SILVERWOOD BRANDS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY INFORMATION

Directors	A Tone J R C Palix S V Hully P C Hodgins A M Gerrie T C Dodge (resigned 30 October 2023) M Power (appointed 29 January 2024)
Company secretary	Indigo Corporate Secretary Limited
Registered number	13557318
Registered office	2nd Floor 38-43 Lincoln's Inn Fields London England WC2A 3PE
Independent auditors	Crowe UK LLP 55 Ludgate Hill London EC4M 7JW
Accountants	Donald Reid Limited Prince Albert House 20 King Street Maidenhead Berkshire SL6 1EF
Bankers	Metro Bank plc One Southampton Row London WC1B 5HA
Legal Advisers	Armstrong Teasdale Ltd 2nd Floor 38-43 Lincoln's Inn Fields London WC2A 3PE

COMPANY INFORMATION

Aquis corporate adviser and broker	Peterhouse Capital Limited 80 Cheapside London EC2V 6EE
Registrar	Neville Registrars Limited Neville House Steelpark Rd Halsowen B62 8HD

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Balmonds is the natural, long term alternative to steroidal creams for people with sensitive skin.

If we can produce 100% natural products which help people to alleviate sore skin issues then we're a valuable part of society

The spirit of the NAILBERRY brand has a sensitivity to health & wellness and a respect to the environment & nature. All of our activities are formed with the sentiment of our values at its core.

Steamcream was established in Japan over 15 years ago by a small team sharing a clear and simple vision – to provide a straightforward, yet effective approach to having great skin.

CIGARRO is the men's self-care brand that transforms self-care from a mere routine to a pleasurable experience with its uniqueness and strong personality. Making you more of you.

Business review

Our trading year ending December 2023 was a period covering a drive for growth in our brands, the due diligence and investigation of new acquisitions and the frustrations of dealing with the Lush team.

Whilst we will repeat some of the information provided in our Trading Update of 1st May 2024 we will also endeavour to provide details of how we perceive our brands and business.

The year saw the first full year of trading for our existing brand portfolio of Balmonds, Nailberry and Sonotas (our Japanese business comprising SteamCream and Cigarro).

We would note that our underlying brands performed in line with our expectations – that is, we do not expect a simple tidy linear pattern when growing these smaller brands. On a month to month basis, even a year to year basis, we expect a bumpy ride. However, over the longer term we expect a picture of profitable growth.

Our teams remain committed to the task of delivering that growth and we continue to be impressed by their efforts.

Balmonds

As mentioned in our report for the previous financial year, “Balmonds enjoyed some well-placed press coverage during the year which gave a pleasant boost to sales. This may prove difficult to replicate….”

Annoyingly we were unable to replicate the boost we enjoyed in 2022 and sales fell by approximately 20% on a year on year basis. We would note that 2023 still achieved a substantial uplift against 2021, which is in line with the bumpy growth patterns we expect and represents strong growth over the two year period.

Sales and brand contribution history has been:

	2023 **£**	**2022** **£**	**2021** **£**	**2020** **£**
Sales	2,456,758	3,062,027	1,408,905	1,420,500
Net Profit/(Loss)	(131,158)	282,646	(296,700)	(91.618)

Whilst a rebranding project has proved disruptive, we believe it will help build sales in the long term. The new look and packaging have been well received by those customers who have seen it and also by buyers from retail chains we are targeting. Now we need to convert that response to sales.

Additional work has gone in to supporting a medical device license application for Balmonds’ Skin Salvation balm. If granted, we believe skin salvation will be the first petroleum-free 100% natural emollient for the prevention and treatment of eczema & psoriasis. This will allow for more effective marketing around the benefits of this product.

Nailberry

Nailberry continues to attract new customers and open new sales channels. This has resulted in sales growth over the prior year.

Sales and brand contribution history has been:

	2023 **£**	**2022** **£**	**2021** **£**
Sales	2,933,329	2,399,121	2,172,797
Net Profit/(Loss)	1,093,743	551,861	847,870

Sonotas

Our acquisition of Sonotas in January 2023 added Steamcream and Cigarro brands to the Silverwood Brands portfolio. In addition to the brands, Sonotas brings a growth platform to the group that provides direct market access to Japan, the world's 3rd largest beauty market and proximity to the globally fastest growing beauty region of Asia.

