Consolidated income statement

For the year ended 30 April 2025

		2025			2024		
	Note	Before Adjusting Items £000	Adjusting Items (see Note 6) £000	Total £000	Before Adjusting Items £000	Adjusting Items (see Note 6) £000	Total £000
Revenue	3	350,068	–	350,068	341,141	–	341,141
Cost of sales	4	(141,497)	–	(141,497)	(138,608)	–	(138,608)
Gross profit		208,571	–	208,571	202,533	–	202,533
Selling and administrative expenses	5, 6	(132,075)	(64,551)	(196,626)	(125,796)	(11,802)	(137,598)
Other income	5	1,344	–	1,344	1,349	–	1,349
Operating profit		77,840	(64,551)	13,289	78,086	(11,802)	66,284
Finance income	7	158	–	158	198	–	198
Finance costs	7	(10,489)	–	(10,489)	(20,082)	–	(20,082)
Profit before taxation		67,509	(64,551)	2,958	58,202	(11,802)	46,400
Taxation	9	(16,015)	1,977	(14,038)	(14,616)	2,385	(12,231)
Profit/(loss) after taxation		51,494	(62,574)	(11,080)	43,586	(9,417)	34,169
Profit/(loss) attributable to:							
Equity holders of the Company		51,494	(62,574)	(11,080)	43,586	(9,417)	34,169
Earnings/(loss) per share (pence)							
Basic	11	15.0	(18.2)	(3.2)	12.7	(2.7)	10.0
Diluted	11	14.5	(17.7)	(3.2)	12.3	(2.7)	9.6

All activities relate to continuing operations.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 30 April 2025

	Note	2025 £000	2024 £000
(Loss)/profit for the year	5	(11,080)	34,169
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(668)	30
Cash flow hedge:			
Fair value changes in the year	23	7	715
Cost of hedging reserve	23	95	243
Fair value movements on cash flow hedges transferred to the profit or loss	23	(841)	(2,222)
Deferred tax on other comprehensive income	9	185	(95)
Total other comprehensive expense		(1,222)	(1,329)
Total comprehensive (expense)/income for the year		(12,302)	32,840

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 30 April 2025

	Note	2025 £000	2024 £000
Non-current assets			
Intangible assets	12	137,310	203,591
Property, plant and equipment	13	23,235	26,900
Other non-current assets	15	1,605	1,611
Financial derivatives	23	–	164
		162,150	232,266
Current assets			
Inventories	14	8,480	7,094
Trade and other receivables	15	5,858	6,577
Current tax receivable		844	2,113
Financial derivatives	23	5	838
Cash and cash equivalents	16	12,649	9,644
		27,836	26,266
Total assets		189,986	258,532
Current liabilities			
Trade and other payables	17	53,599	51,465
Experiences merchant accrual		40,374	45,274
Provisions for other liabilities and charges	18	2,252	2,073
Current tax payable		3,217	4,211
Contract liabilities	19	5,774	4,008
Lease liabilities	20	3,214	3,257
Borrowings	20	111	73
		108,541	110,361
Non-current liabilities			
Trade and other payables	17	2,564	1,552
Borrowings	20	94,985	118,292
Lease liabilities	20	10,284	13,072
Deferred tax liabilities	9	4,287	8,903
Provisions for other liabilities and charges	18	2,542	2,516
		114,662	144,335
Total liabilities		223,203	254,696
Equity			
Share capital	22	33,384	34,331
Share premium	22	278,083	278,083
Merger reserve		(993,026)	(993,026)
Retained earnings		609,589	642,056
Other reserves	22	38,753	42,392
Total equity		(33,217)	3,836
Total equity and liabilities		189,986	258,532

The accompanying notes are an integral part of these consolidated financial statements.

The financial statements on pages 132 to 173 were approved by the Board of Directors of Moonpig Group plc (registered number 13096622) on 25 June 2025 and were signed on its behalf by:

Nickyl Raithatha
Chief Executive Officer
25 June 2025

Andy MacKinnon
Chief Financial Officer
25 June 2025

Consolidated statement of changes in equity

For the year ended 30 April 2025

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Other reserves £000	Total equity £000
As at 1 May 2023		34,211	278,083	(993,026)	603,849	43,164	(33,719)
Profit for the year		–	–	–	34,169	–	34,169
Other comprehensive income/(expense):							
Exchange differences on translation of foreign operations		–	–	–	–	30	30
Cash flow hedges:							
Fair value changes in the year		–	–	–	–	715	715
Cost of hedging reserve		–	–	–	–	243	243
Fair value movements on cash flow hedges transferred to profit and loss		–	–	–	–	(2,222)	(2,222)
Deferred tax on other comprehensive income		–	–	–	–	(95)	(95)
Total comprehensive income for the year		–	–	–	34,169	(1,329)	32,840
Share-based payments	21, 22	–	–	–	–	4,179	4,179
Deferred tax on share-based payment transactions		–	–	–	–	536	536
Share options exercised	21, 22	–	–	–	4,038	(4,158)	(120)
Issue of ordinary shares	21, 22	120	–	–	–	–	120
As at 30 April 2024		34,331	278,083	(993,026)	642,056	42,392	3,836
Loss for the year		–	–	–	(11,080)	–	(11,080)
Other comprehensive (expense)/income:							
Exchange differences on translation of foreign operations		–	–	–	–	(668)	(668)
Cash flow hedges:							
Fair value changes in the year		–	–	–	–	7	7
Cost of hedging reserve		–	–	–	–	95	95
Fair value movements on cash flow hedges transferred to profit and loss		–	–	–	–	(841)	(841)
Deferred tax on other comprehensive income		–	–	–	–	185	185
Total comprehensive income/(expense) for the year		–	–	–	(11,080)	(1,222)	(12,302)
Share-based payments	21, 22	–	–	–	–	1,839	1,839
Deferred tax on share-based payment transactions	9	–	–	–	–	1,773	1,773
Current tax on share-based payment transactions		–	–	–	–	32	32
Share options exercised	21, 22	–	–	–	6,270	(6,429)	(159)
Issue of ordinary shares	21, 22	159	–	–	–	–	159
Own shares purchased for cancellation	22	–	–	–	–	(25,000)	(25,000)
Own shares cancelled	22	(1,106)	–	–	(24,262)	25,368	–
Dividends paid to equity holders	10	–	–	–	(3,395)	–	(3,395)
As at 30 April 2025		33,384	278,083	(993,026)	609,589	38,753	(33,217)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 30 April 2025

	Note	2025 £000	2024 £000
Cash flow from operating activities			
Profit before taxation		2,958	46,400
Adjustments for:			
Depreciation and amortisation	12, 13	26,800	25,729
Impairment of goodwill	6, 12	56,700	–
Loss on disposal of tangible assets		–	4
Loss on foreign exchange		–	272
Net finance costs	7	10,331	19,884
R&D tax credit		(208)	(503)
Share-based payment charges		1,839	4,179
Changes in working capital:			
(Increase)/decrease in inventories		(1,386)	5,192
Decrease in trade and other receivables		724	246
Increase/(decrease) in trade and other payables		4,380	(7,924)
(Decrease) in Experiences merchant accrual		(6,753)	(8,230)
Net decrease in trade and other receivables and payables with undertakings formerly under common control		–	14
Cash generated from operating activities		95,385	85,263
Income tax paid		(16,184)	(10,688)
Net cash generated from operating activities		79,201	74,575
Cash flow from investing activities			
Capitalisation of intangible assets	12	(11,051)	(12,782)
Purchase of property, plant and equipment	13	(2,255)	(965)
Bank interest received		158	198
Net cash used in investing activities		(13,148)	(13,549)
Cash flow from financing activities			
Proceeds from new borrowings	20	–	157,266
Payment of fees related to borrowings		(400)	(2,070)
Repayment of borrowings	20	(23,343)	(212,000)
Payment of interest rate cap premium		(41)	(150)
Interest paid on borrowings	20	(8,508)	(14,469)
Interest received on swap and cap derivatives		841	2,222
Lease liabilities paid	20	(3,242)	(3,742)
Interest paid on leases	20	(660)	(682)
Own shares purchased for cancellation	22	(24,264)	–
Dividends paid	10	(3,395)	–
Net cash used in financing activities		(63,012)	(73,625)
Net cash flows generated from/(used in) operating, investing and financing activities		3,041	(12,599)
Differences on exchange		(36)	(151)
Increase/(decrease) in cash and cash equivalents in the year		3,005	(12,750)
Net cash and cash equivalents as at 1 May		9,644	22,394
Net cash and cash equivalents as at 30 April		12,649	9,644

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Moonpig Group plc (the "Company" or "Parent Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006, whose shares are traded on the London Stock Exchange. The consolidated financial statements of the Company as at and for the year ended 30 April 2025 comprise the Company and its interests in subsidiaries (together referred to as the "Group"). The Company is domiciled in the United Kingdom and its registered address is Herbal House, 10 Back Hill, London, EC1R 5EN, England, United Kingdom. The Company's LEI number is 213800VAYO5KCAXZHK83.

Basis of preparation

The consolidated financial statements of Moonpig Group plc have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

All figures presented are rounded to the nearest thousand (£000), unless otherwise stated.

The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss.

Basis of consolidation

Subsidiaries are entities over which the Group has control. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated on consolidation.

The financial statements of all subsidiary undertakings are prepared to the same reporting date as the Company. All subsidiary undertakings have been consolidated.

The subsidiary undertakings of the Company as at 30 April 2025 are detailed at the end of the notes to the consolidated financial statements on page 173.

Consideration of climate change

In preparing the financial statements, management has considered the potential impacts of climate change, in the context of the TCFD disclosures included in the Strategic report on pages 29 to 42, in the following areas:

- Going concern and viability of the Group over the next three years.
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill and other intangible assets.
- Carrying amount and useful economic lives of property, plant and equipment.

As part of our disclosure against the TCFD framework, we have undertaken quantitative scenario analysis of the Group's two principal transition-related climate risks (pages 33 to 35). The risk of carbon taxation has been incorporated into the sensitivity analysis supporting the viability, going concern and impairment assessments. The risk of shifting consumer sentiment has not been modelled due to the significant uncertainty surrounding behavioural and market response assumptions. These uncertainties make any attempt to quantify a specific financial impact highly speculative and no such estimate can be meaningfully determined at this stage.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report of the Annual Report and Accounts for the year ended 30 April 2025.

The Group has continued to generate positive operating cash flow and finished the year with liquidity headroom of £95,816,000 (2024: £69,378,000) comprising gross cash and unutilised committed facilities.

The Group's debt facilities consist of a £180,000,000 committed revolving credit facility (the "RCF"), which now has a maturity date of 28 February 2029. This reflects the exercise during the year of a one-year extension option, which was subsequently approved by the lenders. Amounts drawn under the RCF bear interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euros and SOFR for loans in US Dollars. As at 30 April 2025 the Group had drawn down £93,000,000 and €4,500,000 of the available revolving credit facility (2024: £113,000,000 and €8,500,000).

The Group hedges its interest rate exposure on a rolling basis. As at the current date, several layered SONIA interest rate cap instruments are in place with strike rates of between 4.5% and 5.0% on total notional of £50.0m until 31 October 2026. Further details are set out at Note 20.

1 General information continued

Going concern continued

The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement), is a maximum of 3.0x for the remaining term of the facility. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. The Group has complied with all covenants from entering the RCF until the date of these consolidated financial statements and is forecast to comply with these during the going concern assessment period.

To support the Group's assessment of going concern, detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, were prepared for the 24-month period to 30 April 2027.

The Directors have also reviewed the severe but plausible scenario described within the viability statement of the Annual Report and Accounts for the year ended 30 April 2025 in relation to the most severe of the two scenarios modelled. In this scenario, the Group continues to have sufficient resources to continue in operational existence. In the event that more severe impacts occur, controllable mitigating actions are available to the Group should they be required.

The Directors also reviewed the results of reverse stress testing performed throughout the going concern and viability periods, to provide an illustration of the extent to which existing customer purchase frequency and levels of new customer acquisition would need to deteriorate in order that their cumulative effect should either trigger a breach in the Group's covenants under the RCF or else exhaust liquidity. The probability of this scenario occurring was deemed to be remote given the resilient nature of the business model and strong cash conversion of the Group.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing these consolidated financial statements. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements, in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas of judgement which have the greatest potential effect on the amounts recognised in the financial statements are:

Capitalisation of internally generated assets

Certain costs incurred in the developmental phase of an internal project, which include the development of technology, app and platform enhancements and internally generated software and trademarks, are capitalised as intangible assets if a number of criteria are met. The costs of internally developed assets include capitalised expenses of employees working full time on software development projects, third-party firms and software licence fees. Management has made judgements and assumptions when assessing whether development meets these criteria and on measuring the costs attributed to such projects. The amounts of and movements in, such assets are set out in Note 12.

Useful life of internally generated assets

The estimated useful lives which are used to calculate amortisation of internally generated assets (the Group's platforms and applications) are based on the length of time these assets are expected to generate income and be of benefit to the Group. The uncertainty included in this estimate is that if the useful lives are estimated to differ from the actual useful lives of the intangible assets, this could result in accelerated amortisation in future years and/or impairments. The economic lives of internally generated intangible assets are estimated at three years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. If the useful life of internally generated assets were estimated to be shorter or longer by one year, than the current useful life of three years, the net book value would (decrease)/increase by £(6,320,000)/£5,589,000 from the amount recognised as at 30 April 2025. The amounts of and movements in, such assets are set out in Note 12.

Notes to the consolidated financial statements continued

1 General information continued

Critical accounting judgements and estimates continued

Experiences merchant accrual

At Experiences, which acts as an agent at the point of sale, the merchant accrual has been identified as a significant estimate. When a voucher is purchased, the expected value of future amounts that will become payable to merchant providers is recognised on the balance sheet. The Group takes into account historical redemption rates when estimating future payments to merchant providers, with the span between the upper and the lower ends of the range in historical trends for these rates equivalent to a £3,119,000 movement in the amount recognised in revenue. The estimates are trued up for actual customer utilisation rates in the year.

Carrying amount of Experiences goodwill

Goodwill is tested annually for impairment. The critical accounting estimates made in the calculation of the recoverable amount are:

- Pre-perpetuity compound annual revenue growth rate of 2.7% (2024: 6.6%).
- Discount rate of 13.5% (2024: 15.1%).

Sensitivity analysis and further disclosure relating to these critical accounting estimates is set out in Note 12.

2 Summary of significant accounting policies

New standards, amendments and interpretations adopted from 1 May 2024

The following amendments are effective for the year beginning 1 May 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback).
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current).
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 May 2024 and had no material impact on the year-end consolidated financial statements of the Group.

New standards, amendments and interpretations not yet adopted

The following adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have material effect on the financial statements unless otherwise indicated:

The following amendments are effective for the year beginning 1 May 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange rates)

The following amendments are effective for the year beginning 1 May 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

The following amendments are effective for the year beginning 1 May 2027:

- IFRS 18 Presentation and Disclosure in the Financial Statements.

The Group is currently assessing the effect of these new accounting standards and amendments.

The principal accounting policies are set out below. Policies have been applied consistently, other than where new policies have been applied.

a) Foreign currency translation

The consolidated financial statements are presented in Sterling, which is the Group's presentational currency and are rounded to the nearest thousand. The income and cash flow statements of Group undertakings that are expressed in other currencies are translated to Sterling using exchange rates applicable on the dates of the underlying transactions. Average rates of exchange in each year are used where the average rate approximates the relevant exchange rate on the date of the underlying transactions. Assets and liabilities of Group undertakings are translated at the applicable rates of exchange at the end of each year.

The differences between retained profits translated at average and closing rates of exchange are taken to the foreign currency translation reserve, as are differences arising on the retranslation to Sterling (using closing rates of exchange) of overseas net assets at the beginning of the year and are presented as a separate component of equity. They are recognised in the income statement when the gain or loss on disposal of a Group undertaking is recognised.

