

Company Registration No. 13127277

**SAMARKAND GROUP LIMITED
(formerly Samarkand Group plc)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Directors	S P Smiley D R Hampstead G P Smiley J Hern
Secretary	E Hang
Company number	13127277
Registered office	Unit 13 Tonbridge Trade Park Ingot Way Tonbridge TN9 1GN
Auditor	Gravita Audit II Limited Aldgate Tower 2 Lemn Street London E1 8FA
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SAMARKAND GROUP LIMITED
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Introduction

The Directors present their strategic report for the year ended 31 March 2025.

Strategy & Business Model

The Group's strategy evolved significantly over the past 24 months. The Group's owned brands, which are marketed and sold primarily in the UK, continued to deliver strong revenue growth and healthy contribution margins, while the returns from its distribution operations in China became less favourable due to shifting market dynamics and the rising cost of operating in the region.

As a result, the Group made the decision to cease its cross-border eCommerce operations in China, including the distribution of third-party brands into China in order to focus on the growth and development of its portfolio of owned brands. It also discontinued operations including all its services under the Checkout product. The results of these operations have been re-presented as discontinued operations.

The Group is now positioned as a brand owner and is fully concentrated on growing its portfolio of meaningfully differentiated high growth owned brands in the natural health and wellbeing space. Owned brands include

- **Napiers the Herbalists**, Scotland's oldest natural herbal apothecary brand;
- **Zita West**, a leading specialist supplement and nutritional product line for fertility and reproductive health with strong clinical roots; and
- **Natures Greatest Secret** a leading colloidal silver-based health and healing brand for humans and pets.

Our brands are marketed on an omni-channel basis with strong direct-to-consumer and social commerce capabilities. Using a shared platform operating model, specialist brand and marketing teams are supported by shared resources across all brands – including routes to market, in-house manufacturing, warehousing and logistics, and consumer fulfilment - enabling faster speed to market and greater operational efficiency the portfolio.

Our brands target fast growing consumer segments with long term growth potential. The Group sees major opportunities to accelerate the growth of its existing brands and to expand the portfolio in the future.

Our Brands:

Napiers the Herbalists

Napiers the Herbalists is a natural herbal apothecary brand, offering natural health and wellbeing products and services to consumers and independent health and wellness practitioners. Napiers was established in the city of Edinburgh in the 1860s and this year we celebrated the 164th birthday of Napiers with a number of marketing activities in store, in the Edinburgh community and online. Our original Apothecary store in Edinburgh was also cited by The Times as one of the best independent stores to visit in the city.

Napiers has enjoyed exceptionally strong year over year revenue growth of c 90% as a result of

- Upgrading of the customer experience at our original Apothecary store in Edinburgh
- Introducing new premium natural herbal skin care lines in store and online
- Relaunch of the napiers.net eCommerce site
- Entry into social commerce channels such as Tik Tok Shop and the independent retail sector
- New strategic partnership in China with a local sales and marketing specialist

We see strong long term growth potential for Napiers the Herbalists on the basis of growing consumer demand for natural herbal health, beauty and wellbeing solutions and increasing awareness of the merits of medical herbalism compounded by the continuing challenges consumers face in accessing traditional healthcare in the UK and overseas.

The acquisition of Optimised Energetics Ltd which was completed in May 2024, secured flexible, in house, manufacturing for the Napiers product line. This vertical integration has improved gross margins and delivered differentiated speed to market, enabling the business to quickly capitalise on emerging consumer trends.

Zita West

Zita West is a specialist fertility and reproductive health supplement and nutritional product line and education platform, with its roots in clinical practice, which assists men and women in achieving their fertility goals. The brand has generated consistent year over year growth in the range of 20%-30%, as a result of new customer acquisition and strong customer loyalty, and enjoys strong unit economics.

Zita West brand offers a high touch, education led customer experience and engages with over 5,000 customers every month through a variety of platforms including Zitawest.com, individual consultations, online webinars, marketplaces and livestreams.

Through new product introductions, product quality and packaging upgrades and enhanced marketing with a focus on education, one-on-one support for customers and partnerships with influencers, we have been able to grow the proposition substantially and help an increasing number of customers on their fertility and post-natal journeys. Zita West is sold primarily through eCommerce from its DTC site, enabling us to deliver a high touch, differentiated customer experience.

We see strong long term growth potential for Zita West based on declines in birth rates across the globe and increasing government intervention at the national level to reverse this trend and growing awareness of post-natal health and wellbeing and recovery post childbirth.

WHO estimates that 1 in 6 couples worldwide is facing fertility challenges. With a clinical heritage, a strong track record of helping consumers achieve their fertility goals, a commitment to customer care and education and our premium formulations we believe Zita West brand is well positioned to capitalise on this trend.

Natures Greatest Secret and BeNatural

The acquisition of Optimised Energetics Ltd in May 2024 brought two natural health and healing brands into our platform - Natures Greatest Secret and BeNatural Essentials.

Natures Greatest Secret is the UK's number 1 colloidal silver brand, specialist in antibacterial personal care for consumers and pets. Colloidal silver is naturally antibacterial and has multiple applications in skincare and health and healing solutions.

The brand offers a range of natural solutions for consumers and pets in the format of sprays, gels, creams and drops. Natures Greatest Secret is sold direct to consumers from its own eCommerce site and is available on Amazon. The fast-growing pet range, in particular natural eye and ear drops and flea and tick repellent for dogs and cats, is present in national pet retailers Pets at Home and Jollieys.

BeNatural Essentials is a natural colloidal silver brand developed for the Amazon platform and has a strong position within the category offering customers a more accessible colloidal silver solution and enjoys strong support from Amazon as an exclusive brand.

Both brands have enjoyed strong growth in the range of 90% to 95% since acquisition as a result of new product introductions, improved eCommerce operations on both DTC sites and Amazon. We see strong growth potential for these brands, particularly in the large and growing pet market where consumers and retailers increasingly turn to natural alternatives for their pets in the face of rising dissatisfaction with the cost of veterinary services.

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.

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.

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	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 28)	(1,063,127)	-
Adjustment 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).

Principal Risks and Uncertainties

The Board monitors and assesses the risks faced by the Group across the business activities and territories in which it operates and has identified the areas it considers to be most relevant.

Risk	Description	Mitigation
Geopolitical issues	Geopolitical tensions have and could continue to occur between countries in which the Group operates, this may have adverse impacts on trade of goods from those countries in the form of tariffs or other policies. Consumers may also form negative sentiments towards products or brands from countries or regions due to social, political or other reasons outside of the Group's control. The increased interest in domestic brands has gained traction in some categories but as anticipated has not extended to the main sectors in which the Group operates.	Revenue exposure to China has significantly reduced following the Group's strategic decision to cease trading in the region. Group trade with the USA is currently immaterial and any future trade would take account of prevailing tariffs. The Group continues to closely monitor geopolitical developments and adapt its sourcing, market focus, and supply chain strategies as needed to minimise disruption and maintain operational resilience.
Shifts in consumer trends	Changes in consumer trends which are adverse to our owned brand portfolio. Owned brands are positioned against trends of natural herbal health and wellbeing and natural herbal skincare and fertility and reproductive health.	We have acquired brands which are positioned on long term trends and shifts in consumer attitudes which are prevalent in our home market and globally. Independent analysts predict long term compound growth for natural herbal skin care and remedies. Declining birth rates across the globe mean that societal focus on fertility is increasing. Independent analysts forecast long term growth in fertility spending by consumers, health care providers and governments. Adjustment in our portfolio of owned brands to concentrate on brands with strong differentiation on key trends.
Loss of a major sales channel or client	The Group markets its brands to consumers via a range of sales channels some of which are owned and operated by the company and others which are 3rd party sales channels. 3rd party sales channels include as Amazon, Tik Tok Shop, and the independent retail sector. Listings in 3rd party sales channels can be lost or suspended, and individual channels can cease to trade	The Group has sought to develop a wide base of sales channels for its brands including company owned and operated direct to consumer retail and eCommerce sales, and 3rd party channels such as Amazon marketplace, independent premium retail outlets and social commerce channels such as Tik Tok Shop. The Group's largest 3rd party channel is the Amazon marketplace and the Group has a dedicated Amazon manager and works with Amazon agencies to ensure the growth and development of its brands on the platform in a compliant manner. A wide network of channels and our own

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Risk	Description	Mitigation
Loss of a major sales channel or client (continued)		DTC sites mean that customers would have the option to buy in the event that Amazon ceased to operate. The Group is not dependent on mass market retailers such as grocery stores and supermarkets
Product quality issue	The Group provides natural herbal health and wellbeing products to consumers. Products are manufactured in house and/or through 3rd party contract manufacturers. A widespread product quality issue could result in reputational damage for the brand and loss of business as well as material costs for product recall.	In house manufacturing operates to strict quality control processes and procedures under ISO 22716 and goes beyond the requirements of ISO 22716 with a number of additional quality assurance measures including testing, staff training, vetting suppliers of raw materials and running quality reviews. The Group works with reputable 3rd party contract manufacturers who have established quality control processes and procedures and this capability is assessed by the Group in selecting contract manufacturers.

ENGAGING WITH OUR STAKEHOLDERS

The Board recognises that Samarkand has a number of stakeholders, including shareholders, customers, employees and suppliers.

Section 172 statement

The Board of Directors, in line with their duties under section 172 ("s172") of the Companies Act 2016, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the Board engages with stakeholders.

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves.