Through Sonotas, we have continued to expand our capabilities in Japan with the acquisition in March 2024 of Cosme Science, a beauty R&D and manufacturing business. Cosme Science has 40 years of experience and more than 2,000 formulations to draw from. Additionally, the nearly 7,000 sq m facility is only 7 years old and complete with new, modern fit out.

We also acquired a small skincare brand, Dr Baeltz, as part of the Cosme Science purchase.

As per earlier announcements, Cosme Science (including Dr Baeltz) generated revenue of Yen 1.6bn (approx. £8.4m) and ebitda of Yen 123m (approx. £650k) in the year ending March 2023.

We believe that having a significant presence in Japan provides Silverwood with a strategic advantage for building brands as well as sourcing new opportunities such as the Cosme Science transaction.

Sonotas's business model is similar to that of Silverwood Brands in that Sonotas is run as a platform to provide R&D and product, sales channels development and back office support to its brands.. Branding, marketing and direct sales roles are unique to each brand. Sonotas's P&L is inclusive of all its brands in addition to cost centres such general R&D, IT, finance and other costs such as those occurred with the Cosme Science transaction.

	30 June 2023 **K¥**	**30 June 2022** **K¥**	**30 June 2021** **K¥**
	Unaudited	Unaudited	Unaudited
Sales	1,160,908	1,103,804	1,116,958
Pre-tax result	143,203	(8,327)	49,039

The figures above are reported to 30 June, the Sonatas financial year-end.
We are working on a process to align financial year ends across the group.

<u>Steamcream</u>

In 2023 the Japan Steamcream team focused on rebuilding from the Covid related dip, primarily hitting our retail store portfolio. In May 2023, we chose to temporarily exit all retail stores to work on growing our wholesales and digital channels.

Cigarro

Cigarro's growth slowed in 2023 with some frustrating supply problems out of China early in the year that took nearly 6 months to solve by replacing several suppliers. Supply issues have been resolved and we forecast renewed growth in the coming year.

Nailberry Japan

Sonotas brought Nailberry to Japan in October of 2023 and work continues to build brand awareness.

Portfolio of gems

We believe we have assembled a portfolio of gems. Although these are small brands today we believe that they all have the potential to be much larger. That's our challenge. With great management teams, determined focus, ambitious plans, some time and a few lucky breaks we can build these small brands to be much larger. We continue to search for more gems to add to our collection.

Silverwood

Our holding company is primarily a cost centre where we endeavour to manage a lean operation.

We incur various expenses to investigate new opportunities and this year we incurred large costs around the Lush transaction. We recovered most of these costs. We have retained an upside through our settlement agreement with the vendors should the Lush stake which was unwound from our business be sold.

Some of these costs, we believe, were due to the unnecessary delay caused by our previous advisors, VSA Capital, in returning their shares. We are seeking advice on the recoverability of these excess costs.

We wish to highlight below a number of areas of cost incurred in the year which do not directly relate to the underlying operations of the group.

Acquisition costs.
We incurred over £300,000 of net fees in acquisition costs over the period. As explained earlier, we recovered £300,000 relating to the Lush unwind process. Whilst we will incur costs on future acquisitions, we will always endeavour to restrict these to a minimum.

Impairment costs
We have made an impairment against our holding in Ginger Teleporter following the decision to reduce our focus to health & beauty.

Recognition of post combination remuneration.
As previously reported, we negotiated performance related components to each of the brand purchases we have made. This allowed us to match market conditions, whilst, it derisking the purchase by deferring a large element to the future and making these dependent on performance. This also aligned the founders/shareholder management with all shareholders.

Non-cash post combination remuneration costs are recorded as costs. This year these amounted to £4.58m.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Our hope is that we do pay these amounts as the full purchase prices we pay after allowing for these earn out amounts are usually a greatly reduced multiple of achieved results should the pre-agreed performance criteria be met.

All future payments are contracted to allow for settlement in shares.

Finance costs
We have reported a finance cost for the year of £748k. This is mostly a non-cash charge relating to the loan from Castlenau Group.

We are fortunate to have Castlenau Group Limited (“Castelnau”) as a shareholder, and one that shares our long term view on building businesses.

Following the year end, Castlenau agreed to convert the majority of its loan position into ordinary shares in the Company. This was completed on 29 January 2024 at a price of 54p per share.

At the same time, the Company completed a £1.0 million subscription from Andrew Gerrie, also at 54p per share, and Silver Americum Limited, a company in which Mr Gerrie and his wife each hold separate 20% interests, agreed to provide an unsecured convertible loan of £0.5 million to the Company.

