IFRS is given in note 11.

To meet the needs of shareholders and other external users of the financial statements the presentation of the income statement has been formatted to show more clearly, through the use of columns, our adjusted business performance which provides more useful information on underlying trends.

The adjustments made to reported results are as follows:

Adjusted items

Due to their significance or one-off nature, and where treatment as an adjusted item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group, certain items have been classified as adjusted.

The gains and losses on these items, such as impairment charges and restructuring costs can have a material impact on the trend in profit from operations and the result for the period. Adjusting for these items is consistent with how business performance is measured internally by the Board and Operating Board.

On this basis the following items are analysed as adjusted items on the face of the income statement:

- transactional costs and consideration received from the sale of the IP rights for certain Asian countries to Reliance Industries Ltd
- costs associated with restructuring and redundancies
- provisions related to onerous contracts

Further details of the adjusted items are provided in note 6.

2 Significant accounting policies (continued)

Leasing

All leases are accounted for by recognising a right-of-use asset and a lease liability unless they are for leases of low value assets, or for a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any dilapidations provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate as applied on lease commencement.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the revised remaining lease term.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement.

In these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period; unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified within other comprehensive income, accumulated in equity in the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Retirement benefit costs

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

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the income statement and presented in other comprehensive income.

Past service cost is recognised at the earlier of the following: when the plan amendment or curtailment occurs; or when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation less the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds.

The Group has an unconditional right to a refund of surplus under the rules.

In consultation with the independent actuaries to the schemes, the valuation of the retirement benefit obligations has been updated to reflect current market discount rates and to consider whether there have been any other events that would significantly affect the pension liabilities. The impact of these changes in assumptions and events has been estimated in arriving at the valuation of the retirement benefit obligations.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2 Significant accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and assets in the course of construction, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	– 2 years
Fixtures, fittings and equipment	– 3 to 10 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement. Management re-assess the useful lives and residual values of property, plant and equipment on an annual basis.

Intangible assets – software

Where computer software is not an integral part of a related item of computer hardware, the software is classified as an intangible asset. The capitalised costs of software for internal use include external direct costs of materials and services consumed in developing or obtaining the software and payroll and payroll-related costs for employees who are directly associated with and who devote substantial time to the project. Capitalisation of these costs ceases no later than the point at which the software is substantially complete and ready for its intended internal use. These costs are amortised on a straight-line basis over their expected useful lives, which is normally five to seven years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets under the course of construction are tested for impairment annually irrespective of whether there are any indicators of impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that an asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense in the income statement immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost is calculated using the weighted average cost formula. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 Significant accounting policies (continued)

Financial guarantees

Where the Company has entered into financial guarantee contracts, such as over a lease, these are initially measured at fair value, and later revalued to the higher of: expected credit losses and the amount initially recognised less any cumulative income/ amortisation.

Lease guarantees

Amounts which have fallen due are treated as financial guarantee contracts under IFRS 9: Financial instruments. Amounts which are a potential future liability are accounted for under IAS 37: Provisions.

Financial instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are initially measured at the transaction price and subsequently measured at amortised cost less provision or impairment. The Group recognises a loss allowance for expected credit losses on trade receivables, which is updated at each financial reporting date to reflect changes in credit risk since initial recognition.

Expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Financial asset

The Group holds a financial asset of £ nil million (2025: £nil million) reflecting the amount which the administrators of Mothercare

UK Ltd and Mothercare Business Services are expected to receive towards settlement of the Group's secured debt. This amount represents the realisation of cash from the wind-up of the UK business through the administration process. The asset has been fair valued based on the administrators' worst case scenario of the amount that the Group will receive.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective rate interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Finance costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds are received, net of direct issue costs.

Derivative financial instruments

The Group's financial risk management policy prohibits the use of derivative financial instruments for speculative or trading purposes and the Group does not therefore hold or issue any such instruments for such purposes.

Provisions

Provisions, including liabilities of uncertain timing or amount such as leasehold dilapidations, warranty claims and disputes, and onerous leases, are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Onerous contracts

Present obligations arising out of onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period. The estimates are updated at each balance sheet date for the Group's expectation of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the valuation technique considered to be most appropriate for each class of award, including Black-Scholes calculations and Monte Carlo simulations. The expected life used in the formula is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each balance sheet date, with any changes in fair value recognised in the profit or loss for the year.

2 Significant accounting policies (continued)

Alternative performance measures (APMs)

In the reporting of financial information, the Directors have adopted various APMs of historical or future financial performance, position or cash flows other than those defined or specified under UK-adopted International Accounting Standards (IFRS).

These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The Directors believe that these APMs assist in providing additional useful information on the performance and position of the Group because they are consistent with how business performance is reported to the Board and Operating Board.

APMs are also used to enhance the comparability of information between reporting periods and geographical units by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the Group's performance.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes and have remained consistent with prior year.

The key APMs that the Group has focused on during the period are as follows:

Group worldwide sales

Group worldwide sales are total international retail sales. Total Group revenue is a statutory number and is made up of receipts from international franchise partners, which includes royalty payments and the cost of goods dispatched to international franchise partners.

Constant currency sales

The Group reports some financial measures on both a reported and constant currency basis. Sales in constant currency exclude the impact of movements in foreign exchange translation. The constant currency basis retranslates the previous year's revenues at the average actual periodic exchange rates used in the current financial year. This measure is presented as a means of eliminating the effects of exchange rate fluctuations on the year on year reported results. Further details are disclosed within the Financial Review on pages 13 to 19.

Loss before adjusted items

The Group's policy is to exclude items that are considered to be significant in both nature and/or quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the year-on-year trading performance of the Group. On this basis, the following items were included within adjusted items for the 52-week period ended 28 March 2026:

- costs associated with restructuring and redundancies;
- provisions related to onerous contracts;

A reconciliation of adjusted earnings is shown in note 6.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in note 2, management has made judgements that have an effect on the application of policies and reported amounts.

3a Critical accounting judgements

Critical judgements represent key decisions made by management in the application of the Group's accounting policies. Where significant risk of a materially different outcome exists due to management assumptions or sources of estimation uncertainty, this will represent a critical accounting estimate. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Adjusted items

The directors believe that the adjusted profit and earnings per share measures provide additional useful information for shareholders on the performance of the business.

These measures are consistent with how business performance is measured internally by the Board and Operating Board.

The adjusted profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. The classification of adjusted items requires significant management judgment by considering the nature and intentions of a transaction.

Note 6 provides further details on current period adjusted items and their adherence to Group policy.

Determination of Expected credit losses (ECL) on trade and other receivables

Judgment is required in determining the rate of expected default applicable for receivables. A risk matrix includes judgments for the rates used by age and risk level of a receivable. There is also inherent judgment in selecting the appropriate risk level for each customer.

3b Key sources of estimation uncertainty

In applying the Group's accounting policies described above, the directors have identified that the following areas are the key estimates that have a significant risk of resulting in a material adjustment to the carrying value of assets and liabilities in the next financial year.

Expected credit losses (ECL) on trade and other receivables

The provision for the allowance for expected credit losses (refer to note 19) is calculated using a combination of internally and externally sourced information, including future default levels (derived from historical defaults overlaid by macro-economic assumptions), future cash collection levels (derived from past trends), credit ratings and other credit data.

3b Key sources of estimation uncertainty (continued)

Once a customer has defaulted on a receivable amount, there is limited sensitivity associated with credit risk however, prior to default, the greatest sensitivity relates to the ability of customers to afford their payments. Deterioration in the ability of customers to afford their payments will cause an increase in the probability of default.

If the ECL rates on trade receivables had been 5% higher at 28 March 2026, the loss allowance on trade receivables would have been £0.3 million higher (2025: £0.2 million higher).

Principal versus agent

The Group has recognised revenue with certain customers on an agency basis. The most significant consideration under IFRS 15 in determining this treatment is whether the Group obtains control of the stock before it is transferred to the franchise partner. For arrangements where control of the stock passes directly from the manufacturer to the franchise partner, the Group does not take control of the stock during the logistics cycle and revenue is recognised on an agency basis. Agency revenue, being solely the margin element of the sale, is recognised at the point that control of the goods passes to the franchise partner.

The assessment of whether the Group is acting as a principal or an agent represents a critical accounting judgement. In making this assessment, management considers whether the Group obtains control of the stock before it is transferred to the franchise partner, together with the other indicators of control set out in IFRS 15. The conclusion reached determines whether revenue is recognised on a gross basis (where the Group acts as principal) or a net basis (where the Group acts as agent). If the Group had concluded that these arrangements should be accounted for on a principal basis rather than an agency basis, revenue would have been higher by £15.0 million, with a corresponding increase in cost of sales of £15.0 million

Retirement benefits

Retirement benefits are accounted for under IAS 19 'Employee Benefits'. For defined benefit plans, obligations are measured at discounted present value whilst plan assets are recorded at fair value.

As a result of changing market and economic conditions, the expenses and liabilities actually arising under the plans in the future may differ materially from the estimates made on the basis of these actuarial assumptions. The plan assets are partially comprised of equity and fixed-income instruments. Therefore, declining returns on equity markets and markets for fixed-income instruments could necessitate additional contributions to the plans in order to cover future pension obligations. Also, higher or lower withdrawal rates or longer or shorter life expectancy of participants may have an impact on the amount of pension income or expense recorded in the future.

The interest rate used to discount post-employment benefit obligations to present value is derived from the yields of senior, high-quality corporate bonds at the balance sheet date; selection of an appropriate rate is judgemental. These generally include AA-rated securities. The discount rate is based on the yield of a portfolio of bonds whose weighted residual maturities approximately correspond to the duration necessary to cover the entire benefit obligation.

Pension and other post-retirement benefits are inherently long-term and future experience may differ from the actuarial assumptions used to determine the net charge for 'pension and other post- retirement charges'. Note 31 to the consolidated financial statements describes the principal discount rate, inflation and pension retirement benefit obligation assumptions that have been used to determine the pension and post-retirement charges in accordance with IAS 19. The calculation of any charge relating to retirement benefits is clearly dependent on the assumptions used, which reflects the exercise of judgment. The assumptions adopted are based on prior experience, market conditions and the advice of plan actuaries.

At 28 March 2026, the Group's pension deficit was £20.1 million (2025: £21.1 million). Further details of the accounting policy on retirement benefits are provided in note 2.

Sensitivities to changes in assumptions in respect of discount rates, inflation and life expectancy are included in note 31.

Deferred taxation

The Directors have to consider the recoverability of the deferred tax assets based on forecast profits. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Impairment of assets

The Group reviews the carrying value of assets on a periodic basis, and whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable.

Such circumstances or events could include: a pattern of losses involving the asset; a decline in the market value for the asset; and an adverse change in the business or market in which the asset is involved. Determining whether an impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. Estimates of future cash flows and the selection of appropriate discount rates relating to particular assets or groups of assets involve the exercise of a significant amount of judgment.

Cash flow projections are based on the Group's 24 month internal forecasts, the results of which are reviewed by the Board. Due to the increased uncertainty arising from geopolitical developments and their potential impact on future trading conditions, management has revised the forecast period used in impairment models from five years in the prior year to 24 months in the current year. The reduction in the forecast period reflects management's view that longer-term forecasts are subject to increased estimation uncertainty in the current environment. Estimates of selling prices and direct costs are based on past experience, expectations of future changes in the market and historic trends.

