

Samarkand Group Limited
("Samarkand", the "Company" or together with its subsidiaries the "Group")
Full Year Results FY 25

Samarkand Group Limited (JPJ: SMK), the consumer brand owner, announces full year results for year ended 31 March 2025 ("FY25")

(1) FY25 Financial Highlights

- Group revenues decreased by 34% to £11.1m (2024: £16.9m), as the Group restructured around its owned brand portfolio and exited unsustainable operations:
 - Revenue from continuing operations increased by 2% after factoring the disposal of Probio7 in June 2024 and the acquisition of Optimised Energetics in May 2024.
 - Revenue from discontinuing operations decreased by 71% to £2.4m (2024: £8.4m)
- Revenues generated from owned brand portfolio (**Napiers the Herbalists**, **Zita West** and **Natures Greatest Secret**) grew 13% over prior year on a like for like basis.
- Gross margins from continuing operations increased by 6% points over prior year as a result of improvement mix in favour of owned brands and operating leverage.
- Adjusted EBITDA loss was in line with prior year at £0.9 million, despite lower top line revenues:
 - Adjusted EBITDA loss from continuing operations was £0.2m (2024: £0.5m)
 - Adjusted EBITDA loss from discontinuing operations was £0.7m (2024: £0.4m)
- Run rate overheads continued to reduce through the period as the Group restructured its cost base around its owned brands.
- Net losses after tax for the Group were £0.5m (2024: £4.8m):
 - Profit after tax from continuation operations were £0.5m (2024: loss £1.5m)
 - Losses after tax from discontinued operations were £1.0m (2024: £3.3m)
- Cash and cash equivalents as at 31 March 2025 was £0.8m (2024: £0.9m).

(2) FY 25 Strategic and Operational Highlights

- Strong growth momentum in our owned brand portfolio in the UK with **Napiers the Herbalists** growing revenues 41%, **Zita West** 23% with both brands delivering material improvements in contribution margins year over year.
- Successful new product developments, marketing enhancements and the establishment of new routes to consumer contributed to strong growth in our owned brand portfolio.
- In house development and formulation, manufacturing and warehousing capabilities shared across owned brands have delivered speed to market enabling our brands to move quickly to capitalise on trends as well as delivering operating leverage across the portfolio.

(3) Post Year End Highlights

- The new financial year has started in line with our plan producing a breakeven first quarter and profitable first half at the EBTIDA level and we expect this trend to improve over time.
- Growth momentum on Zita West and Natures Greatest Secret brands has continued while growth in Napiers has moderated as we cycle exceptional growth in the first quarter of the prior year.
- Underlying proforma growth across our portfolio of owned brands, excluding discontinued activities, is running in the range of 10%-15% vs prior year.
- Napiers the Herbalists our natural herbal apothecary brand celebrated its 165th birthday in May 2025 and has recently been cited by the Times as one of the best independent shops to visit in Edinburgh.
- Following a shareholder vote in favour, the Group withdrew its listing form AQSE Growth Market in May 2025 and subsequently re-registered as a private company with new articles of association. Samarkand Group Limited is present on the JP Jenkins match bargain platform.
- On 23 September 2025, the Group entered into a new convertible loan facility agreement with Global Smollan Holdings, which replaced the existing loan notes. Under the new facility, the repayment date has been extended to 25 May 2027. If the loan and accrued interest are not repaid by the repayment date, the outstanding balance will become convertible into equity at the election of Global Smollan Holdings, in accordance with the terms of the facility agreement.
- In September 2025, the Group also entered into a convertible loan facility with the executive directors. This facility relates to their deferred salaries and expenses and reflects the same terms as Smollan loan. If the loan and accrued interest are not repaid by the repayment date, the outstanding balance will become convertible into equity in accordance with the terms of the facility agreement.

David Hampstead, Chief Executive Officer of Samarkand commented: We are now a simpler, focused business, fully dedicated to the profitable growth and development of our owned brand portfolio. I am pleased with the momentum we are generating on our owned brands and that extensive restructuring efforts taken to enable this focus are paying off in the form improved trading results.

Our brands resonate with consumers and customers, are meaningfully differentiated vs the competition, are well positioned on long term growth segments and enjoy healthy unit economics. Run rate revenues for our owned brand portfolio are in the range of £8 to £9 million and we see strong potential for further growth and development in our portfolio of owned brands.