Aquis.
Recently the Aquis exchange has suffered from severe liquidity issues with numerous investors withdrawing from the market and selling down shares where they could.

This has obviously affected valuations.

Whilst we have a long term view and believe the immediate answer is to focus on our business we will continue to monitor all opportunities or changes our Aquis listing leads us to.

Lush
Again, we repeat our previous announcements about this transaction, we were very disappointed with the reaction of the Lush management team to our position, and we have taken the pragmatic approach of withdrawing from the acquisition due to the aggressive stance adopted by Lush. Our previous announcements covered the details of this.

We have now effected an unwinding of the transaction via a capital reduction which was approved by the court on 16 April 2024 and completed on 30 April 2024.

The attempted transaction consumed a huge amount of management time and focus, along with associated costs. Much of this fee cost was reimbursed by Andrew Gerrie and Alison Hawksley. We now wish them good luck in their endeavours to achieve a sale of their Lush shares.

Group
Group numbers show a consolidated pre-tax loss for the 2023 financial year.

Q1 2024 - Trading Update
Trading in our brands since our December year end has been as expected.

Future Prospects

Our existing portfolio of businesses holds wonderful potential for profitable growth.

The addition of Cosme Science in Japan provides a great under pinning to our ambitions in Asia and introduces various new avenues of growth.

We have reviewed numerous additional opportunities and believe we will continue to find exciting ventures to enhance our business.

In summary, we have suffered some frustrations in the year under review, however, we have also enjoyed some improvements and exciting additions.

We remain optimistic about the future.

Shareholder online meeting

We are planning to hold a shareholder webinar following the announcement of our 2023 full year results with a focus on Q&A with the management team. Further details will be announced in due course.

Financial key performance indicators

For our portfolio of controlled brands we are focused on financial indicators of:

Revenue
We have identified some exciting smaller brands which we believe can grow to be larger businesses. Obviously, revenue growth is key measurement here.

EBITDA
These businesses need to maintain a profitable business model as they grow. EBITDA will give us a guide for this and should represent a cash generation proxy.

Profit After Tax
Profitable business models don't stop at EBITDA so we will also look for true bottom line profitability.

Cash at year end
We need cash to support our growing businesses, to absorb the bumps we encounter and to cover our central costs.

For our investment positions we will look for similar KPI's within the reported data from the underlying businesses. This will allow us to assess the carrying value of our investment positions.

Principal risks and uncertainties

The Board has overall responsibility for the management of risk within the Group. Principal risks are those that the Board believes may materially affect the future prospects or reputation of the Group, including those that could threaten its business model, future performance, solvency or liquidity.

Identifying these potential risks assists in ensuring risk management procedures and internal controls exist to prevent them from occurring, or to at least mitigate their impact should they occur. Principal risks are categorised into four broad areas:

Risks

Reliance on key customers / sales channels

A proportion of the Group's revenue continues to be derived from a small number of large customers. The loss of any of these key customer relationships could have a material adverse effect on the Group's business, financial condition and results of operations.

The historic rate of customer / sales channel retention is very high in the components of the group. The Group continues to build on the existing relationships with key sales channels. As we continue to grow we expect the level of reliance on key customers to reduce as additional sales channels develop.

Strategic risks

Failure to manage growth

Rapid growth places demand on the Group's management and resources. Suitable facilities are required to support the current personnel and forecast demand of the market. Failure to ensure adequate capability, skills and capacity could result in reduced revenues and/or growth.
The Group has a comprehensive bottom-up annual budgeting process which allows the Board to review the resources needed to support the short and medium-term strategic priorities of the business.

Failure to develop new products

The Group operates in some markets where new and seasonal product offerings and customer demand can evolve over time.

The Group needs to ensure that it continues to develop new products to maintain its competitive advantage in the market. Failure to achieve this could result in reduced revenues or a loss of key customers.

The Group continues to invest in research and development activities and the launch of new products. Our strong relationship with key suppliers also supports this.

The Group has launched a number of products in the year and has a pipeline of new products currently in development.

Reputational risk

Dependence on partners

The Group collaborates with partners in a number of markets. Some of these partnerships are relatively new business relationships. There is a risk that the Group mismanages these relationships or that partners decide not to devote significant resources to support the Group's activities.