3b Key sources of estimation uncertainty (continued)

Estimation of useful lives of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment and intangible assets are depreciated on a straight line basis over their useful economic lives. This requires the estimation of how long these assets will be in use by the business before they are either disposed of, and if necessary, required to be replaced. The appropriateness of assets' useful economic lives and any changes could affect prospective depreciation rates and asset carrying values are reviewed at least annually. Right-of-Use investment property assets have been depreciated over the lease length, which was considered appropriate having taken into account the expected net present value of cashflows generated over the lease term. Estimation will be required over the estimated useful economic life of the ERP system; currently this is an asset under construction and not being depreciated but as appropriate the Group will carry out an assessment of how long it is expected to endure.

4. Revenue

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Sale of goods to franchise partners	**14.1**	27.1
Royalties income	**8.3**	11.8
Total revenue	**22.4**	38.9

5. Segmental information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reported to the Group's executive decision makers (comprising the executive directors and operating board) in order to allocate resources to the segments and assess their performance. The Group has concluded that it has one operating segment and, accordingly, no operating segments have been aggregated for the purposes of IFRS 8. The conclusion that the Group comprises a single operating segment is based on the internal reporting structure reviewed by the executive decision makers, which reflects the way in which the Group's operations are managed, resources are allocated and performance is assessed.

The results of franchise partners are not reported separately, nor are resources allocated on a franchise partner by franchise partner basis, and therefore have not been identified to constitute separate operating segments.

Revenues are attributed to countries on the basis of the customer's location. During the year, the Group had three customers that individually represented more than 10% of Group revenue. Revenue from these customers amounted to £6.1 million, £2.4 million and £3.0 million respectively, representing 27%, 11% and 13% of total Group revenue. As the Group has one operating segment, all revenue from these customers relates to the Group's single operating segment.

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Turnover by destination:		
UK	**2.0**	9.9
Europe	**6.6**	8.8
Middle East	**6.4**	9.3
Asia	**7.4**	10.9
Total revenue	**22.4**	38.9

6. Adjusted items

The total adjusted items reported for the 52-week period ended 28 March 2026 is a net loss of £1.7 million (2025: £13.6 million net gain). The adjustments made to reported profit before tax to arrive at adjusted profit are:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Adjusted items		
Cost of sales:		
Onerous contracts	**(0.2)**	(0.6)
Administrative expenses:		
Sale of IP rights	**–**	15.2
Financial asset	**–**	0.5
Past service costs	**–**	(0.3)
Restructuring and reorganisation costs included in administrative expenses	**(0.8)**	(0.8)
	(0.8)	14.6
Finance costs:		
Restructuring costs included in finance costs	**(0.7)**	(0.4)
Adjusted items before tax	**(1.7)**	13.6

Onerous contracts – £(0.2) million (2025: £(0.6) million)

Onerous contract costs relating to lower contracted cost recoveries compared with the actual costs incurred.

Sale of IP rights £Nil million (2025: £15.2 million)

In prior year Mothercare and Reliance (our Indian Franchise partner) created a new joint venture. Under the terms of arrangement, Reliance paid £16.0 million to acquire a 51% interest in a new joint venture Company JVCO 2024 Ltd which held the Mothercare Intellectual property (IP) for certain Asian countries, with Mothercare retaining a 49% residual shareholding. Mothercare earned a net income of £15.2 million from the arrangement as outlined below:

IP sale	
Proceeds on the sale of 51% of JVCO Ltd	16.0
Royalty concessions given as a result of the deal	(0.4)
Professional fees incurred on the deal	(0.4)
Net proceeds	**15.2**

Financial asset – £Nil million (2025: £0.5 million)

The prior year amount relates to the true-up of the financial asset arising on the revolving capital facility, which was valued at the end of financial year 2025 based on the information available at the time, whilst assuming the worst-case scenario that no further distributions are to be received.

Past service costs – £Nil million (2025: £(0.3) million)

Past service cost in prior year was as a result of the Executive Pension Scheme equalising Guaranteed Minimum Pensions (GMPs) for all pensioner members.

Restructuring and reorganisation costs included in administrative expenses – £(0.8) million (2025: £(0.8) million)

- £(0.3) million redundancy payments made to certain staff during the year;
- £(0.3) million legal and professional fees incurred by the Pension trustee as a result of the refinancing of the Group's loan facility;
- £(0.2) million costs relating to legal fees incurred for a case against a former franchise partner and legal fees relating to redundancies.

The prior year costs related to:

- £(0.4) million redundancy payments made to certain staff during the year;
- £(0.2) million legal and professional fees incurred by the Pension trustee as a result of the refinancing of the Group's loan facility;
- £(0.3) million costs incurred in de-commissioning IT equipment due to the new ERP going live during the year; offset by
- £0.1 million credit received from our registrars relating to unclaimed dividends.

6. Adjusted items (continued)

Restructuring costs included in finance costs – £(0.7) million (2025: £(0.4) million)

Of the current year charge £(0.6) million relates to costs linked to refinancing of the Group's existing loan facility and £(0.1) million relates to certain interest charges on tax liabilities. The interest charged on tax liabilities has been treated as an adjusted item because it arises from tax liabilities relating to the IP sale transaction, which was itself treated as an adjusted item in the prior year. The prior year charge of £(0.4) million related to costs linked to refinancing of the Group's existing loan facility.

Cashflows arising on adjusted items

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities	
	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Restructuring and reorganisation costs in administrative expenses	**(0.3)**	(0.6)	**–**	–	**–**	–
Financial asset	**–**	–	**–**	–	**–**	1.1
Sale of IP rights	**–**	–	**–**	16.0	**–**	–
Restructuring costs in financing costs	**–**	–	**–**	–	**(0.6)**	(0.4)
Total	**(0.3)**	(0.6)	**–**	16.0	**(0.6)**	0.7

7. Profit from operations

Profit from operations (except where specifically stated) has been arrived at after charging:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Net total foreign exchange loss	**(0.1)**	(0.2)
Cost of inventories recognised as an expense	**(9.5)**	(19.9)
Depreciation of property, plant and equipment	**(0.1)**	(0.1)
Amortisation of right-of-use assets	**(0.2)**	(0.2)
Amortisation of intangible assets – software	**(1.3)**	(1.2)
Loss allowance on trade receivables (see note 19)	**0.3**	(0.3)
Warehouse, freight and duty costs	**(0.4)**	(0.6)
IT contracts and maintenance	**(1.6)**	(3.0)
Staff costs (including directors*):		
Wages and salaries (including cash bonuses, excluding share-based payment charges)	**(6.4)**	(6.5)
Social security costs	**(0.7)**	(0.7)
Pension costs (including administrative expenses and PPF levy of defined benefit scheme)	**(1.3)**	(1.6)
Share-based payments charge (see note 30)	**(0.2)**	(0.2)

* Directors include executive and non-executive directors.

An analysis of the average monthly number of full and part-time employees throughout the Group, including directors*, is as follows:

	52 weeks ended 28 March 2026 Number	52 weeks ended 29 March 2025 Number
Number of employees comprising:		
Head Office	**98**	118
Overseas	**8**	6
	106	124

* Directors include executive and non-executive directors.

Financials

7. Profit from operations (continued)

Details of Directors' emoluments, share options and beneficial interests are provided within the remuneration report on pages 30 to 32. The analysis of Auditor's remuneration is as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**–**	–
Fees payable to the Company's auditor for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	**0.1**	0.1
Total audit fees	**0.1**	0.1
Total non-audit fees	**–**	–

The policy for the approval of non-audit fees is set out on page 28 in the corporate governance report.

8. Net finance costs

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Other interest payable and finance charges	**1.7**	3.0
Net interest expense on liabilities/return on assets on pension	**1.3**	1.1
Interest on lease liabilities	**0.1**	–
Net finance costs	**3.1**	4.1

9. Taxation

The charge for taxation on profit for the period comprises:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Current tax:		
UK tax	**–**	1.5
Foreign taxation	**0.7**	0.8
	0.7	2.3
Deferred tax: (see note 17)		
Origination and reversal of temporary differences	**–**	3.5
Adjustment in respect of prior periods	**–**	(0.1)
Charge for taxation on profit for the period	**0.7**	5.7

UK corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. Taxation (continued)

The charge for the period can be reconciled to the profit for the period before taxation per the consolidated income statement as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Profit for the period before taxation	**(4.3)**	11.9
Profit for the period before taxation multiplied by the standard rate of corporation tax in the UK of 25.0% (2025: 25%)	**(1.1)**	3.0
Effects of:		
Expenses not deductible for tax purposes	–	(1.2)
Income not taxable	**0.2**	(4.2)
Foreign tax credits	**(0.1)**	0.7
Foreign tax	**0.5**	–
Adjustments in respect of prior years	–	(0.1)
Degrouping	–	6.7
Exempt distributions	**(0.1)**	–
Movement in deferred tax not recognised	**1.3**	0.8
Charge for taxation on profit for the period	**0.7**	5.7

No deferred tax was charged directly to other comprehensive income relating to retirement benefit obligations (2025: £Nil).

10. Dividends

There was no final dividend for the period (2025: £nil) and no interim dividend was paid during the period (2025 £nil).

11. (Losses)/earnings per share

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Weighted average number of shares in issue	**563.8**	563.8
Potential ordinary shares	–	11.5
Diluted weighted average number of shares	**563.8**	575.3
Number of shares at period end	**563.8**	563.8

	£ million	£ million
(Loss)/profit for basic and diluted earnings per share	**(5.0)**	6.2
Adjusted items (Note 6)	**(1.7)**	(8.7)
Tax effect of above items	–	–
Adjusted (loss)	**(3.3)**	(2.5)

	Pence	Pence
Basic (losses)/earnings per share	**(0.9)**	1.1
Basic adjusted (losses) per share	**(0.6)**	(0.4)
Diluted (losses)/earnings per share	**(0.9)**	1.1
Diluted adjusted (losses) per share	**(0.6)**	(0.4)

Analysis of shares by class	28 March 2026 million	29 March 2025 million
Ordinary shares at period end date	**563.8**	563.8
Antidilutive/dilutive SAYE options	–	0.1
Antidilutive/dilutive LTIP options	**9.1**	11.4
Total	**572.9**	575.3

Where there is a loss per share, the calculation has been based on the weighted average number of shares in issue, as the loss renders all potentially dilutive shares anti-dilutive.