Foreign currency transactions are initially recognised in the functional currency of each entity in the Group using the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency assets and liabilities at year-end rates of exchange are recognised in the income statement. Foreign exchange gains or losses recognised in the income statement are included in operating profit or finance costs / income depending on the underlying transactions that gave rise to these exchange differences.

2 Summary of significant accounting policies continued

b) Revenue

The Group recognises revenue when it has satisfied its performance obligations to external customers and control of the goods has been transferred. The Group is principally engaged in the sale of greeting cards, physical gifts and gift experiences.

i) Sale of greeting cards and physical gifts

The Group generates revenue from the sale of greeting cards and physical gifts. Shipping and handling is not a separate performance obligation and any shipping fees charged to the customer are included in the transaction price. The sale of goods and any shipping and handling represents a single performance obligation which is satisfied upon delivery of the relevant goods and the transfer of control to that customer. Revenue is measured at the transaction price received net of value added tax and discounts and is reduced for provisions of customer returns and remakes based on the history of such matters. The cost of shipping is directly associated with generating revenue and therefore presented within cost of sales.

ii) Subscription revenue

The Group operates subscription membership schemes whereby customers are charged an upfront annual fee in return for discounts on subsequent greeting card purchases and other ancillary benefits over the following 12-month period. In addition, for new members, the initial greeting card purchase is typically subject to a discount.

Revenue is measured at the transaction price, which is the standalone selling price of the subscription membership. The membership contract gives rise to a performance obligation because it grants the customer an option to acquire additional goods and services and that option provides material rights that the customer would not receive without entering that contract. Revenue is recognised as goods or services are transferred in line with the exercise of those material rights.

The material rights provided to subscription members currently comprise:

- The discount on the initial greeting card purchase, in the first year of subscription membership only, to the extent that this exceeds the price that a customer could access through generally available discounts.
- Expected usage of the discount on subsequent card purchases, to the extent that this exceeds the price that a customer could otherwise access through generally available discounts.
- Expected usage of ancillary benefits, such as free postcards.

iii) Sale of gift experiences

The Group operates a platform for the distribution of gift experience vouchers that may be redeemed for a wide choice of experiences provided by third-party merchant partners and either gifted or kept for a consumer's own use. Revenue is recognised when a consumer purchases a gift experience, acting as an agent at the point of sale. At this point, the Group's obligations are substantially complete, subject to a provision for refunds as stipulated in the terms of the sale, as the Group's merchant partners provide gift experience services, following redemption either through the Group's websites or directly with the recipient's chosen merchant partner.

The amount of revenue recognised primarily comprises the expected value of fees and any other income receivable in accordance with the Group's contracts with third-party merchant partners, rather than the gross value of vouchers purchased. This includes an estimate of the revenue to be recognised in relation to vouchers which are not redeemed based on historical rates.

Each voucher is multi-purpose and can be exchanged for any experience at any point until redemption, on account of which merchants are not paid a share of the gross value of a voucher until after redemption. The expected value of future amounts that will become payable to merchants is included within Experiences merchant accrual on the balance sheet and estimates are trued up for actual customer redemption rates. See further information within critical accounting estimates on page 137. Where non-redemption exceeds the expected rate for a cohort of vouchers, the Group recognises revenue from the additional unredeemed vouchers and derecognises the accrued merchant payable once its legal obligations to the merchants expire.

c) Supplier income

The Group enters into agreements with suppliers to share the costs and benefits of promotional activity and volume growth. The Group receives income from its suppliers based on specific agreements in place. Supplier income received is recognised as a deduction to costs of sales and directly affects the Group's reported margin. Marketing income earned from suppliers in return for media space is not included in the Group's definition of supplier income. The types of supplier income recognised by the Group and the associated recognition policies are:

i) Promotional contributions

Includes supplier contributions to promotional giveaways and other supplier funded promotional activity. Income is recognised as a deduction to cost of sales over the relevant promotional period. Income is calculated and invoiced at the end of the promotion period based on actual sales or according to fixed contribution arrangements. Contributions earned, but not invoiced, are accrued at the end of the relevant period and recognised within trade and other receivables.

ii) Volume-based rebates

Includes annual growth incentives and seasonal contributions. Annual growth incentives are calculated and invoiced at the end of the financial year, once earned, based on fixed percentage growth targets agreed for each supplier at the beginning of the year. They are recognised as a reduction in cost of sales in the year to which they related. Other volume-based rebates are agreed with the supplier and spread over the contract period to which they relate. Contributions earned, but not invoiced, are accrued at the end of the relevant periods. The uncollected amounts accrued are recognised in trade and other payables net against amounts owed to that supplier as the Group has the legal right and intention to offset these balances.

Notes to the consolidated financial statements continued

2 **Summary of significant accounting policies** continued

d) Taxation

Taxation is chargeable on the profits for the year, together with deferred taxation.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income.

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or deferred tax liability is settled. Deferred tax relating to items recognised outside of profit or loss is also recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the statement of other comprehensive income or the statement of changes in equity.

e) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at the acquisition date. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Acquisition-related items such as legal or professional fees are recognised as expenses in the year in which the costs are incurred as Adjusting Items.

f) Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill relates to the Greetz and Experiences cash-generating units.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be required. Any impairment of goodwill is recognised immediately in the income statement and is not subsequently reversed. Goodwill is denominated in the currency of the acquired entity and revalued to the closing exchange rate at each reporting year date.

Goodwill in respect of subsidiaries is included in intangible assets. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g) Intangible assets other than goodwill

i) Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at fair value at the acquisition date, provided they are identifiable and capable of reliable measurement.

Intangible assets with a finite useful life that are acquired separately are carried at cost less accumulated amortisation and impairment losses. These intangible assets are amortised on a straight-line basis over their remaining useful lives, consistent with the pattern of economic benefits expected to be received. The amortisation charge is included within selling and administrative expenses in the income statement.

ii) Internally generated research and development costs

Research expenditure is charged to the income statement in the year in which it is incurred. Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete and the asset is available for use; the charge is included within selling and administrative expenses in the income statement. The estimated useful lives of separately acquired and internally generated assets are as follows:

	Straight-line amortisation period
Trademark	10 years
Technology and development costs	3 years
Customer relationships	1 to 12 years
Software	3 to 5 years
Other intangibles	2 to 4 years

2 Summary of significant accounting policies continued

h) Impairment of non-financial assets

Assets are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit or the carrying amounts of non-financial assets may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognised to the extent that the carrying amount exceeds the higher of the asset's fair value less costs to sell and its value in use.

A cash-generating unit is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash flows from other assets or groups of assets. At the acquisition date, any goodwill acquired is allocated to the relevant cash-generating unit or group of cash-generating units expected to benefit from the acquisition for the purpose of impairment testing of goodwill.

i) Impairment of financial assets held at amortised cost

As permitted by IFRS 9 Financial Instruments, loss allowances on trade receivables arising from the recognition of revenue under IFRS 15 Revenue from Contracts with Customers are initially measured at an amount equal to lifetime expected losses. Allowances in respect of loans and other receivables are initially recognised at an amount equal to 12-month expected credit losses. Allowances are measured at an amount equal to the lifetime expected credit losses where the credit risk on the receivables increases significantly after initial recognition.

j) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the assets over their useful economic life. No depreciation is provided on freehold land. The estimated useful lives are as follows:

	Straight-line depreciation period
Freehold property	25 years
Plant and machinery	4 years
Fixtures and fittings	4 years
Leasehold improvements	10 years or the unexpired term of lease if lower
Computer equipment	3 years
Right-of-use assets (plant and machinery, land and buildings)	Lease length

Climate change is not considered to materially impact the estimated useful lives of assets. Although extreme weather events could potentially damage manufacturing and distribution facilities, the probability of this occurring at the Group's most vulnerable location, Guernsey, is only 0.2% annually over the expected lifespan of the assets. Furthermore, the Group has flexibility in its production network and could shift production to other locations to mitigate any business interruptions.

k) Leased assets

Group as lessee

The Group records its lease obligations in accordance with the principles for the recognition, measurement, presentation and disclosures of leases as set out in IFRS 16. The Group applies IFRS 16 Leases to contractual arrangements which are, or contain, leases of assets and consequently recognises right-of-use assets and lease liabilities at the commencement of the leasing arrangement, with the asset included in Note 13 and the liabilities included as part of borrowings in Note 20. The nature of the Group's leases are offices, warehouses and printing machinery.

Lease liabilities are initially recognised at an amount equal to the present value of estimated contractual lease payments at the inception of the lease, after taking into account any options to extend the term of the lease to the extent they are reasonably certain to be exercised. Lease commitments are discounted to present value using the interest rate implicit in the lease if this can be readily determined, or the applicable incremental rate of borrowing, as appropriate. Right-of-use assets are initially recognised at an amount equal to the lease liability, adjusted for initial direct costs in relation to the assets, then depreciated over the shorter of the lease term and their estimated useful lives.

The Group applies the recognition exemption for leases of low value and short-term leases of 12 months. These leases are not recognised on the balance sheet but expensed to the income statement on a straight-line basis over the lease term.

Group as lessor

The Group has entered into a sublease agreement as a lessor with respect to part of one of its leasehold properties. This is accounted for as an operating lease as the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the consolidated financial statements continued

2 Summary of significant accounting policies continued

l) Inventories

Inventories include raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct labour and overheads, where appropriate.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, call deposits, cash held by payment service providers 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 changes in value, with a maturity of three months or less. Cash equivalents relate to cash in transit from various payment processing intermediaries that provide receipting services to the Group.

For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above and are shown net of bank overdrafts, which are included as current borrowings in the liabilities section on the balance sheet.

n) Financial instruments

The primary objective with regard to the management of cash of the Group's business model for managing financial assets is to protect against the loss of principal. Additionally, the Group aims to maximise liquidity by concentrating cash centrally; to align the maturity profile of external investments with that of the forecast liquidity profile; to wherever practicable, match the interest rate profile of external investments to that of debt maturities or fixings; and to optimise the investment yield within the Group's investment parameters.

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current. In addition, current liabilities include amounts where the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Non-derivative financial assets are classified on initial recognition in accordance with the Group's business model as investments, loans and receivables, or cash and cash equivalents and accounted for as follows:

- **Loans and other receivables:** These are non-derivative financial assets with fixed or determinable payments that are solely payments of principal and interest on the principal amount outstanding, that are primarily held in order to collect contractual cash flows. These balances include trade and other receivables and are measured at amortised cost, using the effective interest rate method and stated net of allowances for credit losses.
- **Cash and cash equivalents:** Cash and cash equivalents include cash in hand and deposits held on call. Cash equivalents normally comprise instruments with maturities of three months or less at their date of acquisition. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in the liabilities section on the balance sheet.

Non-derivative financial liabilities, including borrowings and trade payables, are stated at amortised cost using the effective interest method. For borrowings, their carrying amount includes accrued interest payable. The effective interest method takes into account both the contractual cash flows and the time value of money. The carrying amount of the financial liability is adjusted over time to reflect the unwinding of the discount, whereby the discount represents the difference between the initial fair value and the amount paid or received. The discounting process involves applying a discount rate to the future cash flows associated with the financial liability. The effect of discounting is recognised as an interest expense in the profit and loss over the expected term of the financial liability.

Derivative financial instruments are used to manage risks arising from changes in interest rates relating to the Group's external debt. The Group does not hold or issue derivative financial instruments for trading purposes. The Group uses the derivatives to hedge highly probable forecast transactions and therefore, the instruments are designated as cash flow hedges.

Derivatives are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured at their fair value at each reporting date. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and hedging instrument are expected to offset each other.

The effective element of any gain or loss from remeasuring the derivative instrument is recognised in other comprehensive income (OCI) and accumulated in the hedging reserve (presented in "other reserves" in the statement of changes in equity). Any change in the fair value of time value of the derivative instrument is also recognised in OCI as part of cash flow hedges and accumulated in the cost of hedging reserve (presented in "other Reserves" in the statement of changes in equity). Any element of the remeasurement of the derivative instrument that does not meet the criteria for an effective hedge is recognised immediately in the Group income statement within finance costs.

2 Summary of significant accounting policies continued

n) Financial instruments continued

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in OCI and is recognised when the forecast transaction is ultimately recognised in the income statement within finance costs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is recycled to the income statement. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months or, as a current asset or liability, if the remaining maturity of the hedged item is less than 12 months.

o) Segmental analysis

The Group is organised and managed based on its segments (Moonpig, Greetz and Experiences). These are the reportable and operating segments for the Group as they form the focus of the Group’s internal reporting systems and are the basis used by the chief operating decision maker (CODM), identified as the CEO and CFO, for assessing performance and allocating resources. The prices agreed between Group companies for intra-group services and fees are based on normal commercial practices which would apply between independent businesses.

p) Provisions

Provisions are recognised when either a legal or constructive obligation as a result of a past event exists at the balance sheet date, it is probable that an outflow of economic resources will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

q) Pensions and other post-employment benefits

The Group contributes to defined contribution pensions schemes and payments to these are charged as an expense and accrued over time.

r) Adjusting Items

Adjusting Items are significant items of income or expense which individually or, if of a similar type, in aggregate, are relevant to an understanding of the Group’s underlying financial performance because of their size, nature or incidence. In identifying and quantifying Adjusting Items, the Group consistently applies a policy that defines criteria that are required to be met for an item to be classified as an Adjusting Item. These items are separately disclosed in the segmental analyses or in the notes to the financial statements as appropriate.

The Group believes that these items are useful to users of the consolidated financial statements in helping them to understand the underlying business performance and are used to derive the Group’s principal non-GAAP measures of Adjusted EBITDA, Adjusted EBIT, Adjusted PBT and Adjusted EPS, which exclude the impact of Adjusting Items and which are reconciled from operating profit, profit before taxation and earnings per share.

s) Equity

Called-up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium

The amount subscribed for the ordinary shares in excess of the nominal value of these new shares is recorded in share premium. Costs that directly relate to the issue of ordinary shares are deducted from share premium net of corporation tax.

Merger reserve

The merger reserve of £993,026,000 arose as a result of the Group reorganisation undertaken prior to the Company's listing on the London Stock Exchange. This reorganisation was accounted for using common control merger accounting. Under this method, the assets and liabilities of the acquired entities were recognised at their existing carrying amounts rather than at fair value and no goodwill was recognised. The difference between the consideration paid and the book value of net assets acquired was recorded directly in equity within the merger reserve.

This accounting treatment was selected in preference to acquisition accounting in order to reflect the continuity of ownership and to present the Group's financial results on a basis that preserved the historical track record of the underlying trading entities. Had acquisition accounting been applied, the identifiable net assets would have been remeasured at fair value and a significant goodwill asset would likely have been recognised, increasing net assets and potentially resulting in the Group reporting positive net assets. However, such treatment would not have reflected the substance of a restructuring within a commonly controlled group.

The adoption of common control merger accounting has resulted in the recognition of a significant merger reserve on consolidation. The merger reserve is a debit balance within equity arising from the application of merger accounting and is a significant contributor to the Group's reported net liabilities position.

Notes to the consolidated financial statements continued

2 Summary of significant accounting policies continued

s) Equity continued

Other reserves

Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the consolidated income statement. Upon the exercise of share options the cumulative amount recognised in the share-based payment reserve is recycled to retained earnings, reflecting the transfer of value to the equity of the Company.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred and the cumulative net change in the fair value of time value on the cash flow hedging instruments.

Foreign currency translation reserve

The foreign currency translation reserve represents the accumulated exchange differences arising since the acquisition of Greetz from the impact of the translation of subsidiaries with a functional currency other than Sterling.