The table below sets out some examples of how the directors have exercised this duty:

Stakeholder	How we engage
Our Shareholders The Board and Executive Management Team maintains strong relationships with investors and supports open channels of communication.	The Company engages in dialogue with shareholders. During the year the CEO and other directors met with investors and maintained ongoing communication. The Company continues to meet with investors upon request. Our last AGM was held on 26 September 2024. This provided an opportunity for shareholders to meet the directors and discuss the year's results. On 7 May 2025, 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 Company will continue to communicate information about the Company to its Shareholders as required by Companies Act. The Company has made arrangements for a Matched Bargain Facility provided by JP Jenkins from the date of Withdrawal. The Company will post relevant updates on the JP Jenkins website and its own website from time to time. Website and shareholder communications Further details on the Group and its activities, can be found on our corporate website: https://www.samarkand.global/ and at JP Jenkins: https://jpjenkins.com/company/samarkand-group/

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Stakeholder	How we engage
Our People Our employees are at the core of everything we do.	At Samarkand, we believe that our strength comes from Our People and success comes from shared goals and values. We are proud to celebrate the diversity of our employees and work hard to empower our workforce and to create a positive and inclusive culture within which our teams can grow. The sustainable success of the business is dependent upon the development of and investment in our teams of highly talented and dedicated employees. Our teams are kept fully informed of the business' performance, operational and townhalls. We continually strive to maintain open communication and encourage collaboration from all our employees through shared learning sessions.
Our Customers and Brand Partners Communication with our customers and brand partners is fundamental to understanding how we can continue to improve our brand offerings and the services we provide our partners.	The trust of our customers and partners is fundamental to our success. We are committed to building innovative customer-led technology solutions and products. We maintain a strong relationship with our partners through our dedicated accounts management team. Through regular meetings and conversations, we regularly review their feedback which enables us to improve the products and solutions we provide.
Our Suppliers The relationship we have with our suppliers is key to ensuring that the quality of the products we deliver to our customers are maintained at a high standard and the delivery is managed for the smooth-running of our business and its operations.	We rely on suppliers and logistics partners across a number of geographical locations. We continue to work with our key suppliers and logistics partners to ensure we continue to improve the efficiency of our supply chain. It is important that we continue to communicate with our suppliers and adapt to ensure the high quality of our products and services are maintained.

On behalf of the Board

David Hampstead
Chief Executive Officer
31 October 2025

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements for the year ended 31 March 2025.

Principal activities

The Group's principal activities during the year are that of a UK & European distribution business engaged in the B2B and B2C sale of products primarily to premium London retailers, chain retailers and online eCommerce stores. The Group also provides eCommerce solutions for brands and retailers selling into China, however, following a strategic review, cross-border eCommerce operations in China were wound down during the year.

These financial statements present the results of the Group for the year ended 31 March 2025.

Results and dividends

The results for the year are set out on page 20. The Company will not be paying a dividend this year.

Events after the reporting date

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.

Directors

The directors who served at any time during the year and since the year end were as follows:

- Tanith Dodge – resigned 9 May 2025
- David Hampstead
- Simon Smiley
- Keith Higgins – resigned 9 May 2025
- Jeanette Hern
- Philip Smiley

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Directors' and Officers' liability insurance

The Group has purchased and maintains appropriate insurance cover in respect of Directors' and Officers' liabilities. The Group has also entered into qualifying third-party indemnity arrangements for the benefit of all its Directors, in a form and scope which comply with the requirements of the Companies Act 2006.

Directors' Emoluments

Name	Fees/Basic Salary	Unpaid Salaries	Pension	Total	Balance Owed at 31 Mar 25	Fees/Basic Salary	Unpaid Salaries	Pension	Total	Balance Owed at 31 Mar 24
Executive Directors										
David Hampstead	107,500 ⁽¹⁾	12,500 [^]	3,600	123,600	42,500	90,000 ⁽¹⁾	30,000	2,700	122,700	30,000 [^]
Simon Smiley	105,000 ⁽¹⁾	15,000	3,600	123,600	75,000	60,000 ⁽¹⁾	60,000	1,800	121,800	60,000
Philip Smiley	102,500 ⁽¹⁾	17,500	3,525	123,525	74,198	60,000 ⁽¹⁾	60,000	1,800	121,800	56,698
Non-executive Directors										
Tanith Dodge	50,000	-	-	50,000	12,500	37,500	12,500	-	50,000	12,500
Keith Higgins	25,000	-	750	25,750	6,250	18,750	6,250	-	25,000	6,250
Jeanette Hern	-	-	-	-	-	-	-	-	-	-
	390,000	45,000	11,475	446,475	210,448	266,250	168,750	6,300	441,300	165,448

Directors' emoluments for the year were as follows:

(1) Salary Deferral

During the period, the Executive Directors and Non-executive Directors deferred their salaries.

[^] David also has £5,000 (2024: £31,307) in unpaid business expenses, total unpaid expenses is £36,307.

Bonus Scheme

During the year, the Remuneration and Nomination Committee reviewed and updated the Executive Directors' performance-related pay structure. Under the revised Bonus Scheme, Executive Directors are eligible to earn up to 20% of a performance-based cash pool, which is funded from Group profits. In addition to the cash pool, Executive Directors may also receive share-based awards of up to 200% of base salary, designed to further align their interests with those of shareholders and support long-term value creation. These awards are made in the form of nil-cost share options. 50% of the share award is granted following approval of the annual accounts and vests one year from the date of grant. The remaining 50% is granted 12 months later and vests one year thereafter. The number of options granted is calculated using the share price from the Company's most recent equity transaction.

Both the cash and share-based bonus is subject to an overriding profitability threshold, if this threshold is not achieved, no bonus will be payable, regardless of performance against other targets.

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The Bonus Scheme is structured around the achievement of a combination of pre-set financial and non-financial performance targets, which are set annually by the Remuneration and Nomination Committee. For the financial year ending 31 March 2025, performance was assessed 65% on financial metrics and 35% on non-financial objectives.

Following a year-end performance review for FY25, the Committee determined that while two of the three targets were met, the Group's profitability threshold was not achieved, and therefore no bonus awards, cash or share-based, will be made for the financial year ended 31 March 2025.

Director's Interests

As at 31 March 2025 the Directors of the Company held the following number of shares:

	Number of Ordinary Shares	% of the issued share capital
David Hampstead ⁽¹⁾	7,916,169	13.56%
Simon Smiley ⁽²⁾	7,301,011	12.51%
Phil Smiley	917,395	1.57%
Keith Higgins	52,174	0.09%
Tanith Dodge	43,478	0.07%
Jeanette Hern	-	0.00%

(1) 158,584 Ordinary Shares registered in the name of David Hampstead is under option pursuant to the terms of a Hedging Agreement

(2) 177,785 Ordinary Shares registered in the name of Simon Smiley is under option pursuant to the terms of a Hedging Agreement

David Hampstead, Simon Smiley and the Group entered into a hedging agreement on 16 February 2021 pursuant to which David Hampstead and Simon Smiley each agreed to transfer such number of their Ordinary Shares to satisfy the outstanding options granted to employees pursuant to the Option Exchanges subject to a maximum of 992,000 Ordinary Shares.

Long-term incentive plans

		Options at 1 April 2024	Options Granted	Options Exercised	Options Lapsed	Options at 31 March 2025	Exercise Price	Date of Grant
David Hampstead	1	133,334	-	-	(133,334)	-	0.01	01/04/2022
Simon Smiley	1	133,334	-	-	(133,334)	-	0.01	01/04/2022
David Hampstead	2	-	687,273	-	-	687,273	0.01	13/08/2024
Simon Smiley	2	-	687,273	-	-	687,273	0.01	13/08/2024
Philip Smiley	2	-	687,273	-	-	687,273	0.01	13/08/2024

- On the 1 April 2022, the Company granted equity settled awards to certain Directors which vest in 3 years subject to certain performance criteria. These options lapsed on the 31 March 2025.
- On the 13 August 2024, the Company granted equity settled awards to the Executive Directors, under the existing Bonus Scheme set out in the annual report for the year ending 31 March 2023. As the Company has been in a close period since the signing of the Accounts last year, due to the Acquisition of Optimised Energetics Ltd and the disposal of Probio7, the first tranche of the award was not granted after last year's signing of the accounts. The Company have therefore granted both tranches of the bonus options.

Warrants

On 12 March 2021, the Company granted warrants to two directors, conditional on Admission, for a period of five years from admission. At 31 March 2025, the following Directors have outstanding warrants to subscribe for Ordinary Shares:

	Date of Grant	Number of Ordinary Shares	Exercise Price
Tanith Dodge	12/03/2021	43,478	115p
Keith Higgins	12/03/2021	21,739	115p

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.

Strategic report

The Strategic Report set out on pages 1 to 8 provides a fair review of the Group's business for the year ended 31 March 2025. It also explains the objectives and strategy of the Group, its competition and the markets in which it operates, the principal risks and uncertainties it faces, employee information, the Group's financial position, key performance indicators and likely future developments of the business.

Key stakeholders

For our key stakeholders and employees please refer to Our Stakeholders section on pages 7 to 8.

Substantial shareholdings

As at 31 October 2025, the following shareholders had notified the Company that they held an interest in 3% or more of its issued ordinary share capital:

Significant Shareholders	Shareholding	Percentage of issued shares
Global Smollan Holdings	12,623,704	21.63%
David Hampstead ⁽¹⁾	7,916,169	13.56%
Simon Smiley ⁽²⁾	7,301,011	12.51%
Thomas Gooding	5,463,111	9.36%
Schroders Investment Management	4,347,826	7.45%
SF Express	2,737,840	4.69%

(1) 158,584 Ordinary Shares registered in the name of David Hampstead is under option pursuant to the terms of a Hedging Agreement

(2) 177,785 Ordinary Shares registered in the name of Simon Smiley is under option pursuant to the terms of a Hedging Agreement

Save for these interests, the Directors have not been notified that any person is directly or indirectly interested in 3% or more of the issued ordinary share capital of the Company. Save as disclosed above, the Company is not aware of any person who, as at the date of this document, directly or indirectly, has a holding of Ordinary Shares which is notifiable under English law.