When the Group enters into a market it ensures that it works with trusted local partners,

Operational risks

Loss of key personnel

The Group has an executive team whose skills, knowledge, experience and performance make a large contribution to the success of the Group and failure to retain such individuals could have an adverse effect on customer relations, operations and growth strategies.

Long-term incentive plans are in place for various senior team members based on future share payments and option schemes to ensure retention of key personnel.

Product liability

Risk that products supplied by the Group fail in service and result in a claim under product liability.
As the Group develops and launches new products this risk may increase.

The brands adhere to industry standard testing protocols when developing and releasing new products.
Financial risks

Financial risks

Foreign exchange risk

The Group operates internationally and is exposed to both transactional and translational foreign exchange risk. The Group is particularly exposed to the Japanese Yen and Euro.

The risk is enhanced by macroeconomic factors including the Ukraine Russian conflict, inflationary cost pressures and the evolving situation in China

The Group's current profile provides a natural hedge across currencies. Hedging options are available to the Group and will be utilised should the management deem the exposure to be unbalanced.

Cyber security and business interruption

Cyber security risks include risks from malware, accident, statutory and legislative requirements, malicious actions and other unauthorised access by third parties.

The Group employs third party systems which have robust support procedures. The Group has a number of experienced IT advisors that ensure the Group's electronic records and resources remain secure.

Directors' statement of compliance with duty to promote the success of the Group

Engaging with our stakeholders

The Board recognises that Silverwood Brands plc has a number of stakeholders, including customers, employees, shareholders 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 the benefit of its members as a whole. We explain in this annual report, and below, how the Board engages with members. ,

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

Customers - We believe our customers to be our driving focus when making business decisions. All our decision making should be based on what our customers need. We engage regularly with our end user customers and with our commercial customers.

Employees – We aim to provide demanding and rewarding careers for our teams. We think of our brand teams as the heroes of our group. We aim to have bonus schemes in place for all team members and a growing group of team members as owners in our businesses.

Shareholders –We communicate with our shareholders as we can through market announcements and answer direct queries to the extent that we are able. We regularly review our communication channels and aim to continually improve them as we can within our means. Our communication with shareholders has been limited during our first year as a listed company. This has not dulled our sense of responsibility for managing shareholder interests. We remain focused on ensuring management and owners have agendas which are aligned for long term growth.

Suppliers – We are working on building partnership focused relationships with our key suppliers to ensure long term success for our brands.

This report was approved by the board on 28 June 2024 and signed on its behalf.

A M Gerrie
Director

GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction
We are pleased to present the governance report of Silverwood Brands PLC for the fiscal year ending 2023. This report highlights our commitment to maintaining strong corporate governance practices and provides an overview of our governance structure, policies, and initiatives.

Board of Directors
Silverwood Brands PLC is governed by a Board of Directors is guided in its governance and leadership of the business by the principles of the QCA Corporate Governance Code. The Board consists of highly experienced and qualified individuals with diverse backgrounds, skills, and expertise relevant to our business. The Board is responsible for providing strategic guidance, overseeing risk management, and ensuring accountability to our shareholders.

During the reporting period, the Board held regular meetings to review and discuss key matters affecting the company. The Board actively engaged in discussions regarding corporate strategy, risk assessment, financial performance, executive compensation, and compliance with applicable laws and regulations.

Composition and Independence:
The Board of Directors is composed of both executive and non executive directors, ensuring a balance of perspectives and independence in decision making. The Board comprises six directors, including four executive directors and two non executive directors.

The non-executive directors bring valuable independent judgment to the Board's deliberations. They are free from any material relationships that could compromise their independence and have the necessary expertise to 14a carry out their responsibilities effectively. The Board periodically reviews the independence of its non-executive directors and ensures their continued objectivity.

The Board also has access to senior advisors whom provide an additional source of expertise.

A summary of management expertise and experience of each of the Directors is listed below.

Andrew Gerrie – Executive Director
In 1994 Andrew joined what was Cosmetics House - soon to be renamed Lush - and then co managed the business alongside the other founders.

Today Lush generates just under £1bn in retail sales from approximately 1,000 stores and online channels, supported by 8 manufacturing facilities across the globe.

Andrew was Non Executive Chairman of Hotel Chocolat plc from 2015 until May 2023.

Andrew holds stakes in a number of consumer businesses.

Andrew Tone - Executive Director
Andrew has been based in Japan since 1995 where he has built numerous businesses. In 1998 he co-founded and grew Lush Japan to $160M turnover and 160 stores and built local manufacturing that also supported most of Lush's Asian business. Additionally, under the Lush group Andrew created a buying business in Hong Kong that sourced and provided material logistics for the Lush Group.