For more information, please contact:

Samarkand Group

<https://samarkand.global/>

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Samarkand is a consumer brand owner operating a scale up platform for meaningful different, high growth, high potential health and healing brands. Owned brands include Napiers the Herbalists, Scotland's oldest natural herbal apothecary brand and Zita West, a leading specialist supplement line for fertility and reproductive health as well as Natures Greatest Secret a leading colloidal silver-based health and healing brand. Founded in 2016, Samarkand is headquartered in Tonbridge, UK .

For further information please visit <https://www.samarkand.global/>

END

Business Review

Overall, Group revenues for the year decreased by 34% to £11.2m (2024: £16.9m). This is a result of revenues from discontinued operations decreasing to £2.4m (2024: £8.4m) reflecting the strategic exit from China cross border distribution activities.

Revenues in Brand Ownership grew 2% to £7.9m (2024: £7.7m), on a like-for-like basis this it is up 13%, factoring in disposal of Probio7 and acquisition of Optimised Energetics in the year. Distribution revenues increased by 11% to £0.82m (2024: £0.74m).

Revenues from continuing operations increased to £8.8m (2024: £8.6m), however it is important to note that these figures only include 2.5 months of revenues from its Probio7 brand, which was disposed in June 2024, and 10 months of revenues from Natures Greatest Secret and Benatural which was acquired in May 2024, and not included in the previous year. On a like-for-like basis, adjusting for these changes, revenue from continuing operations grew by 12% demonstrating underlying momentum across the Group's core business.

The Group's gross margin from continuing operations increased to 70% from 64%, driven by the acquisition of Optimised Energetics and the improvements made to gross margins in its core own brands, Zita West and Napiers the Herbalists.

Operating expenses

Selling and distribution expenses from continuing operations have remained flat at 31% (2024: 31%).

Administrative expenses from continuing operations, excluding non-recurring costs increased to £3.6m (2024: £3.3m) as a result of the acquisition of Optimised Energetics. The Group incurred a number of significant non-recurring costs which have been shown separately in the financial statements. These items include, disposal of a brand asset, impairment loss, and redundancy and restructuring costs as a result of the Group's adjustment to its cost base.

The Group's total head count as at 31 March 2025 was 50 (2024: 87).

Depreciation and amortisation

The total depreciation and amortisation costs were £0.2m and £0.2m respectively (2024: £0.3m and £0.7m).

Adjusted EBITDA

Adjusted EBITDA means the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, and Amortisation and exceptional items. It provides a useful measure of the underlying profitability of the business and is used by management to evaluate the operating performance to make financial, strategic and operating decisions and provides the underlying trends on a comparable basis year on year.

Adjusted EBITDA losses from continuing operations decreased to £0.2m (2024: £0.5m). The decrease in losses is a result of the adjustments made to the Group's cost base, improvements made in operating efficiencies and continued strong growth in our owned brands.

	Mar-25	Mar-24
Operation profit/(loss) from continuing operations	654,931	(1,368,506)
Depreciation and amortisation	369,596	486,302
Share-based payment	(146,479)	191,800
Impairment Loss	46,377	-

Restructuring costs	162,365	187,430
Disposal of Brand Asset (note 12)	(1,063,127)	-
Revaluation of deferred consideration	(194,439)	-
Adjusted EBITDA	(170,776)	(502,974)

Earnings per share

Basic and diluted loss per share was 0.90 pence per share (2024: 8.15 pence per share).

Net debt

	Mar-25	Mar-24
Cash and cash equivalents	820,427	867,524
Lease liabilities	(770,293)	(717,400)
Borrowings	(1,887,143)	(1,496,488)
Net debt	(1,837,009)	(1,346,364)

At the year end, the Group's net debt position was £1.8m (2024: £1.3m), excluding the IFRS 16 lease liabilities, net debt was £1.1m (2024: £0.6m). The Group's cash from operating activities remain flat £0.8m (2024: £0.8m), factoring in tax credit/(paid) the cash flow from operating activities was £0.9m (2024: £0.6m).

The disposal of Probio7 in June 2024 and the acquisition of Optimised Energetics in May 2024 saw a cash inflow from investing activities of £0.8m (2024: outflow £0.2m). The proceeds from working capital loans, repayment of borrowings and lease liabilities, the net cash from financing activities was £0.01m (2024: net cash used £0.3m).