Directors' interests in the Company are disclosed on page 11.

None of the Shareholders referred to in this paragraph has different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

SAMARKAND GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure to auditors

The Directors who held office at the date of approval of this Directors' report confirm the following:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' report was approved on behalf of the Board on 31 October 2025 and signed on its behalf by:

David Hampstead
Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMARKAND GROUP LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

Opinion

We have audited the financial statements of Samarkand Group Limited (formerly Samarkand Group plc) (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and UK adopted International Accounting Standards (IFRS). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with FRS 102 (United Kingdom Generally Accepted Accounting Practice); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006;

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to note 2(a) in the financial statements, 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. Note 2(a) indicates that the Directors recognise the importance of moving the group into profitability and have made some progress towards this goal. Note 2(a) 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,

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMARKAND GROUP LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

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.

Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included a detailed review of future forecasts, for a period of at least 12 months, and assessing the assumptions utilised by management in preparing the forecast. These assumptions were further assessed along with those used in the prior year to determine reasonability. We have reviewed the cash held at year end up to the date of signing of this report.

We have performed the following audit procedures in relation to going concern:

- Evaluated the suitability of management's model for the forecast.

The forecast includes a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period and ensuring that all key matters are correctly disclosed in Note 2(a).

Specifically, we obtained, challenged, and assessed management's going concern forecast and performed procedures including:

- Evaluating the appropriateness of the going concern assessment performed by management with regard to the requirements of the applicable financial reporting framework, including the period covered;
- Engaging with senior management around the group to obtain a broad-based understanding of key commercial drivers;
- Testing the mathematical accuracy of the going concern model prepared by management and the underlying calculations used within it;
- Verifying the level of cash held by the group as at 31 March 2025 and cash movements post year end;
- Verified cost savings to third-party evidence where applicable;
- Reviewing the financing options available to the group to evaluate the ability of the group to pay their debts as they become due;
- Critically assessing the directors' financial forecasts and the underlying key assumptions, including actual sales in the current financial year, operating cash burn rates and managements going concern sensitivity analysis which included cost reduction measures which would have the effect of extending the cash runway; and
- Evaluating the adequacy of disclosures made in the financial statements in respect of going concern.

Based on the work we have performed, there is an uncertainty on the achievement of the forecasts for twelve months from approval of the financial statements and there may be delays in cash realisations required to support the working capital cycle giving rise to material uncertainty related to going concern. However, because not all future events or conditions can be predicted this assessment is not a guarantee as the company's ability to continue as a going concern.

Finally, we also evaluated the alternative measures that might be necessary should the forecast not be achieved.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMARKAND GROUP LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMARKAND GROUP LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the mortgage finance industry.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMARKAND GROUP LIMITED
FOR THE YEAR ENDED 31 MARCH 2025**

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 34 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims;
 - reviewing correspondence with HMRC and the company's legal advisor.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

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

Jan Charlesworth (Senior Statutory Auditor)
For and on behalf of Gravita Audit II Limited, Statutory Auditor
Aldgate Tower
2 Leman Street
London
E1 8FA

31 October 2025

SAMARKAND GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

		Year ended 31 March 2025	Year ended 31 March 2024 Restated
	Notes	£	£
Continuing operations			
Revenue	7	8,761,855	8,568,923
Cost of sales	7	(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	9	(2,423,996)	(3,670,481)
Adjusted EBITDA*		(170,776)	(502,974)
Share-based payment and reversal	9	146,479	(191,800)
Adjusting items - impairment	9	(46,377)	-
Adjusting items - other	9	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	6	(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	12	(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)
	12	(0.0094)	(0.0815)

*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 and material in nature that may distort an understanding of financial performance or impair comparability.

SAMARKAND GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Year ended 31 March 2025	Year ended 31 March 2024 Restated
Notes	£	£
<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	<u>(12,871)</u>	<u>(7,227)</u>
Total comprehensive loss for the year	<u><u>(562,503)</u></u>	<u><u>(4,805,287)</u></u>
Comprehensive loss attributable to:		
Equity holders of the Company	(536,648)	(4,764,226)
Non-controlling interests	<u>(25,855)</u>	<u>(41,061)</u>
	<u><u>(562,503)</u></u>	<u><u>(4,805,287)</u></u>
Comprehensive income/(loss) attributable to Equity holders of the Company		
From continuing operations	506,069	(1,459,043)
From discontinued operations	<u>(1,042,717)</u>	<u>(3,305,183)</u>
	<u><u>(536,648)</u></u>	<u><u>(4,764,226)</u></u>

SAMARKAND GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		31 March 2025	31 March 2024 Restated
	Notes	£	£
ASSETS			
Intangible assets	14	5,526,777	4,585,661
Property, plant and equipment	15	224,706	77,092
Right-of-use assets	16	714,645	688,628
Deferred Tax Asset	13	13,912	7,193
Non-current assets		6,480,040	5,358,574
Inventories	17	1,260,626	2,370,941
Trade receivables	18	582,534	1,175,380
Corporation tax recoverable		29,410	59,376
Other receivables and prepayments	19	803,230	625,248
Cash and cash equivalents		820,427	867,524
Held for sale	28	-	216,597
Current assets		3,496,227	5,315,066
Total assets		9,976,267	10,673,640
EQUITY AND LIABILITIES			
Share capital	20	583,582	583,582
Share premium	20	22,954,413	22,954,413
Merger relief reserve	20	(2,063,814)	(2,063,814)
Accumulated loss		(17,620,447)	(16,950,203)
Currency translation reserve	22	(99,470)	(86,587)
Total equity attributable to parent		3,754,264	4,437,391
Non-controlling interest		(206,158)	(180,303)
Total equity		3,548,106	4,257,088
Lease liabilities	16	597,160	617,819
Borrowings	23	60,848	1,434,895
Deferred tax liability	13	3,65,256	320,630
Accrued liabilities	26	646,000	-
Total non-current liabilities		1,669,264	2,373,344
Trade and other payables	26	2,291,334	3,401,814
Corporation tax payable		20,158	-
Deferred revenue		447,977	480,220
Borrowings	23	1,826,295	61,593
Lease liabilities	16	173,133	99,581
Total current liabilities		4,758,897	4,043,208
Total liabilities		6,428,161	6,416,552
Total liabilities and equity		9,976,267	10,673,640

The financial statements were approved by the board of directors and authorised for issue on 31 October 2025 and are signed on its behalf by:

David Hampstead
Director
Company Registration No. 13127277

SAMARKAND GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	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 page 27 for further details on the prior period opening balance restatement

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31 March 2025 £	31 March 2024 £
Cash flows from operating activities			
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	28	(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)
Cash flows from investing activities			
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)
Cash flows from financing activities			
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

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. General information

Samarkand Group plc was incorporated in England and Wales on 12 January 2021 as a public company with limited liability under the Companies Act 2006. On 7 May 2025, the Samarkand Group plc withdrew the trading of its Ordinary Shares from the AQSE Growth Market. Following this the Company re-registered as a private limited company and changed its name to Samarkand Group Limited.

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

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

2. Basis of preparation and measurement

(a) Basis of preparation

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

Unless otherwise stated, the financial statements are presented in Pounds Sterling (£) which is the currency of the primary economic environment in which the Group operates.

Transactions in foreign currencies are translated into £ at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date. The resulting gain or loss is reflected in the "*Consolidated Statements of Comprehensive Income*" within either "*Finance income*" or "*Finance costs*".

The financial statements have been prepared under the historical cost convention except for certain financial instruments that have been measured at fair value.

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.

(a) *Basis of preparation (continued)*

Going concern (continued)

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.

(b) *Basis of consolidation*

The Consolidated Group financial statements comprise the financial statements of Samarkand Group Limited and its subsidiaries listed in Note 5 "Subsidiaries" to the Consolidated Group financial statements.

A subsidiary is defined as an entity over which Samarkand Group Limited has control. Samarkand Group Limited controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intra-group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

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(c) 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	<u>(17,446,128)</u>	<u>495,925</u>	<u>(16,950,203)</u>

(d) New standards and interpretations

New and amended IFRS standards that are effective for the current year

In the current year, a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) and endorsed by the UK Endorsement Board became mandatorily effective for an accounting period that begins on or after 1 April 2024. The following standards, amendments and interpretations were adopted by the Group

Standard, amendment or interpretation	Description	Effective date for accounting period beginning on or after
IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024

New standards, amendments and interpretations which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standard and Interpretations relevant to the Group, which have not yet been applied in these financial statements, were in issue but not yet effective:

Standard, amendment or interpretation	Description	Effective date for accounting period beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable. The application of these standards and amendments in future periods is not currently expected to have a significant impact on the Group's financial statements.

3. Significant accounting policies

The preparation of the Consolidated Group financial statements in compliance with IFRS requires the Directors to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Group financial statements are disclosed in Note 4 "*Significant judgements, estimates and assumptions*" to the Consolidated Group Financial Information.

(a) Foreign currency transactions and translation

The Consolidated Group financial statements are presented in Pounds Sterling, which is the functional currency of the parent company.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income/(loss).

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the "*Statement of Financial Position*";
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, the Group recognises in "*other comprehensive income*" the exchange differences arising from the translation of the net investment in foreign entities.