In 2005, Andrew created a brand incubation business in Hong Kong to focus on building consumer brand concepts. Through that venture he co-founded the skincare brand Steamcream, which he runs today, as well as several other brands, some which went on to be sold.

In addition to the beauty industry, Andrew has built and sold a marketing technologies business he founded in 1999 and sold in 2004.

Sonia Hully - Executive Director
Sonia is the founder and CEO of NBY London Limited which was acquired by the Company in October 2022 and owns the Nailberry brand. Sonia has extensive experience in the consumer and beauty sectors.

She started Nailberry with the opening of a renowned salon in Chelsea she successfully sold in 2016 and quickly expanded in the products category such as the award-winning breathable Nail polish and Nail care for the last 8 years. She started her career in the capital markets for Societe Generale, Prebon Yamane and Eurobrokers.

Since leaving the financial industry, she has been involved as an interior designer in the development of several luxury properties and as an entrepreneur, philanthropist, and venture capital investor, focusing on energy transition, sustainability, and animal rights. Sonia's experience not only enriches Silverwood's Board of Directors for her knowledge of the consumer sector, but also for her experience in entrepreneurial management and finance and her values.

Paul Hodgins - Executive Director
In addition to Silverwood, Paul is an entrepreneur in new e-mobility. Prior to that, he spent 12 years in large scale telecoms with Virgin Media.

Paul was a local government councillor for 16 years, and was former Leader and Cabinet Member of the London Borough of Richmond upon Thames.

Paul is an experienced entrepreneur with a proven ability to identify and develop disruptive technologies at an early stage, having founded and sold one of the first UK internet streaming companies well before the emergence of today's major streaming services.

Paul started his career in Sony's R&D labs in Tokyo, following his Masters in Electrical Engineering from the University of Toronto and a Bachelors from Queen's University. Paul also has an MBA from the London Business School.

Joel Palix - Non Exectuive Director
Joel is a highly experienced beauty executive with over 35 years of international experience in both in brand and retail. His previous roles include CEO of Feelunique a leading beauty e-retailer (sold mid-2021 to Sephora), CEO of Clarins Fragrance Group, (sold in 2019 to l'Oreal), CEO of Thierry Mugler and MD Europe of Yves Saint Laurent Beauty. He operates his own consultancy, Palix Unlimited, advising beauty brands and financiers on funding and acquisitions, DTC and e-commerce strategies, innovation and beauty tech.

His clients include Give Back Beauty, General Atlantic and Proven Skincare. His is on the Board of several beauty companies including Spotlight Oral Care, Secrets de Loly and Ieva.

Mark Power – Non-Executive Director
After graduating with a degree in electronic engineering in 1996, Mark spent five years with Analog Devices as a senior engineer working in both design and manufacturing. In 2001, Mark pivoted to a career in investment research first at Merrill Lynch and later as a partner at Redburn. From 2011, Mark worked with Holland Advisors where he helped shape the investment process for its nascent value fund. Mark is a very keen student of business and value investing and is a start-up business mentor with Enterprise Ireland

Board Committees:
To enhance its effectiveness, the Board has established several committees responsible for specific areas of oversight:

1. Audit and Risk Committee: The Committee oversees the company's financial reporting process, internal controls, and risk management. It ensures the integrity of financial statements and compliance with applicable accounting standards. The committee also engages the external auditors and reviews their performance. The committee also ensures that risk mitigation controls are in place."
2. Nomination and Governance Committee: This committee will be responsible for reviewing and recommending candidates for board appointments. It will assess the independence and qualifications of potential directors, oversee succession planning, and evaluate the Board's performance.
3. Remuneration Committee: The Remuneration Committee will establish executive compensation policies and review performance related pay structures. It will ensure that remuneration packages are fair, competitive, and aligned with the company's long term objectives.

Audit and Risk Committee Report

This report is intended to give an overview of the role and activities of the Audit and Risk Committee in assisting the board to fulfil its oversight responsibilities in relation to risk management, the independence and effectiveness of the external auditors and the integrity of the Group’s financial statements.