Financing costs of £0.24m (2024: £0.26m) comprised of interest expenses of £0.2m (2024: £0.1m).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2025	Year ended 31 March 2024 Restated
	£	£
Continuing operations		
Revenue	8,761,855	8,568,923
Cost of sales	(2,598,009)	(3,124,520)
Gross profit	6,163,846	5,444,403
Selling and distribution expenses	(2,715,323)	(2,656,126)
Administrative expenses	(2,423,996)	(3,670,481)
Adjusted EBITDA*	(170,776)	(502,974)
Share-based payment and reversal	146,479	(191,800)
Adjusting items - impairment	(46,377)	-
Adjusting items - other	1,095,201	(187,430)
EBITDA*	1,024,527	(882,204)
Depreciation and amortisation	(369,596)	(486,302)
Operating profit/(loss)	654,931	(1,368,506)
Finance income	7,165	6,856
Finance costs	(202,909)	(151,929)
Profit/(loss) before taxation from continuing operations	459,187	(1,513,579)
Taxation	21,027	13,475
Profit/(loss) after taxation from continuing operations	480,214	(1,500,104)
Discontinued operations		
Loss after taxation from discontinued operations	(1,029,834)	(3,297,956)
Loss for the year	(549,620)	(4,798,060)
Loss attributable to:		
Equity holders of the Company	(523,765)	(4,756,999)
Non-controlling interests	(25,855)	(41,061)
	(549,620)	(4,798,060)
Basic earnings/(loss) per share		
- From continuing operations	0.0082	(0.0257)
- From discontinued operations	(0.0172)	(0.0558)
	(0.0090)	(0.0815)
Diluted earnings/(loss) per share		
- From continuing operations	0.0078	(0.0257)
- From discontinued operations	(0.0172)	(0.0558)
	(0.0094)	(0.0815)
<i>Other comprehensive income and loss:</i>		
Exchange differences on translation of foreign operations	(12,883)	(7,227)
Items that may be reclassified to profit and loss in subsequent periods	(12,871)	(7,227)
Total comprehensive loss for the year	(562,503)	(4,805,287)

Comprehensive loss attributable to:

Equity holders of the Company	(536,648)	(4,764,226)
Non-controlling interests	(25,855)	(41,061)
	<u>(562,503)</u>	<u>(4,805,287)</u>

Comprehensive income/(loss) attributable to Equity holders of the Company

From continuing operations	506,069	(1,459,043)
From discontinued operations	(1,042,717)	(3,305,183)
	<u>(536,648)</u>	<u>(4,764,226)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 March 2025	31 March 2024 Restated
	£	£
ASSETS		
Intangible assets	5,526,777	4,585,661
Property, plant and equipment	224,706	77,092
Right-of-use assets	714,645	688,628
Deferred Tax Asset	13,912	7,193
Non-current assets	<u>6,480,040</u>	<u>5,358,574</u>
Inventories	1,260,626	2,370,941
Trade receivables	582,534	1,175,380
Corporation tax recoverable	29,410	59,376
Other receivables and prepayments	803,230	625,248
Cash and cash equivalents	820,427	867,524
Held for sale	-	216,597
Current assets	<u>3,496,227</u>	<u>5,315,066</u>
Total assets	<u>9,976,267</u>	<u>10,673,640</u>
EQUITY AND LIABILITIES		
Share capital	583,582	583,582
Share premium	22,954,413	22,954,413
Merger relief reserve	(2,063,814)	(2,063,814)
Accumulated loss	(17,620,447)	(16,950,203)
Currency translation reserve	(99,470)	(86,587)
Total equity attributable to parent	<u>3,754,264</u>	<u>4,437,391</u>
Non-controlling interest	(206,158)	(180,303)
Total equity	<u>3,548,106</u>	<u>4,257,088</u>
Lease liabilities	597,160	617,819
Borrowings	60,848	1,434,895
Deferred tax liability	365,256	320,630
Accrued liabilities	646,000	-
Total non-current liabilities	<u>1,669,264</u>	<u>2,373,344</u>
Trade and other payables	2,291,334	3,401,814
Corporation tax payable	20,158	-
Deferred revenue	447,977	480,220
Borrowings	1,826,295	61,593
Lease liabilities	173,133	99,581
Total current liabilities	<u>4,758,897</u>	<u>4,043,208</u>
Total liabilities	<u>6,428,161</u>	<u>6,416,552</u>
Total liabilities and equity	<u>9,976,267</u>	<u>10,673,640</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Merger relief reserve	Currency translation reserve	Accumulated loss Restated^	Non- controlling interests	Total Equity Restated
	£	£	£	£	£	£	£
Balance at 1 April 2023 (restated)^	583,582	22,954,413	(2,063,814)	(79,360)	(12,385,004)	(139,242)	8,870,575
Loss after taxation	-	-	-	-	(4,756,999)	(41,061)	(4,798,060)
Other comprehensive loss	-	-	-	(7,227)	-	-	(7,227)
<i>Total comprehensive loss for the year</i>	-	-	-	(7,227)	(4,756,999)	(41,061)	(4,805,287)
Share based payments	-	-	-	-	191,800	-	191,800
	-	-	-	-	191,800	-	191,800
Balance at 31 March 2024 (restated)^	583,582	22,954,413	(2,063,814)	(86,587)	(16,950,203)	(180,303)	4,257,088
Loss after taxation	-	-	-	-	(523,765)	(25,855)	(549,620)
Other comprehensive loss	-	-	-	(12,883)	-	-	(12,883)
<i>Total comprehensive loss for the year</i>	-	-	-	(12,883)	(523,765)	(25,855)	(562,503)
Share based payments	-	-	-	-	(146,479)	-	(146,479)
	-	-	-	-	(146,479)	-	(146,479)
Balance at 31 March 2025	583,582	22,954,413	(2,063,814)	(99,470)	(17,620,447)	(206,158)	3,548,106