(b) Intangible assets

All intangible assets, except goodwill, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Goodwill

Goodwill represents the amount by which the fair value of the cost of a business combination exceeds the fair value of the net assets acquired. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

The recoverable amount of goodwill is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in the income statement. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(b) *Intangible assets (continued)*

Acquisition-related intangible assets

Net assets acquired as part of a business combination includes an assessment of the fair value of separately identifiable acquisition-related intangible assets, in addition to other assets, liabilities and contingent liabilities purchased. These are amortised on a straight-line basis over their useful lives which are individually assessed.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

The estimated useful lives are as follows:

Website	3-5 years
Patents and trademarks	7 years
Internally developed assets	5 years
Brand names	10-20 years

(c) *Research and development expenditure*

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except those costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if the Group can demonstrate all of the following:

- its ability to measure reliably the expenditure attributable to the asset under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;
- its ability to use or sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Certain internal salary costs are included where the above criteria are met. These internal costs are capitalised when they are incurred in respect of technology with commercial applications. Development expenditure initially recognised as an expense is not recognised as assets in subsequent periods.

Capitalised development expenditure is amortised on a straight-line basis over an asset's expected useful life which has been estimated at 5 years when the technology or services are ready for use. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure is written down to its recoverable amount.

(d) *Property, plant and equipment*

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Group.

Property, plant and equipment are generally depreciated over their estimated useful lives:

Office equipment	3 years on a straight-line basis
Computer equipment	3 years on a straight-line basis
Machinery	7 years on a straight-line basis
Furniture, Fixtures and Fittings	25% on reducing balance
Leasehold improvements	Straight line over the lease term

Property and equipment held under leases are depreciated over the shorter of the lease term and estimated useful life.

(e) *Impairment of financial assets*

IFRS 9 “Financial Instruments” requires an expected credit loss model to be adopted. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The credit event does not have to occur before credit losses are recognised.

IFRS 9 “Financial Instruments” allows for a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets.

The Group has one type of financial asset subject to the expected credit loss model: trade receivables.

The expected loss rates are based on the Group’s historical credit loss experience, adjusted for current and forward-looking information on macroeconomic factors affecting the Group’s customers.

(f) *Impairment of non-financial assets*

At each reporting date, the Directors assess whether indications exist that an asset may be impaired. If indications do exist, or when annual impairment testing for an asset is required, the Directors estimate the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value-in-use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the Directors consider the asset impaired and write the subject asset down to its recoverable amount. In assessing value-in-use, the Directors discount the estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the Directors consider recent market transactions, if available. If no such transactions can be identified, the Directors utilise an appropriate valuation model.

When applicable, the Group recognises impairment losses of continuing operations in the “*Statements of Profit or Loss and Other Comprehensive Income*” in those expense categories consistent with the function of the impaired asset.

(g) *Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(h) *Leases*

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

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

Extension option:

The property lease contains an extension option exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

(h) *Taxation*

Current taxation

Current income tax assets and liabilities are measured at the amount to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

(h) *Taxation*

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and expected to apply when the related deferred tax is realised or the deferred liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

(i) *Revenue from contracts with customers and other income*

The Group's revenue represents the fair value of the consideration received or receivable for the rendering of services and sale of goods, net of value added tax and other similar sales-based taxes, rebates and discounts after eliminating intercompany sales. In particular:

Sale of goods

For Distribution, Brand Ownership and Nomad Technology, revenue includes the sale and distribution of goods. The primary performance obligation is the transfer of goods to the customer. For wholesale revenue (revenue from other businesses), control is transferred when the goods leave the Group's premises. For online revenue, control transfers when the title and risk of loss has passed to the customer, this is when the goods are delivered to the customer, the timing of transfer is dependent on the terms of trade with the online platform. Provision for returns and other allowances are reflected in revenue when revenue from the customer is first recognised. Returns are initially estimated based on historical levels and adjusted subsequently as returns are incurred.

When the Group acts as principal in sale of goods and services, revenue from customers and costs with suppliers are reported on a gross basis. When the Group acts as agent in sale of goods and services, revenue from customer and costs with suppliers are reported on a net basis, representing the net margin earned. Whether the Group is acting as principal or agent depends on management's analysis of both legal form and substance of the agreement between the Group and its business partner.

Acting as principal to a contract for services

For Nomad Technology, the Group provides managed services with certain arrangements that may be sub-contracted to third party agents. Under these arrangements, a business partner may appoint the Group as the service provider in respect of the managed services. The Group is responsible for planning and execution of such services. Whilst the Group may sub-contract its obligation under the arrangement, it remains responsible for delivery of the service obligations to the business partner. In these circumstances, the Group is considered to be the principal to the arrangement as it controls the service before transferring it to the customer. In particular, the Group retains the ability to direct the use of, and obtain substantially all of the remaining benefits from, the agreement. Accordingly, the Group recognises revenue and cost on a gross basis.

Revenue for these managed services are recognised as the services are performed and the obligations are discharged, or if there are no key performance obligations, straight line over the relevant period.

(j) *Employee benefits*

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) *Finance income and expenses*

Financing expenses comprise interest payable on lease liabilities, leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the income statement. Financing income comprise interest receivable on cash deposits and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(l) *Cash and cash equivalents*

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(m) *Trade and other receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(n) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first in first out principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition.

(o) *Provisions*

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(p) *Contingent liabilities*

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or present obligations where the outflow of resources is uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the Consolidated Group Financial Information but are disclosed unless they are remote.

(q) *Merger relief*

The issue of shares by Samarkand Group Limited is accounted for at the fair value of the consideration received. Any excess over the nominal value of the shares issued is credited to the share premium account other than in a business combination where the consideration for shares in another company includes the issue of shares, and on completion of the transaction, Samarkand Holdings has secured at least a 90% equity holding in the other company. In such circumstances the credit is applied to the merger relief reserve.

In the case of the Samarkand Holdings' acquisition of Samarkand Global Limited in 2017, where all of the issued shares were acquired on a share for share basis, then merger relief has been applied to those shares issued in exchange for shares in Samarkand Global Limited.

(r) *Share-based payment arrangements*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

Where there are no vesting conditions, the expense and equity reserve arising from share-based payment transactions is recognised in full immediately on grant.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

(s) *Segmental reporting*

The Board is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. The Group has one reportable segment with 2 revenue streams, being Brand Ownership and Distribution business units engaged in the B2B and B2C sale of products. An analysis is included in Note 7 and 8 to the Consolidated Financial Information.

(t) *Non-current assets held for sale*

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

(t) ***Non-current assets held for sale (continued)***

The criteria for held for sale classification is regarded as met only when the sale is highly probably, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed withing one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of comprehensive income.

All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

4. Significant accounting judgements, estimates and assumptions

The Directors have made the following judgements which may have a significant effect on the amounts recognised in the Consolidated Group financial statements:

Accounting estimates

(a) ***Inventory provisions***

Inventory is carried at the lower of cost and net realisable value, on a first in first out principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition. A provision is also made to write down any obsolete inventory to the net realisable value. The provision is £457,147 at 31 March 2025 (2024: £399,171) and an overall charge in the consolidated statement of comprehensive income of £144,151 (2024: £140,395)

(b) ***Impairment of intangibles***

IFRS requires the Directors to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving judgement in determining estimates, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- the level of capital expenditure to support long-term growth; and
- the selection of discount rates to reflect the risks involved.

(b) *Impairment of intangibles (continued)*

The Directors prepare and approve cash flow projections which are used in the fair value calculations.

Whilst the Directors consider their assumptions to be realistic, the Group's impairment evaluation is highly sensitive to the actual results and factors outside the control of the Directors, including the ability of the Group to secure sufficient funding to be able to fulfil the financial projections and continue as a going concern, and if those differ from the expectations of the Group's impairment could be affected. In addition, the use of different estimates, assumptions and judgements, in particular those involved in a) determining a value base on our current expectations of future conditions and associated cashflows from the Group's operation b) our determination level at which the Group assets can be reasonably tested for impairment separately from other parts of the business and c) our treatment of centrally held assets, could each result in material differences in the carrying values of assets and assessments of impairment.

Accounting judgement

(b) *Right-of-use assets*

At the commencement of a lease, an initial assessment is made as to whether or not it is likely that a renewal option will be exercised and therefore the lease term is determined at this point.

Judgement as to the likely lease term has a direct impact on the calculation of right-of-use assets and lease liabilities as well as related depreciation and finance expenses. The Directors have determined that the Group will not extend its lease on the current terms.

In addition to the lease term, judgement is applied to the interest rate if the rate is not implicit in the lease, the Group's incremental borrowing rate is applied and will have direct impact on the calculation of right-of-use assets and lease liabilities.

(c) *Discontinued operations*

Management has exercised judgement in determining which operations meet the criteria for classification as discontinued under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. This involves assessing whether a component of the Group represents a separate major line of business or geographical area of operations, has been disposed of or is classified as held for sale, and whether the disposal has a significant impact on the Group's operations and financial results. In the current year, the Group ceased its operations in China, including the distribution of third-party brands and all services delivered under the Checkout product. As a result, the associated assets, liabilities, income and expenses were classified as discontinued operations and separately presented in the consolidated income statement.

The determination of which items relate to discontinued operations requires judgement, particularly in the allocation of overheads, shared services, and centrally incurred costs. Management has applied a consistent methodology in separating continuing and discontinued activities, ensuring the results presented reflect the performance of the ongoing business.