12. Subsidiaries, associates and joint ventures

Details of all the Group's investments in subsidiaries and joint ventures, all of which are wholly owned (except where stated) and included in the consolidation, at the end of the reporting period is as follows:

Investment in subsidiaries	Country	% owned	Nature of Business	Direct/ indirect
Chelsea Stores Holdings Limited	UK[1]	100%	Holding Company	Direct
Chelsea Stores (EBT Trustees) Limited	UK[1]	100%	Dormant	Indirect
Chelsea Stores Holdings 2 Limited	UK[1]	100%	Holding Company	Indirect
Early Learning Centre Limited	UK[1]	100%	Dormant	Indirect
Mothercare Group Sourcing Limited	Hong Kong[2]	100%	Non Trading	Indirect
TCR Properties Limited	UK[1]	100%	Dormant	Direct
Mothercare Finance Limited	UK[1]	100%	Holding Company	Direct
Mothercare Sourcing Division (Bangladesh) Private Limited	Bangladesh[3]	100%	Dormant	Indirect
Mothercare Group Limited (The)	UK[1]	100%	Investment Holding Company	Direct
Mothercare Services Limited	UK[1]	100%	Dormant	Indirect
Mothercare (Holdings) Limited	UK[1]	100%	Holding Company	Indirect
Gurgle Limited	UK[1]	100%	Dormant	Indirect
Mothercare International (Hong Kong) Limited	Hong Kong[2]	100%	Investment Holding Company	Indirect
Mothercare Sourcing India Private Limited	India[4]	100%	Non Trading	Indirect
Princess Products Limited	UK[1]	100%	Dormant	Direct
Mothercare Procurement Limited	Hong Kong[2]	100%	Non Trading	Direct
Mothercare Trademarks AG	Switzerland[5]	100%	In liquidation	Direct
Mothercare Commercial (Shanghai) Co Limited	China[6]	100%	Non Trading	Indirect
Mothercare Global Brand Limited	UK[1]	100%	Trading	Direct
Mothercare Europe Global Brand Limited	ROI[7]	100%	Dormant	Indirect
Mothercare Finance (2) Limited	UK[1]	100%	Trading	Indirect

Investment in associates and joint ventures	Place of incorporation	Proportion of ownership interest %	Proportion of voting power held %
Wadicare Limited	Cyprus	30	30
JVCO 2024 Ltd	UK[8]	49	49

Registered office address:

(1) Westside 1, London Road, Hemel Hempstead, HP3 9TD
(2) 26th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
(3) 62/1 Purana Paltan, Level 4, Motijheel C/A, Dhaka 1000, Bangladesh
(4) Number 100, N.A Elixir, 2nd Floor, 4th B Cross, 5th Block Industrial Layout, Koramangala, Bangalore, 560095, India
(5) Haldenstrasse 5, 6340 Baar, Switzerland
(6) Unit 7 and 8, 18 Floor, No 3 Building, No 1193 ChangNing Road, ChangNing District, Shanghai, China
(7) The Greenway, Block C, 1120114 St Stephen's Green, Dublin 2, Ireland
(8) 105 Wigmore Street, London, United Kingdom, W1U 1QY

13. Investment in associates

Set out below is the associate of the Group as at 28 March 2026 which in the opinion of the directors is material to the Group. It has share capital consisting solely of shares held directly by the Group's subsidiary Mothercare Global Brand Limited.

Name of entity	% ownership interest	Nature of relationship	Measurement method	Fair value £million	Carrying amount £million
JVCO 2024 Ltd	49%	Associate	Equity method	10.8	10.8

JVCO 2024 Ltd, a company incorporated in the UK is engaged in retailing of clothing, equipment and other categories for parents and young children via a franchisee model in the territories of India, Bhutan, Sri Lanka, Nepal and Bangladesh. The fair value has been determined with reference to the most recent arm's length transaction, which occurred in the prior year. Management has assessed that there have been no significant changes in market conditions or the investee's circumstances since the transaction that would indicate the transaction price is no longer representative of fair value. The investment is subject to market, operational and country-specific risks associated with the investee's activities and the territories in which it operates. There were no significant changes in the nature of these risks during the reporting period.

At year end, the associate did not hold any contingent liabilities or commitments.

The tables below provide summarised financial information for JVCO 2024 Ltd. The information disclosed reflects the amounts presented in the financial statements of JVCO 2024 Ltd and not Mothercare Plc's share of those amounts.

Summarised Statement of Financial position

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Intangible assets	**33.3**	33.3
Trade and other receivables	**0.2**	0.1
Cash and cash equivalents	**0.1**	–
Total assets	**33.6**	33.4
Net assets	**33.6**	33.4

Summarised Income Statement

	£ million	£ million
Revenue	**0.2**	0.2
Income tax	**–**	(0.1)
Profit for the period	**0.2**	0.1

Reconciliation to carrying amounts

Balance at the beginning of the year	**10.7**	–
Additions	**–**	10.7
Profit for the year	**0.1**	–
Carrying amount	**10.8**	10.7
Groups share in %	**49%**	49%
Groups share in £	**10.8**	16.4
Fair value adjustments	**–**	(5.7)
Carrying amount	**10.8**	10.7

In prior year, the Group incorporated a new subsidiary, into which it transferred the Mothercare IP registered in India, Bhutan, Sri Lanka, Nepal and Bangladesh. Subsequently, the Group disposed of 51% of its shareholding in the subsidiary, thereby losing control and retaining a 49% ownership-interest. The loss of control triggered the derecognition of the subsidiary and the recognition of the retained 49% interest as an investment in an associate.

The fair value of the investment in associate was determined with reference to the consideration received for the 51% share of the subsidiary sold with a £5.7 million control premium. As the IP had not been recorded in the accounts previously, recognising the retained interest at fair value created a one off gain of £10.7 million which is presented as a fair value gain in reserves.

14. Intangible assets

	Intangible assets			
	Acquired intangible assets £ million	Internally generated development costs £ million	Software under development £ million	Total Intangibles £ million
Cost				
As at 30 March 2024	1.5	–	7.9	9.4
Additions	–	–	1.1	1.1
Transfers between categories	7.8	1.2	(9.0)	–
Disposals	(1.4)	–	–	(1.4)
As at 29 March 2025	7.9	1.2	–	9.1
Additions	0.2	–	–	0.2
As at 28 March 2026	**8.1**	**1.2**	**–**	**9.3**
Amortisation and impairment				
As at 30 March 2024	1.5	–	–	1.5
Amortisation	1.1	0.1	–	1.2
Disposals	(1.4)		–	(1.4)
As at 29 March 2025	1.2	0.1	–	1.3
Amortisation	1.1	0.2	–	1.3
As at 28 March 2026	**2.3**	**0.3**	**–**	**2.6**
Net book value				
As at 30 March 2024	–	–	7.9	7.9
As at 29 March 2025	6.7	1.1	–	7.8
As at 28 March 2026	**5.8**	**0.9**	**–**	**6.7**

Software

Software is amortised on a straight line basis over its expected useful life which is usually five to seven years. The remaining amortisation period for material software assets at 28 March 2026 is approximately five years. At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets are tested for impairment annually irrespective of whether there are any indicators of impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. As at year end, there are no intangible assets remaining with an indefinite useful life.

The recoverable amount is deemed to be the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit ("CGU") is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to that recoverable amount. An impairment loss is recognised as an expense in administrative expenses immediately.

The relevant CGUs have been identified as the whole Group for any other software as these are used across the entire business. The key assumptions for the value-in-use calculations are those regarding the discount rate. Management has used a pre-tax discount rate of 18.65%. Cashflow projection has been based on management's most recent budget, which is for a twelve-month period with a projection taking this out to 24 months. Management has based the budgets on historic performance, adjusted for changes due to the challenging geopolitical environment and the evolving business model.

The assessment resulted in a recoverable amount that exceeded the carrying amount by £55.3 million (headroom), and accordingly no impairment of the indefinite-lived intangible assets was recognised.

Management performed sensitivity analyses over the key assumptions used in the value-in-use model. A reasonably possible adverse change comprising a 5% reduction in forecast cash flows together with a 1 percentage point increase in the pre-tax discount rate would reduce the headroom to approximately £39.7 million. Under this sensitivity, the recoverable amount would continue to exceed the carrying amount by a significant margin. Accordingly, management concluded that no reasonably possible change in the key assumptions would cause the carrying amount of the CGU, including the intangible assets, to exceed its recoverable amount.

15. Property, plant and equipment

	Fixtures, fittings, equipment £ million
Cost	
At 30 March 2024	2.7
Additions	0.1
Disposals	(2.4)
At 29 March 2025	0.4
Additions	–
At 28 March 2026	**0.4**
Accumulated depreciation and impairment	
At 30 March 2024	2.5
Charge for period	0.1
Disposals	(2.4)
At 29 March 2025	0.2
Charge for period	0.1
At 28 March 2026	**0.3**
Net book value	
At 30 March 2024	0.2
At 29 March 2025	0.2
At 28 March 2026	**0.1**

16. Leases

Right-of-use Assets

	Property, Plant and Equipment £ million
At 30 March 2024	0.1
Additions	0.9
Amortisation	(0.2)
Balance at 29 March 2025	0.8
Amortisation	(0.2)
Balance at 28 March 2026	**0.6**

The net present value is equivalent to the fair value.

Lease liabilities

	Land and buildings £ million
At 30 March 2024	(0.2)
Additions	(0.9)
Interest expense	–
Lease payments	0.3
Balance at 29 March 2025	(0.8)
Interest expense	(0.1)
Lease payments	0.2
Balance at 28 March 2026	**(0.7)**

17. Deferred tax assets and liabilities

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon in the current and prior reporting period:

	Accelerated tax depreciation £ million	Short–term timing differences £ million	Retirement benefit obligations £ million	Losses £ million	Total £ million
At 30 March 2024	(0.8)	–	–	4.3	3.5
Credit/(charge) to income	0.9	–	–	(4.3)	(3.4)
Credit to other comprehensive income	–	–	–	–	–
At 29 March 2025	0.1	–	–	–	0.1
Credit/(charge) to income	–	–	–	–	–
Credit to other comprehensive income	–	–	–	–	–
At 28 March 2026	**0.1**	**–**	**–**	**–**	**0.1**

Certain deferred tax assets and liabilities have been offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	28 March 2026 £ million	29 March 2025 £ million
Deferred tax assets	**0.1**	0.1
Deferred tax liabilities	**–**	–
	0.1	0.1

At 28 March 2026, the Group has unused capital losses of £223.7 million (2025: £229.3 million) available for offset against future capital gains. No asset has been recognised in respect of the capital losses as it is not considered probable that there will be future taxable capital gains. The capital losses may be carried forward indefinitely.

At the balance sheet date, deferred tax assets of £0.1 million (2025: £0.1 million) have been recognised in relation to a Group company which relates mainly to tax losses.

The Group also has unrelieved tax losses of £9.1 million (2025: £9.4 million) available for offset against future profits at the balance sheet date. No deferred tax asset has been recognised for such losses. The Group has taken a prudent approach given the uncertainty around future profitability of the relevant subsidiaries. All tax losses, both recognised and unrecognised can be carried forward indefinitely.

At the reporting date, deferred tax liabilities of Nil (2025: Nil) relating to withholding taxes have not been provided for in respect of the aggregate amount of unremitted earnings of £0.5 million (2025: £0.2 million) in respect of subsidiaries. No asset has been recognised in the current year, in the prior year, no liability was recognised because the Group, being in a position to control the timing of the distribution of intra Group dividends, has no intention to distribute intra Group dividends in the foreseeable future that would trigger withholding tax.

18. Inventories

	28 March 2026 £ million	29 March 2025 £ million
Gross value	–	0.6
Allowance against carrying value of inventories	–	–
Finished goods and goods for resale	–	0.6

Finished goods and goods for resale comprises the following:

	28 March 2026 £ million	29 March 2025 £ million
Finished goods and goods for resale – at a distribution centre	–	0.6
Finished goods and goods for resale – in transit	–	–
Finished goods and goods for resale	–	0.6

The cost of inventories recognised as an expense during the year was £9.5 million (2025: £19.9 million). The amount of write down of inventories to net realisable value recognised within net income in the period and prior year is Nil. All inventories (2025: All) are expected to be recovered within the year.