Own shares held reserve

The own shares held reserve represents the equity account used to record the cost of the Company's own shares that have been repurchased. These shares are not considered outstanding for the purposes of calculating earnings per share and do not carry voting rights or the right to receive dividends while held by the Company. Shares purchased for cancellation are included in the own shares held reserve until cancellation, at which point the consideration is transferred to retained earnings and the nominal value of the shares is transferred from share capital to the capital redemption reserve.

Capital redemption reserve

The capital redemption reserve reflects the nominal amount of shares bought back and cancelled.

t) Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders in the case of final dividends, or the date at which they are declared in the case of interim dividends.

u) Earnings per share

The Group presents basic and diluted EPS for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted EPS, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

v) Share-based payments

The Group has equity-settled compensation plans.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of awards that will eventually vest. For plans where the vesting conditions are based on a market condition, such as total shareholder return, the fair value at date of grant reflects the probability that this condition will not be met and therefore is fixed thereafter irrespective of actual vesting.

Fair value is measured using the Black-Scholes and Monte Carlo option pricing model, except where vesting is subject to market conditions when the Stochastic option pricing model is used. A Chaffe model is used to value the holding period. The expected term used in the models has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3 Segmental analysis

The CODM reviews external revenue, gross profit, Adjusted EBITDA and Adjusted EBIT to evaluate segment performance and allocate resources to the overall business. Adjusted EBITDA and Adjusted EBIT are non-GAAP measures. Adjustments are made to the statutory IFRS results to arrive at an underlying result which is in line with how the business is managed and measured on a day-to-day basis. Adjustments are made for items that are individually important in order to understand the financial performance. If included, these items could distort understanding of the performance for the year and the comparability between periods. Management applies judgement in determining which items should be excluded from underlying performance. See Note 6 for details of these adjustments.

The Group is organised and managed based on its segments, namely Moonpig (UK, Ireland, Australia and the US), Greetz (Netherlands) and Experiences (UK). These are the reportable and operating segments for the Group as they form the focus of the Group's internal reporting systems and are the basis used by the CODM for assessing performance and allocating resources.

Most of the Group's revenue is derived from the sale of cards, gifts and related services to consumers, or from the distribution of gift experiences acting as agent. No single customer accounted for 10% or more of the Group's revenue.

Finance income and expense are not allocated to the reportable segments, as this activity is managed centrally.

Revenue and trading profit are subject to seasonality and are weighted towards the second half of the year which includes the key peak periods for the business.

3 Segmental analysis continued

Segmental analysis

The following table shows revenue by segment that reconciles to the consolidated revenue for the Group.

	2025 £000	2024 £000
Moonpig	262,000	241,326
Greetz	48,854	51,238
Experiences	39,214	48,577
Total external revenue	350,068	341,141

The following table shows revenue by key geography that reconciles to the consolidated revenue for the Group. The geographical split of revenue is based on the customer's country selection on the website or app at the time of order:

	2025 £000	2024 £000
UK	289,392	281,217
Netherlands	48,854	51,238
Ireland	4,781	3,899
US	2,169	1,352
Australia	4,872	3,435
Total external revenue	350,068	341,141

The consolidated revenue for the Group was made up as follows:

	2025 £000	2024 £000
Recognised at a point in time	343,949	338,078
Recognised over time	6,119	3,063
Total external revenue	350,068	341,141

The Group's measure of segment profit and Adjusted EBIT, excludes Adjusting Items; refer to the APMs section of the Annual Report and Accounts for the year ended 30 April 2025 for calculation.

	2025 £000	2024 £000
Moonpig	149,232	133,275
Greetz	22,537	24,132
Experiences	36,802	45,126
Group gross profit	208,571	202,533
Moonpig	81,869	72,709
Greetz	6,456	7,815
Experiences	8,464	15,006
Group Adjusted EBITDA	96,789	95,530
Moonpig	15,060	14,498
Greetz[1]	1,606	1,884
Experiences[1]	2,283	1,062
Group depreciation and amortisation excluding amortisation on acquired intangibles[1]	18,949	17,444
Moonpig	66,809	58,211
Greetz[1]	4,850	5,931
Experiences[1]	6,181	13,944
Group Adjusted EBIT[1]	77,840	78,086

1 Excludes amortisation arising on Group consolidation of intangibles, which is classified as an Adjusting Item – see Note 6.

Notes to the consolidated financial statements continued

3 Segmental analysis continued

Segmental analysis continued

The following table shows Adjusted EBITDA and Adjusted EBIT that reconciles to the consolidated results of the Group.

	Note	2025 £000	2024 £000
Adjusted EBITDA		96,789	95,530
Depreciation and amortisation[1]		(18,949)	(17,444)
Adjusted EBIT		77,840	78,086
Adjusting items	6	(64,551)	(11,802)
Operating profit		13,289	66,284
Finance income	7	158	198
Finance costs	7	(10,489)	(20,082)
Profit before taxation		2,958	46,400
Taxation charge	9	(14,038)	(12,231)
(Loss)/profit for the year		(11,080)	34,169

1 Depreciation and amortisation excludes amortisation on acquired intangibles of £7,851,000 (2024: £8,285,000) included in Adjusting Items, see Note 6 for more information.

The following table shows the information regarding assets by segment that reconciles to the consolidated Group.

	2025 £000	2024 £000
Moonpig		
Non-current assets[1]	31,632	37,075
Capital expenditure[2]	(1,816)	(786)
Intangible expenditure	(7,968)	(9,534)
Depreciation and amortisation	(15,060)	(14,498)
Greetz		
Non-current assets[1]	20,480	22,984
Capital expenditure[2]	(537)	(156)
Intangible expenditure	(17)	–
Depreciation and amortisation	(3,359)	(3,679)
Experiences		
Non-current assets[1]	108,433	170,433
Capital expenditure[2]	(13)	(23)
Intangible expenditure	(3,066)	(3,248)
Depreciation and amortisation	(8,381)	(7,552)
Impairment of goodwill (see Note 12)	(56,700)	–
Group		
Non-current assets[1]	160,545	230,492
Capital expenditure[2]	(2,366)	(965)
Intangible expenditure	(11,051)	(12,782)
Depreciation and amortisation	(26,800)	(25,729)
Impairment of goodwill (see Note 12)	(56,700)	–

1 Comprises intangible assets and property, plant and equipment (inclusive of ROU assets).

2 Includes ROU assets capitalised in each year.

4 Cost of sales

	2025 £000	Re-presented 2024 £000
Wages and salaries	(7,233)	(7,972)
Inventories	(50,236)	(48,088)
Shipping and logistics	(80,616)	(79,084)
Depreciation on warehouses and machinery	(3,412)	(3,464)
Total cost of sales	(141,497)	(138,608)

1 In the prior year an amount of £5,778,000 has been reclassified from wages and salaries to shipping and logistics. This amount relates to the labour cost portion of the Group's third-party fulfilment costs.

5 Operating profit

Nature of expenses charged/(credited) to operating profit from continuing operations:

	2025 £000	2024 £000
Depreciation on property, plant and equipment	(6,246)	(6,610)
Amortisation of intangible fixed assets[1]	(20,554)	(19,119)
IPO-related bonuses	–	(2,367)
Share-based payment charges (excluding National Insurance)	(1,839)	(4,179)
Foreign exchange loss	(135)	(272)
Total net employment costs (excluding share-based payment expense)	(53,799)	(50,576)
Cost of inventories	(50,236)	(48,088)
Other income[2]	1,344	1,349
Auditors' remuneration:		
– Fees to auditors for the audit of these consolidated financial statements	(860)	(875)
– Fees to auditors' firms and associates for local audits	(91)	(88)
Total audit fees expense	(951)	(963)
Fees to auditors' firms and associates for other services:		
– Assurance services	(123)	(139)
	(1,074)	(1,102)

1 Amortisation of intangible assets includes a charge of £7,851,000 (2024: £8,285,000) relating to the amortisation on acquired intangibles, which is classified as an Adjusting Item as set out in Note 6.

2 Other income relates to the sublease of space at the Group's head offices at Herbal House to an entity formerly under common control.

During the year, PricewaterhouseCoopers LLP charged the Group as follows:

- In respect of audit-related assurance services: £122,000 (2024: £138,000).
- In respect of non-audit-related services: £1,000 (2024: £1,000).

Notes to the consolidated financial statements continued

6 Adjusting Items

	2025 £000	2024 £000
Pre-IPO bonus awards	–	(2,367)
Pre-IPO share-based payment charges	–	(1,150)
Impairment of goodwill (see Note 12)	(56,700)	–
Total adjustments to Adjusted EBITDA	(56,700)	(3,517)
Amortisation on acquired intangibles	(7,851)	(8,285)
Total adjustments to Adjusted EBIT	(64,551)	(11,802)

	2025 £000	2024 £000
Tax impact of pre-IPO cash bonus-awards	–	593
Tax impact of pre-IPO share-based payment charges	–	(293)
Tax impact of impairment of goodwill	–	–
Tax impact on amortisation of acquired intangibles	1,977	2,085
Tax impact of Adjusting Items	1,977	2,385

Pre-IPO bonus awards
Pre-IPO bonus awards are one-off cash-settled bonuses and the cash component of the Pre-IPO schemes, awarded in relation to the IPO process that completed during the year ended 30 April 2021. These awards fully vested on 30 April 2024.

Pre-IPO share-based payment charges
Pre-IPO share-based payment charges relate to the Legacy Schemes, Pre-IPO awards that were granted in relation to the IPO process that completed during the year ended 30 April 2021. These awards fully vested on 30 April 2024.

Amortisation on acquired intangibles
Acquisition amortisation is a non-cash expense relating to intangible assets. These expenses are excluded from Adjusted earnings because they are non-operational and thus distort the underlying performance of the business. The costs are adjusted for to present a clearer picture of the Group's ongoing operational performance.

Cash paid in the year in relation to Adjusting Items totalled £6,004,000 (2024: £4,057,000).

7 Finance income and costs

	2025 £000	2024 £000
Bank interest receivable	158	198
Interest payable on leases	(660)	(901)
Bank interest payable	(7,705)	(12,258)
Amortisation of capitalised borrowing costs	(525)	(4,604)
Amortisation of interest rate cap premium	(297)	(353)
Interest on discounting of financial liability	(1,832)	(1,568)
Net foreign exchange gain/(loss) on financing activities	530	(398)
Net finance costs	(10,331)	(19,884)

8 Employee benefit costs

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

	2025 Number	2024 Number
Administration	544	558
Production	126	150
Total employees	**670**	708

	2025 £000	Re-presented 2024 £000
Wages and salaries	(54,745)	(51,435)
Social security costs	(6,469)	(6,752)
Other pension costs	(1,723)	(2,487)
Share-based payment expense	(1,839)	(4,179)
Total gross employment costs	**(64,776)**	(64,853)
Staff costs capitalised as intangible assets	9,138	10,098
Total net employment costs	**(55,638)**	(54,755)

	2025 £000	2024 £000
Staff costs capitalised as intangible assets	9,138	10,098
Subcontractor costs capitalised as intangible assets	1,913	2,484
Total capitalisation of intangible assets (Note 12)	**11,051**	12,582

1 In the prior year an amount of £2,484,000 relating to subcontractor costs was included in the staff costs capitalised as intangible assets. This comparative figure has been re-presented to appropriately exclude these costs, whilst reconciling to total capitalisation of intangible assets.

The Group's employees are members of defined contribution pension schemes with obligations recognised as an operating cost in the income statement as incurred.

The Group pays contributions into separate funds on behalf of the employee and has no further obligations to employees. The risks associated with this type of plan are assumed by the member. Contributions paid by the Group in respect of the current year are included within the consolidated income statement.

9 Taxation

(a) Tax on profit

The tax charge is made up as follows:

	2025 £000	2024 £000
Profit before taxation	**2,958**	46,400
Current tax:		
UK corporation tax on profit for the year	15,079	13,057
Foreign tax charge	1,415	1,009
Adjustment in respect of prior years	189	(278)
Total current tax	**16,683**	13,788
Deferred tax:		
Origination and reversal of temporary differences	(1,883)	(1,746)
Adjustment in respect of prior years	(762)	189
Total deferred tax	**(2,645)**	(1,557)
Total tax charge in the income statement	**14,038**	12,231

Notes to the consolidated financial statements continued

9 Taxation continued

(b) The tax assessed for the year is higher than the standard UK rate of corporation tax applicable of 25.0% (2024: 25.0%). The differences are explained below:

	2025 £000	2024 £000
Profit before taxation	2,958	46,400
Profit on ordinary activities multiplied by the UK tax rate	739	11,600
Effects of:		
Non-deductible impairment of goodwill	14,176	–
Expenses not deductible for tax purposes	172	336
Non-taxable income	(420)	(356)
Effect of higher tax rates in overseas territories	9	16
Adjustment in respect of prior years	(573)	(89)
Share-based payments	(65)	736
Other permanent differences	–	(12)
Total tax charge for the year	14,038	12,231

Taxation for other jurisdictions is calculated at the rates prevailing in each jurisdiction. The increase in the expenses not deductible for tax purposes relates to the impact of the non-cash impairment charge to Experiences goodwill.

The Adjusted effective tax rate is slightly below 25.0% of Adjusted profit before taxation, reflecting the positive impact of deferred taxation movements with respect to share-based payment arrangements, driven by increases in the Group's share price (refer to Note 6 and Alternative Performance Measures on page 181).

(c) Deferred tax:

	Accelerated capital allowances £000	Intangible assets £000	Share-based payments £000	Right-of-use assets £000	Lease liabilities £000	Other short-term temporary differences £000	Total £000
Balance as at 1 May 2024	(1,866)	(9,500)	1,927	(1,183)	1,362	357	(8,903)
Adjustments in respect of prior years	666	(89)	138	–	–	47	762
Adjustments posted through other comprehensive income (OCI)	–	–	–	–	–	185	185
Adjustments posted through equity	–	–	1,773	–	–	–	1,773
Current year credit/(charge) to income statement	657	1,883	(124)	135	(113)	(556)	1,882
Effects of movements in exchange rates	–	14	–	4	(5)	1	14
Balance as at 30 April 2025	(543)	(7,692)	3,714	(1,044)	1,244	34	(4,287)

	Accelerated capital allowances £000	Intangible assets £000	Share-based payments £000	Right-of-use assets £000	Lease liabilities £000	Other short-term temporary differences £000	Total £000
Balance as at 1 May 2023	(1,889)	(11,231)	1,192	(1,488)	1,629	809	(10,978)
Adjustments in respect of prior years	(54)	(245)	(256)	1	–	452	(102)
Adjustments posted through other comprehensive income (OCI)	–	59	–	–	–	(154)	(95)
Adjustments posted through equity	–	–	536	–	–	–	536
Current year credit/(charge) to income statement	77	1,923	455	304	(267)	(746)	1,746
Effects of movements in exchange rates	–	(6)	–	–	–	(4)	(10)
Balance as at 30 April 2024	(1,866)	(9,500)	1,927	(1,183)	1,362	357	(8,903)

The main rate of corporation tax for the UK is 25.0% (2024: 25.0%). For the Netherlands companies, the first €200,000 of profits are taxed at 19.0% (2024: 19.0%) and thereafter at 25.8% (2024: 25.8%).

10 Dividends

	2025 £000	2024 £000
Proposed		
Final dividend 2025: 2.0p (2024: £nil) per ordinary share of £0.10 each	6,677	–
	6,677	–
Amounts recognised as distributions to equity holders		
Paid		
Interim dividend 2025: 1.0p (2024: £nil) per ordinary share of £0.10 each	3,395	–
	3,395	–

The Directors recommend a final dividend for the year ended 30 April 2025 of 2.0 pence per share (2024: nil pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of £6.7m based on the number of shares in issue at the end of the financial year (2024: £nil). The final dividend will be paid on 20 November 2025 to all shareholders registered at the close of business on 24 October 2025. In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 30 April 2025.