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5. Subsidiaries

Details of the Group's subsidiaries as at 31 March 2025 are as follows:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Registered office</i>	<i>Principal activity</i>	<i>Percentage of ordinary shares held</i>
Samarkand Holdings Limited	England & Wales	Unit 13 Trade Park, Ingot Way, Tonbridge, England, TN9 1GN	Holding company	100%
Forever Young International Limited	England & Wales	As above	UK & European distribution	100%*
Samarkand Global Limited	England & Wales	As above	eCommerce provider	100%*
Zita West Products Limited	England & Wales	As above	UK distribution	100%*
Optimised Energetics Limited	England & Wales	As above	UK distribution and manufacturing	100%*
Babawest Ltd	England & Wales	As above	UK distribution	51%*
Napiers 1860 Group Limited	Scotland	18 Bristo Place, Edinburgh, Scotland, EH1 1EZ	UK distribution	100%*
The Edinburgh Herbal Dispensary Limited	Scotland	As above	UK distribution	100%*
Duncan Napier Limited	Scotland	As above	UK distribution	100%*
Shanghai Samarkand Technology Service Co., Ltd	People's Republic of China	Room 205, No.438 Pudian Road, China (Shanghai) Pilot Free Trade Zone	Administrative	100%*
Samarkand Global HK Limited	Hong Kong (SAR), China	Unit 1003, 10/F., Tower 2 Silvercord, 30 Canton Rd, Tsim Sha Tsui, Hong Kong	Sale of goods into Hong Kong	100%*
Shanghai Samarkand Import & Export Trading Co. Ltd	People's Republic of China	Room 230, 2nd Floor, 106 Nandandong Road, Xuhui District, Shanghai, China	Chinese distribution	100%*
Samarkand USA INC	USA	30 N Gould St, N Sheridan, Wyoming, USA	US Distribution	100%*

* held indirectly

6. 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:

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6. Discontinued operations (continued)

	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)

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7. 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

8. Operating segments

The activities of the Group are not measured or reported internally on a segmental basis as they are not considered to be attributable to any specific business segment.

	31 March 2025	31 March 2024 Restated
Revenue by geographical destination:	£	£
UK	6,339,298	6,127,902
China	1,909,207	2,044,311
Rest of the world	513,350	396,709
Total revenue	8,761,855	8,568,923

9. Administrative expenses

An analysis of the Group's expenses by nature is as follows:

	31 March 2025	31 March 2024 Restated
Administrative expenses:	£	£
Property costs	170,214	154,324
Staff costs	2,589,115	2,246,762
Professional fees	427,403	430,714
Other	432,567	459,451
Share based payment	(146,479)	191,800
<i>Adjusting items:</i>		
Disposal of Brand Asset	(1,063,127)	-
Adjustment of deferred consideration	(194,439)	-
Impairment loss	46,377	-
Restructuring costs	162,365	187,430
Total administrative expenses	2,423,996	3,670,481

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10. Staff costs

	31 March 2025	31 March 2024 Restated
	£	£
Aggregate staff costs (including directors)		
Wages and salaries (including bonuses)	3,046,746	3,632,334
Social security and other payroll taxes	297,704	443,152
Pension costs	63,492	104,379
Share based payment (credit)/charge	(146,479)	191,800
Capitalised development costs	-	(180,832)
Other	46,612	40,377
Total staff costs*	3,308,075	4,231,210
Less: Discontinued Operations	(651,371)	(1,685,941)
Total staff costs from continuing operations	2,656,704	2,545,269

*Staff costs include £214,068 (2024: £106,708) of restructuring costs

Capitalised development costs comprise of directly attributable costs necessary to create, produce, and prepare the intangible to be capable of operating in the manner intended by the company. More specifically, time spent that is eligible for capitalisation includes time that is intrinsic to the development of new software and the enhancement of existing software.

Average number of employees

Management	6	6
Sales operations	41	41
Finance and administration	4	4
Total continuing operations	51	51
Discontinued operations	16	44
Total	67	95

Remuneration of key management personnel

Key Management personnel of the Group comprise the Directors of Samarkand Group Limited and other senior members of staff. The emoluments and benefits of Key Management personnel were as follows:

	31 March 2025	31 March 2024 Restated
	£	£
Short-term employee benefits	801,376	1,079,710
Post-employment benefits	23,605	31,145
Share based payment*	(98,548)	87,204
Termination benefit	87,599	27,853
Total remuneration	814,032	1,225,912
Less: Discontinued operations	(226,093)	(603,866)
Total remuneration from continuing operations	587,939	622,046

*Includes the reversal of cumulative charges recognised in the prior years amounting to £220,284 (2024: £nil). This relates to the lapse of share options as a result of vesting conditions not being met.

Disclosure of Directors' Remuneration and details of the highest paid Director is provided in the Corporate Governance Report section of the Directors' Report.

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11. Auditors' remuneration

	31 March 2025	31 March 2024
	£	£
Fees payable to the Company's auditor:		
For audit services		
Audit of the financial statements of the Group	<u>130,000</u>	<u>140,000</u>

12. Earnings/(loss) per share

	31 March 2025	31 March 2024
		Restated
Basic earnings/(loss) per share		
- From continuing operations	0.82 pence	(2.57) pence
- From discontinued operations	(1.72) pence	(5.58) pence
	<u>(0.90) pence</u>	<u>(8.15) pence</u>
Diluted earnings/(loss) per share		
- From continuing operations	0.78 pence	(2.57) pence
- From discontinued operations	(1.72) pence	(5.58) pence
	<u>(0.94) pence</u>	<u>(8.15) pence</u>
Weighted average number of shares		
- Basic	58,358,201	58,358,201
- Diluted	<u>61,502,365</u>	<u>58,358,201</u>

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of Samarkand Group Limited by weighted average number of shares in issue. For diluted loss per share, the weighted average number of shares in issue is adjusted to assume conversion of dilutive potential ordinary shares. The Group's potentially dilutive securities consist of share options and warrants.

13. Taxation

i) Tax expense

The components of the provision for taxation on income included in the "*Statement of Profit or Loss and Other Comprehensive Income*" for the periods presented are summarised below:

	31 March 2025	31 March 2024
	£	£
Current tax		
UK corporate income tax expense/(credit)	29,967	(56,045)
Deferred tax		
UK deferred tax credit	(21,027)	(13,475)
Total income tax credit	<u>8,940</u>	<u>(69,520)</u>

The differences between the statutory income tax rate and the effective tax rates are summarised as follows:

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i) Tax expense (continued)

	31 March 2025	31 March 2024
	£	£
Loss before income taxes	(540,680)	(4,867,580)
Expected tax at statutory UK corporation tax rate of 25% (2024: 25%)	(135,170)	(1,216,895)
<i>Increase/(decrease) in tax resulting from:</i>		
Effect of different tax rates in foreign jurisdictions	25,155	(16,877)
Research and development tax credits	29,967	(52,713)
Tax losses carried forward	462,869	466,235
Over provision in previous periods	(549,969)	(3,332)
Movement in deferred tax	(31,173)	66,722
Non-deductible expenditure	207,261	687,340
	8,940	(69,520)

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences that arise when the carrying value of assets and liabilities differs between accounting and tax treatments. Deferred tax assets represent the amounts of income taxes recoverable in the future in respect of those differences, while deferred tax liabilities represent the amounts of income taxes payable in the future in respect of those differences.

The deferred tax is made up of:

	31 March 2025	31 March 2024
	£	£
Deferred tax on leases (IFRS 16)	192,573	179,350
Total deferred tax asset	192,573	179,350
Accelerated capital allowances	(355,427)	(320,630)
Deferred tax on leases (IFRS 16)	(178,661)	(172,157)
Total deferred tax liability	(534,088)	(492,787)
Net deferred tax liability	(341,515)	(313,437)

The following are the major deferred tax liabilities recognised by the Group and any movements thereon:

	31 March 2025	31 March 2024
	£	£
Accelerated capital allowances	(355,427)	(320,630)
Net deferred tax on leases (IFRS 16)	13,912	7,193
Total	(341,515)	(313,437)

The Group had £13,563,258 (2024: £10,421,225) of tax losses available to be carried forward against future profits.

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14. Intangible assets

	Developm ent costs	Trademar ks	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 (note 28)	-	(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 (note 28)	-	(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

14. Intangible assets (continued)

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.

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15. Property, plant and equipment

	Office equipment	Comput er equipm ent	Leasehold improve ments	Machi nery	Furniture , Fixtures & Fittings	Total
	£	£	£	£	£	£
Cost						
At 1 April 2023	122,099	142,892	136,633	50,745	-	452,369
Additions	37,201	283	-	-	-	37,484
Disposal	(43,491)	(8,299)	(123,597)	(50,745)	-	(226,132)
Foreign exchange	(60)	(3,687)	-	-	-	(3,747)
At 31 March 2024	115,749	131,189	13,036	-	-	259,974
Additions	16,846	2,340	30,080	50,291	4,830	104,387
Acquired through business combination	10,557	-	5,935	138,186	20,310	174,988
Disposal	(760)	(54,578)	-	-	-	(55,338)
Foreign exchange	(21)	(912)	-	-	-	(933)
At 31 March 2025	142,371	78,039	49,051	188,477	25,140	483,078
Depreciation						
At 1 April 2023	75,313	99,814	61,746	12,079	-	248,952
Charge for the year	19,311	29,566	23,738	6,044	-	78,659
Disposal	(40,579)	(7,702)	(75,522)	(18,123)	-	(141,926)
Foreign exchange	(52)	(2,751)	-	-	-	(2,803)
At 31 March 2024	53,993	118,927	9,962	-	-	182,883
Charge for the year	20,596	9,895	6,298	17,280	1,999	56,068
Acquired through business combination	6,356	-	4,760	48,851	14,558	74,525
Disposal	(760)	(52,905)	-	-	-	(53,665)
Foreign exchange	(21)	(1,417)	-	-	-	(1,438)
At 31 March 2025	80,164	74,500	21,020	66,131	16,557	258,371
Net book value						
At 31 March 2025	62,207	3,539	28,031	122,346	8,583	224,706
At 31 March 2024	61,756	12,262	3,074	-	-	77,092

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16. 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

The Group leases land and buildings for its offices and warehouses under agreements of between five to ten years with, in some cases, options to extend and break clauses. The leases have initial rent-free periods and 5 yearly upward only rent reviews. No extension to these leases has been assumed, the impact is not considered material to users of the financial statements.