19. Trade and other receivables

	28 March 2026 £ million	29 March 2025 £ million
Trade receivables gross	**4.7**	5.2
Expected credit losses (ECL) under IFRS 9	**(2.8)**	(3.1)
Trade receivables net	**1.9**	2.1
Prepayments	**0.5**	0.5
Accrued income	**0.8**	0.9
Other receivables	**0.8**	0.6
Trade and other receivables due within one year	**4.0**	4.1

The following table details the risk profile of trade receivables based on the Group's provision matrix, which determines the expected credit loss by reference to age of the debt as well as micro and macroeconomic factors.

Trade receivables – days past due	Not past due £ million	< 30 days £ million	31–60 days £ million	61–90 days £ million	91–120 days £ million	>120 days £ million	Total £ million
Expected credit loss rate (ECL)	2%	1%	3%	10%	10%	84%	59%
Estimated total gross carrying amount at default	0.9	0.2	0.3	–	–	3.3	4.7
Lifetime ECL	–	–	–	–	–	(2.8)	(2.8)
At 28 March 2026	**0.9**	**0.2**	**0.3**	**–**	**–**	**0.5**	**1.9**
Expected credit loss rate (ECL)	7%	24%	16%	24%	48%	94%	59%
Estimated total gross carrying amount at default	1.5	0.4	0.1	0.1	0.1	3.0	5.2
Lifetime ECL	(0.1)	(0.1)	–	–	(0.1)	(2.8)	(3.1)
At 29 March 2025	1.4	0.3	0.1	0.1	–	0.2	2.1

The Group applies the IFRS 9 simplified approach for trade receivables and recognises lifetime ECLs based on historical loss experience adjusted for forward-looking information. The £0.3m reduction in the ECL allowance primarily reflects the receipt of a guarantee from a franchise partner, reducing the credit risk profile and resulting in a lower provision requirement. New receivables originated during the period were more than offset by collections and other gross balance movements. No significant change in the underlying ECL methodology was made during the year.

The following summarises the movement in the allowance for doubtful debts:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Balance at start of period	**(3.1)**	(2.8)
Amounts written off during the period as uncollectable	**–**	–
Amounts recovered in the period	**–**	–
Released / (charged) to P&L in the period	**0.3**	(0.3)
Balance at end of period	**(2.8)**	(3.1)

The Group's exposure to credit risk inherent in its trade receivables is discussed in note 22. The Group assesses concentrations of credit risk by considering customer, franchise partner and geographical exposure, including shared characteristics such as location, customer type, credit quality and payment history. The Group's principal markets are in Europe and Asia.

At the reporting date, the Group had a concentration of credit risk relating to its largest customer, which represented approximately 27% of trade receivables. Management monitors this exposure through ongoing credit assessments, payment history reviews and credit limit controls. Geographical exposure is monitored by region, with Europe and Asia representing the Group's main operating markets.

19. Trade and other receivables (continued)

The Group operates effective credit control procedures to minimise exposure to overdue debts. Before accepting new trade customers, the Group obtains external credit checks to assess credit quality and establishes credit limits on a customer-by-customer basis.

Debtor balances which are not provided for either have an appropriate guarantee in place or are on payment plans and abide or pay to terms with the exception of timing due to unforeseen circumstances.

Provisions for doubtful trade receivables are established based upon the difference between the receivable value and the estimated net collectible amount. The Group applies the expected credit loss ("ECL") model under IFRS 9 by assessing the credit risk associated with trade receivables, taking into account both country partner risk and customer-specific risk. These factors are assessed through the Group's risk matrix, which assigns each receivable a risk rating from 1 to 5, with a corresponding loss percentage applied to each risk category based on historical loss experience and management's assessment of credit risk.

The Group's ECL assessment incorporates historical loss experience and an analysis of the counterparty's current financial position. No separate quantitative adjustment or weighting is applied for forward-looking information; rather, such factors are considered as part of management's overall assessment of expected credit losses.

A financial asset is considered to be in default when there is evidence that the counterparty is unlikely to pay its contractual obligations in full without the Group taking action to recover amounts due, or when amounts are significantly overdue in accordance with the Group's credit risk assessment criteria. A financial asset is considered credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the asset, including significant financial difficulty of the counterparty, a breach of contractual terms, or other indicators that recovery of the outstanding balance may be impaired.

Trade receivables are written off when there is no reasonable expectation of recovery. The Group considers the outcome of recovery efforts, the financial condition of the counterparty, and other relevant information before concluding that an amount is no longer recoverable. Write-offs do not represent a waiver of the Group's contractual rights to pursue recovery of amounts due.

The average credit period taken on sales of goods is disclosed in note 22. No interest is charged on trade receivables, however, the right to charge interest on outstanding balances is retained.

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

20. Cash and cash equivalents

Cash and cash equivalents of £2.8 million (2025: £4.3 million) comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

21. Borrowings

The Group had outstanding borrowings at 28 March 2026 of £8.5 million (2025: £8.0 million).

During the year, the Group entered into new financing arrangements with CTM Funding Limited amending the existing facility with Gordon Brothers. Under the amended agreement the existing loan with Gordon Brothers was settled and a larger facility of £8.5 million was agreed. The facility's term has also been extended to 31 December 2027. The facility now carries a coupon of 25% per annum, comprising an unchanged 10% per annum cash pay coupon and an additional 15% per annum 'payment in kind' non-cash coupon. The loan is secured on the assets and shares of specific Group subsidiaries. The loan is subject to covenants which include minimum royalties, minimum EBITDA and minimum liquidity covenants.

Borrowing facilities

	28 March 2026 £ million	29 March 2025 £ million
Borrowings:		
Secured borrowings at amortised cost:		
Term loan	**8.5**	8.0
Payment-in-kind interest	**0.1**	–
Prepaid facility fee	**(0.1)**	–
Total Borrowings	**8.5**	8.0
Amounts falling due within a year	**8.5**	–
Amounts falling due after more than one year and less than five years	**–**	8.0

The Group has obtained funding from CTM Funding Limited, which holds a fixed and floating charge over all property or undertaking of a subsidiary of the Group. The Group is in breach of the loan covenants as at the reporting date and accordingly, the loan has become repayable on demand and as a result the outstanding balance has been reclassified from non-current liabilities to current liabilities.

22. Financial risk management

A. The classes and categories of the Group's financial instruments are categorised as follows:

Financial Instruments: Categories

	Fair value level	28 March 2026 £ million	29 March 2025 £ million
Financial assets			
Customer and other receivables at amortised cost*	2	**2.6**	3.0
Cash and short-term deposits	2	**2.9**	4.4
Total		**5.5**	7.4
Financial liabilities			
Trade and other payables at amortised cost**	2	**4.3**	5.8
Lease liabilities	2	**0.7**	0.8
Interest bearing loans and borrowings:			
Term loan	2	**8.5**	8.0
Total		**13.5**	14.6

* Prepayments of £0.5 million (2025: £0.5 million), and other debtors of £0.8 million (2025: £0.6 million) do not meet the definition of a financial instrument.

** Other creditors (including payroll creditors) of £0.3 million (2025: £0.4 million) do not meet the definition of a financial instrument.

The Group's finance team performs valuations of financial items for financial reporting purposes, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Chief Financial Officer and to the Audit and Risk Committee, with whom valuation processes and fair value changes are discussed.

Fair value hierarchy levels 1-3 are based on the degree to which the fair value is observable and are defined as:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted process included within Level 1 that are observable for the asset or liability, either directly (i.e. Prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial assets/liabilities are valued at amortised cost.

B. Terms, conditions and risk management policies

The Board approves treasury policies and senior management directly controls day-to-day operations within these policies. The major financial risks to which the Group is exposed relate to movements in foreign exchange rates and interest rates. Where appropriate, cost effective and practicable, the Group uses financial instruments and derivatives to manage these risks. No speculative use of derivatives, currency or other instruments is permitted. The Group's financial risk management policy is described in note 22.

During the year, the Group completed a refinancing of its borrowing facilities. As disclosed in note 21, a breach of financial covenants resulted in borrowings becoming repayable on demand at the reporting date, increasing the Group's liquidity and refinancing risk. Management continues to monitor cash flow forecasts and maintain regular engagement with its lenders to manage these risks.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

C. Foreign currency risk management

The Group incurs foreign currency risk on purchases whenever they are denominated in a currency other than the functional currency. This risk is managed through the natural offset of sales and purchases denominated in foreign currency.

The Group historically used forward foreign currency contracts to reduce its cash flow exposure to exchange rate movements, primarily on the US dollar. In doing so, hedge accounting was applied; contracts were considered effective cash flow hedges and accounted for by recognising the gain/loss on the hedge through reserves. There were no contracts outstanding at the year end date or prior year end. The Group has more recently relied on its foreign currency denominated revenues to provide a natural hedge against its foreign currency denominated stock purchases.

22. Financial risk management (continued)

The Group incurs foreign currency risk on royalty income as local sales are translated into Sterling amounts on which royalties are calculated. To help mitigate against further currency impacts, the Group previously entered into hedging contracts. The Group has more recently relied on the balance created by foreign currency denominated stock purchases.

Foreign exchange rate risk

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Group uses UK pounds sterling as its reporting currency. As a result, the Group is exposed to foreign exchange rate risk on financial assets and liabilities that are denominated in a currency other than UK sterling, primarily in US dollars.

Consequently, it enters into various contracts that reflect the changes in the value of foreign exchange rates to preserve the value of assets, commitments and anticipated transactions. The Group previously used forward contracts and options, primarily in US dollars, but has not entered into any contracts since the latest ones it held expired in May 2019.

Derivatives embedded in non-derivative host contracts have been recognised separately as derivative financial instruments when their risks and characteristics are not closely related to those of the host contract and the host contract is not stated at its fair value with changes in its fair value recognised in the income statement.

Of total sales, 63% (2025: 71%) were invoiced in foreign currency. The Group purchases product in foreign currencies, representing approximately 97% (2025: 95%) of purchases.

The Group did not hold any foreign currency forward exchange contracts at 28 March 2026; nor were they committed to any such contracts (2025: none).

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities – Trade payables		Assets – Trade receivables		Assets – Cash	
	28 March 2026 £ million	29 March 2025 £ million	**28 March 2026 £ million**	29 March 2025 £ million	**28 March 2026 £ million**	29 March 2025 £ million
US dollar	**(0.7)**	(1.2)	**1.5**	1.6	**1.9**	2.5
Euro	**–**	–	**0.5**	0.2	**–**	–
Indian rupee	**–**	–	**–**	–	**0.1**	0.6
Bangladeshi taka	**–**	–	**–**	–	**0.1**	–
	(0.7)	(1.2)	**2.0**	1.8	**2.1**	3.1

Currency sensitivity analysis

The Group's foreign currency financial assets and liabilities are denominated mainly in US dollars. The following table details the impact of a 10% increase in the value of pounds sterling against the US dollar. A negative number indicates a net decrease in the carrying value of assets and liabilities and a corresponding loss in adjusted items or in other comprehensive income where UK pounds sterling strengthens against the US dollar.

	Reflected in profit and loss		Reflected in equity	
	28 March 2026 £ million	30 March 2025 £ million	**28 March 2026 £ million**	30 March 2025 £ million
US dollar impact	**–**	(0.3)	**–**	–

D. Credit risk

Credit risk is the risk that a counterparty may default on their obligation to the Group in relation to lending, hedging, settlement and other financial activities. The Group's credit risk is primarily attributable to its trade receivables. The Group has a credit policy in place and the exposure to counterparty credit risk is monitored. The Group mitigates its exposure to counterparty credit risk through minimum counterparty credit guidelines, diversification of counterparties, working within agreed counterparty limits and bank guarantees where appropriate.