11 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. For the purposes of this calculation, the weighted average number of ordinary shares in issue during the period was 342,548,159 (2024: 343,093,868). The period-on-period movement reflects the issue of 1,597,155 (2024: 1,198,394) shares during the period including the issue of 1,413,971 of shares to satisfy the Group's obligation to its employees in relation to the vested second and final tranche of the pre-IPO award in July 2024, the issue of 93,822 shares in respect of vested long-term incentive plan awards, the issue of 86,371 shares in respect of vested deferred share bonus plan awards and 2,991 in respect of the share save scheme (see Note 21). The issue of shares was offset by 11,061,434 (2024: nil) shares being cancelled during the period through the operation of the Group's share repurchase scheme (see Note 22). The Group expects to move during FY26 to satisfying share awards through market purchases rather than through dilution, subject to this remaining EPS-accretive at the prevailing share price.

Shares in issue	2025 Number of shares	2024 Number of shares
As at 1 May	343,310,015	342,111,621
Issue of shares during the period	1,597,155	1,198,394
Shares cancelled during the period	(11,061,434)	–
As at 30 April	333,845,736	343,310,015

	2025 Number of shares	2024 Number of shares
Weighted average number of shares for calculating basic earnings per share	342,548,159	343,093,868

Diluted earnings per share

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Group has potentially dilutive ordinary shares arising from share options granted to employees under the share schemes as detailed in Note 21 of these consolidated financial statements.

Adjusted earnings per share

Earnings attributable to ordinary equity holders of the Group for the year, adjusted to remove the impact of Adjusting Items and the tax impact of these; divided by the weighted average number of ordinary shares outstanding during the year.

	2025 Number of shares	2024 Number of shares
Weighted average number of shares for calculating basic earnings per share	342,548,159	343,093,868
Weighted average number of dilutive shares	13,593,171	11,693,937
Total number of shares for calculating diluted earnings per share	356,141,330	354,787,805

Notes to the consolidated financial statements continued

11 Earnings per share continued

	2025 £000	2024 £000
Basic earnings attributable to equity holders of the Company	(11,080)	34,169
Adjusting Items (see Note 6)	64,551	11,802
Tax on Adjusting Items	(1,977)	(2,385)
Adjusted earnings attributable to equity holders of the Company	51,494	43,586

	2025	2024
Basic earnings per ordinary share (pence)	(3.2)	10.0
Diluted earnings per ordinary share (pence)	(3.2)	9.6
Basic earnings per ordinary share before Adjusting Items (pence)	15.0	12.7
Diluted earnings per ordinary share before Adjusting Items (pence)	14.5	12.3

12 Intangible assets

	Goodwill £000	Trademark £000	Technology and development costs[1] £000	Customer relationships[2] £000	Software £000	Total £000
Cost						
As at 1 May 2024	143,622	16,423	39,058	43,238	261	242,602
Additions	–	–	11,037	–	14	11,051
Disposals	–	–	(3,438)	–	–	(3,438)
Foreign exchange	(21)	(30)	–	(39)	–	(90)
As at 30 April 2025	143,601	16,393	46,657	43,199	275	250,125
Accumulated amortisation and impairment						
As at 1 May 2024	–	6,375	17,360	15,115	160	39,010
Amortisation charge	–	1,633	12,969	5,848	104	20,554
Disposals	–	–	(3,438)	–	–	(3,438)
Impairment	56,700	–	–	–	–	56,700
Foreign exchange	–	(4)	–	(7)	–	(11)
As at 30 April 2025	56,700	8,004	26,891	20,956	264	112,815
Net book value as at 30 April 2025	86,901	8,389	19,766	22,243	11	137,310

1 Technology and development costs include assets under construction of £5,125,000 (2024: £4,735,000).

2 The opening balance of gross cost and accumulated depreciation has been restated to reflect the transfer between customer relationships and technology and development costs of historic Greetz technology costs and their subsequent disposal. The asset had a nil net book value as at 1 May 2023 and therefore there is no impact to the income statement or balance sheet in the current or prior periods.

12 Intangible assets continued

	Goodwill	Trademark	Technology and development costs[1]	Customer relationships	Software	Total
	£000	£000	£000	£000	£000	£000
Cost						
As at 1 May 2023	143,811	16,683	30,255	48,071	691	239,511
Additions	–	–	12,582	–	200	12,782
Disposals	–	–	(3,779)	–	(627)	(4,406)
Foreign exchange	(189)	(260)	–	(466)	(3)	(918)
As at 30 April 2024	143,622	16,423	39,058	47,605	261	246,969
Accumulated amortisation and impairment						
As at 1 May 2023	–	4,851	10,160	13,486	559	29,056
Amortisation charge	–	1,653	10,979	6,252	235	19,119
Disposals	–	–	(3,779)	–	(627)	(4,406)
Foreign exchange	–	(129)	–	(255)	(7)	(391)
As at 30 April 2024	–	6,375	17,360	19,483	160	43,378
Net book value as at 30 April 2024	143,622	10,048	21,698	28,122	101	203,591

1 Technology and development costs include assets under construction of £4,735,000 (2023: £3,821,000).

(a) Goodwill
Goodwill of £6,333,000 (2024: £6,353,000) relates to the acquisition of Greetz in 2018, recognised within the Greetz CGU. The movement between periods is a result of foreign exchange revaluation.

Goodwill of £80,568,000 (2024: £137,269,000) relates to the acquisition of Experiences and is allocated to the Experiences CGU. The movement between periods is a result of a non-cash impairment charge to the goodwill balance of £56,700,000.

(b) Trademark
£2,854,000 (2024: £3,744,000) of the asset balance are trademarks relating to the acquisition of Greetz with finite lives. The remaining useful economic life at 30 April 2025 on the trademark is 3 years 4 months (2024: 4 years 4 months).

£5,535,000 (2024: £6,304,000) of trademark assets relate to the brands valued on the acquisition of Experiences. The remaining useful economic life at 30 April 2025 on these trademarks is 7 years and 3 months (2024: 8 years and 3 months).

(c) Technology and development costs
Technology and development costs of £19,687,000 (2024: £21,227,000) relate to internally developed assets. The costs of these assets include capitalised expenses of employees working full-time on software development projects and third-party consulting firms. The remaining useful economic life of these assets at 30 April 2025 ranges from 1 month to 3 years (2024: 1 month to 3 years).

Technology and development costs of £79,000 (2024: £471,000) relate to the acquisition of Experiences and are allocated to the Experiences CGU. The remaining useful economic life at 30 April 2025 is 3 months (2024: 1 year and 3 months).

(d) Customer relationships
£5,098,000 (2024: £6,041,000) of the asset balance relates to the valuation of existing customer relationships held by Greetz on acquisition. The remaining useful economic life at 30 April 2025 on these customer relationships is 5 years 4 months (2024: 6 years 4 months).

£17,145,000 (2024: £22,081,000) of customer relationship assets relates to those valued on the acquisition of the Experiences segment. The remaining useful economic life at 30 April 2025 on these customer relationships is a range of 4 years and 3 months and 1 year and 3 months (2024: a range between 5 years 3 months and 2 years and 3 months).

(e) Software
Software intangible assets include accounting and marketing software purchased by the Group and software licence fees from third-party suppliers.

Notes to the consolidated financial statements continued

12 Intangible assets continued

(f) Annual impairment tests

Goodwill

Goodwill is allocated to two cash-generating units (CGUs), namely the Greetz and Experiences segments, based on the smallest identifiable group of assets that generates cash inflows independently in relation to the specific goodwill. The recoverable amount of a CGU or group of CGUs is determined as the higher of its fair value less costs of disposal and its value in use (VIU). In determining VIU, estimated future cash flows are discounted to their present value.

The Group performed an annual test for impairment of Experiences CGU goodwill as at 30 April 2024, with the results, sensitivity analysis and narrative disclosure presented on pages 149-150 of the Group's Annual Report and Accounts for the year ended 30 April 2024. Based on the sensitivity analysis, the Directors identified the impairment assessment as a major source of estimation uncertainty that had a significant risk of resulting in a material adjustment to the carrying amount within the year ending 30 April 2025. In accordance with paragraph 125 of IAS 1, the FY24 year-end accounts therefore disclose the quantification of all key assumptions in the value in use estimates and the impact of plausible changes in each key assumption. As part of this disclosure, the sensitivity of Experiences' goodwill to forecast revenue growth was highlighted.

During H1 FY25, Experiences trading performance was identified as an indication that Experiences CGU goodwill may be impaired. The Group therefore estimated the value in use of the Experiences CGU as at 31 October 2024. This exercise determined that the carrying amount of Experiences goodwill exceeded its recoverable amount and an impairment charge of £56,700,000 was recognised in the consolidated income statement. The impairment charge has been classified as an Adjusting Item (see Note 6).

The Group performed its annual impairment test of the goodwill allocated to the Greetz and Experiences segments, as at 30 April 2025. The estimated future cash flows are based on the approved plan, including the FY26 budget, for the three years ending 30 April 2028. The estimated future cash flows are identical to those used for the viability statement. They have been extended by a further two years before applying a perpetuity using an estimated long-term growth rate. The assumed 5 year pre-perpetuity projections period represents a reduction of 12 months from 30 April 2024, aligning with the Group's policy of reducing the period to 5 years. When estimating value in use, the Group does not include estimated future cash flows that are expected to arise from improving or enhancing the asset's performance.

As at 30 April 2025 there has been no amendment to the charge allocated to the Experiences CGU during the year. Based on the sensitivity analysis performed, the Directors identified the impairment assessment as a major source of estimation uncertainty that had a significant risk of resulting in a material adjustment to the carrying amount within the year ending 30 April 2026. In accordance with paragraph 125 of IAS 1, the FY25 year-end accounts therefore disclose the quantification of all key assumptions in the value in use estimates and the impact of plausible changes in each key assumption.

As at 30 April 2025, no impairment charge has been recognised for goodwill allocated to the Greetz CGU. The headroom over carrying amount is more than adequate and there is no reasonable possible change in key assumptions including those relating to future sales performance that would lead to an impairment.

Scenario analysis performed as part of the Group's disclosure against the Task Force on Climate-related Financial Disclosures (TCFD) (pages 34 to 35) identified two transition-related climate risks with potential revenue and cost implications. The analysis considered three scenarios: business as usual (>4°C by 2100); an unequal world (2.5°C by 2100); and the Paris Agreement Aligned (1.5°C by 2050), with the most material risks arising under the Paris Agreement Aligned scenario:

- For the risk of carbon taxation, we modelled the gross (unmitigated) financial impact under a Paris Agreement Aligned scenario, assuming the introduction of carbon taxes from FY28. Sensitivity analysis indicates headroom / (impairment) of £42.2m and (£12.6m) for Greetz and Experiences respectively.
- For the risk of shifting consumer sentiment, scenario analysis was conducted to evaluate the potential consequences of different climate policy pathways. However, the significant uncertainty surrounding behavioural and market response assumptions means that any attempt to quantify a specific financial impact would be highly speculative, hence no such estimate can be meaningfully determined at this stage.

The Group has identified the following key assumptions as having the most significant impact on the value in use calculation:

	Greetz CGU		Experiences CGU	
	2025	2024	2025	2024
Pre-tax discount rate (%)[1]	13.7%	13.5%	13.5%	15.1%
Revenue compound annual growth rate (CAGR)[2]	4.8%	8.8%	2.7%	6.6%

1 The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the cash generating units. The pre-tax discount rates used to calculate value in use are derived from the Group's post-tax weighted average cost of capital. The decline in the discount rate from the previous year is due to reducing the equity premium and betas used in the calculation.

2 The compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

3 In the prior year, the pre-perpetuity period of six years was a key assumption as it exceeded the five-year maximum typically presumed under IAS 36, which requires justification for longer forecast horizons. In FY25 the pre-perpetuity period is five years and therefore no longer constitutes a key assumption.

12 Intangible assets continued

(f) Annual impairment tests continued

Goodwill continued

The Group has performed sensitivity analysis to assess the impact of a change in each key assumption in the VIU. The relevant scenario, in relation to a revenue decrease, is consistent with the more severe downside scenario (plausible scenario 2) prepared in connection with the viability statement within the Annual Report and Accounts for the year ended 30 April 2025.

For the goodwill allocated to both the Experiences and Greetz CGU, the Group modelled the impact of a 1%pt increase in the discount rate and a 2.2%pts decrease in the compound annual growth rate was also modelled for Greetz and Experiences respectively. The decrease in forecasted revenue sensitivity pushed the growth rates out by one year with a reduction of 10% in Greetz and 10% in Experiences in the first year. The Group also modelled a scenario in which both of these changes arise concurrently.

The results of this sensitivity analysis are summarised below:

	Greetz CGU		Experiences CGU	
	2025 £m	2024 £m	2025 £m	2024 £m
Original headroom	45.6	80.8	1.6	23.3
Headroom / (impairment) using a discount rate increased by 1%pt	39.1	70.4	(2.5)	11.1
Headroom / (impairment) using a 2.2%pts decrease in the forecast revenue CAGR (April 2024: 5.4%pts decrease in forecast CAGR)[1]	38.6	54.1	(11.8)	(36.7)
Headroom using a pre-perpetuity period reduced by one year[2]	N/a	76.3	N/a	8.2
Headroom / (impairment) combining both sensitivity scenarios detailed above	32.8	45.0	(15.2)	(54.6)

1 The compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

2 In the prior year, the pre-perpetuity period of six years was a key assumption as it exceeded the five-year maximum typically presumed under IAS 36, which requires justification for longer forecast horizons. In FY25 the pre-perpetuity period is five years and therefore no longer constitutes a key assumption.

Other finite-life intangible assets

At each reporting year date, the Group reviews the carrying amounts of other finite-life 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, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

13 Property, plant and equipment

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Computer equipment £000	Right-of-use assets plant and machinery £000	Right-of-use assets land and buildings[1] £000	Total £000
Cost								
As at 1 May 2024	3,905	7,202	4,055	10,535	2,547	1,536	22,160	51,940
Additions	68	1,032	198	514	443	–	111	2,366
Modifications	–	–	–	–	–	251	–	251
Disposals	(5)	–	(80)	(37)	(555)	–	(253)	(930)
Foreign exchange	(2)	(1)	(5)	(4)	(4)	–	(20)	(36)
As at 30 April 2025	3,966	8,233	4,168	11,008	2,431	1,787	21,998	53,591
Accumulated depreciation and impairment								
As at 1 May 2024	2,362	4,966	3,348	3,295	2,035	453	8,581	25,040
Depreciation charge	157	1,098	474	1,112	432	534	2,439	6,246
Disposals	(5)	–	(80)	(37)	(555)	–	(253)	(930)
Foreign exchange	–	2	(3)	1	(3)	3	–	–
As at 30 April 2025	2,514	6,066	3,739	4,371	1,909	990	10,767	30,356
Net book value as at 30 April 2025	1,452	2,167	429	6,637	522	797	11,231	23,235

1 The opening balances for cost and accumulated depreciation have been updated to reflect the disposal of a lease that was not reflected in the prior year. The April 2024 balance sheet and income statement were unaffected, as the asset had a net book value of £nil at the time of disposal.