Future minimum lease payments associated with the land and building leases were as follows:

	31 March 2025 £	31 March 2024 £
Not later than one year	225,740	156,430
Later than one year and not later than two years	214,490	211,990
Later than two years and not later than five years	415,228	452,910
Over five years	62,667	78,667
Total minimum lease payments	918,124	899,997
Less: future finance charges	(147,831)	(182,597)
Present value of future lease payments	770,293	717,400
Current	173,133	99,581
Non-current	597,160	617,819
Total lease liabilities	770,293	717,400

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16. Right-of-use assets – Group (continued)

Impact of IFRS 16 “Leases” on the statement of comprehensive income

The following tables summarises the effect of IFRS 16 “Leases” on the Group’s profit/loss before tax for each period presented:

	31 March 2025	31 March 2024
	£	£
From continuing operations:		
Loss before tax excluding lease charges	755,122	(1,177,394)
Lease payments under short-term and low value assets	(60,278)	(60,278)
Depreciation of right of use assets	(167,652)	(250,370)
Lease finance expense	(64,468)	(25,538)
Loss before tax and after lease charges	462,723	(1,513,580)

17. 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	1,260,626	2,370,941
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
	4,150,964	6,695,544

18. 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	582,534	1,175,380

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	630,596	1,325,677

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18. Trade receivables (continued)

Trade receivables are current and the Directors believe these receivables are collectible. The Directors consistently assess the collectability of these receivables. As at 31 March 2025, the Directors considered a portion of these receivables uncollectable and recorded a provision in the amount of £48,062 (2024: £150,297).

The provision for expected loss rates are based on the Group's historical credit loss experience, client based and the economic conditions. Most significantly, the rate of provision is 100% for amounts more than one year past due. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Both historic losses and expected future losses being very low, the Directors consider it appropriate to apply a single average rate for expected credit losses to the overall population of trade receivables. The single expected rate applied is 7.6% (31 March 2024: 11.3%). The Directors have identified the gross domestic product growth rates as the key macroeconomic factors in the countries in which the Group operates.

19. 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	803,230	625,248

20. Share capital and merger relief reserve

	31 March 2025	31 March 2024
	£	£
Allotted, issued and fully paid:		
58,358,201 (2024: 58,358,201) ordinary shares of 1p each	583,582	583,582
Ordinary shares issued:	Number of shares No.	Share capital £
At 31 March 2023, 2024 and 2025	58,358,201	583,582

Shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of Samarkand Group Limited.

Share premium

The share premium account represents the amount received by the company for shares issued in excess of their nominal value.

Merger relief reserve

The merger relief reserve arises from the issue of shares by Samarkand Group Limited in exchange for shares in Samarkand Holdings Limited.

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21. Share based payments

Samarkand Long Term Incentive Plan

On the 1 April 2022, the Company adopted the Samarkand Long Term Incentive Plan to allow at the discretion of the Board, eligible employees to be granted EMI and non-EMI options at an exercise price to be determined by the Board not less than the nominal value of a share. Options will vest to time based and, if applicable financial and non-financial targets, as the Board may determine.

Options to acquire ordinary shares under the EMI play may be granted up to a maximum of £3m (based on the market value of the shares placed under option at the date of the grant). No consideration is payable for the grant of the option and the options are not transferable or assignable. Cash consideration is paid to the Company by the employee at the point that the share options are exercised.

4,829,159 share options were granted to certain employees as follows.

Grant Date	1 April 2022	1 April 2022	1 April 2022	1 November 2022	13 August 2024
Type	EMI	Unapproved	EMI	EMI	EMI
No of Options	493,338	68,890	87,295	1,007,547	3,172,089
Vesting Date	1 April 2025	1 April 2025	1 April 2023	1 November 2025	13 August 2025
Model Used	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Share price at date of grant	£1.125	£1.125	£1.125	£0.55	£0.04
Additional conditions	Yes	Yes	N/A	N/A	N/A
Volatility	35%	35%	35%	38%	78%
Expected option life (years)	3	3	1	3	1
Dividend yield	N/A	N/A	N/A	N/A	N/A
Risk free investment rate	3.57%	3.57%	3.57%	3.57%	4.31%
Fair value per option at grant date	£1.116	£1.116	£1.1154	£0.52	£0.03
Exercise price	£0.01	£0.01	£0.01	£0.01	£0.01
Exercisable to	1 April 2032	1 April 2032	1 April 2032	1 November 2032	13 August 2034

21. Share based payments (continued)

EMI share option scheme

As part of its strategy for executive and key employee remuneration, Samarkand Holdings established an Approved Enterprise Management Incentive ("EMI") Share Option Scheme on 20 October 2020 under which share options may be granted to officers and employees or members of the Group. Under the rules of the Share Option Scheme, Samarkand Holdings may grant EMI options to recruit or retain an eligible employee.

There are overall and individual limits on the total market value (at the relevant dates of grant) of the shares in Samarkand Holdings that can be acquired on the exercise of all EMI Options. The earliest date on which an option may be exercised shall be the earlier of: (i) the Business Day immediately following the 18-month anniversary of the Grant Date; and (ii) the date on which an exit occurs (the vesting date). The Option shall lapse on the tenth anniversary of the Grant Date, assuming it is not exercised before then and no event occurs to cause it to lapse earlier under the Rules. The exercise of option is not subject to any exercise conditions.

Options over 16,964 shares were granted on 20 November 2020.

Unapproved share option scheme

On 20 October 2020, Samarkand Holdings adopted an unapproved share option scheme whereby Samarkand Holdings granted options to its employees. The maximum number of shares over which options that may be granted under the scheme is 11,044. Options over 10,335 shares were granted on 3 December 2020. Following the share for share exchange in March 2021, Samarkand Group Limited had the following share options outstanding as at the year-end.

	Weighted average exercise price (pence)	Number
Outstanding at 1 April 2023	9.86	459,769
Forfeited	9.86	(53,000)
Outstanding at 31 March 2024	9.86	406,769
Forfeited	9.86	(70,400)
Exercisable at 31 March 2025	9.86	336,369

Samarkand Preliminary Award

Under the terms of the Samarkand Preliminary Award, certain Executive Directors and members of management were granted awards the base value is calculated as a fixed multiple of salary and will only vest when the related non-financial and financial performance targets are met.

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21. Share based payments (continued)

The following table illustrates the number and weighted average exercise price of share options:

	Number	Weighted average exercise price
Outstanding at 1 April 2023	2,097,287	£0.0294
Forfeited	(678,889)	£0.0169
Number of options outstanding at 31 March 2024	1,418,398	£0.0354
Granted	3,172,089	£0.01
Forfeited	(1,109,954)	£0.0156
Number of options outstanding at 31 March 2025	3,480,533	£0.0186
Exercisable at 31 March 2025	373,793	£0.0897

Options to subscribe under various schemes, including those noted in Directors' interests on page 11, are shown in the table below:

	Date granted	Exercise Price	Exercisable Between	2025 Number of Share Options	2024 Number of Share Options
Approved	20 Nov 2020	£0.0986	20 Nov 2020 to 20 Nov 2030	-	70,400
Unapproved	3 Dec 2020	£0.0986	20 Nov 2020 to 20 Nov 2030	336,369	336,369
Approved	1 Apr 2022	£0.01	1 Apr 2022 to 1 Apr 2025	-	460,004
Unapproved	1 Apr 2022	£0.01	1 Apr 2022 to 1 Apr 2025	-	35,556
Approved	1 Apr 2022	£0.01	1 Apr 2022 to 1 Apr 2023	37,424	53,248
Approved	1 Nov 2022	£0.01	1 Nov 2022 to 1 Nov 2025	234,651	462,821
Approved	13 Aug 2024	£0.01	13 Aug 2024 to 13 Aug 2025	2,872,089	-
				3,480,533	1,418,398

22. Other reserves

Currency translation reserve

The currency translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of subsidiaries with a functional currency that differs to the Group's presentation currency.

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23. Borrowings

The Group's borrowings consist of:

- Fixed rate secured loan notes which incur interest at 5% per annum;
- Unsecured bank loans which incur interest at 2.5% and 5.0% per annum
- Other loans which incur interest at between nil and 23% per annum; and

The following table provides a reconciliation of the Group's future maturities of its total borrowings for each of the periods presented:

	31 March 2025 £	31 March 2024 £
Not later than one year:		
Fixed rate secured loan notes (a)	1,436,339	-
Bank loans (b)	91,165	57,043
Other loans (c)	298,791	4,550
Current	<u>1,826,295</u>	<u>61,593</u>
Payable after one year but less than five years:		
Fixed rate secured loan notes (a)	-	1,366,430
Bank loans (b)	2,500	41,998
Other loans (c)	58,348	26,467
Non-current	<u>60,848</u>	<u>1,434,895</u>
Total borrowings	<u>1,887,143</u>	<u>1,496,488</u>

(a) Fixed rate secured loan notes

On 24 September 2020, Samarkand Holdings executed a Non-convertible Loan Note Instrument for up to £1,146,300. The maturity date on which the principal amount was due to be redeemed is 24 September 2025, or, if earlier, the date on which the Notes are redeemed. The redemption value is the par value of such Notes. Interest is fixed at 5% per annum.