The carrying amount of the financial assets represents the maximum credit exposure of the Group. The carrying amount is presented net of impairment losses recognised. The maximum exposure to credit risk comprises trade receivables as shown in note 19, and cash and derivative financial assets. Debtor balances which are not provided for either have appropriate bank guarantees in place of are on payment plans and abide or pay to terms with exception of timing due to unforeseen circumstances.

The average credit period on gross trade receivables based on revenue was 33 days (2025: 16 days).

22. Financial risk management (continued)

E. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities and monitoring covenant compliance and headroom.

The table below shows the maturity analysis of the undiscounted remaining contractual cash flows of the Group's financial liabilities:

	Less than 1 year £ million	**1–2 years £ million**	**2–5 years £ million**	**Total contractual cashflows £ million**	**Carrying amount £ million**
Financial liabilities					
Borrowings	**8.5**	**–**	**–**	**8.5**	**8.5**
Trade and other payables	**4.3**	**–**	**–**	**4.3**	**4.3**
Lease liabilities	**0.2**	**0.3**	**0.3**	**0.8**	**0.7**
At 28 March 2026	**13.0**	**0.3**	**0.3**	**13.6**	**13.5**

	Less than 1 year £ million	1–2 years £ million	2–5 years £ million	Total contractual cashflows £ million	Carrying amount £ million
Financial liabilities					
Borrowings	0.8	8.7	–	9.5	8.0
Trade and other payables	5.8	–	–	5.8	5.8
Lease liabilities	0.2	0.3	0.6	1.1	0.8
At 29 March 2025	6.8	9.0	0.6	16.4	14.6

The comparative maturity analysis has been amended to present undiscounted contractual cash flows, rather than carrying amounts, in accordance with IFRS 7. This correction relates solely to note disclosure and does not affect the primary financial statements.

Stock payments due to suppliers are matched with franchise partner payments and as a result the unwind of trade payables from the balance sheet is aligned to trade receivable cash receipts from franchise partners. From summer 2020, the Group has been sourcing and selling stock to franchise partners through a tripartite contracting mechanism. Under the tripartite agreements, each party commits to produce, deliver and pay for stock to agreed timelines. This method of contracting greatly reduces the working capital burden for the Group as payments to suppliers are offset by cash receipts from franchise partners which are aligned to the timing of payment to supplier.

There are some exceptions to this way of working where franchise partners do still receive invoices from the Group, which are settled on agreed terms. These exceptions are incorporated into cash forecasts and the business has the headroom to deal with these. Aside from stock payment terms, the overhead recovery and royalties are charged on terms which vary by franchise partner which provide cash flow to cover the overhead costs.

F. Interest rate risk

The principal interest rate risk of the Group arises in respect of the drawdown of the term loan. The Group's borrowings are subject to fixed interest rates for the duration of the loan term and, accordingly, the Group is not exposed to significant cash flow interest rate risk. Management monitors interest rate exposures on an ongoing basis and considers the Group's exposure to changes in market interest rates to be limited. As the Group's borrowings bear fixed rates of interest and there are no significant variable-rate financial instruments at the reporting date, a reasonably possible change in market interest rates would not have a significant impact on the Group's future cash flows. Accordingly, no interest rate sensitivity analysis has been presented.

G. Market risk

The Group is exposed to market risk, primarily related to foreign exchange and interest rates. The Group's objective is to reduce, where it deems appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates, foreign currency rates and of the currency exposure of certain net investments in foreign subsidiaries.

22. Financial risk management (continued)

Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern;
- To provide an adequate return to shareholders by pricing products and services in a way that reflects the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity, any secured borrowing facilities, less cash and cash equivalents as presented in the statement of financial position.

Management assess the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excess leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may raise new loan financing or issue new shares to reduce debt.

During the year, the Group breached certain financial covenants, resulting in the related borrowings becoming repayable on demand at the reporting date, as described in Note 21. Management monitors covenant compliance through regular forecasting and ongoing engagement with its lenders. The Group did not comply with its pension funding arrangements during the year. Following discussions with the pension scheme trustees, the setting of revised funding requirements has been deferred till March 2027, and deficit recovery contributions have been suspended. Management continues to engage with the trustees in relation to the future funding arrangements.

23. Trade and other payables

	28 March 2026 £ million	29 March 2025 £ million
Current liabilities		
Trade payables	**1.7**	2.1
Payroll and other taxes including social security	**0.3**	0.3
Accruals and other creditors	**3.0**	3.8
	5.0	6.2

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 74 days (2025: 44 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximates to their fair value. Included within accruals is an amount of £0.1 million (2025: £0.1 million) in relation to contractual liabilities arising as part of the administration of Mothercare UK Limited. These represent management's best estimate of the amounts that are due to third parties.

24. Provisions

	28 March 2026 £ million	29 March 2025 £ million
Current liabilities		
Property provisions	**–**	–
Other provisions	**0.4**	0.6
Short-term provisions	**0.4**	0.6
Non-current liabilities		
Property provisions	**0.1**	0.1
Long-term provisions	**0.1**	0.1
Property provisions	**0.1**	0.1
Other provisions	**0.4**	0.6
Total provisions	**0.5**	0.7

24. Provisions (continued)

The movement on total provisions is as follows:

	Property provisions £ million	Other provisions £ million	Total provisions £ million
Balance at 29 March 2025	0.1	0.6	0.7
Utilised in period	–	(0.5)	(0.5)
Charged in period	–	0.3	0.3
Balance at 28 March 2026	**0.1**	**0.4**	**0.5**

Property provisions represent dilapidations provisions for our head office. In the prior year property provisions represented £0.1 million dilapidations provisions.

Other provisions include provisions for uninsured losses and contractual agreements requiring future cash outflows. The timing of these provisions is uncertain and estimation has been used to consider what amounts will fall due in less than one year.

25. Share capital

	52 weeks ended 28 March 2026 Number of shares	52 weeks ended 29 March 2025 Number of shares	**52 weeks ended 28 March 2026 £ million**	52 weeks ended 29 March 2025 £ million
Issued and fully paid				
Ordinary shares of 1 pence each				
Balance at the beginning and the end of the period	**563,836,626**	563,836,626	**5.6**	5.6
Deferred shares of 49 pence each				
Balance at the beginning and end of the period	**170,871,885**	170,871,885	**83.7**	83.7
Total share capital at end of period			**89.3**	89.3

The Company has one class of ordinary shares, which carry equal voting rights, rights to dividends when declared and rights to participate in the distribution of surplus assets on a winding up. The Company has no authorised share capital.

On 12 March 2021, the Group's shares were transferred from the London Stock Exchange's main market to instead be listed on AIM. Following this, on 17 March 2021, the shareholder loans – previously held within borrowings with the option to convert classified as a financial liability – converted to equity. The agreements entitled the shareholders to 189,644,132 ordinary 1 pence shares, giving rise to £1.9 million of share capital, £17.1 million of share premium and £9.5 million of distributable profits. The deferred shares do not carry any voting rights.

Further details of employee and executive share schemes are given in note 30.

The own shares reserve of £0.2 million (2025: £0.2 million) represents the cost of shares in Mothercare plc purchased in the market and held by the Mothercare Employee Trusts to satisfy options under the Group's share option schemes (see note 31). The total shareholding is 151,232 (2025: 151,232).

26. Share premium

This represents amounts received from shareholders above the nominal value of shares issued and is subject to applicable legal restrictions.

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Balance at the beginning and the end of the period	**108.8**	108.8

27. Translation reserves

This represents exchange differences arising from the translation of foreign operations into the Group's presentation currency, recognised through other comprehensive income.

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Translation reserve		
Balance at beginning of period	**(3.8)**	(3.7)
Exchange differences on translation of foreign operations	**–**	(0.1)
Balance at the end of the period	**(3.8)**	(3.8)

28. Reconciliation of cash flow from operating activities

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
(Loss)/profit from operations	**(1.2)**	16.0
Adjustments for:		
Depreciation of property, plant and equipment	**0.1**	0.1
Amortisation of right-of-use assets	**0.2**	0.2
Amortisation of intangible assets	**1.3**	1.2
Share of profit of associate	**(0.1)**	–
Gain on sale of subsidiary	**–**	(15.2)
Gain on adjusted foreign currency movements	**(0.2)**	(0.1)
Equity-settled share-based payments	**0.2**	0.2
Movement in provisions	**(0.2)**	0.4
Net gain on financial derivative instruments	**–**	(0.5)
Payments to retirement benefit schemes	**(0.3)**	(2.2)
Charge to profit from operations in respect of retirement benefit schemes	**1.3**	1.4
Operating cash inflow before movement in working capital	**1.1**	1.5
Decrease in inventories	**0.6**	–
Decrease in receivables	**0.1**	0.6
(Decrease) in payables	**(1.1)**	(2.1)
Net cash inflow from operating activities before tax	**0.7**	–
Income taxes paid	**(0.6)**	(1.5)
Net cash inflow/(outflow) from operating activities after tax	**0.1**	(1.5)

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

Analysis of net debt and financial liabilities

	Note	29 March 2025 £ million	Cash flow £ million	Other non–cash movements[1] £ million	**28 March 2026 £ million**
Term loan	21	(8.0)	(0.3)	(0.2)	**(8.5)**
Cash at bank	20	4.3	(1.5)	–	**2.8**
IFRS 16 lease liabilities		(0.8)	0.2	(0.1)	**(0.7)**
Net debt		(4.5)	(1.6)	(0.3)	**(6.4)**

1. Non-cash movements represents payment in kind (PIK) interest on the Term Loan and interest on the right of use liability.

29. Lease liabilities

At the balance sheet date, the maturity analysis of the Group's undiscounted cashflows on IFRS 16 leases were as follows:

	Land and Buildings 28 March 2026 £ million	Land and Buildings 29 March 2025 £ million
Not later than one year	**0.2**	0.1
After one year but not more than five years	**0.5**	0.7
Total undiscounted cashflows	**0.7**	0.8

The Group's weighted average incremental borrowing rate for all leases is 11.8% (2025: 11.8%).

30. Share-based payments

An expense is recognised for share-based payments based on the fair value of the awards (at the date of grant for those awards due to be equity settled and at year end for those due to be cash settled), the estimated number of shares that will vest and the vesting period of each award.

Share-based payments comprise a charge of £0.2 million (2025: £0.2 million). At 28 March 2026 there is a balance sheet liability of £0.1 million related to the expected national insurance charge when share-based payment schemes vest (2025: £Nil), which has been recognised in accruals in note 23. These charges relate to the LTIP 2023 Plan.

A. Save As You Earn Schemes

B. Long term Incentive Plans – LTIP 2023

Details of the share schemes that the Group operates are provided in the directors' remuneration report on pages 30 to 32.

For each scheme, expected volatility was determined with reference to the 90-day volatility of the Company share price over the previous three years. The expected life used in each model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The dates of exercise are not disclosed, as it is not deemed practicable to do so.

A. Save As You Earn Schemes

The employee Save As You Earn schemes were open to all eligible employees and provided for a purchase price equal to the average daily mid-market price on the three days prior to the offer date, less 20%. At the end of the year, there were no options remaining under the Save As You Earn Scheme.