^ refer to note 3 for further details on the prior period opening balance restatement

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 March 2025 £	31 March 2024 £
<i>Cash flows from operating activities</i>		
Profit/(loss) after taxation from continuing operations	480,214	(1,500,104)
Loss after taxation from discontinued operations	(1,029,834)	(3,297,956)
<i>Cash flow from operations reconciliation:</i>		
Disposal of Brand Asset (note 12)	(1,063,127)	-
Depreciation and amortisation	377,358	989,208
Impairment of Intangible asset	46,377	2,080,746
Finance expense	199,720	113,225
Finance income	(7,165)	(6,856)
Income tax charge/(credit)	8,940	(69,520)
Share based payment	(146,479)	191,800
<i>Working capital adjustments:</i>		
(Increase)/decrease in inventories	692,134	(158,714)
Decrease in trade and other receivables	492,239	628,522
(Decrease)/increase in trade and other payables	(845,283)	187,942
Cash used in operating activities	(794,906)	(841,707)
Taxes received/(paid)	(69,476)	224,615
Net cash used in operating activities	(864,382)	(617,092)
<i>Cash flows from investing activities</i>		
Purchase of property, plant and equipment	(104,387)	(37,484)
Purchase of intangible assets	(8,743)	(220,734)
Payment of deferred consideration	(140,625)	-
Acquisition of subsidiary, net of cash acquired	(535,620)	-
Disposal of Brand Asset	1,587,984	-
Disposal of property, plant and equipment	1,673	84,206
Disposal of right of use asset	-	(47,813)
Disposal of intangible asset	1,421	16,435
Finance income	7,165	6,856
Net cash used in investing activities	808,868	(198,534)
<i>Cash flows from financing activities</i>		
Repayment of right-of-use lease liabilities	(205,242)	(283,218)
Interest paid	(24,784)	(21,717)
Proceeds from other loans	571,805	31,363
Repayment of borrowings	(329,485)	(54,857)
Net cash generated used in/(from) financing activities	12,294	(328,429)
Net decrease in cash and cash equivalents	(43,220)	(1,144,055)
Cash and cash equivalents – beginning of the year	867,524	2,017,150
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3,877)	(5,571)
Cash and cash equivalents – end of the year	820,427	867,524

1. General Information

Samarkand Group Limited was incorporated in England and Wales on 12 January 2021 as a public company with limited liability under the Companies Act 2006.

Samarkand Group Limited's registered office is Unit 13 Tonbridge Trade Park, Ingot Way, Tonbridge, TN9 1GN.

The Consolidated Group financial statements represent the consolidated results of Samarkand Group plc and its subsidiaries, (together referred to as the "Group").

2. Basis of preparation and measurement

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The financial information set out in this document does not constitute the Group's statutory accounts for the year ended 31 March 2025 or 31 March 2024.

Statutory accounts for the year ended 31 March 2024 have been filed with the Registrar of Companies and those for the year ended 31 March 2025 will be delivered to the Registrar in due course; both have been reported on by independent auditors. The independent auditor's report for the year ended 31 March 2025 is unmodified with the material uncertainty in respect of going concern:

We draw your attention to the going concern paragraph below, which indicates the key risks and uncertainties which may affect the future prospects and trading activities of the group.