The Notes are secured by way of: i) a debenture from Samarkand Holdings in favour of Global Smollan Holdings ("Smollan") dated 26 July 2019; and ii) a deed of priority amongst Samarkand Holdings, Smollan and HSBC Bank plc dated 26 July 2019.

Refer to page 61 for details of the new convertible loan facility agreement the Company entered into with Smollan in September 2025.

(b) Bank loans

On 21 October 2020, Forever Young International Limited entered in a loan from Funding Circle under the Coronavirus Business Interruption Loans Scheme ("CBILS") for a principal sum of £200,000. The loan is guaranteed by the UK Government. The loan incurs interest at a fixed rate of 5.0% and is repayable over five years. No capital repayments are due for the first 12 months following the loan advance. Thereafter the loan is repayable in 48 monthly instalments.

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23. Borrowings (continued)

On the 14 June 2020, The Edinburgh Herbal Dispensary Limited received a Bounce Back Loan from Bank of Scotland for a principal sum of £25,000. The loan is guaranteed by the UK Government. The loan incurs a fixed rate of 2.5% and is repayable over six years. No capital repayments are due for the first 12 months following the loan advance. Thereafter the loan is repayable in 60 monthly instalments.

On the 8 May 2020, Optimised Energetics Limited received a Bounce Back Loan from Barclays for a principal sum of £50,000. The loan is guaranteed by the UK Government. The loan incurs a fixed rate of 2.5% and is repayable over six years. No capital repayments are due for the first 12 months following the loan advance. Thereafter the loan is repayable in 60 monthly instalments.

(c) Other Loans

On the 23 May 2024, Forever Young International Limited received a working capital loan from Amazon for a principal sum £62,400. The loan incurred fixed fee of £14,289 and is repaid at 25% of each sales payment.

On the 5 March 2025, The Edinburgh Herbal Dispensary Limited obtained a working capital loan from Shopify for a principal amount of £240,000. The loan has a fixed interest rate of 12.7% and is to be repaid at 17% of each sales payment.

In addition to these two loans, the Group utilised asset finance loans to acquire machinery and other capital assets.

The following table represents the Group's finance costs for each of the periods presented:

	31 March 2025	31 March 2024 Restated
	£	£
Interest on borrowings	118,586	74,668
Interest on payables	12,139	-
Right-of-use lease finance expenses	64,468	25,538
Bank charges	17,415	20,245
Foreign exchange	23,727	141,271
Total finance costs	236,335	261,722
Less: Discontinued operations	(33,426)	(109,793)
Total finance costs from continuing operations	202,909	151,929

24. Fair value of financial instruments

(a) Fair value

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the directors utilise valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied.

24. Fair value of financial instruments (continued)

Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. IFRS 13 “*Fair Value Measurement*” establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is defined as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.

Level 2: Inputs (other than quoted prices included in Level 1) can include the following:

- observable prices in active markets for similar assets;
- prices for identical assets in markets that are not active;
- directly observable market inputs for substantially the full term of the asset; and
- market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs which reflect the Directors’ best estimates of what market participants would use in pricing the asset at the measurement date.

Level 2 fair value measurements are those including inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly

As at 31 March 2025 and 31 March 2024 there are no financial instruments measured at fair value.

(b) Financial Instruments

For trade receivables, the Group applies the simplified approach permitted by IFRS 9 “*Financial Instruments*”, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

The Group is not a financial institution. The Group does not apply hedge accounting and its customers are considered creditworthy and pay consistently within agreed payments terms.

A classification of the Group’s financial instruments for the periods presented is included in the table below:

	31 March 2025	31 March 2024 Restated
	£	£
Cash and cash equivalents held at amortised cost	820,427	867,524
Trade receivables held at amortised cost	582,533	1,175,380
Financial assets at amortised cost	298,943	248,267
Total	<u>1,701,903</u>	<u>2,291,171</u>
Financial liabilities at amortised cost*	(2,654,271)	(3,401,814)
Borrowings and leases	(2,657,436)	(2,213,888)
	<u>(5,311,707)</u>	<u>(5,615,702)</u>
Total	<u>(3,609,804)</u>	<u>(3,324,531)</u>

25. Financial risk management

For the purposes of capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of Samarkand Group plc. The primary objective of Samarkand Group Limited's capital management is to ensure that the Group maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

To maintain or adjust the capital structure, the Directors may adjust any future dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods presented.

The Directors manage Samarkand Group plc's capital structure and adjust it, in light of changes in economic conditions and the requirements of its financial covenants. The Group includes in its net debt, all loans and borrowings less cash and short-term deposits. The Group's principal financial liabilities comprise of borrowings and trade and other payables, which it uses primarily to finance its operations.

The Group's principal financial assets include cash and cash equivalents and trade and other receivables derived from its operations.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(b) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will not meet its obligations under a contract and arises primarily from the Group's cash in banks and trade receivables.

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts included in the Statement of Financial Position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The Group has a low retail credit risk due to transactions being principally of high volume, low value and short maturity. The Group's trade receivables are primarily with large retail companies with which the Group has long-standing relationships, and the risk of default and write-offs due to bad debts is considered below.

The Group believes the credit risk on liquid funds, being cash and cash equivalents, is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. However, the concentration of credit risk by counterparty does exceed 10% of the overall cash and cash equivalent balance.

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

(c) Foreign currency risk

Foreign currency risk is the risk that future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operational activities (when financial assets and liabilities are denominated other than in a company's functional currency).

Most of the Group's transactions are carried out in Pounds Sterling (£). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group's net exposure to foreign exchange risk was as follows:

	CNY £	EUR £	HK\$ £	US\$ £	JPY £
As at 31 March 2025					
Financial assets in £	111,119	28,801	1,434	30,156	-
Financial liabilities in £	(62,449)	(40,123)	(6,489)	(1,318)	-
Net foreign currency risk	<u>48,670</u>	<u>(37,322)</u>	<u>(5,054)</u>	<u>28,837</u>	<u>-</u>
As at 31 March 2024					
Financial assets in £	438,963	6,123	11,301	39,671	-
Financial liabilities in £	(144,956)	(138,122)	(3,803)	(32,168)	-
Net foreign currency risk	<u>294,007</u>	<u>(131,999)</u>	<u>7,498</u>	<u>7,503</u>	<u>-</u>

Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates.

A 10 per cent movement in each of the Chinese Yuan (CNY), Euro (EUR), Hong Kong Dollar (HK\$) US Dollar (US\$) and Japanese Yen (JPY) would increase/(decrease) net assets by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	CNY £	EUR £	HK\$ £	US\$ £
As at 31 March 2025				
Effect on net assets				
Strengthened by 10%	7,709	(3,370)	(473)	2,884
Weakened by 10%	<u>(7,709)</u>	<u>3,370</u>	<u>473</u>	<u>(2,884)</u>
As at 31 March 2024				
Effect on net assets				
Strengthened by 10%	29,401	(13,200)	750	750
Weakened by 10%	<u>(29,401)</u>	<u>13,200</u>	<u>(750)</u>	<u>(750)</u>

(d) Cash and cash equivalents

The Group assesses credit risk from its cash and cash equivalents on a regular basis before any credit losses are experienced. The Group considers such risk is limited as cash is held with banks with high credit ratings.

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

(e) **Trade receivables**

Trade receivables are due from customers and collectability is dependent on the financial condition of each individual customer as well as the general economic conditions of the industry. The Directors review the financial condition of customers prior to extending credit and generally does not require collateral in support of the Group's trade receivables. The majority of trade receivables are current, and the Directors believe these receivables are collectible.

(f) **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they are due. The Directors manage this risk by:

- maintaining adequate cash reserves through the use of the Group's cash from operations and borrowings; and
- continuously monitoring projected and actual cash flows to ensure the Group maintains an appropriate amount of liquidity.

The maturity profile of the Group's financial obligations are as follows:

	Less than 1 year £	2 to 5 years £	More than 5 years £	Total £
Trade and other payables	2,002,751	646,000	-	2,648,751
Borrowings	1,826,295	60,848	-	1,887,143
Leases (gross cash flows)	225,740	629,718	62,667	918,125
At 31 March 2025	4,054,786	1,336,566	62,667	5,454,019

	Less than 1 year £	2 to 5 years £	More than 5 years £	Total £
Trade and other payables	3,401,814	-	-	3,401,814
Borrowings	61,593	1,434,895	-	1,496,488
Leases (gross cash flows)	156,430	664,900	78,667	899,997
At 31 March 2024	3,619,837	2,099,795	78,667	5,798,299

26. 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

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

26. Trade and other payables continued)

Current	2,291,334	3,401,814
Non-current	646,000	-
Total	<u>2,937,334</u>	<u>3,401,814</u>

*In November 2021, the Group acquired the Napiers brand and its subsidiaries, for a total consideration of £2.3m. £0.5m of the total £2.3m consideration is contingent upon a certain transaction occurring post-acquisition which will be settled either in cash or the issuance of new Ordinary Shares, at the discretion of Company. This is included in accrued liabilities is £216,000 (2024: £554,439). In May 2024, the Group acquired Optimised Energetics Ltd for total consideration of 1.3m with initial consideration of £650,000 in cash on a cash free debt free basis and deferred consideration of £650,000 payable in cash over a three-year period, the total deferred consideration of £650,000 (2024: £nil) is included in accrued liabilities.