Notes to the consolidated financial statements continued

13 Property, plant and equipment continued

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Computer equipment £000	Right-of-use assets plant and machinery £000	Right-of-use assets land and buildings £000	Total £000
Cost								
As at 1 May 2023	3,905	6,862	4,182	10,482	2,507	1,355	23,374	52,667
Additions	–	468	89	205	203	575	–	1,540
Remeasurements	–	–	–	–	–	–	162	162
Disposals	–	(115)	(170)	(89)	(136)	(366)	(220)	(1,096)
Foreign exchange	–	(13)	(46)	(63)	(27)	(28)	(222)	(399)
As at 30 April 2024	3,905	7,202	4,055	10,535	2,547	1,536	23,094	52,874
Accumulated depreciation and impairment								
As at 1 May 2023	2,207	3,958	2,886	2,310	1,642	187	7,166	20,356
Depreciation charge	155	1,130	661	1,079	547	455	2,583	6,610
Disposals	–	(115)	(170)	(89)	(136)	(181)	(220)	(911)
Foreign exchange	–	(7)	(29)	(5)	(18)	(8)	(14)	(81)
As at 30 April 2024	2,362	4,966	3,348	3,295	2,035	453	9,515	25,974
Net book value as at 30 April 2024	1,543	2,236	707	7,240	512	1,083	13,579	26,900

14 Inventories

	2025 £000	2024 £000
Raw materials and consumables	1,368	1,411
Finished goods	9,704	8,374
Total inventory	11,072	9,785
Less: Provision for write off of:		
Raw materials and consumables	(204)	(380)
Finished goods	(2,388)	(2,311)
Net inventory	8,480	7,094

15 Trade and other receivables

	2025 £000	2024 £000
Current:		
Trade receivables	1,647	1,569
Less: provisions	(179)	(243)
Trade receivables – net	1,468	1,326
Other receivables	1,227	2,523
Prepayments	3,163	2,728
Total current trade and other receivables	5,858	6,577

15 Trade and other receivables continued

The movements in provisions are as follows:

	2025 £000	2024 £000
As at 1 May	(243)	(470)
Charge for the year	–	(32)
Utilised	11	172
Released	53	74
Foreign exchange	–	13
As at 30 April	(179)	(243)

Trade and other receivables are predominantly denominated in the functional currencies of subsidiary undertakings. There is no material difference between the above amounts for trade and other receivables (including loan receivables) and their fair value due to their contractual maturity of less than 12 months.

As permitted by IFRS 9, the Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics such as ageing of the debt and the credit risk of the customers. A historical credit loss rate is then calculated and adjusted to reflect expectations about future credit losses. A customer balance is written off when it is considered that there is no reasonable expectation that the amount will be collected and legal enforcement activities have ceased.

The Group's credit risk on trade and other receivables is primarily attributable to trade receivables. There are no significant concentrations of credit risk since the risk is spread over a large number of unrelated counterparties.

The Group's businesses implement policies, procedures and controls to manage customer credit risk. Outstanding balances are regularly monitored and reviewed to identify any change in risk profile.

The Group considers its credit risk to be low with Group revenue derived from electronic payment processes (including credit card, debit card, PayPal, iDEAL and Single Euro Payments Area) executed over the internet, with most receipts reaching the bank accounts in one to two days.

At 30 April 2025, the Group had net trade receivables of £1,468,000 (2024: £1,326,000). Trade receivables are reviewed regularly for any risk of impairment and provisions are booked where necessary.

The maximum exposure to credit risk is the trade receivable balance at the year-end. The Group has assessed its exposure below:

Trade receivables ageing

	2025 £000	2024 £000
Up to 30 days	1,407	1,258
30 to 90 days	22	110
More than 90 days	218	201
Gross	1,647	1,569
Less: provisions	(179)	(243)
Net trade receivables	1,468	1,326

	2025 £000	2024 £000
Non-current other receivables:		
Other receivables	1,605	1,611
Total non-current trade and other receivables	1,605	1,611

Non-current other receivables relate to security deposits in connection with leased property.

Notes to the consolidated financial statements continued

16 Cash and cash equivalents

	2025 £000	2024 £000
Cash and bank balances	9,777	6,422
Cash equivalents	2,872	3,222
Total cash and cash equivalents	12,649	9,644

The carrying amount of cash and cash equivalents approximates their fair value. Cash equivalents relate to cash in transit from various payment processing intermediaries that provide receipting services to the Group.

Cash and cash equivalents are denominated in Pound Sterling or other currencies as shown below.

	2025 £000	2024 £000
Pound Sterling	8,180	6,303
Euro	3,777	2,981
Australian Dollar	194	190
US Dollar	498	170
Total cash and cash equivalents	12,649	9,644

17 Trade and other payables

	2025 £000	2024 £000
Current		
Trade payables	20,671	14,440
Other payables	1,116	5,515
Other taxation and social security	8,126	8,710
Accruals	23,686	22,800
Total current trade and other payables	53,599	51,465

Trade and other payables are predominantly denominated in the functional currencies of subsidiary undertakings. There are no material differences between the above amounts for trade and other payables and their fair value due to the short maturity of these instruments.

Payables balances relating to the Experiences merchant accrual are separately disclosed on the face of the balance sheet.

	2025 £000	2024 £000
Non-current		
Other payables	638	638
Other taxation and social security	1,926	914
Total non-current trade and other payables	2,564	1,552

18 Provisions for other liabilities and charges

	Other provisions £000	Dilapidations provisions £000	Total £000
As at 1 May 2024	**2,255**	**2,334**	**4,589**
Charged in the year	1,469	–	1,469
Utilisation	(390)	(22)	(412)
Release of provisions in the year	(692)	(156)	(848)
Foreign exchange	(1)	(3)	(4)
As at 30 April 2025	**2,641**	**2,153**	**4,794**
Analysed as:			
Current	2,252	–	2,252
Non-current	389	2,153	2,542

	Other provisions £000	Dilapidations provisions £000	Total £000
As at 1 May 2023	1,461	2,569	4,030
Charged in the year	891	–	891
Utilisation	(74)	(215)	(289)
Release of provisions in the year	(15)	–	(15)
Foreign exchange	(8)	(20)	(28)
As at 30 April 2024	2,255	2,334	4,589
Analysed as:			
Current	1,894	179	2,073
Non-current	361	2,155	2,516

Current provisions

Includes other provisions primarily relating to royalty provisions, a refund provision and the current portion of the employee sabbatical provision. The above provisions are due to be settled within the year.

Non-current provisions

Includes dilapidations provisions for the Herbal House head office, the Almere facility in the Netherlands and the Tamworth facility in the UK. These are classified as non-current due to their expected settlement dates, with the earliest lease expiry among the three locations occurring in 2027. The balance also includes the non-current portion of the employee sabbatical provision.

19 Contract liabilities

In all material respects, current deferred revenue at 30 April 2024 and 30 April 2025 was recognised as revenue during the respective subsequent year. Other than business-as-usual movements there were no significant changes in contract liability balances during the year. Deferred revenue includes the value of advanced orders for future dispatch, the value of goods in transit that are dispatched but not yet delivered and subscription income that has been received and is to be recognised as future revenue in line with the exercise of material rights by subscription members.

Notes to the consolidated financial statements continued

20 Borrowings

	2025 £000	2024 £000
Current		
Lease liabilities	3,214	3,257
Borrowings	111	73
Non-current		
Lease liabilities	10,284	13,072
Borrowings	94,985	118,292
Total borrowings and lease liabilities	108,594	134,694

The Group's debt facilities consist of a £180,000,000 committed revolving credit facility (the "RCF"), which now has a maturity date of 28 February 2029. This reflects the exercise during the year of a one-year extension option, which was subsequently approved by the lenders. Amounts drawn under the RCF bear interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euros and SOFR for loans in US Dollars. As at 30 April 2025 the Group had drawn down £93,000,000 and €4,500,000 of the available revolving credit facility (2024: £113,000,000 and €8,500,000). There was a foreign exchange impact on borrowings during the year of £90,000 (2024: £nil).

The amounts drawn under the RCF bear interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euros and SOFR for loans in US Dollars. The Group hedges its interest rate exposure on a rolling basis. As at the date of this report, layered SONIA interest rate cap instruments are in place with strike rates of between 4.5% and 5.0% on total notional of £50.0m until 31 October 2026:

Derivative type	Execution dates	Notional amount	Start date	Maturity date	Underlying asset	Strike rate
Interest rate cap	1 August 2022	£50.0m	1/8/2022	30/11/2024	SONIA	3.00%
Interest rate cap	3 April 2024	£50.0m	29/11/2024	31/5/2025	SONIA	5.00%
		£35.0m	1/6/2025	28/11/2025		
Interest rate cap	30 January 2025	£15.0m	31/5/2025	28/11/2025	SONIA	4.50%
		£35.0m	29/11/2025	30/4/2026		
Interest rate cap	2 June 2025	£15.0m	29/11/2025	30/4/2026	SONIA	4.50%
		£50.0m	1/5/2026	30/10/2026		

The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement), is a maximum of 3.5x at April 2025 and 3.0x for the remaining term of the facility. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. The Group has complied with all covenants from entering the RCF until the date of these consolidated financial statements and is forecast to comply with these during the going concern assessment period.

Borrowings are repayable as follows:

	2025 £000	2024 £000
Within one year	111	73
Within one and two years	–	–
Within two and three years	–	–
Within three and four years	94,985	118,292
Within four and five years	–	–
Beyond five years	–	–
Total borrowings[1]	95,096	118,365

1 Total borrowings include £111,169 (2024: £73,000) in respect of accrued unpaid interest and are shown net of capitalised borrowing costs of £1,848,000 (2024: £1,973,000).

20 Borrowings continued

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes.

	Borrowings £000	Lease liabilities £000	Total £000
As at 1 May 2023	170,520	19,525	190,045
Cash flow	(71,271)	(4,424)	(75,695)
Foreign exchange	–	(129)	(129)
Interest and other[1]	19,116	1,357	20,473
As at 30 April 2024	118,365	16,329	134,694
Cash flow	**(32,251)**	**(3,902)**	**(36,153)**
Foreign exchange	**(90)**	**48**	**(42)**
Interest and other[1]	**9,072**	**1,023**	**10,095**
As at 30 April 2025	**95,096**	**13,498**	**108,594**

1 Interest and other within borrowings comprises amortisation of capitalised borrowing costs and the interest expense in the year. Interest and other within lease liabilities comprises modifications to lease liabilities as well as interest on leases as disclosed in Note 7.

21 Share-based payments

Pre-IPO awards

The original awards were granted on 27 January 2021 and comprised two equal tranches, with the vesting of both subject to the achievement of revenue and Adjusted EBITDA performance conditions for the year ended 30 April 2023 and for participants to remain employed by the Company over the vesting period. The Group exceeded maximum performance for both measures. Accordingly, the first tranche vested on 30 April 2023 and was paid in July 2023; the second tranche vested on 30 April 2024 and was paid in May 2024. Given the constituents of the scheme, no attrition assumption was applied. The scheme rules provided that when a participant left employment, any outstanding award may have been reallocated to another employee (excluding the Executive Directors). All previous awards vested on 30 April 2024 and all shares outstanding at the beginning of the period were exercised in FY25. There were no further shares granted during the period and this incentive scheme has now ended.

Pre-IPO awards	2025 Number of shares	2024 Number of shares
Outstanding as at 1 May	**1,413,971**	2,616,716
Granted	–	–
Exercised	**(1,413,971)**	(1,165,744)
Forfeited	–	(37,001)
Outstanding as at 30 April	–	1,413,971
Exercisable as at 30 April	–	1,413,971

The weighted average market value per ordinary share of Pre-IPO options exercised during the year was £1.77 (2024: £1.48).

Notes to the consolidated financial statements continued

21 Share-based payments continued

Long-Term Incentive Plan (LTIP)

The first grant of these awards was made on 1 February 2021 and vested on 2 July 2024. Half of the share awards granted are subject to a relative Total Shareholder Return (TSR) performance condition measured against the constituents of the FTSE 250 Index (excluding Investment Trusts). The other half of the share awards granted are subject to an Adjusted basic pre-tax EPS performance condition (calculated as Adjusted profit before taxation, divided by the undiluted weighted average number of ordinary shares outstanding during the year). Participants are also required to remain employed by the Group over the vesting period, with a further holding period applying until the fifth anniversary of grant for the Executive Directors. An attrition rate adjustment has been applied to reflect the expected number of participants who will forfeit their awards before vesting. This estimate is based on historical attrition rates and is reviewed at each reporting date. The share-based payment charge is adjusted accordingly, with any changes recognised in the income statement. Activity in relation to these awards during the period included new awards granted on 2 July 2024 under the existing scheme which will vest on 2 July 2027 subject to the performance conditions being met.

Consistent with the existing scheme, participants are required to remain employed by the Group over the vesting period. Vesting may arise sooner where a former employee is a "good leaver" and the Remuneration Committee exercises discretion to permit vesting after cessation of employment.

The outstanding number of share options at the end of the year is 11,514,466 (2024: 9,326,856), with an expected maximum vesting profile (stated net of forfeitures since award) as follows:

	FY26	FY27	FY28	Total
Share options granted on 5 July 2022	1,435,771	–	–	1,435,771
Share options granted on 25 October 2022	258,842	–	–	258,842
Share options granted on 4 July 2023	–	2,944,060	–	2,944,060
Share options granted on 19 September 2023	–	3,191,310	–	3,191,310
Share options granted on 2 July 2024	–	–	3,684,483	3,684,483

The below tables give the assumptions applied to the options granted in the period and the shares outstanding:

	July 2024
Valuation model	Stochastic and Black-Scholes and Chaffe
Weighted average share price (pence)	182.00
Exercise price (pence)	0.00
Expected dividend yield	0%
Risk-free interest rate	4.45%/4.23%
Volatility	46.16/44.87%
Expected term (years)	3.00/2.00
Weighted average fair value (pence)	119.26/182.00
Attrition	0%
Weighted average remaining contractual life (years)	2.97

LTIP awards	2025 Number of share options	2024 Number of share options
Outstanding as at 1 May	**9,326,856**	3,064,998
Granted	**3,962,477**	6,991,966
Exercised	**(93,822)**	–
Forfeited	**(1,681,045)**	(730,108)
Outstanding as at 30 April	**11,514,466**	9,326,856
Exercisable as at 30 April	**–**	–

The weighted average market value per ordinary share of LTIP options exercised during the year was £1.83 (2024: N/a).

21 Share-based payments continued

Deferred Share Bonus Plan (DSBP)

The Group has bonus arrangements in place for Executive Directors and certain key management personnel within the Group whereby a proportion of the annual bonus is subject to deferral over a period of three years with vesting subject to continued service only. Vesting may arise sooner where a former employee is a “good leaver” and the Remuneration Committee exercises discretion to permit vesting at cessation of employment. Given the constituents of the scheme, no attrition assumption was applied.

The outstanding number of share options at the end of the year is 540,885 (2024: 386,842), with an expected vesting profile (stated net of forfeitures since award) as follows:

	FY26	FY27	FY28	Total
Share options granted on 5 July 2022	255,593	–	–	255,593
Share options granted on 4 July 2023	–	44,878	–	44,878
Share options granted on 2 July 2024	–	–	240,414	240,414

	July 2024
Valuation model	Black-Scholes
Weighted average share price (pence)	182.00
Exercise price (pence)	0.00
Expected dividend yield	0%
Risk-free interest rate	N/a
Volatility	N/a
Expected term (years)	3.00
Weighted average fair value (pence)	182.00
Attrition	0%
Weighted average remaining contractual life (years)	3.42

DSBP	2025 Number of share options	2024 Number of share options
Outstanding as at 1 May	386,842	392,289
Granted	240,414	47,164
Exercised	(86,371)	(32,650)
Forfeited	–	(19,961)
Outstanding as at 30 April	540,885	386,842
Exercisable as at 30 April	–	–

The weighted average market value per ordinary share of DSBP options exercised during the year was £2.05 (2024: £1.59).

Save As You Earn (SAYE)

The Group operates a SAYE scheme for all eligible employees, under which participants are granted an option to purchase ordinary shares in the Company at an option price set at a 20% discount to the average market price over the three days prior to the invitation date. Options vest after a three-year period, provided the participant enters into a savings contract with fixed monthly contributions for the same duration. The FY22 awards were granted on 3 September 2021 and vested on 1 October 2024, with a six-month exercise period following vesting. These awards are subject only to a continued employment condition over the vesting period. During the year, the Group granted FY25 awards on 26 July 2024, which will potentially vest on 1 October 2027 on the same terms.