The number of shares outstanding under the Save As You Earn Schemes is as follows:

	Weighted average exercise price	**52 weeks ended 28 March 2026 Number of shares**	52 weeks ended 29 March 2025 Number of shares
Balance at beginning of period	14p	**90,818**	837,407
Cancelled in the period	15p	**–**	(205,869)
Expired during period	15p	**(90,818)**	(540,720)
Balance at end of period	14p	**–**	90,818

B. Long Term Incentive Plans – LTIP 2023

In September 2023 and November 2023, the Group granted further awards under the Mothercare plc 2019 Long term Incentive Plan. These were nil cost restricted stock units. The awards vest on the third anniversary of the grant date subject to continued employment during the vesting period. For the CFO only, he must retain vesting shares for two years post vesting. No consideration is payable for the grant of these awards. The key inputs and assumptions are below.

30. Share-based payments (continued)

Grant date	November 2023 RSU awards	September 2023 RSU awards
Number of shares awarded	400,000	11,800,000
Share price at date of grant	4.6p	4.5p
Exercise price	Nil	Nil
Expected volatility	N/A	N/A
Risk-free rate	N/A	N/A
Expected dividend yield	0%	0%
Fair value of shares granted	4.6p	3.7p

At 28 March 2026 the share options outstanding had a weighted average remaining contractual life of 0.5 years.

The awards are nil-cost RSUs, therefore expected volatility, risk-free rate and option pricing models are not applicable because the fair value equals the market price

	Number of shares
Balance at beginning of period	11,323,832
Lapsed during period	(2,188,889)
Balance at end of period	9,134,943

31. Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees.

The cost charged to the income statement of £0.3 million (2025: £0.4 million) represents contributions due and paid to these schemes by the Group at rates specified in the rules of the plan.

Defined benefit schemes

The Group previously operated two defined benefit pension schemes for employees of Mothercare UK Limited; these were both closed to future accrual with effect from 30 March 2013.

The pension schemes' assets are held in a separate trustee administered fund to meet long-term pension liabilities to past and present employees. The trustee of the fund is required to act in the best interest of the fund's beneficiaries.

For the protection of members' interests, the Group has a trustee, who is independent of the Group. To maintain this independence, the trustee and not the Group is responsible for their own successors.

The valuation carried out by the Company for these Accounts uses a different method and assumptions than that carried out by the Trustee for Scheme funding purposes. The assumptions used by the Company are prescribed by the accounting standard IAS19. For these accounts, the present value of the defined benefit obligation, the related service cost and the past service cost were measured using the project unit credit method.

The most recent full actuarial valuation for Scheme funding purposes was carried out by the Trustee at 31 March 2023. The value of the deficit under the full actuarial valuation at 31 March 2023 was £35.0m for the Staff Scheme; the Group's deficit payments are calculated using this as the basis. The Executive Scheme valuation revealed a small funding surplus.

The schemes expose the Company to actuarial risks such as longevity risk, interest rate risk, inflation risk, and market (investment) risk.

In prior year the Trustee secured a buy-in contract (Bulk Purchase Annuity Policy) with Canada Life Limited for all members of the Executive Scheme. The annuity acts as a very precise liability hedging asset that provides an income stream to match future pension payments.

31. Retirement benefit schemes (continued)

Below is an outline of the risks, what they are and how the Group mitigates those risks.

Risk	Description	Mitigation
Volatile asset returns	The Defined Benefit Obligation (DBO) is calculated using a discount rate set with reference to AA corporate bond yields; asset returns that differ from the discount rate will create an element of volatility in the solvency ratio. The Staff Scheme had a 29% strategic allocation across two diversified growth funds at the end of the fiscal year, whilst the Executive Scheme had a 0% strategic allocation. Although these growth assets are expected to outperform corporate bonds in the long term, they can lead to volatility and mismatching risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given the UK Pension Scheme's long-term objectives.	Over the fiscal year, the Company and Trustee strategic allocations to growth assets, bond and bond-like assets have remained unchanged. Staff Scheme – In the previous fiscal year, the interest rate and inflation hedge ratios were increased to 80%. The Scheme's investment strategy was kept under review during the 25/26 fiscal year and post year-end, a decision was taken to increase the hedge ratios further to 87%. This change was implemented in June 2026. Executive Scheme – In December 2023, the majority of the Executive Scheme's assets were used to purchase a bulk annuity policy covering the Scheme's benefit obligations from a regulated insurance company. As at 28 March 2026, the Scheme's residual assets were split across a liquidity fund and the Trustee bank account. As at the end of the fiscal year, the Staff Scheme had a strategic allocation to bond and bond-like assets of 71% (unchanged from last year) and the Executive Scheme had a strategic allocation to bond and bond-like assets of 100% (unchanged from last year). This is designed to reduce funding level volatility by investing in assets which more closely match the characteristics of the liabilities.
Changes in bond yields	A decrease in corporate bond yields will increase the present value placed on the DBO for accounting purposes, although this will be partially offset by an increase in the value of the UK Pension Fund's bond holdings.	At fiscal year end the Staff Scheme had 41% of its strategic allocation in liability-driven investments, which provide a hedge against falling bond yields (falling yields which increase the DBO will also increase the value of the bond assets). The majority of the Executive Scheme's assets were used to purchase a bulk annuity policy during 2023, with the residual assets split across a liquidity fund and the Trustee bank account. Note that there are some differences in the credit quality of bonds held by the UK Pension Fund and the bonds analysed to decide the DBO discount rate, such that there remains some risk should yields on different quality bond/ swap assets diverge.
Inflation risk	A significant proportion of the DBO is indexed in line with price inflation (specifically inflation in the UK Retail Price Index and Consumer Price Index) and higher inflation will lead to higher liabilities (although, in most cases, this is capped at an annual increase of 5%).	The UK Pension Fund holds some inflation-linked assets which provide a hedge against higher-than-expected inflation increases on the DBO.
Life expectancy	The majority of the UK Pension Fund's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the liabilities.	

Other Risks: There are a number of other risks of running the UK Pension Fund including operational risks (such as paying out the wrong benefits) and legislative risks (such as the government increasing the burden on pension through new legislation).

31. Retirement benefit schemes (continued)

Asset-liability matching strategy

The Trustee of the Schemes, on behalf of the Company, ensure that the Schemes' assets are invested in accordance with the policies and objectives set out in the Schemes' Statement of Investment Principles.

The Schemes investment strategies aim to match the Schemes' assets to a portion of the interest rate and inflation sensitivity of the retirement obligations by investing in unleveraged and leveraged fixed and index-linked UK government bonds, as part of a liability driven investment portfolio. The Schemes also invest in other bond and bond-like investments (multi-asset credit and secured finance) in order to broadly match benefit payments as they fall due, whilst aiming to generate an excess return over that expected from government bonds. The Trustee, on behalf of the Company, reviews how the expected yield on the investments are matching the expected cash outflows arising from the retirement obligations, and the degree to which the interest rate and inflation sensitivity of the retirement obligations is matched.

In addition, the Trustee believes that, over the long term, excess returns over that expected from government bonds will be generated through investing in equities and other return enhancing asset classes, as well as through the use of active management where appropriate.

Over the fiscal year, the Company and Trustee strategic allocations to growth assets, bond and bond-like assets have remained unchanged.

As at the end of the year, the Staff Scheme had a strategic allocation to bond and bond-like assets of 71% and the Executive Scheme had a strategic allocation to bond and bond-like assets of 100% (unchanged from last year).

The IAS 19 valuation conducted for the period ended 28 March 2026 disclosed a net defined pension deficit of £20.1 million (2025: £21.1 million).

The major assumptions used in the updated actuarial valuations were:

	28 March 2026	29 March 2025
Discount rate	**6.30%**	5.75%
Inflation rate – RPI	**3.15%**	3.1%
Inflation rate – CPI	**2.6%**	2.45%
Future pension increases	**2.90%**	2.90%
Male life expectancy at age 65	**21.1 years**	20.4 years
Male life expectancy at age 65 (currently aged 45)	**22.0 years**	21.1 years
Female life expectancy at age 65	**23.8 years**	23.3 years
Female life expectancy at age 65 (currently aged 45)	**24.9 years**	24.3 years

Following the closure of the Scheme to future benefit accrual, a salary increase assumption is not required.

The mortality assumptions used are the SAPS tables published by the CMI allowing for future improvements in line with the CMI 2025 projections with a long term annual rate of improvement of 1 per cent and a core smoothing factor of 7, and a half-life parameter of 1. Weighted average life expectancies across both schemes are shown above.

The Company's basis for setting the discount rate is based on an AA corporate bond curve that fits a curve to iBoxx AA corporate bond data.

The effects of movements in the principal assumptions used to measure the scheme liabilities for every change in the relevant assumption are set out below:

Assumption	Change in assumption	Impact on scheme liabilities £ million
Discount rate	+/– 0.1%	–3.0/+3.0
Rate of RPI inflation	+/– 0.1%	+1.4 /–2.0
Rate of CPI inflation	+/– 0.1%	+0.5/– 0.5
Life expectancy (age 65)	+ 1 year	+7.1
Discount rate	+/– 0.5%	–14.5 /+15.5
Rate of RPI inflation	+/– 0.5%	+9.3 /– 10.0

31. Retirement benefit schemes (continued)

The above sensitivities are applied to adjust the defined benefit obligation at the end of the reporting period. Whilst the analysis does not take account of the full distribution of cash flows expected under the scheme, it does provide an approximation to the sensitivity of the assumptions shown.

Amounts expensed in the income statement in respect of the defined benefit schemes are as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Running costs	**1.3**	1.3
Net interest expense	**1.3**	1.1
Past service cost	**–**	0.3
	2.6	2.7

Running costs are included in administrative expenses, and net interest on liabilities/return on assets is included in finance costs. Past service costs are included in administrative expenses.

The amount recognised in other comprehensive income for the period ended 28 March 2026 is a gain of £3.3 million (2025: £3.7 million).

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement schemes is as follows:

	28 March 2026 £ million	29 March 2025 £ million
Present value of defined benefit obligations	**(239.7)**	(248.3)
Fair value of schemes' assets	**219.6**	227.2
Liability recognised in balance sheet	**(20.1)**	(21.1)

Movements in the present value of defined benefit obligations were as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
At beginning of period	**(248.3)**	(278.9)
Past service cost	**–**	(0.3)
Interest expense	**(13.9)**	(13.2)
Actuarial (losses) arising from changes in demographic assumptions	**(4.0)**	–
Actuarial gains arising from changes in financial assumptions	**13.9**	32.2
Actuarial (loss)/(gain) on experience adjustment	**(0.9)**	0.1
Benefits paid	**13.5**	11.8
At end of period	**(239.7)**	(248.3)

Movements in the fair value of schemes' assets were as follows:

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
At beginning of period	**227.2**	254.7
Interest income	**12.6**	12.1
Scheme administration expenses	**(1.3)**	(1.3)
Losses on scheme assets excluding interest income	**(5.7)**	(28.7)
Company contributions	**0.3**	2.2
Benefits paid	**(13.5)**	(11.8)
At end of period	**219.6**	227.2

31. Retirement benefit schemes (continued)

The major categories of scheme assets are as follows:

	28 March 2026 £ million	29 March 2025 £ million
Corporate bonds	**54.2**	57.7
Index-linked government bonds	**34.3**	31.8
Government bonds	**21.7**	19.3
Diversified growth funds	**48.7**	52.0
Buy-in	**58.5**	61.0
Cash and cash equivalents	**2.2**	5.4
	219.6	227.2

The percentage split of the scheme assets between sterling and non-sterling are as follows as at 28 March 2026:

	Sterling	Non–sterling
Corporate bonds	100%	–
Secured Finance	100%	–
Liability driven investments	100%	–
Diversified growth funds	69.4%	30.6%
Cash and cash equivalents	100%	–

The schemes' assets do not include any of the Group's own financial instruments nor any property occupied by, or other assets used by, the Group.