The Audit and Risk Committee comprises Paul Hodgins (the Chairperson), Andrew Tone and Mark Power. The Audit and Risk Committee will meet formally twice per year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

The Audit and Risk Committee assists the Board in, amongst other matters, discharging its responsibilities with regard to financial reporting, external audits, including reviewing the Group’s annual financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment, reappointment, removal and independence of external auditors, and reviewing the effectiveness of the Group’ s internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit and Risk Committee is also responsible for advising the Board on the Group’s risk strategy, risk policies and current exposures. To oversee the implementation and maintenance of the overall risk management framework and systems,and reviewing the Group’s risk assessment processes and capability to identify and manage new risks. The Audit and Risk Committee will meet with appropriate employees of the Group at least once annually.

<u>Specific actions taken by the committee since the last annual report include:</u>

- A review of the acquisitions made throughout the period ,
- A review of the disclosures in the Chairman’s Statement, Chief Executive’s Review and Strategic Report to ensure that the performance and risks of the Group are adequately described and reported.
- Assess the performance and continuing independence of Crowe U.K. LLP as auditors of the Group

<u>Priorities for the year ended 31 December 2024: -</u>

- Continue to develop-and review the Group’s risk management framework and systems
- Review the effectiveness of the Group’s internal controls
- Monitor the progress of any management actions recommended by Crowe U.K. LLP

Remuneration and Nomination Committee Report

The Remuneration and Nomination Committee assists the Board in determining its responsibilities in relation to remuneration and nominations, including, amongst other matters, making recommendations to the Board on the Group's policy on executive remuneration, determining the individual remuneration and benefits package of each of the executive directors.

The membership of the Remuneration and Nomination Committee comprised Paul Hodgins (the Chairperson) and Tanith Dodge. The Remuneration Committee will meet formally each year and otherwise as required.

Details of Directors' remuneration are disclosed below.

The table sets out the remuneration payable to the Directors for the period ended to 31 December 2023:

Name	**Fees/Basic Salary**
Executive Directors	
Andrew Gerrie	Nil
Andrew tone	Nil
Sonia Hully	25,833
Paul Hodgins	126,250
Non-executive Directors	
Tanith Dodge (resigned 30 October 2023)	21,667
Joel Palix	25,000

Director's Interests

As at 31 December 2023 the directors of the company held the following number of shares.

Name	**Number of Ordinary Shares**	**% Holding of the issued share capital**	*Number of Ordinary Shares***	*% Holding of the issued share capital*
Andrew Gerrie and Alison Hawksley*	232,739,016	89.27%	*4,544,384*	*13.97%*
Paul Hodgins	28,577	0.01%	*28,577*	*0.09%*
Andrew Tone	9,065,412	3.48%	*9,065,412*	*27.88%*

* This holding comprises shares held jointly and individually in the names of Andrew Gerrie and his wife, Alison Hawksley, together with shares held by Silver Americum Limited, a company in which Andrew Gerrie and Alison Hawksley each hold separate 20% stakes. The holding also includes shares held by Brooke Gerrie, Oliver Gerrie and Aliana Gerrie.

**A comparative has been included to show the Director's holding post capital reduction. Details of this can be found in note 16.

GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Corporate Policies and Practices

Silverwood Brands PLC is committed to upholding high ethical standards and maintaining transparency in all aspects of its operations. The company has implemented several policies and practices to guide its governance framework, including:

1. Code of Conduct: Our Code of Conduct sets out the ethical principles and standards expected from all employees, directors, and business partners. It outlines guidelines for maintaining integrity, respecting human rights, and complying with applicable laws and regulations.
2. Whistleblower Policy: We have a comprehensive Whistleblower Policy in place, enabling employees to report any concerns or suspected wrongdoing in a confidential and protected manner. The policy encourages the reporting of illegal, unethical, or fraudulent activities and ensures appropriate investigation and action.
3. Risk Management Framework: Silverwood Brands PLC has established a robust risk management framework to identify, assess, and manage risks across the organization. Regular risk assessments are conducted, and appropriate mitigation strategies are implemented to safeguard the company's assets and interests.

This report was approved by the board on 28 June 2024 and signed on its behalf

A M Gerrie
Executive Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the period ended 31 December 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, Directors' report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

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

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

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

Principal activity

The principal activity of the Group is the sale and distribution of beauty products.

Results and dividends

The loss for the year, after taxation, amounted to £6,546,300 *(2022 - loss £6,035,726)*.

The group has not paid any dividends for 2023 or 2022.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors

The directors who served during the period were:

A Tone
J R C Palix
S V Hully
P C Hodgins
A M Gerrie
T C Dodge (resigned 30 October 2023)

Sustainability Statement

Although our various brands have individual focuses on sustainability we have yet to establish a Group level Sustainability Committee.