Notes to the consolidated financial statements continued

21 Share-based payments continued

The outstanding number of share options at the end of the year is 1,059,706 (2024: 1,009,635), with an expected vesting profile (stated net of forfeitures since award) as follows:

	FY26	FY27	FY28	Total
Share options granted on 8 September 2022	146,995	–	–	146,995
Share options granted on 28 July 2023	–	670,001	–	670,001
Share options granted on 26 July 2024	–	–	242,710	242,710

The below tables give the assumptions applied to the options granted in the year and the shares outstanding:

	July 2024
Valuation model	Black-Scholes
Weighted average share price (pence)	215.50
Exercise price (pence)	150.00
Expected dividend yield	0%
Risk-free interest rate	4.21%
Volatility	43.99%
Expected term (years)	3.43
Weighted average fair value (pence)	90.87
Attrition	15%
Weighted average remaining contractual life (years)	2.17

SAYE	2025 Number of share options	2025 Weighted average exercise price (£)	2024 Number of share options	2024 Weighted average exercise price (£)
Outstanding as at 1 May	1,009,635	1.37	783,819	1.78
Granted	272,636	1.50	842,552	1.17
Exercised	(2,991)	1.17	–	–
Cancelled	(142,228)	1.46	(616,736)	1.62
Forfeited	(77,346)	2.01	–	–
Outstanding as at 30 April	1,059,706	1.31	1,009,635	1.37
Exercisable as at 30 April	–	–	1,111	1.62

Volatility assumptions

The fair values of the DSBP awards are equal to the share price on the date of award as there is no price to be paid and employees are entitled to dividend equivalents. For awards with a market condition, volatility is calculated over the period commensurate with the remainder of the performance period immediately prior to the date of grant. For all other conditions, volatility is calculated over the period commensurate with the expected term. As the Company had only recently listed, a proxy volatility equal to the median volatility of the FTSE 250 (excluding Investment Trusts) over the respective periods has been used. Consideration has also been made to the trend of volatility to return to its mean, by disregarding extraordinary periods of volatility.

Share-based payment expense

Share-based payments expenses recognised in the income statement:

	2025 £000	2024 £000
Pre-IPO awards	–	1,152
LTIP	2,734	2,340
SAYE	294	455
DSBP	443	305
Share-based payments expense[1]	3,471	4,252

1 The £3,471,000 (2024: £4,252,000) stated above is presented inclusive of employer's National insurance contributions of £1,632,000 (2024: £92,000). This is made up of contributions of £276,000 (2024: £790,000) and an additional charge of £1,356,000 (2024: a release of £698,000) in relation to a true up of NI at year-end based on market share price data.

22 Share capital and reserves

The Group considers its capital to comprise its ordinary share capital, share premium, merger reserve, retained earnings and other reserves. Quantitative detail is shown in the consolidated statement of changes in equity. The Directors' objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders.

Called-up share capital

Ordinary share capital represents the number of shares in issue at their nominal value. Ordinary shares in the Company are issued, allotted and fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The shareholding as at 30 April 2025 is:

	2025 Number of shares	2025 £000	2024 Number of shares	2024 £000
Allotted, called-up and fully paid ordinary shares of £0.10 each				
As at 1 May 2024	**343,310,015**	**34,331**	342,111,621	34,211
Issue of shares during the period	**1,597,155**	**159**	1,198,394	120
Shares cancelled during the period	**(11,061,434)**	**(1,106)**	–	–
As at 30 April 2025	**333,845,736**	**33,384**	343,310,015	34,331

In the year ended 30 April 2025, the Company commenced a share repurchase programme. By resolutions passed at the 2024 AGM, the Company's shareholders generally authorised the Company to repurchase up to maximum of 34,362,148 of its ordinary shares. The share repurchase programme was announced on 16 October 2024 and commenced on 5 November 2024. In the year ended 30 April 2025, a total of 11,377,505 (2024: nil) ordinary shares of £0.10 were purchased and 11,061,434 of these shares purchased were subsequently cancelled. The 316,017 of shares not cancelled as at 30 April 2025 were transferred to the registrar for cancellation post year-end. The average price paid was 218.2p with a total consideration paid (including fees of £174,000) of £25,000,000 (2024: £nil). On cancellation the consideration was transferred from the own shares held reserve (within other reserves) to retained earnings and the nominal value of the shares transferred from share capital to the capital redemption reserve.

In the year ended 30 April 2025, 1,597,155 ordinary shares (2024: 1,198,394) were issued for the settlement of share-based payments. The Group expects to move during FY26 to satisfying share awards through market purchases rather than through dilution, subject to this remaining EPS-accretive at the prevailing share price.

Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the par value of the shares was £0.10 whereas the initial offering price was £3.50. Share premium is stated net of direct costs of £736,000 (2024: £736,000) relating to the issue of the shares.

Merger reserve

The merger reserve of £993,026,000 arose as a result of the Group reorganisation undertaken prior to the Company's listing on the London Stock Exchange. This reorganisation was accounted for using common control merger accounting. Under this method, the assets and liabilities of the acquired entities were recognised at their existing carrying amounts rather than at fair value and no goodwill was recognised. The difference between the consideration paid and the book value of net assets acquired was recorded directly in equity within the merger reserve.

This accounting treatment was selected in preference to acquisition accounting in order to reflect the continuity of ownership and to present the Group's financial results on a basis that preserved the historical track record of the underlying trading entities. Had acquisition accounting been applied, the identifiable net assets would have been remeasured at fair value and a significant goodwill asset would likely have been recognised, increasing net assets and potentially resulting in the Group reporting positive net assets. However, such treatment would not have reflected the substance of a restructuring within a commonly controlled group.

The adoption of common control merger accounting has resulted in the recognition of a significant merger reserve on consolidation. The merger reserve is a debit balance within equity arising from the application of merger accounting and is a significant contributor to the Group's reported net liabilities position.

Other reserves

Other reserves represent the share-based payment reserve, the foreign currency translation reserve, the hedging reserve, own shares held reserve and the capital redemption reserve.

Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the consolidated income statement. Upon the exercise of share options the cumulative amount recognised in the share-based payment reserve is recycled to retained earnings, reflecting the transfer of value to the equity of the Company.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred and the cumulative net change in the fair value of time value on the cash flow hedging instruments.

Notes to the consolidated financial statements continued

22 Share capital and reserves continued

Other reserves continued

Foreign currency translation reserve

The foreign currency translation reserve represents the accumulated exchange differences arising since the acquisition of Greetz from the impact of the translation of subsidiaries with a functional currency other than Sterling.

Own shares held reserve

The own shares held reserve represents the equity account used to record the cost of the Company's own shares that have been repurchased. These shares are not considered outstanding for the purposes of calculating earnings per share and do not carry voting rights or the right to receive dividends while held by the Company. Shares purchased for cancellation are included in the own shares held reserve until cancellation, at which point the consideration is transferred to retained earnings and the nominal value of the shares is transferred from share capital to the capital redemption reserve.

Capital redemption reserve

The capital redemption reserve reflects the nominal amount of shares bought back and cancelled.

	Share-based payment reserve £000	Foreign currency translation reserve £000	Hedging reserve £000	Own shares held reserve £000	Capital redemption reserve £000	Total other reserves £000
As at 1 May 2023	42,211	(928)	1,881	–	–	43,164
Other comprehensive income:						
Exchange differences on translation of foreign operations	–	30	–	–	–	30
Cash flow hedges:						
Fair value changes in the year	–	–	715	–	–	715
Cost of hedging reserve	–	–	243	–	–	243
Fair value movements on cash flow hedges transferred to profit and loss	–	–	(2,222)	–	–	(2,222)
Deferred tax on other comprehensive income	–	–	(95)	–	–	(95)
Share-based payment charge (excluding National Insurance)	4,179	–	–	–	–	4,179
Deferred tax on share-based payment transactions	536	–	–	–	–	536
Share options exercised	(4,158)	–	–	–	–	(4,158)
As at 30 April 2024	42,768	(898)	522	–	–	42,392
As at 1 May 2024	**42,768**	**(898)**	**522**	**–**	**–**	**42,392**
Other comprehensive income/(expense):						
Exchange differences on translation of foreign operations	**–**	**(668)**	**–**	**–**	**–**	**(668)**
Cash flow hedges:						
Fair value changes in the year	**–**	**–**	**7**	**–**	**–**	**7**
Cost of hedging reserve	**–**	**–**	**95**	**–**	**–**	**95**
Fair value movements on cash flow hedges transferred to profit and loss	**–**	**–**	**(841)**	**–**	**–**	**(841)**
Deferred tax on other comprehensive income	**–**	**58**	**127**	**–**	**–**	**185**
Share-based payment charge (excluding National Insurance)	**1,839**	**–**	**–**	**–**	**–**	**1,839**
Deferred tax on share-based payment transactions	**1,773**	**–**	**–**	**–**	**–**	**1,773**
Current tax on share-based payment transactions	**32**	**–**	**–**	**–**	**–**	**32**
Share options exercised	**(6,429)**	**–**	**–**	**–**	**–**	**(6,429)**
Own shares purchased for cancellation	**–**	**–**	**–**	**(25,000)**	**–**	**(25,000)**
Own shares cancelled	**–**	**–**	**–**	**24,262**	**1,106**	**25,368**
As at 30 April 2025	**39,983**	**(1,508)**	**(90)**	**(738)**	**1,106**	**38,753**

23 Financial instruments and related disclosures

Accounting classifications and fair values

The amounts in the consolidated balance sheet and related notes that are accounted for as financial instruments and their classification under IFRS 9, are as follows:

	Note	2025 £000	2024 £000
Financial assets at amortised cost:			
Current assets			
Trade and other receivables[1]	15	2,695	3,849
Cash	16	12,649	9,644
Non-current assets			
Trade and other receivables	15	1,605	1,611
Financial assets at fair value:			
Current assets			
Financial derivatives		5	838
Non-current assets			
Financial derivatives		–	164
		16,954	16,106
Financial liabilities at amortised cost:			
Current liabilities			
Trade and other payables[2]	17	45,473	42,755
Merchant accrual		40,374	45,274
Lease liabilities	20	3,214	3,257
Borrowings	20	111	73
Non-current liabilities			
Trade and other payables[2]	17	638	638
Lease liabilities	20	10,284	13,072
Borrowings	20	94,985	118,292
		195,079	223,361

1 Excluding prepayments.
2 Excluding other taxation and social security (as not classified as financial liabilities).

The fair values of each class of financial assets and liabilities is the carrying amount, with the exception of borrowings, based on the following assumptions:

Trade receivables, trade payables and borrowings	The fair value approximates to the carrying amount, predominantly, because of the short maturity of these instruments.
Forward currency contracts	The fair value is determined using the mark to market rates at the reporting date and the outright contract rate.
Interest rate caps	The fair value is determined by discounting the estimated future cash flows at a market rate that reflects the current market assessment of the time value if money and the risks specific to the instrument.

The fair values of bank loans and other loans approximates to the carrying value, as reported in the balance sheet, gross of amortised costs of £1,848,000 (2024: £1,973,000). This is because most borrowings are at floating interest rates, with payments reset to market rates at intervals of less than one year.

Notes to the consolidated financial statements continued

23 Financial instruments and related disclosures continued

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by reference to Level 2.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

i) Risk management framework

In line with the Group's Risk Appetite statement, it aims to manage financial risk prudently by balancing cost efficiency with acceptable risk. It does not use financial instruments for speculation and retains discretion to hedge exposures within the limits of its Treasury Policy.

ii) Credit risk

Credit risk is the risk of financial loss if a counterparty fails to discharge its contractual obligations under a customer contract or financial instrument.

- The Group's credit risk from its operations primarily arises from trade and other receivables. This risk is assessed as low, as the balances are short maturity, arise principally as a result of high volume, low value transactions and have no significant concentration as there is no counterparty balance that represents a significant credit risk concentration.
- The Group's credit risk on cash and cash equivalents is considered to be low. Financial assets are held with bank, financial institution or government counterparties that have a long-term credit rating of A3 or higher from Moody's Investor Services and/or a long-term credit rating of A- or higher from Standard & Poor's. The Group's treasury policy is to monitor cash (when applicable deposit balances) daily and to manage counterparty risk whilst also ensuring efficient management of the Group's RCF.

Further information on the credit risk management procedures applied to trade receivables is given in Note 15 and to cash and cash equivalents in Note 16. The carrying amounts of trade receivables and cash and cash equivalents shown in those notes represent the Group's maximum exposure to credit risk.

iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Cash flow forecasting is performed centrally with rolling forecasts of the Group's liquidity requirements regularly monitored to ensure it has sufficient cash to meet operational needs. The Group's revenue model results in a strong level of cash conversion allowing it to service working capital requirements.

The Group's sources of borrowing for liquidity purposes comprise a committed RCF of £180,000,000, which now has a maturity date of 28 February 2029. This reflects the exercise during the year of a one-year extension option, which was subsequently approved by the lenders. Lease liabilities are also reported in borrowings.

Liquidity risk management requires that the Group continues to operate within the financial covenants set out in its facilities. The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement), is a maximum of 3.0x for the remaining term of the facility. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share-based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. Covenant forecasting is performed centrally, with regular monitoring to ensure that the Group continues to expect to meet its financial covenants.

23 Financial instruments and related disclosures continued

Financial risk management continued

iii) Liquidity risk continued

The following tables sets out the anticipated contractual cash flows including interest payable for the Group's financial liabilities and derivative instruments on an undiscounted basis. Where interest payments are calculated at a floating rate, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at the respective year-ends. All derivative contracts are presented on a net basis:

Contractual cash flows 2025	Due within 1 year £000	Due within 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	As at 30 April 2025 £000
Borrowings[1]	–	–	96,833	–	96,833	94,985
Interest on borrowings	5,909	11,135	4,544	–	21,588	111
Lease capital repayments	3,214	5,280	2,353	2,651	13,498	13,498
Lease future interest payments	516	567	280	113	1,476	–
Merchant accrual	42,918	–	–	–	42,918	40,374
Trade and other financial liabilities[2]	45,473	638	–	–	46,111	46,111
Non-derivative financial liabilities	98,030	17,620	104,010	2,764	222,424	195,079
Interest rate caps	5	–	–	–	5	5
Derivative financial liabilities	5	–	–	–	5	5

Contractual cash flows 2024	Due within 1 year £000	Due within 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	As at 30 April 2024 £000
Borrowings[1]	–	–	120,266	–	120,266	118,292
Interest on borrowings	8,025	15,364	6,031	–	29,420	73
Lease capital repayments	3,257	6,251	3,085	3,736	16,329	16,329
Lease future interest payments	655	843	371	229	2,098	–
Merchant accrual	48,133	–	–	–	48,133	45,274
Trade and other financial liabilities[2]	42,755	638	–	–	43,393	43,393
Non-derivative financial liabilities	102,825	23,096	129,753	3,965	259,639	223,361
Interest rate caps	935	92	–	–	1,027	1,002
Derivative financial liabilities	935	92	–	–	1,027	1,002

1 For the purpose of these tables, borrowings are defined as gross borrowings excluding lease liabilities and fair value of derivative instruments.

2 Consists of trade and other payables that meet the definition of financial liabilities under IAS 32 (excluding merchant accrual, which is split out separately above).

IFRS 7 requires the contractual future interest cost of a financial liability to be included within the above table. As disclosed in Note 20 of these consolidated financial statements, borrowings are currently drawn under a revolving credit facility and repayments can be made at any time without penalty. As such there is no contractual future interest cost. However, included in the above table is the expected future interest payments based on the Group's drawings and existing hedging as at the balance sheet date and forecasted SONIA and EURIBOR rates.