The schemes are funded by the Company. Funding of the schemes is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions above.

The Company is committed to paying into each scheme for future years. Funding requirements are formally set out in the Statement of Funding Principles, Schedule of Contributions and Recovery Plan agreed between the Trustee and the Company.

The Group's pension Trustee agreed to defer the payment of pension contributions due for the year ended 28 March 2026 to March 2027, to support the Company's cash flows. A new schedule of contributions is to be put in place no later than 31 March 2027.

The pension deficit contributions due in the years to March 2027 and March 2026 that were deferred amount to £3.0 million in each year, a total of £6 million. This sum together with the remaining contributions due, will be paid in accordance with a new schedule of contributions to be put in place no later than 31 March 2027, which will include a resumption of contributions from 19 April 2027 at a level that the Trustee considers to be affordable.

The weighted average duration of the defined benefit obligation at 28 March 2026 is approximately 14 years (2025: 14 years). The defined benefit obligation at 28 March 2026 can be approximately attributed to the scheme members based on membership date at 31 March 2023 as follows:

a. Active members: 0% (2025: 0%)

b. Deferred members: 60% (2025: 60%)

c. Pensioner members: 40% (2025: 40%)

All benefits are vested at 28 March 2026 (unchanged from 29 March 2025). There are fixed and floating charges over the assets of the company in favour of the pension scheme.

32. Contingent liability

In previous years, it was reported that the Group had a contingent liability in relation to orders that were initially placed with suppliers for the Spring/Summer 2020 and Autumn/Winter 2020 seasons but that were cancelled pre year end by management. Whilst resolution has been reached with many of these suppliers there is still the possibility that due to the administration process or the impact of COVID-19 there may be a claim from a supplier in relation to these issues.

The value of any potential cost to the Group is not possible to determine with any accuracy however management's best estimate of future outflows in relation to the above is considered to be less than £1.4 million in value (2025: £1.4 million), with the probability being low but not remote.

As part of the administration of Mothercare UK Limited, the Group signed an agreement with the administrators to purchase certain assets and liabilities. There are certain pending claims for which the Group may have to contribute via a top-up mechanism agreed with the administrators. The best estimate of the outflow is considered to be less than £1.9 million. As investigations are still ongoing it is not possible to identify a timeline within which it might be resolved.

33. Related party transactions

During the year, the Group entered into amended financing arrangements with a consortium of investors through a special purpose vehicle ("SPV") CTM Funding Limited, established to refinance and vary the Group's existing secured debt facility.

The amended facility provides funding of £8.46 million at inception, with the potential to increase to £10.0 million subject to further investor participation, and matures on 31 December 2027. The facility bears interest at a total rate of 25% per annum, comprising a 10% per annum cash coupon payable monthly and a 15% per annum payment-in-kind ("PIK") coupon, which is capitalised and added to the outstanding principal balance.

Mr. Richard Griffiths, a substantial shareholder of the Company, together with associated undertakings, participated in the consortium of investors and is the majority shareholder of the SPV through which the financing was provided. Accordingly, the transaction constitutes a related party transaction under IAS 24.

The Board, having considered the Group's funding requirements and having consulted with its nominated adviser, determined that the terms of the refinancing were fair and reasonable from the perspective of the Company's shareholders.

At 28 March 2026, the outstanding balance due under the facility attributable to the SPV was £8.5 million, including accrued and capitalised PIK interest of £0.1 million. During the year, the Group recognised finance costs of £0.2 million in respect of the facility, comprising cash interest expense of £0.1 million and PIK interest expense of £0.1 million.

The facility remains subject to existing events of default and is therefore contractually repayable on demand. Accordingly, the related borrowing has been classified in accordance with the requirements of IAS 1 based on the rights and obligations existing at the reporting date.

No guarantees were provided to or received from related parties in connection with the facility other than the security arrangements applicable to all lenders participating in the refinancing. There were no other related party transactions with Mr. Griffiths or his associated undertakings during the year requiring disclosure.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Trading transactions

There were no transactions in the current year:

33. Related party transactions (continued)

Remuneration of key management personnel

The remuneration of the operating board (including directors and other key decision makers), who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual directors is provided in the audited part of the remuneration report on pages 51 to 52.

	52 weeks ended 28 March 2026 £ million	52 weeks ended 29 March 2025 £ million
Short-term employee benefits	**1.4**	1.3
Post-employment benefits	**–**	–
Other long-term benefits	**–**	–
Termination benefits	**–**	–
Share-based payment	**–**	–
	1.4	1.3

Mothercare Pension scheme

Details of other transactions and balances held with the two pension schemes are set out in note 31.

Other transactions with key management personnel

There were no other transactions with key management personnel.

Other transactions with related parties

There were no other transactions with shareholders in the current or prior year.

34. Events after the balance sheet date

Completion of Executive Defined Benefit Pension Scheme Buy-out

After the reporting date, the Group completed a full buy-out of the liabilities of the Executive Scheme with an insurance company. As a result of this transaction, all obligations relating to the Executive Scheme have been irrevocably transferred to the insurer, together with the scheme assets, and the Group has no further legal or constructive obligation in respect of this scheme.

The buy-out was completed on 31 March 2026. Accordingly, the Executive Scheme will be derecognised from the Group's statement of financial position in the financial year ending 27 March 2027.

This transaction represents a non-adjusting event after the reporting period, as the buy-out occurred after the reporting date and does not provide evidence of conditions that existed at that date. Therefore, no adjustments have been made to the amounts recognised in respect of the Executive Scheme in these financial statements. At the reporting date, no binding agreement or contractual obligation to complete the buy-out existed, and the Group retained the risks and rewards associated with the Executive Scheme.

The buy-out is expected to result in a settlement gain in the subsequent reporting period, being the difference between:

- the defined benefit obligation of the executive Scheme at the date of settlement; and
- the premium paid to the insurer (including transaction costs).

An estimate of the financial effect of the transaction is estimated at £0.6 million, which will be recognised in the income statement in the period ending 27 March 2027.

Financing activities

Subsequent to the reporting date, the Group received additional funding of £1.54 million from CTM Funding Ltd under its existing lending facility. This represents the remaining available balance of the facility and increases the total amount drawn from £8.46 million, which was initially advanced in February, to the full facility limit of £10.0 million.

Management has assessed events occurring after the reporting date up to the date of authorisation of these financial statements and has concluded that, other than the events described above and any other matters disclosed in these financial statements, there are no additional material adjusting or non-adjusting events requiring recognition or disclosure.

Company financial statements

Contents

Company balance sheet

As at 28 March 2026

	Note	28 March 2026 £ million	29 March 2025 £ million
Fixed assets			
Investments in subsidiary undertakings	2	–	2.0
Deferred tax assets	3	–	–
		–	2.0
Current assets			
Debtors – amounts falling due within one year	4	**0.2**	0.1
Cash and cash equivalents		**0.2**	0.2
		0.4	0.3
Creditors – amounts falling due within one year	5	**(170.3)**	(169.6)
Net current liabilities		**(169.9)**	(169.3)
Net liabilities		**(169.9)**	(167.3)
Equity			
Called up share capital	6	**89.3**	89.3
Share premium	7	**108.8**	108.8
Own shares	7	**(0.2)**	(0.2)
Profit and loss account	7	**(367.8)**	(365.2)
Total Equity		**(169.9)**	(167.3)

For the 52 weeks ended 28 March 2026

The Company has taken advantage of the disclosure exemption permitted by s408 of the Companies Act 2006 and has not presented a profit and loss account. The Company reported a loss for the financial period ended 28 March 2026 of £2.8 million (2025: £6.1 million loss).

Approved by the board on 13 August 2026 and signed on its behalf by:

Andrew Cook
Chief Financial Officer

Company Registration number: 1950509

Company statement of changes in equity
for the 52 weeks ended 28 March 2026

	Note	Share capital £ million	Share premium account £ million	Own share reserve £ million	Profit and loss account £ million	Total £ million
Balance at 29 March 2025		**89.3**	**108.8**	**(0.2)**	**(365.2)**	**(167.3)**
Loss for the period	7	**–**	**–**	**–**	**(2.8)**	**(2.8)**
Other comprehensive income for the period		**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the period		**–**	**–**	**–**	**(2.8)**	**(2.8)**
Adjustment to equity for equity- settled share- based payments		**–**	**–**	**–**	**0.2**	**0.2**
Balance at 28 March 2026		**89.3**	**108.8**	**(0.2)**	**(367.8)**	**(169.9)**
Balance at 30 March 2024		89.3	108.8	(0.2)	(366.6)	(168.7)
Loss for the period		–	–	–	(6.1)	(6.1)
Other comprehensive expense for the period		–	–	–	–	–
Total comprehensive expense for the period		–	–	–	(6.1)	(6.1)
Reversal of impairment		–	–	–	7.3	7.3
Adjustment to equity for equity- settled share- based payments		–	–	–	0.2	0.2
Balance at 29 March 2025		89.3	108.8	(0.2)	(365.2)	(167.3)

Notes to the company financial statements
as at 28 March 2026

General information
Mothercare plc is a public company limited by shares incorporated in Great Britain under the Companies act 2006. the address of the registered office is given in the shareholder information on page 89. mothercare plc acts as a holding company for a group of companies operating as a specialist franchisor of products for parents and young children under the mothercare brand.

1. Significant accounting policies
The Company's accounting period covers the 52 weeks ended 28 March 2026. The comparative period covered the 52 weeks ended 29 March 2025.

The separate financial statements of the Company are presented as required by the Companies act 2006. The Company meets the definition of a qualifying entity under FRS100 'application of financial Reporting Requirements' issued by the financial Reporting Council (fRC). Accordingly these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure framework' as issued by the FRC.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemption available under the standard in relation to share-based payments, presentation of comparative information in respect of certain assets, capital management, certain revenue requirements of ifRs 15, the presentation of a cash flow statement, standards not yet effective and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

Going concern
The consolidated and Company financial statements have been prepared on a going concern basis, as described in the going concern statement in the notes to the financial statements on page 47.

The Group entered into financing arrangements during the year with a consortium of investors, the majority of which are current shareholders, to refinance and vary the existing facility via a special purpose vehicle (SPV). This included extending the facility's term to 31 December 2027. The facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand, however, the Directors recognise the improved alignment between the Company's secured creditors (including the pension and debt holders) and shareholders. £8.46 million was raised during the year with further funding of £1.54 million being raised after year end via the same SPV.

When considering the going concern assumption, the Directors of the group and the Company have reviewed a number of factors, including the group's trading results and its continued access to sufficient borrowing facilities against the group's latest forecasts and projections, comprising:

- a Base Case forecast; and
- a sensitised forecast, which applies sensitivities against the Base Case for reasonably possible adverse variations in performance, reflecting the ongoing volatility in our key markets.