Our aim is to do this over the next 12 to 24 months and to base this on the practices already established in our underlying trading companies.

Future developments

At this moment, there are no substantial future developments to report.

Research and development activities

At this moment, there are no substantial research and development activities to report.

Going concern
The directors have considered the going concern assumption as a significant judgement given the recent acquisitions, and funding considerations and have formed the conclusion that it is appropriate to consider that the Group and Company will continue to operate in the foreseeable future.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Substantial Shareholding
As at 31 December 2023, the following shareholders had notified the Company that they held an interest in 3% or more of its issued ordinary share capital:

Name	**Number of Ordinary Shares**	**% Holding of the issued share capital**	*Number of Ordinary Shares***	*% Holding of the issued share capital*
Andrew Gerrie and Alison Hawksley*	232,739,016	89.27%	*4,544,384*	*13.97%*
Andrew Tone	9,065,412	3.48%	*9,065,412*	*27.88%*
Nortrust Nominees Limited	*4,570,352*	1.75%	*4,570,352*	*14.05%*
Pershing Nominees Limited	*7,810,828*	3.00%	*7,810,828*	*24.02%*
VSA Capital Limited	*2,282,127*	0.88%	*2,282,127*	*7.02%*

* This holding comprises shares held jointly and individually in the names of Andrew Gerrie and his wife, Alison Hawksley, together with shares held by Silver Americum Limited, a company in which Andrew Gerrie and Alison Hawksley each hold separate 20% stakes. The holding also includes shares held by Brooke Gerrie, Oliver Gerrie and Aliana Gerrie.

**A comparative has been included to show the Director’s holding post capital reduction. Details of this can be found in note 16.

Notice of meeting
This, year’s Annual General Meeting will be held on Friday, 28 June 2024.

A separate circular will be sent to shareholders and includes the following:

— notice of meeting;
— Form of Proxy; and
— details and information on the resolutions to be proposed.

Crowe U.K. LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting accordance with Section 489 of the Companies Act 2006. .

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post year end events

- The acquisition of the Cosme Science Corporation in Japan was completed on 29 March, 2024.

- A settlement agreement between Silverwood, Andrew Gerrie, and Alison Hawksley following the decision to unwind the Lush transaction was announced on 10 January, 2024. The unwind of the Lush transaction was completed on 30 April, 2024. Discussion with Lush of the final costs settlement remains ongoing. Silverwood, Andrew Gerrie, and Alison Hawksley have already made a payment of £150,000 to Lush towards costs.

This report was approved by the board on 28 June 2024 and signed on its behalf.

A M Gerrie
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC

Opinion

We have audited the financial statements of Silverwood Brands Plc (the “Parent Company”) and its subsidiaries (the “Group”) for the period ended 31 December 2023, which comprise:

- the Group statement of profit or loss and other comprehensive income for the period ended 31 December 2023;
- the Group and Parent Company statements of financial position as at 31 December 2023;
- the Group and Parent Company statements of changes in equity for the period then ended;
- the Group and Parent Company statements of cash flows for the period then ended; and
- the notes to the financial statements, including accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

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 December 2023 and of the Group’s loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's forecasts for the Group and Parent Company for a period of more than 12 months from the date of approval of the financial statements.
- Checking the numerical accuracy of management's financial projections
- Challenging management on the assumptions underlying those projections and considering the impact of reductions in anticipated net cash inflows.
- Reviewing and assessing the funding structure and availability of finance.
- Obtaining the latest management results after the reporting date to assess how the Group and Parent Company are performing compared to forecasts.
- Performing sensitivity analysis on key inputs into the projections by calculating the impact of various downside scenarios and considering the impact on the Group and Parent Company's ability to continue as a going concern in the event that a downward scenario occurs.
- Assessing the completeness and accuracy of the matters described in the going concern disclosures within the significant accounting policies as set out in Note 2.