The merchant accrual contractual cash flows amount due within one year represents the undiscounted gross value. The contractual cash flows being due within one year is different from the forecast cash flow profile used to discount the liability under IFRS 9. Amounts are due when the customer redeems the voucher which is outside of the control of the Group, hence its classification as a current liability and its contractual cash flows being within one year. However, historical redemption periods show that actual redemptions differ from the contractual period and therefore on a forecast basis the cash flows span more than one year, as a result the liability is discounted.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the consolidated financial statements continued

23 Financial instruments and related disclosures continued

Financial risk management continued

iv) Market risk

Currency risk

Currency risk involves the potential for financial loss arising from changes in foreign exchange rates:

- Translation risk is exposure to changes in values of items in the financial statements caused by translating items into Sterling. This is the Group's principal currency exposure in view of its overseas operations.
- Transaction risk arises from changes in exchange rates from the time a foreign currency transaction is entered into until it is settled. This is relevant to the Group's operating activities outside the UK, which are generally conducted in local currency. Transaction risk is not considered significant, as the Group primarily transacts in Sterling and Euros and generates cash flows in each currency which are sufficient to cover operating costs.
- Other currency exposures comprise currency gains and losses recognised in the income statement, relating to other monetary assets and liabilities that are not denominated in the functional currency of the entity involved. At 30 April 2025 and 30 April 2024, these exposures were not material to the Group.

The Group applies strategies to management currency risk which may include the use of forward contracts to purchase Euros, US Dollars and Australian Dollars in exchange for Sterling and/or draw-down of the RCF in Euros, US Dollars or Australian Dollars to provide a natural hedge. There was a foreign exchange gain on borrowings during the year of £90,000.

Interest rate risk

Interest rate risk involves the potential for financial loss arising from changes in market interest rates. The Group is exposed to interest rate risk arising from borrowings under the revolving credit facility, which incurs interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euros and SOFR for loans in US Dollars. As at 30 April 2025 the Group had drawn down £93,000,000 and €4,500,000 of the available revolving credit facility.

To mitigate this risk, the Group has implemented hedging strategies. As at the date of this report, the Group has the following interest rate hedging instruments in place:

Derivative type	Execution dates	Notional amount	Start date	Maturity date	Underlying asset	Strike rate
Interest rate cap	1 August 2022	£50.0m	1/8/2022	30/11/2024	SONIA	3.00%
Interest rate cap	3 April 2024	£50.0m	29/11/2024	5/31/2025	SONIA	5.00%
		£35.0m	1/6/2025	28/11/2025		
Interest rate cap	30 January 2025	£15.0m	31/5/2025	28/11/2025	SONIA	4.50%
		£35.0m	29/11/2025	30/4/2026		
Interest rate cap	2 June 2025	£15.0m	29/11/2025	30/4/2026	SONIA	4.50%
		£50.0m	1/5/2026	30/10/2026		

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The Group enters hedge relationships where the critical terms of the hedging instrument and the hedged item match, therefore, for the prospective assessment of effectiveness a qualitative assessment is performed. Hedge effectiveness is determined at the origination of the hedging relationship. Quantitative effective tests are performed at each year-end to determine the continuing effectiveness of the relationship.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the interest rate, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedging item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparty and Group's own interest rate risk on the fair value of the caps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- Changes in the timing of the hedged item.

23 Financial instruments and related disclosures continued

Financial risk management continued

iv) Market risk continued

Interest rate risk continued

The derivative financial assets are all net settled; therefore, the maximum exposure to interest rate risk at the reporting date is the fair value of the derivative assets which are included in the consolidated balance sheet:

Derivative financial assets	2025 £000	2024 £000
Derivatives designated as hedging instruments		
Interest rate cap – cash flow hedges	5	1,002
Total derivatives financial assets	5	1,002

	2025 £000	2024 £000
Current and non-current:		
Current	5	838
Non-current	–	164
Total derivatives financial assets	5	1,002

Cash flow interest rate swap and cap

No ineffective portion arising from cash flow hedges was recognised in finance expense during the year (2024: £nil).

Moonpig Group's primary floating rate interest exposure as at 30 April 2025 related to the SONIA reference rate. Gains and losses recognised in the cash flow hedging reserve in equity on interest rate cap contracts as at 30 April 2025 will be released to the consolidated statement of comprehensive income as the related interest expense is recognised.

The effects of the cash flow interest rate swap and cap hedging relationships are as follows at 30 April:

	Interest rate swap		Interest rate cap 3.0%		Interest rate cap 5.0%		Interest rate cap 4.5%[1]	
	2025	2024	2025	2024	2025	2024	2025	2024
Carrying amount of derivatives (£000)	–	–	–	838	–	164	5	–
Changes in fair value of the designated hedged item (£000)	–	84	6	630	(164)	1	(36)	–
Notional amount (£000)	–	–	70,000	70,000	42,500	42,500	25,000	–
Hedge ratio	–	–	1:1	1:1	1:1	1:1	1:1	–
Maturity date	–	–	30/11/2024	30/11/2024	28/11/2025	28/11/2025	30/04/2026	–

1 The Group put in place an interest rate cap during the year of 4.50% on £15.0m notional from 31 May 2025 until 28 November 2025, increasing thereafter to £35.0m notional until expiry on 30 April 2026.

Interest rate movements on deposits, lease liabilities, trade payables, trade receivables and other financial instruments do not present a material exposure to the Group's balance sheet.

The table below details changes in derivative assets arising from financing activities, including both cash and non-cash changes:

	Derivative assets £000
As at 1 May 2023	2,468
Cash (inflow)	(2,072)
Non-cash movement	606
As at 30 April 2024	1,002
Cash (inflow)	(801)
Non-cash movement	(196)
As at 30 April 2025	5

Notes to the consolidated financial statements continued

23 Financial instruments and related disclosures continued

Financial risk management continued

iv) Market risk continued

Market risk sensitivity analysis

Financial instruments affected by market risks include borrowings and deposits.

The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity to changes in market variables, being Sterling/Euro interest rates and Sterling/Euro exchange rates.

The sensitivity analysis assumes reasonable movements in foreign exchange and interest rates before the effect of tax. The Group considers a reasonable interest rate movement in SONIA or EURIBOR to be 1% (2024: 3%) based on current interest rate projections. Similarly, sensitivity to movements in Sterling/Euro exchange rates of 10% are shown, reflecting changes of reasonable proportion in the context of movement in that currency pair over the last five years.

The following table shows the illustrative effect on profit before tax resulting from a 10% change in Sterling/Euro exchange rates:

	Income (losses)/gains 2025 £000	Equity (losses)/gains 2025 £000	Income (losses)/gains 2024 £000	Equity (losses)/gains 2024 £000
10% strengthening of Sterling against the Euro	**(263)**	**(1,223)**	(340)	(1,312)
10% weakening of Sterling against the Euro	**289**	**1,345**	416	1,604

The following table shows the illustrative effect on the consolidated income statement from a 1.0% change in market interest rates on the Group's interest expense. Refer to borrowings in Note 20.

	2025 £000	2024 £000
1.0% increase in SONIA market interest rates (2024: 3.0%)	**(519)**	(2,913)
1.0% decrease in SONIA market interest rates (2024: 3.0%)	**638**	3,592
1.0% increase in EURIBOR market interest rates (2024: N/a)	**(68)**	N/a
1.0% decrease in EURIBOR market interest rates (2024: N/a)	**68**	N/a

Capital risk management

Capital risk is the risk that the Group will not be able to sustain its operations in the long term due to an inability to secure sufficient capital or maintain an adequate return on capital investment. This encompasses financing risk (the risk that the Group cannot raise necessary funds to continue its operations or finance expansion activities) and cost of capital risk (associated with fluctuations in the cost of capital, which may influence investment decisions and affect long-term strategic planning).

The Group's capital management objectives are focused on maintaining investor confidence and supporting the sustainable development of the business. The Group will always prioritise growth investment in the business and our consistent strong operating cash generation and the progress means there is financial flexibility to return incremental excess capital to shareholders by way of dividends and share repurchases.

24 Commitments and contingencies

a) Commitments

The Group entered a financial commitment in respect of supplier of cut flowers of £213,000 (2024: £212,000) and rental commitments of £91,000 (2024: £17,000) which are due within one year.

During the period the Group entered a financial commitment in respect of future stock purchases of £1,912,000 (2024: £nil). These purchases are spread across the next three years and will be settled by November 2027.

b) Contingencies

Group companies have given a guarantee in respect of the Group's £180,000,000 revolving credit facility. As at 30 April 2025 the Group had drawn down £93,000,000 and €4,500,000 of the available revolving credit facility (2024: £113,000,000 and €8,500,000).

25 Related party transactions

Transactions with related parties

There were no related party transactions requiring disclosure in the year ended 30 April 2025. The Group receives other income in respect of the sublease of part of its head office to an entity that was considered a related party due to common control until the Company's former private equity owner ceased to be a Significant Shareholder in the Company on 25 April 2024.

	2025 £000	2024 £000
Other income from related parties formerly under common control	**–**	1,349

25 Related party transactions continued

Compensation of key management personnel of Moonpig Group plc

The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to key management personnel. Key management personnel are defined as the Directors as they are the members of the Group with the authority and responsibility for planning, directing and controlling the activities of the Group.

Further detail in respect of the Directors remuneration can be found within the Directors' Remuneration report on pages 101 to 119.

	2025 £000	Re-presented 2024 £000
Short-term employee benefits	2,734	2,513
Post-employment pension and medical benefits	56	53
Share-based payment schemes[1]	1,084	1,918
Total compensation relating to key management personnel	3,874	4,484

1 The share-based payment amount disclosed above is the expense in the year rather than the amount based on the performance assessment period as disclosed in the Directors remuneration report on pages 101 to 119.

2 The prior year share-based payment scheme amount has been re-presented to correctly reflect the amount recognised as an expense during the year rather than the amount based on the performance assessment period as disclosed in the Directors remuneration report.

26 Related undertakings

A full list of subsidiary undertakings as defined by Companies Act 2006 and which fall within the scope of consolidation under IFRS 10 as at 30 April 2025 is disclosed below. Titan Midco Limited is held directly by the Company and all other subsidiary undertakings are held indirectly.

The equity shares held are in the form of ordinary shares or common stock. The effective percentage of equity shares held in subsidiary undertakings is 100% in all cases.

Subsidiary undertakings	Number	Country of incorporation	Principal activity
Cards Holdco Limited[1]	12170467	England and Wales	Trading company, management services
Moonpig.com Limited[1]	03852652	England and Wales	Trading company
Experience More Limited[1]	03883868	England and Wales	Trading company
Titan Midco Limited[1]	13014525	England and Wales	Holding company
Horizon Bidco B.V.[2]	72238402	Netherlands	Holding company
Greetz B.V.[2]	34312893	Netherlands	Trading company
Full Colour B.V.[2]	34350020	Netherlands	Trading company

1 Registered office address is Herbal House, 10 Back Hill, London, EC1R 5EN, United Kingdom.

2 Registered office address is Koningsbeltweg 42, 1329 AK, Almere, Netherlands.

All subsidiaries have a financial year-end of 30 April, aligned with the Parent Company.

Titan Midco Limited is exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Companies Act as this Company has guaranteed its subsidiary companies under Section 479C of the Companies Act.

In accordance with article 408 of the Dutch Civil Code, Horizon Bidco B.V. issued a declaration of joint and several liability in respect of its consolidated participants. The declaration covered and resulted in the standalone Horizon Bidco B.V. entity being exempt from an audit. Additionally, Full Colour B.V. is exempt from an audit under the Dutch Civil Code by virtue of its size.

27 Events after the balance sheet date

The following matters, which have arisen since the balance sheet date, represent non-adjusting events under IAS 10 and are therefore disclosed due to their materiality. They have not been reflected in the financial statements for the year ended 30 April 2025:

- On 2 May 2025, the Group announced a programme to repurchase up to £30.0m of its ordinary shares during the period to 31 October 2025, or such time as the Company provides further notice. This programme is the first of two planned for FY26, to be executed in H1 and H2 respectively and follows the Group's earlier announcement on 23 April 2025 of its intention to repurchase up to £60.0m of its own shares during the new financial year. The Company's policy is that share repurchases will only be conducted when they utilise excess capital and are earnings enhancing. Since 1 May 2025 to 24 June 2025, a further 3,293,060 shares of 10 pence each (representing 1.0% of the Company's issued share capital as at 24 June 2025) have been repurchased for aggregate consideration of £8,196,045 including fees and duty (aggregate value net of fees of £8,139,018) and the average price paid was 247.2p per ordinary share.

With the exception of the above, no other adjusting or non-adjusting events have occurred.

Company balance sheet

As at 30 April 2025

	Note	2025 £000	2024 £000
Fixed assets			
Investments	4	845,468	845,468
		845,468	845,468
Current assets			
Debtors: amounts falling due within one year	5	29,808	57,963
Cash and cash equivalents		–	280
		29,808	58,243
Total assets		875,276	903,711
Current liabilities			
Creditors: amounts falling due within one year	6	2,990	7,881
		2,990	7,881
Non-current liabilities			
Creditors: amounts falling due after more than one year	6	1,926	914
		1,926	914
Total liabilities		4,916	8,795
Equity			
Called-up share capital	7	33,384	34,331
Share premium	7	278,083	278,083
Retained earnings	7	521,063	540,450
Other reserves	7	37,830	42,052
Total equity		870,360	894,916
Total equity and liabilities		875,276	903,711

The accompanying notes are an integral part of the Parent Company financial statements.

As permitted by Section 408 of the Companies Act 2006, the profit and loss of the Company has not been presented in these financial statements. The profit for the financial year dealt with in the financial statements of the Company was £2,000,000 (2024: £1,180,000).

The financial statements on pages 174 to 180 were approved by the Board of Directors of Moonpig Group plc (registered number 13096622) on 25 June 2025 and were signed on its behalf by:

Nickyl Raithatha
Chief Executive Officer
25 June 2025

Andy MacKinnon
Chief Financial Officer
25 June 2025

Company statement of changes in equity

For the year ended 30 April 2025

	Note	Share capital £000	Share premium £000	Retained earnings £000	Other reserves £000	Total equity £000
As at 1 May 2023		34,211	278,083	535,232	42,031	889,557
Profit for the year		–	–	1,180	–	1,180
Total comprehensive income for the year		–	–	1,180	–	1,180
Share-based payments	7	–	–	–	4,179	4,179
Share options exercised		–	–	4,038	(4,158)	(120)
Issue of ordinary shares		120	–	–	–	120
As at 30 April 2024		**34,331**	**278,083**	**540,450**	**42,052**	**894,916**
Profit for the year		**–**	**–**	**2,000**	**–**	**2,000**
Total comprehensive income for the year		**–**	**–**	**2,000**	**–**	**2,000**
Share-based payments	7	**–**	**–**	**–**	**1,839**	**1,839**
Share options exercised		**–**	**–**	**6,270**	**(6,429)**	**(159)**
Issue of ordinary shares		**159**	**–**	**–**	**–**	**159**
Own shares purchased for cancellation		**–**	**–**	**–**	**(25,000)**	**(25,000)**
Own shares cancelled		**(1,106)**	**–**	**(24,262)**	**25,368**	**–**
Dividends paid to equity holders		**–**	**–**	**(3,395)**	**–**	**(3,395)**
As at 30 April 2025		**33,384**	**278,083**	**521,063**	**37,830**	**870,360**

The accompanying notes are an integral part of the Parent Company financial statements.

Notes to the Company financial statements

1 General information

Basis of preparation

Moonpig Group plc (the "Company" or "Parent Company") is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in England, the United Kingdom under the Companies Act 2006 (the "Act"), as applicable to companies using FRS 101. The Company was incorporated on 23 December 2020 and adopted Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) from that date. The Company's registered address is Herbal House, 10 Back Hill, London, EC1R 5EN.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken, including those relating to:

- A cash flow statement and related notes.
- Comparative year reconciliations.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new but not yet effective IFRSs.
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Group include equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the disclosures under IFRS 2 related to Group-settled share-based payments.