The group continues to be loss making. The group reported total comprehensive loss of £0.5m. The going concern paragraph below indicates that the Directors recognise the importance of moving the group into profitability and have made progress towards this goal. The going concern note below comments that, in addition, the Directors are actively exploring additional funding options to support the Group's operations and long-term viability. The loan of £1.4m is repayable to Global Smollan Holdings (largest shareholder) and was due in September 2025. This has since been extended 20 months to May 2027. In June 2024, the Group completed the disposal of its Probio7 brand. At the beginning of 2025, the combination of falling demand and unfavourable market conditions led the Group to close its operations in China and cease the distribution of third-party brands into China. Notwithstanding this progress, the trading period remains relatively limited and, on its own, does not yet evidence sustained profitability; taken together, these factors indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The independent auditor's reports on the Annual Report and Accounts for the year ended 31 March 2024 was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006 but included a material uncertainty in respect of going concern.

Going concern

The financial statements have been prepared on a going concern basis, assuming that the Group will continue its operations for the foreseeable future. The Directors have assessed the Company's ability to continue as a going concern, taking into consideration the current economic and market conditions, as well as the Group's financial performance and cash flow projections.

In the year ended 31 March 2024, the Group faced challenging market conditions in China. Revenues from third-party consumer brands in China declined compared with the prior year, reflecting an increasingly competitive dynamics and heightened price and promotional intensity. These conditions have persisted into the current financial year ending 31 March 2025, with revenues from third-party brands in China falling faster than forecast.

In response, the Group has been reconfiguring and restructuring its operations. At the beginning of 2025, the combination of falling demand and unfavourable market conditions led the Group to close its operations in China and cease the distribution of third-party brands into China. These actions enable the Group to focus resources on the growth of its owned brands.

In June 2024, the Group completed the disposal of its Probio7 brand. The proceeds of the disposal have enabled the Group to acquire Optimised Energetics Limited, a premium skincare manufacturer to secure its manufacturing services to Napiers, improving the overall Group's margins and profitability. Proceeds from the disposal have also allowed the Group to increase resources to support the growing working capital requirements of Napiers and Zita West.

The Group's owned brands performed ahead of expectations in the year, with strong revenue growth and profitable contributions from Napiers, Zita West, and the newly acquired Natures Greatest Secret and Benatural in the UK. The first half of the year ending 31 March 2026 has started positively, with strong underlying growth in its own brands enabling the Group to generate profit at the EBITDA level. The Directors assess the Group is positioned to generate consistent profits at the EBITDA level going forward.

While significant cost reductions have been implemented and options for additional funding continue to be progressed, if trading were to underperform against its current plan, there remain material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The loan with Global Smollan Holdings, originally due in September 2025, has been renewed for a further 20 months, evidencing continued support from the Group's largest strategic shareholder.

To address the material uncertainties, the Directors will continue to closely monitor performance, cash-flow forecasts and market conditions, and will seek further efficiencies where appropriate. On this basis, the financial statements are prepared on a going concern basis, while acknowledging the material uncertainties described above.

3. Restatement of Prior Year Opening Balances

During the period the Group reviewed the classification and presentation of the accruals made in relation to the Bonus Scheme for the financial year ending 31 March 2023. It was determined that following this review, the accrual was made in error, although the Financial and Non-Financial Performance Targets were met, the vesting conditions associated with nominal cost options were not. The opening balances for the year ending 31 March 2024 has therefore been restated, as a result, the Consolidated statement of financial position as at 31 March 2024 has been restated as follows:

	As reported 31 March 2024	Impact of Restatement	Restated 31 March 2024
Consolidated statement of financial position	£	£	£
Trade and other payables	(3,897,739)	495,925	(3,401,814)
Accumulated loss	(17,446,128)	495,925	(16,950,203)

4. Discontinued operations

During the year ended 31 March 2024, the Group made the decision to stop supporting the Nomad Checkout product, as a result of the evolving eCommerce Market in China, reduce the number of brands it works with, to focus on a select number of high potential clients, and on its owned brands.

During the year ending 31 March 2025, the combination of falling demand and unfavourable market conditions led the Group to discontinue all of its operations in China and cease the distribution of third-party brands into China. The Group will, however, continue to make its owned brands available in China through independent distribution partners. The results of the discontinued operations are presented as a single line in the Consolidated Statement of Income in accordance with IFRS.