^ Included in other payables are HSBC Credit Cards totalling £8,279 (2024: £11,606), along with settlement limits, are secured by way of a debenture over the assets of one of the company's indirect subsidiaries.

27. Notes to the statements of cash flows

Net debt reconciliation:

	Opening balances £	Cash flows £	Non-cash movements £	Closing balances £
Year ended 31 March 2025				
Cash & cash equivalents	867,524	(43,222)	(3,875)	820,427
Right of use lease liabilities	(717,400)	205,242	(258,135)	(770,293)
Borrowings	(1,496,488)	(242,319)	(148,336)	(1,887,143)
Totals	<u>(1,346,364)</u>	<u>(80,299)</u>	<u>(410,346)</u>	<u>(1,837,009)</u>
Year ended 31 March 2024				
Cash & cash equivalents	2,017,150	(1,144,055)	(5,571)	867,524
Right of use lease liabilities	(573,785)	283,218	(426,833)	(717,400)
Borrowings	(1,453,298)	23,494	(66,684)	(1,496,488)
Totals	<u>(9,933)</u>	<u>(837,343)</u>	<u>(499,088)</u>	<u>(1,346,364)</u>

28. 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:

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

28. Held for sale (continued)

	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

29. 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.

SAMARKAND GROUP LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

29. Business combinations during the year (continued)

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.

30. Contingencies

There are no known contingencies which might impact on the Group's operations or financial position.

31. Related party transactions

Amounts owed to related parties

As at 31 March 2025, the Group had a net amount owing to related parties of £64,000 (2024: £64,000). The amounts owing were to directors of one of the Group's subsidiaries. The above balances were unsecured, interest-free and repayable on demand.

Services provided to/purchases from related parties

During the year ended 31 March 2025, the Group made £540 (2024: £nil) of livestreaming fees to a related party. The related party is a close family member of a director of one of the Group's subsidiaries.

31. Related party transactions (continued)

During the year ended 31 March 2025, the Group made £51,401 (2024: £53,900) of consultancy fees to a related party. The related party is a Director of one of the Group's subsidiaries.

The above transactions were entered into on terms equivalent to those that prevail in arm's length transactions. The amounts owing are to be settled in cash.

32. 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.

33. Ultimate controlling party

As at 31 March 2025, Samarkand Group Limited did not have any one identifiable controlling party.

SAMARKAND GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

		31 March 2025	31 March 2024 Restated
	Notes	£	£
ASSETS			
Investments	5	22,020	48,718
Amounts due from group undertakings	6	9,667,465	7,352,902
Non-current assets		<u>9,689,485</u>	<u>7,401,620</u>
Other receivables and prepayments		6,097	2,002
Cash and cash equivalents		3,005	5,169
Current assets		<u>9,102</u>	<u>7,171</u>
Total assets		<u>9,698,587</u>	<u>7,408,791</u>
EQUITY AND LIABILITIES			
Share capital	9	583,582	583,582
Share premium		22,954,412	22,954,412
Accumulated loss		(15,672,364)	(17,970,261)
Total equity		<u>7,865,630</u>	<u>5,567,733</u>
Borrowings	8	-	1,366,430
Total non-current liabilities		<u>-</u>	<u>1,366,430</u>
Trade and other payables	7	53,822	119,259
Accrued liabilities	7	342,796	355,369
Borrowings	8	1,436,339	-
Total current liabilities		<u>1,832,957</u>	<u>474,628</u>
Total liabilities		<u>1,832,957</u>	<u>1,841,058</u>
Total liabilities and equity		<u>9,698,587</u>	<u>7,408,791</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss and related notes in these financial statements. The Parent Company profit for the period was £2,444,376 (2024: loss £5,555,468)

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2025 and are signed on its behalf by:

David Hampstead
Director

Company Registration No. 13127277

SAMARKAND GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Share capital	Share premium	Accumulated loss Restated*	Total equity
	£	£	£	£
Balance at 1 April 2023 (Restated)*	583,582	22,954,412	(12,606,593)	10,931,401
Loss and total comprehensive income for the period	-	-	(5,555,468)	(5,555,468)
Share based payments	-	-	191,800	191,800
Balance at 31 March 2024 (Restated)*	583,582	22,954,412	(17,970,261)	5,567,733
Profit and total comprehensive income for the period	-	-	2,444,376	2,444,376
Share based payments	-	-	(146,479)	(146,479)
Balance at 31 March 2025	583,582	22,954,412	(15,672,364)	7,865,630

* refer to page 66 for further details on the prior period opening balance restatement

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

1. Basis of preparation

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

In preparing these financial statements the Company has taken advantage of available disclosure exemptions for qualifying entities available under FRS 102 in its individual financial statements.

Therefore, these financial statements do not include the below disclosure requirements on the basis that the parent company information are included in equivalent disclosures provided within these consolidated financial statements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures.
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 ‘Share based Payment’: Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

2. Accounting policies

Investments in Subsidiaries

Investments are included at cost, less amounts written off.

Pensions

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account as incurred.

Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

Share-based payment arrangements (continued)

Where there are no vesting conditions, the expense and equity reserve arising from share-based payment transactions is recognised in full immediately on grant. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Reserves

Share Capital

The share capital account includes the nominal value for all shares issued and outstanding.

Share Premium

The share premium account comprises the premium over nominal value on issued shares. The use of this reserve is restricted by the Companies Act 2006.

Retained Earnings

The profit and loss account includes the accumulated profits and losses arising from the Income Statement and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions to shareholders.

Financial instruments

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which comprise of debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade creditors and bank loans, loans from fellow Group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

3. Critical accounting estimates and judgements

The preparation of financial statements under FRS 102 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of Investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets. Hence, the directors' significant judgement in this regard is that the value of their investment represents their costs less impairment.

Determining whether there are indicators of impairment of investments in subsidiaries. Factors taken into consideration in reaching such a decision include the value in use and the fair value less costs to sell. See note 5 for the net carrying amount of the investment in subsidiaries.

4. 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:

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

	As reported 31 March 2024	Impact of Restatement	Restated 31 March 2024
Company statement of financial position	£	£	£
Accrued liabilities	(851,294)	495,925	(355,369)
Accumulated loss	<u>(18,466,186)</u>	<u>495,925</u>	<u>(17,970,261)</u>

5. Investment in subsidiaries

	31 March 2025 £	31 March 2024 £
Cost at 1 April	664,540	520,771
Capital Contribution	<u>(88,912)</u>	<u>143,769</u>
	<u>575,628</u>	<u>664,540</u>
Impairment at 1 April	-	-
Charge	(668,742)	(615,822)
Reversal	<u>115,134</u>	<u>-</u>
	<u>(553,608)</u>	<u>(615,822)</u>
Net book value at 31 March	<u>22,020</u>	<u>48,718</u>

6. Amounts due from group undertakings

	31 March 2025 £	31 March 2024 £
Amounts due from group undertakings	<u>9,667,465</u>	<u>7,352,902</u>
Total amounts due from group undertakings	<u>9,667,465</u>	<u>7,352,902</u>

At 31 March 2025, the Company was owed £21,077,209 (2024: £21,870,618) by its subsidiaries against which a provision of £11,409,743 (2024: £14,517,716) has been made at the year end, leaving a net balance of £9,667,465 (2024: £7,352,902) in the accounts. Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

7. Trade and other payables

	31 March 2025 £	31 March 2024 Restated £
Trade and other payables	53,822	119,259
Accruals	<u>342,796</u>	<u>355,369</u>
Total trade and other payables	<u>396,618</u>	<u>474,628</u>

NOTES FORMING PART OF THE COMPANY FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

8. Borrowings

	31 March 2025 £	31 March 2024 £
Current		
Fixed rate secured loans	1,436,339	-
	<u>1,436,339</u>	<u>-</u>
Non-current	-	
Fixed rate secured loans	-	1,366,430
	<u>1,436,339</u>	<u>1,366,430</u>

On 24 September 2020, Samarkand Holdings executed a Non-convertible Loan Note Instrument for up to £1,146,300. The maturity date on which the principal amount is due to be redeemed is 24 September 2025, or, if earlier, the date on which the Notes are redeemed. The redemption value is the par value of such Notes. Interest is fixed at 5% per annum. The secured loan interest is settled on redemption.

Refer to page 61 for details of the new convertible loan facility agreement the Company entered into with Smollan in September 2025.

9. Share Capital

	31 March 2025 £	31 March 2024 £
Allotted, issued and fully paid:		
58,358,201 (2024: 58,358,201) ordinary shares of 1p each	<u>583,582</u>	<u>583,582</u>
Ordinary shares issued:	Number of shares	Share capital
	No.	£
At 1 April 2023, 31 March 2024 and 2025	<u>58,358,201</u>	<u>583,582</u>

Shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of Samarkand Group Limited.

10. Related party transactions

The Company has taken advantage of the exemption included in section 33 of FRS 102 and has not disclosed transactions with other wholly owned members of the Group headed by Samarkand Group plc.

During the year ended 31 March 2025, the Company recharged £876 (2024: £6,411) in share group costs to Babawest Limited. As at 31 March 2025 the amount due from Babawest Limited was £4,454 (2024: £18,402) against which a provision of £4,454 (2024: £18,402) was made at year end, these amounts are included in the above in the amounts owed by its subsidiaries.

11. Ultimate parent undertaking and controlling party

As at 31 March 2025, Samarkand Group Limited did not have any one identifiable controlling party.