The preparation of the financial statements requires the Directors to make judgements and estimates that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities.

The Company financial statements have been prepared in Sterling, which is the functional and presentational currency of the Company. All figures presented are rounded to the nearest thousand (£000), unless otherwise stated.

The Directors have used the going concern principle on the basis that the current profitable financial projections and facilities of the consolidated Group will continue in operation for a period not less than 12 months from the date of this report.

Amounts paid to the Company's auditors in respect of the statutory audit were £37,080 (2024: £36,000). The charge was borne by a subsidiary company and not recharged.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the accounting policies and the reported amounts of assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Carrying amount of investment in subsidiary

The areas of critical accounting judgements and estimates which have the greatest potential effects on the amounts recognised in the financial statements are the key assumptions in the impairment review on the investment recognised on the Company balance sheet. Annually, the investment balance is subject to an impairment review, the critical accounting judgements and estimates made in the value in use calculation of the investment's recoverable amount are:

- Pre-perpetuity compound annual revenue growth rate of 8.5% (2024: 10.3%); and
- Discount rate of 14.0% (2024: 14.3%).

Sensitivity analysis relating to these critical accounting judgements and estimates are set out in Note 4.

2 Summary of significant accounting policies

Investments
The investments balance is in relation to investments in subsidiary undertakings and is held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying amount of the related investment.

The area of judgement which has the greatest potential effect on the amounts recognised in the financial statements is the impairment review on the investments recognised on the Company balance sheet. Annually, the investment balance is subject to an impairment review, as detailed below. Details of the assumptions used in the value in use calculation and sensitivities performed are explained in Note 4 of these Parent Company financial statements.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Other accounting policies
For other accounting policies, please refer to the Group accounting policies on pages 138 to 144.

3 Directors' emoluments

The Company has no employees. Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on pages 101 to 119.

4 Investments

	2025 £000	2024 £000
As at 1 May	845,468	845,468
As at 30 April	**845,468**	845,468

The Company's share price increased during the year, however the carrying amount of the Company's investments at £845.5m was more than its market capitalisation of £767.8m as at 30 April 2025. IAS 36 specifies this as an indicator that impairment may have arisen. Accordingly, the Company has assessed the recoverable amount of its investment in subsidiary. Recoverable amount is determined as the higher of the fair value less costs of disposal and value in use (VIU) based on estimated future cash flows that are discounted to their present value.

Estimated future cash flows are based on the approved Group plan, including the FY26 budget, for the three years ending 30 April 2028. The estimated future cash flows are identical to those used for the Group's viability statement. They have been extended by a further two years before applying perpetuity using an estimated long-term growth rate. When estimating value in use, the Group does not include estimated future cash flows that are expected to arise from improving or enhancing the asset's performance.

Scenario analysis performed as part of the Group's disclosure against the Task Force on Climate-related Financial Disclosures (TCFD) (pages 34 to 35) identified two transition-related climate risks with potential revenue and cost implications. The analysis considered three scenarios: business as usual (>4°C by 2100); an unequal world (2.5°C by 2100); and the Paris Agreement Ambition (1.5°C by 2050), with the most material risks arising under the Paris Agreement Aligned scenario:

For the risk of carbon taxation, we modelled the gross (unmitigated) financial impact under a Paris Agreement Aligned scenario, assuming the introduction of carbon taxes from FY28. Sensitivity analysis indicates headroom of £38.5m.

For the risk of shifting consumer sentiment, scenario analysis was conducted to evaluate the potential consequences of different climate policy pathways. However, the significant uncertainty surrounding behavioural and market response assumptions means that any attempt to quantify a specific financial impact would be highly speculative, hence no such estimate can be meaningfully determined at this stage.

The Company has identified the following key assumptions as having the most significant impact on the VIU calculation:

	Key assumptions	
	2025	2024
Pre-tax discount rate[1]	14.0%	14.3%
Revenue compound annual growth rate (CAGR)[2]	8.5%	10.3%

1 The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the cash generating units. The pre-tax discount rates used to calculate value in use are derived from the Group's post-tax weighted average cost of capital.

2 The compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

3 In the prior year, the pre-perpetuity period of six years was a key assumption as it exceeded the five-year maximum typically presumed under IAS 36, which requires justification for longer forecast horizons. In FY25 the pre-perpetuity period is five years and therefore no longer constitutes a key assumption.

The Company has performed sensitivity analysis to assess the impact of a plausible change in each key assumption in the VIU. The relevant scenario, in relation to a revenue decrease, is consistent with the more severe downside scenario (plausible scenario 2) prepared in connection with the viability statement at page 70.

Notes to the Company financial statements continued

4 Investments continued

The Company has separately modelled the impact of a 1%pt increase in the discount rate and a 2.1%pts decrease in the compound annual revenue growth rate. The Company has also modelled a scenario in which both of these changes arise concurrently.

The below table summarises the results of these sensitivities:

	Sensitivity analysis 2025 £m	Sensitivity analysis 2024 £m
Original headroom	92.5	129.8
Headroom using a discount rate increased by 1%pt	(11.4)	12.8
Headroom using a 2.1%pts decrease in the forecast revenue CAGR[1,2] (2024: 2.7%pts decrease in forecast revenue)	(119.3)	(71.6)
Headroom using a pre-perpetuity period reduced by one year[3]	N/a	1.5
Headroom combining both sensitivity scenarios detailed above	(203.3)	(266.7)

1 The revenue compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

2 The 2.1%pts revenue CAGR decrease is inclusive of the 2.2%pts revenue CAGR decreases modelled as part of the Experiences and Greetz goodwill calculations (refer to Note 12) and a 10% reduction in the forecast revenue in the Moonpig segment.

3 In the prior year, the pre-perpetuity period of six years was a key assumption as it exceeded the five-year maximum typically presumed under IAS 36, which requires justification for longer forecast horizons. In FY25 the pre-perpetuity period is five years and therefore no longer constitutes a key assumption.

No impairment to the carrying amount of the investment has been recorded in the current year, reflecting the fact that the carrying amount remains higher than the recoverable amount. However, in view of the outcome of the sensitivity analysis, the Directors have identified that each of the key assumptions are a major source of estimation uncertainty that has a significant risk of resulting in an adjustment to the carrying amount within the year ending 30 April 2026 under paragraph 125 of IAS 1. We have therefore provided the disclosure above of quantification of all key assumptions in the value in use estimate and the impact of a change in each key assumption.

The Directors specifically considered the fact that the Company's market capitalisation at the reporting date was lower than the carrying amount of its investments in subsidiaries. They concluded that no impairment is required because of this, basing their conclusion on the value in use calculation. The Directors consider that listed companies' share prices are not directly correlated with the recoverable amount of their investments in subsidiaries.

Subsidiary undertakings are disclosed within Note 26 of the Group financial statements.

5 Debtors

	2025 £000	2024 £000
Current		
Amounts owed by Group companies	29,768	57,922
Other receivables	–	13
Prepayments	40	28
Debtors	29,808	57,963

Within the amount owed by Group companies is a loan receivable subject to interest and repayable on demand. As at 30 April 2025, the amount bears interest at a rate of 7.22% (2024: 8.24%). IFRS 9 expected credit losses have been assessed as immaterial in relation to both balances.

6 Creditors

	2025 £000	2024 £000
Current		
Amounts owed to Group companies	1,334	1,435
Trade payables	65	–
Other payables	993	5,340
Other taxation and social security	594	1,047
Accruals	4	59
Creditors	2,990	7,881

	2025 £000	2024 £000
Non-Current		
Other payables	–	–
Other taxation and social security	1,926	914
Creditors	1,926	914

7 Share capital and reserves

Called-up share capital

Ordinary share capital represents the number of shares in issue at their nominal value. Ordinary shares in the Company are issued, allotted and fully paid-up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Shareholding as at 30 April 2025:

	2025 Number of shares	2025 £000	2024 Number of shares	2024 £000
Allotted, called-up and fully paid ordinary shares of £0.10 each	333,842,745	33,384	343,310,015	34,331

Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the par value of the shares was £0.10 whereas the initial offering price was £3.50. Share premium is stated net of direct costs of £736,000 (2024: £736,000) relating to the issue of the shares.

Other reserves

Other reserves represent the share-based payment reserve, own shares held reserve and the capital redemption reserve.

Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the consolidated income statement. Upon the exercise of share options, the cumulative amount recognised in the share-based payment reserve is recycled to retained earnings, reflecting the transfer of value to the equity of the Company.

Own shares held reserve

The own shares held reserve represents the equity account used to record the cost of the Company's own shares that have been repurchased. These shares are not considered outstanding for the purposes of calculating earnings per share and do not carry voting rights or the right to receive dividends while held by the Company. Shares purchased for cancellation are included in the own shares held reserve until cancellation, at which point the consideration is transferred to retained earnings and the nominal value of the shares is transferred from share capital to the capital redemption reserve.

Capital redemption reserve

The capital redemption reserve reflects the nominal amount of shares bought back and cancelled.

Notes to the Company financial statements continued

7 Share capital and reserves continued

	Share-based payment reserve £000	Own shares held reserve £000	Capital redemption reserve £000	Total other reserves £000
As at 1 May 2023	42,031	–	–	42,031
Share-based payments	4,179	–	–	4,179
Share options exercised	(4,158)	–	–	(4,158)
As at 30 April 2024	42,052	–	–	42,052
As at 1 May 2024	42,052	–	–	42,052
Share-based payments	1,839	–	–	1,839
Share options exercised	(6,429)	–	–	(6,429)
Own shares purchased for cancellation	–	(25,000)	–	(25,000)
Own shares cancelled	–	24,262	1,106	25,368
As at 30 April 2025	37,462	(738)	1,106	37,830

8 Distributable reserves

As at 30 April 2025 the distributable reserves of Moonpig Group plc are as follows:

Retained profit

	2025 £000	2024 £000
As at 1 May	540,450	535,232
Profit for the year	2,000	1,180
Share options exercised	6,270	4,038
Cancellation of shares bought back	(24,262)	–
Dividends paid	(3,395)	–
As at 30 April	521,063	540,450

Other reserves

	2025 £000	2024 £000
Share-based payment reserve	37,462	42,052
Capital redemption reserve	1,106	–
Total	38,568	42,052
Total distributable reserves	559,631	582,502

The distributable reserves of the Company, which stand at £559,631,000 (2024: £582,502,000), represent the accumulated profits available for distribution to shareholders as dividends. At the balance sheet date, the Company meets both the net asset test and the profit test set out in Companies Act 2006, therefore there are no current restrictions on dividend distribution.

This statement has been prepared in accordance with applicable accounting standards and reflects the Company's financial position as of the reporting date.

9 Related party transactions

Under FRS 101 "Related party disclosures" the Company is exempt from disclosing related party transactions with entities which it wholly owns. There are no other related party transactions.

10 Events after the balance sheet date

Refer to Note 27 of the Group financial statements.

Alternative Performance Measures

Adjusted EBITDA

Adjusted EBITDA is a measure of the Group's operating performance and debt servicing ability. It is calculated as operating profit adding back depreciation and amortisation and Adjusting Items (Note 6 of the Group financial statements).

Depreciation and amortisation can fluctuate, is a non-cash adjustment and is not linked to the ongoing trade of the Group.

Adjusting Items are excluded as management believe their nature distorts trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade.

A reconciliation of operating profit to Adjusted EBITDA is as follows:

	2025 £000	2024 £000
Operating profit	13,289	66,284
Depreciation and amortisation	18,949	17,444
Adjusting Items	64,551	11,802
Adjusted EBITDA	96,789	95,530

Adjusted EBIT

Adjusted EBIT is the operating profit and before Adjusting Items.

	2025 £000	2024 £000
Operating profit	13,289	66,284
Adjusting Items	64,551	11,802
Adjusted EBIT	77,840	78,086

Adjusted PBT

Adjusted PBT is the profit before taxation and before Adjusting Items.

	2025 £000	2024 £000
PBT	2,958	46,400
Adjusting Items	64,551	11,802
Adjusted PBT	67,509	58,202

Adjusted PAT

Adjusted PAT is the profit/(loss) after taxation, before Adjusting Items and the tax impact of these adjustments.

The Adjusted PAT is used to calculate the underlying basic earnings per share in Note 11 of the Group financial statements.

	2025 £000	2024 £000
PAT	(11,080)	34,169
Adjusting Items	64,551	11,802
Tax impact of the above	(1,977)	(2,385)
Adjusted PAT	51,494	43,586

Alternative Performance Measures continued

Net debt

Net debt is a measure used by the Group to reflect available headroom compared to the Group's secured debt facilities.

The calculation is as follows:

	2025 £000	2024 £000
Borrowings	(95,096)	(118,365)
Cash and cash equivalents	12,649	9,644
Lease liabilities	(13,498)	(16,329)
Net debt	**(95,945)**	(125,050)

Ratio of net debt to Adjusted EBITDA

The ratio of net debt to last twelve months Adjusted EBITDA helps management to measure its ability to service debt obligations. The calculation is as follows:

	2025 £000	2024 £000
Net debt	(95,945)	(125,050)
Adjusted EBITDA	96,789	95,530
Net debt to Adjusted EBITDA	**0.99:1**	1.31:1

Free Cash Flow

Free Cash Flow is defined as net cash generated from operating activities, less cash flow from investing activities; it excludes proceeds from or payments for mergers and acquisitions but (as a practical expedient and for greater consistency with IAS 7 classification of cash flows) is not adjusted to exclude bank interest received. The calculation is as follows:

	2025 £000	2024 £000
Net cash generated from operating activities	79,201	74,575
Cash flow from investing activities	(13,148)	(13,549)
Free Cash Flow	**66,053**	61,026

Operating cash conversion

Operating cash conversion is operating cash flow divided by Adjusted EBITDA, expressed as a ratio.

The calculation of operating cash conversion is as follows:

	Year ended 30 April 2025 £m	Year ended 30 April 2024 £m
Profit before tax	3.0	46.4
Add back: Net finance costs	10.3	19.9
Add back: Adjusting Items (excluding share-based payments)	64.6	10.7
Add back: Share-based payments	–	1.1
Add back: Depreciation and amortisation (excluding acquisition amortisation)	18.9	17.4
Adjusted EBITDA	96.8	95.5
Less: Capital expenditure (fixed and intangible assets)	(13.3)	(13.7)
Adjust: Impact of share-based payments[1]	1.8	3.1
Add back: (Increase)/decrease in inventories	(1.4)	5.2
Add back: Decrease in trade and other receivables	0.8	0.3
Add back: Decrease in Experiences merchant accrual	(6.8)	(8.2)
Add back: Increase/(Decrease) in trade and other payables	4.4	(8.0)
Operating cash flow	82.3	74.2
Operating cash conversion	85%	78%
Add back: Capital expenditure (fixed and intangible assets)	13.3	13.7
Add back: Loss on disposal and impairment of goodwill	56.7	–
Add back: Loss on foreign exchange	–	0.2
Less: Adjusting Items (excluding share-based payments and acquisition amortisation)	(56.7)	(2.4)
Less: Research and development tax credit	(0.2)	(0.4)
Cash generated from operations	95.4	85.3

1 Comprises: (1) the add-back of non-cash share-based payment charges of £1.8m (FY24: £2.6m) relating to operation of post-IPO Remuneration Policy, which are not classified as an Adjusting Item; offset by (2) the cash impact of employer's national insurance of £nil (FY24: £0.2m) arising on pre-IPO share-based payment charges, which are classified as an Adjusting Item (Refer to Note 6). In FY24 the charge was offset by a release of £0.7m in relation to a true up of NI at year-end to reflect the share price at the vesting date of the pre-IPO share awards.