The analysis between continuing and discontinued operations is as follows:

	Continuing Operations	Discontinued Operations	Total
For the year ended 31 March 2025	£	£	£
Revenue	8,761,855	2,410,928	11,172,783
Cost of sales	(2,598,009)	(1,552,955)	(4,150,964)
Gross profit	6,163,846	857,973	7,021,819
Selling and distribution expenses	(2,715,323)	(699,137)	(3,414,460)
Administrative expenses	(2,423,996)	(1,117,515)	(3,541,511)
Adjusted EBITDA	(170,776)	(722,896)	(893,672)
Share-based payment and reversal	146,479	-	146,479
Adjusting items - impairment	(46,377)	-	(46,377)
Adjusting items - other	1,095,201	(235,783)	859,418
EBITDA	1,024,527	(958,679)	65,848
Depreciation and amortisation	(369,596)	(7,762)	(377,358)
Operating profit/(loss)	654,931	(966,441)	(311,510)
Finance income	7,165	-	7,165
Finance costs	(202,909)	(33,426)	(236,335)
Profit/(loss) before taxation	459,187	(999,867)	(540,680)
Taxation	21,027	(29,967)	(8,940)
Profit/(loss) after taxation	480,214	(1,029,834)	(549,620)
Cash inflows/(outflows) from operating activities	373,259	(1,257,632)	(884,373)
Cash inflows from investing activities	828,869	-	828,869
Cash inflows from financing activities	12,293	-	12,293

	Continuing Operations	Discontinued Operations	Total
For the year ended 31 March 2024	£	£	£
Revenue	8,568,923	8,353,746	16,922,669
Cost of sales	(3,124,520)	(3,571,024)	(6,695,544)
Gross profit	5,444,403	4,782,722	10,227,125
Selling and distribution expenses	(2,656,126)	(3,059,093)	(5,715,219)
Administrative expenses	(3,670,481)	(4,464,931)	(8,135,412)
Adjusted EBITDA	(502,974)	(390,392)	(893,366)
Share-based payment and reversal	(191,800)	-	(191,800)
Adjusting items - impairment	-	-	-
Adjusting items - other	(187,430)	(270,164)	(457,594)
EBITDA*	(882,204)	(2,741,302)	(3,623,506)

Depreciation and amortisation	(486,303)	(502,906)	(989,208)
Operating profit/(loss)	(1,368,506)	(3,244,208)	(4,612,714)
Finance income	6,856	-	6,856
Finance costs	(151,929)	(109,793)	(261,722)
Profit/(loss) before taxation	(1,513,580)	(3,354,001)	(4,867,580)
Taxation	13,475	56,045	69,520
Profit/(loss) after taxation	(1,500,104)	(3,297,956)	(4,798,060)
Cash inflows/(outflows) from operating activities	(1,068,591)	451,499	(617,091)
Cash outflows from investing activities	(50,324)	(148,210)	(198,534)
Cash outflows from financing activities	(328,429)	-	(328,429)

5. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers from continuing operations:

	31 March 2025	31 March 2024 Restated
Revenue analysed by class of business:	£	£
Brand ownership	7,895,579	7,748,048
Distribution	823,429	740,999
Other	42,847	79,876
Total revenue	8,761,855	8,568,923
Cost of sales by business unit:		
Brand ownership	2,241,040	2,772,796
Distribution	356,969	351,413
Other	-	311
Total costs of sale	2,598,009	3,124,520

6. Intangible assets

	Development costs	Trademarks	Brands	Goodwill	Website	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	3,406,596	118,220	2,484,091	2,829,718	70,980	8,909,605
Additions	180,832	17,402	-	-	22,500	220,734
Disposal	-	-	-	(16,435)	-	(16,435)
Reclassify as held for sale	-	(70,634)	(459,916)	-	(24,130)	(554,680)
At 31 March 2024	3,587,428	64,988	2,024,175	2,813,283	69,350	8,559,224
 Additions	-	8,743	-	-	-	8,743
Disposal	-	(6,454)	-	-	-	(6,454)
Acquired through business combination	-	-	269,819	864,492	-	1,134,311
At 31 March 2025	3,587,428	67,277	2,293,994	3,677,775	69,350	9,695,824
 Amortisation						
At 1 April 2023	1,066,292	46,611	433,640	-	24,178	1,570,721
Impairment	2,058,771	4,446	-	10,236	7,293	2,080,746
Reclassify as held for sale	-	(39,602)	(287,448)	-	(11,033)	(338,083)
Charge for the year	462,365	16,770	161,938	-	19,106	660,179
At 31 March 2024	3,587,428	28,225	308,130	10,236	39,544	3,973,563
Charge for the year	-	6,639	138,453	-	8,546	153,638
Disposal	-	(4,531)	-	-	-	(4,531)
Impairment	-	1,397	19,998	24,982	-	46,377
At 31 March 2025	3,587,428	31,730	466,581	35,218	48,090	4,169,047
 Net book value						
At 31 March 2025	-	35,547	1,827,413	3,642,557	21,260	5,526,777
At 31 March 2024	-	36,763	1,716,045	2,803,047	29,806	4,585,661