The Base Case forecast is based on current retail trends and, as such, already includes the impact of the conflict in the Middle East on retail sales. The sensitised forecast shows a further decrease in worldwide retail sales of 10% as compared to the Base Case in the remainder of the financial year to March 2027 and for the year to March 2028, with the overhead costs assumed to remain constant.

In making the assessment on going concern the Directors have assumed that the Group is able to mitigate the material uncertainty surrounding the ongoing financial restructuring of the Group, which includes:

- The Group's ability to renegotiate its Defined Benefit Pension Deficit Repayment plan with the Pension Trustee. The Trustee has currently agreed to defer the payment of pension contributions due to March 2027, with a new schedule of contributions to be put in place no later than 31 March 2027 at a time and level that the Trustee considers to be affordable to the Group; and
- The loan facility of £8.46 million at year end was extended to 31 December 2027 during the year, however, the facility is in default as a result of breaching financial covenants, which cannot be remedied, and so is repayable on demand. The facility is controlled by shareholders and further funding of £1.54 million has been provided post year end, demonstrating the ongoing support of the business. Management remains in continual dialogue with the current lender and the lender has not indicated that it intends to demand immediate repayment.

The board's confidence in the Group's Base Case forecast, which indicates the Group will operate with sufficient cash for at least the next 12 months, and the Group's proven cash management capability supports our preparation of the financial statements on a going concern basis and therefore financial statements do not include the adjustments that would be required if the group were unable to continue as a going concern.

However, if trading conditions were to deteriorate beyond the level of risks applied in the sensitised forecast, or the Group was unable to mitigate the material uncertainties assumed in the Base Case forecast and the group was not able to execute further cost or cash management programmes, the group would at certain points of the working capital cycle have insufficient cash. If this scenario were to crystallise the Group and Company would be unable to meet liabilities as they fall due and potentially need to secure additional funding. therefore, we have concluded that, in this situation, there is a material uncertainty that casts significant doubt that the Group will be able to operate as a going concern without utilising uncommitted or new financing facilities.

The directors have considered the intercompany liabilities of £168.7 million outstanding at the reporting date. These balances are due to fellow group undertakings. The directors have considered the intentions of the counterparties and note that each of the lending entities is under common control within the Group. The directors have no reason to believe that these balances will be called for repayment in a manner that would adversely affect the Company's ability to continue as a going concern.

Warrants

Where warrants are not issued for a fixed number of shares at a fixed amount, they are recognised as a liability at fair value on the date of issue. Subsequently, fair value is recalculated, with movements recognised in the income statement, at each reporting date. The Company is exempt from preparing financial instrument disclosures under FRS 101; these are included in note 21 of the Group consolidated financial statements.

Interest rate risk

For information on the Company's approach to interest rate risk, please see page 69 of the group consolidated financial statements.

Liquidity risk

For information on the Company's approach to liquidity risk, please see page 69 of the group consolidated financial statements.

Credit risk

The Company has exposure to credit risk inherent in its receivables due from its subsidiary undertakings.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Critical accounting judgements

The preparation of the Company financial statements requires management to make judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions to accounting estimates applied prospectively.

Critical judgements represent key decisions made by management in the application of the group accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a critical accounting estimate.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Impairment of assets

The Company reviews the carrying value of assets on a periodic basis, and whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Such circumstances or events could include: a pattern of losses involving the asset; a decline in the market value for the asset; and an adverse change in the business or market in which the asset is involved. Determining whether an impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. Estimates of future cash flows and the selection of appropriate discount rates relating to particular assets or groups of assets involve the exercise of a significant amount of judgment.

2. Investments in subsidiary undertakings

Investments in the Company's balance sheet consist of its investments in subsidiary undertakings. The Company's subsidiaries, all of which are wholly owned, are included in note 12 of the group financial statements.

The Company's investment in its subsidiary undertakings is as follows:

	28 March 2026 £ million	29 March 2025 £ million
Investment in subsidiaries – net book value	–	2.0

	£ million
Cost	
At 29 March 2025	232.5
Share-based payments to employees of subsidiaries	0.2
At 28 March 2026	**232.7**
Impairment	
At 29 March 2025	(230.5)
Charged during the period	(2.2)
At 28 March 2026	**(232.7)**
Net book value	–

During the year the company recognised an impairment loss of £2.2 million in respect of its investment in subsidiaries. The impairment was recognised following management's view of the carrying amount of the investment. The impairment loss has been recognised in profit or loss, and the carrying amount of the investment has been reduced accordingly.

3. Deferred tax assets

At the balance sheet date, the Group had unused tax losses of approximately £9.5 million (2024: £9.3 million) for which no deferred tax asset has been recognised. Tax losses do not expire.

4. Debtors

	28 March 2026 £ million	29 March 2025 £ million
Other debtors	**0.2**	0.1

5. Creditors

Creditors: amounts due within one year	**28 March 2026 £ million**	29 March 2025 £ million
Amounts due to subsidiary undertakings	**168.7**	168.0
Accruals and other creditors	**1.6**	1.6
	170.3	169.6

Amounts due to subsidiary undertakings are repayable on demand. No interest is payable on the outstanding balances.

6. Called up share capital

For details of the Company's share capital and movements, please see note 25 to the consolidated financial statements. Further details of employee and executive share schemes are provided in note 30 to the consolidated financial statements.

7. Reserves

	Share premium £ million	Own shares £ million	Profit and loss account £ million
Balance at 29 March 2025	108.8	(0.2)	(365.2)
Loss for the financial year	–	–	(2.8)
Adjustment to equity for equity- settled share-based payments	–	–	0.2
Balance at 28 March 2026	**108.8**	**(0.2)**	**(367.8)**

The own shares reserve of £0.2 million (2025: £0.2 million) represents the cost of shares in Mothercare plc purchased in the market and held by the Mothercare Employee Trusts to satisfy options under the group's share option schemes (see note 30). the total shareholding is 151,232 (2025: 151,232).

The Company has no distributable reserves and has made no distribution during this or the prior year.

8. Employee numbers

The average monthly number of persons employed by the Company during the year was 2 (2025:3).

9. Events after the balance sheet date

Details on events after the balance sheet date are shown in note 34 to the consolidated financial statements.

Shareholder information

Shareholder analysis

A summary of holdings as at 28 March 2026 is as follows:

	Mothercare ordinary shares	
	number of shares	number of shareholders
Banks, insurance companies and pension funds	1	1
Nominee companies	523,964,848	122
Other corporate holders	35,558,314	89
Individuals	4,313,463	17,843
	563,836,626	18,055

As can be seen from the above analysis, many shares are registered in the name of a nominee company as the legal owner. The underlying holder of shares through a nominee account is the beneficial owner of these shares, being entitled to the capital value and the income arising from them. An analysis of these nominee holdings shows that the largest underlying holders are pension funds, with unit trusts and insurance companies the other major types of shareholder.

Share price data

	2026	2025
Share price at 28 March 2026 (29 March 2025)	**1.25p**	2.85p
Market capitalisation	**£7.0m**	£16.1m
Share price movement during the year:		
High	**3.9p**	6.6p
Low	**1.00p**	2.50p

All share prices are quoted at the mid-market closing price. For capital gains tax purposes:

a. The market value on 31 March 1982 of one ordinary share in British Home Stores PLC is 155p and of one ordinary share in Habitat Mothercare PLC is 133p; and

b. The market value of each Mothercare PLC 50p ordinary share immediately following the reduction of capital and consolidation on 17 august 2000 for the purpose of allocating base cost between such shares and the shares disposed of as a result of the reduction is 135p.

Rights issue and TERP

On 23 September 2014 the Company announced a proposed rights issue of 9 for 10 ordinary shares at 125p per new ordinary share. The theoretical ex-rights price ('TERP') between 24 September and 9 October 2014 (being the last day the ordinary shares were traded cum rights) was 178p.

Immediately before the rights issue, the issued share capital was 88,824,771. 79,942,294 new ordinary shares were issued on 27 October 2014. The total issued share capital immediately following the rights issue was 168,767,065.

Placing and open offer

On 9 July 2018 the Company announced a proposed subdivision of shares (into 1p ordinary shares and 49p deferred shares) and a placing and open offer of 170,871,885 ordinary 1p shares on a 1 for 1 basis at 19p per ordinary share. Immediately before the placing and open offer, the issued share capital was 170,871,885. 170,871,885 new ordinary shares were issued on 27 July 2018. The total issued share capital immediately following the placing and open offer was 341,743,770.

Placing

On 5 November 2019 the Company announced that 32,359,450 new ordinary 1p shares (the "Placing Shares") had been placed by Numis Securities Limited at a price of 10 pence per Placing Share with existing institutional investors. The Placing Shares were admitted to the premium listing segment of the Official List on 7 November 2019. The issued share capital prior to the Placing was 341,833,044 and, following the issue, the total number of issued shares with voting rights was 374,192,494.

Conversion shares

On 17 March 2021 189,644,132 conversion shares of 1p each were issued at 10 pence per ordinary share. The total voting rights following the admission of the conversion shares was 563,836,626.

Registrars and transfer office

Equiniti Limited, Highdown House, Yeoman Way, Worthing, West Sussex, BN99 6DA

Financial calendar

	2026
Annual General Meeting	**24 September**
Announcement of interim results	**November**

	2027
Preliminary announcement of results for the 52 weeks ending 27 March 2027	**August**
Issue of report and accounts	**August**
Annual General Meeting	**September**

Registered office and head office

Westside 1, London Road, Hemel Hempstead, Hertfordshire HP3 9TD www.mothercareplc.com Registered number 1950509

Group company secretary

Lynne Medini

Registrars

Administrative enquiries concerning shareholders in Mothercare PLC for such matters as the loss of a share certificate, dividend payments or a change of address should be directed, in the first instance, to the registrars:

Equiniti Limited

Highdown House, Yeoman Way, Worthing, West Sussex, BN99 6DA Telephone 0371 384 2013.

Postal share dealing service

A postal share dealing service is available through the Company's registrars for the purchase and sale of Mothercare Plc shares from the www.shareview.co.uk website or on the shareholder helpline Telephone 0371 384 2013.

Further details can be obtained from Equiniti on 0371 384 2013 (calls to this number are charged at the standard landline rate per minute plus network extras. Lines are open 8.30 am to 5.30 pm, Monday to Friday).

Stockbrokers

The Company's stockbrokers are:

Deutsche Numis | Deutsche Bank AG 45 Gresham Street, London EC2V 7BF Telephone 020 7260 1000
Cavendish Capital Markets Limited, one Bartholomew Close, London, EC1A 7BL Telephone 020 7220 0500

ShareGift

Shareholders with a small number of shares, the value of which makes it uneconomic to sell them, may wish to consider donating them to charity through Sharegift, a registered charity administered by the Orr Mackintosh Foundation. The share transfer form needed to make a donation may be obtained from the Mothercare PLC registrars, Equiniti Limited.

Further information about Sharegift is available from www.sharegift.org or by telephone on 020 7930 3737.

Produced by Black&Callow
www.blackandcallow.com

MIX
Paper | Supporting responsible forestry
FSC® C022913

Printed on FSC® certified paper.

Mothercare plc
Westside 1
London Road
Hemel Hempstead
HP3 9TD

www.mothercareplc.com

Registered in England number 1950509