Impairment of intangible assets

At each reporting date, the Directors assess whether indications exist that an asset may be impaired. If indications do exist, the Directors estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value-in-use.

Management have assessed that there are 2 cash generating units, these include Brand Ownership and Distribution. Brand Ownership includes the sale of our owned branded products through retailers, online and other marketplaces across the UK, China and ROW. Distribution includes the sale of third-party brands to UK and European retailers.

Management have performed an impairment review as required by IAS 36 and have concluded, as a result of historical losses and the decision to stop investing into one of its brand assets, Baba West, an impairment charge of £46,377 has been recognised which represents the carrying value of the brand. No impairment is indicated for its other brands under Brand Ownership.

The recoverable amount of the assets has been determined from a review of the current and forecasted performance of the cash generating unit through to March 2030. The key assumptions for these calculations are discount rates and revenue growth rates. In preparing these projections, a discount rate of 11% has been used based on the weighted average cost of capital and the perpetual growth rate of 4% has been assumed. Management has also made assumptions around the growth in relation to revenues generated from Brand Ownership Sales. This includes acquiring new customers, increasing the number of sales channels and partners in its distribution network and adjusting its cost base.

7. Right-of-use assets

	Land and buildings £
Cost	
At 1 April 2023	1,518,141
Additions	632,461
Disposal	(1,362,545)
At 31 March 2024	788,057
Additions	193,669
At 31 March 2025	981,726
Depreciation	
At 1 April 2023	1,028,251
Charge for the year	250,370
Disposal	(1,179,192)
At 31 March 2024	99,429
Charge for the year	167,652
At 31 March 2025	267,081
Net book value	
At 31 March 2025	714,645
At 31 March 2024	688,628

8. Inventories

	31 March 2025	31 March 2024
	£	£
Raw materials and consumables	234,713	-
Finished goods	1,483,060	2,770,112
Provision for obsolescence	(457,147)	(399,171)
Total inventories	<u>1,260,626</u>	<u>2,370,941</u>
Cost of inventory recognised in profit and loss		
From continuing operations	2,598,009	3,124,520
From discontinued operations	1,552,955	3,571,024
	<u>4,150,964</u>	<u>6,695,544</u>

9. Trade receivables

	31 March 2025	31 March 2024
	£	£
Trade receivables	630,596	1,325,677
Provision for expected credit loss	(48,062)	(150,297)
Total trade receivables	<u>582,534</u>	<u>1,175,380</u>

At 31 March 2025, the ageing of the trade receivables was as follows:

	31 March 2025	31 March 2024
	£	£
Not due	487,676	918,366
0 to 3 months overdue	90,605	265,216
Over 3 months overdue	52,315	142,095
Total trade receivables	<u>630,596</u>	<u>1,325,677</u>

10. Other receivables and prepayments

	31 March 2025	31 March 2024
	£	£
Accrued income	33,545	15,570
Prepayments	403,998	376,981
Other receivables	365,687	232,697
Total other receivables and prepayments	<u>803,230</u>	<u>625,248</u>

11. Trade and other payables

	31 March 2025	31 March 2024
	£	£
Trade payables	877,637	1,533,882
Accrued liabilities	757,461	877,765
Deferred consideration	866,000	554,439
Other payables	147,652	130,151
Other taxes and social security	288,584	305,576
Total	2,937,334	3,401,814
Current	2,291,334	3,401,814
Non-current	646,000	-
Total	2,937,334	3,401,814

12. Held for sale

For the year ending 31 March 2024, the Group has reclassified the non-current assets of Probio7 as held for sale. The carrying amount of the non-current assets reclassified to held for sale was £216,598. The reclassification has no impact on profit or loss for the year ended 31 March 2024. The impact of the reclassification on the statement of financial position was as follows:

	Before reclassification 31 March 2024	After reclassification 31 March 2024
	£	£
Non-current assets		
Intangible assets	216,597	-
	216,597	-
Current assets		
Held for sale	-	216,597
	-	216,597

In June 2024, the Group completed the disposal of its Brand Asset, Probio7, for a total consideration of £1.3m plus the value of inventory to be satisfied by an initial consideration of £1.1m in cash, deferred consideration of £0.2m plus the value of inventory, the deferred amounts are payable in cash, in equal instalments over 12-month period. The profit/loss of the disposal comprises the following:

	31 March 2025
	£
Initial Consideration	1,100,000
Deferred Consideration	200,000
Value of Inventories	517,349
Total proceeds	1,817,349

Cost to sell	(50,025)
Proceeds less cost to sell	1,767,324
Net book value of assets disposed	
Inventories	517,349
Intangible assets	217,104
Prepayments	2,513
Deferred tax liabilities	(32,769)
Net book value of assets disposed	704,197
Profit/(loss) from disposal	1,063,127

13. Business combinations during the year

Acquisition of Optimised Energetics Ltd

In May 2024, the Group acquired 100% of the share capital of Optimised Energetics Limited for total consideration of £1.3m comprising of initial consideration of £650,000 on a cash free debt free basis and deferred consideration of £650,000 payable in cash over three-year period.

Optimised Energetics Ltd owns natural health and healing brands Natures Greatest Secret and BeNatural and manufactures premium skincare on a contract basis for Napiers the Herbalist. This acquisition brings new on-profile, high growth and high potential brands into our portfolio and secures manufacturing services to our platform through vertical integration.

Details of the fair value of identifiable assets and liabilities acquired and purchase consideration and goodwill are as follows:

	Book value	Adjustment	Fair value
	£	£	£
Intangible assets	-	249,832	249,832
Property, plant and equipment	100,463	-	100,463
Inventories	99,181	-	99,181
Trade and other receivables	239,176	-	239,176
Cash and cash equivalents	453,182	-	453,182
Trade and other payables	(258,689)	-	(258,689)
Borrowings	(37,119)	-	(37,119)
Deferred tax liability	(24,248)	(47,468)	(71,716)
Net identifiable assets acquired at fair value	571,946	202,364	774,310
Initial consideration			988,802
Deferred consideration			650,000
Total consideration			1,638,801
Goodwill arising on acquisition			864,492
Total consideration			988,802
Cash and cash equivalents acquired			(453,182)
Net cash outflow on acquisition			535,620

Since the acquisition date, Optimised Energetics Ltd contributed to £1.1m to the Group revenues and £0.3m to the Group profits. If the acquisition had occurred on the 1 April 2024, it would have contributed £1.3m to Group revenues and £0.4m to Group profits.

14. Material subsequent events

On 7 May 2025, the Samarkand Group plc withdrew the trading of its Ordinary Shares from the AQSE Growth Market. The Company re-registered as a private limited company and adopted new articles. The Withdrawal resolutions were passed at the General Meeting held on 2 May 2025.

On 16 June 2025, the Group disposed of its shareholding in Babawest Limited for total consideration of £9,677.

On 23 September 2025, the Group entered into a new convertible loan facility agreement with Smollan, which replaced the existing loan notes. Under the new facility, the repayment date has been extended to 25 May 2027. Interest accrues at 3% per annum above the Bank of England base rate and will be serviced by the Company from September 2025. If the loan and accrued interest are not repaid by the repayment date, Smollan will have the option to convert the outstanding balance into equity in accordance with the terms of the facility agreement.

In September 2025, the Group also entered into a convertible loan facility with the executive directors. This facility relates to their deferred salaries and expenses and reflects the same terms as Smollan loan. Interest accrues at 3% per annum above the Bank of England base rate, and the interest is rolled up. If the loan and accrued interest are not repaid by the repayment date, the outstanding balance will become convertible into equity, in accordance with the terms of the facility agreement.

* EBITDA and Adjusted EBITDA are non-GAAP measures used to represent the trading performance and results of the Group. EBITDA is defined as profit or loss before tax adjusted for finance income and expense, depreciation and amortisation. Adjusted EBITDA excludes those items the Group considers to be non-recurring or material in nature that may distort an understanding of financial performance or impair comparability.