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

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £118,000, based on approximately 1% of revenue as estimated at the planning stage. We did not consider it to be necessary to revise that determination during the completion of the audit. In the prior period we determined materiality for the Group financial statements as a whole to be £2.3 million, based on approximately 1% of the total assets of the Group. This is a change in our approach to materiality. In the prior period the group was in the process of formation and included a substantial non-current investment in Lush which has been derecognised in the current period. We considered that a more appropriate basis for determining materiality in the current period was to use a revenue based metric. Materiality for the Parent Company financial statements as a whole was set at £61,000 based on approximately 0.3% of net assets. In the prior period materiality for the Parent Company financial statements as a whole was set at £1.6 million, based on approximately 0.7% of net assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. In the current year this was set at £82,600 for the Group and £42,700 for the Parent Company and in the prior year this was set at £1.6 million for the Group and £1.1 million for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit and Risk Committee to report to it all identified errors in excess of £6,000 (2022: £115,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are four significant components in the Group, the Parent Company, Balmonds Skincare Limited ('Balmonds') which operates the Balmonds business, NBY London Limited ('Nailberry'), which operates the Nailberry business and, together, Sonotas Corporation and Sonotas Corporation Holdings (the Sonotas group), which holds the Sonotas business acauired in the period. In the prior period we considered that Cosmic Circles Limited ('Cosmic Circles'), which held the Group's investment in Lush Cosmetics Limited and Cosmetic Warriors Limited (together 'Lush') was a significant component. We have not identified Cosmic Circles as a significant component in the current period as a consequence of the derecognition of the Lush investment.

The Parent Company and Nailberry were subject to full scope audit by ourselves and Balmonds and Sonotas were audited by component auditors. For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole.

We directed the component auditors regarding the audit approach at the planning stage, issued instructions that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported on. The audit team met with the component auditor to review the component auditors' working papers, discuss key findings and conclude on significant issues.

Key Audit Matters

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

This is not a complete list of all risks identified by our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Key audit matter	***How the scope of our audit addressed the key audit matter***
Derecognition of the Lush investment to reflect the unwinding of the share transfers and the consequent capital reduction On 9 October 2023 the Company announced that it had decided to withdraw the request that Lush register the transfer of Lush shares to Cosmic Circles and that the group would be taking steps to unwind the transaction previously announced and accounted for in the 31 December 2022 financial statements. Given the materiality of the amounts involved and the complexity around the settlement deed and unwinding of the balances there is a risk of material misstatement as a result of error and potential non-compliance with laws and regulations. This was therefore considered to be a key audit matter. Notes 2.16, 16 and consequent disclosures.	We considered the appropriateness and timing of the derecognition of the Lush investment and the judgements made by management in connection with accounting for the settlement deed including: • attending advisor calls on the negotiation of the agreement and proposed process for obtaining shareholder approvals; • obtaining copies of relevant legal advice obtained by the Group and by management, discussing that at advice with management and the relevant legal advisers • obtaining copies of the settlement deed to confirm the terms of the agreement reached and the timing of the derecognition; • obtaining copies of the contractual settlement agreements between all parties; • obtaining confirmation that all relevant legal filings had been applied for correctly; • reviewing the accounting treatment applied to determine the timing of the recognition of the unwinding had been correctly applied. • reviewing relevant disclosures in the financial statements to ensure they are in accordance with IFRS.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Key audit matter	***How the scope of our audit addressed the key audit matter***
Combination accounting for the acquisition of Sonotas On 9 January 2023 the Company completed the acquisition of 90% of the total issued share capital of Sonotas Holdings Corporation together with 100% of the total issued share capital of Sonotas Corporationin exchange for cash consideration and undertakings to issue deferred consideration shares in the Company. The combination accounting for this transaction involved the exercise of significant judgement by management. This was considered to represent a significant audit risk and key audit matter. Notes 2.3 & 26	The acquisition of Sonotas by the Company was considered a business combination by management. We considered the appropriateness of the judgement made by management that the acquisitions should be accounted for as a business combination in accordance with IFRS 3. We performed audit procedures on the inputs to the acquisition accounting including: • obtaining copies of the share purchase agreements to confirm the purchase price and ensure that the cost of investment is correctly capitalised; • challenging management's assessment as to the assumptions and methodologies used in arriving at fair values; • challenging the assessment by management's expert in identifying and valuing separable intangibles and the fair value of consideration as to the assumptions and methodologies used in arriving at fair values; and • reviewing acquisition date balance sheets of Sonotas to ensure the fair value of assets acquired is appropriately considered and also the completeness of liabilities. Where there were differences we obtained explanations for these and ensured the combination has been appropriately recognised in line with IFRS3. We reviewed the disclosure in the financial statements to ensure they are in accordance with IFRS.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Key audit matter	*How the scope of our audit addressed the key audit matter*
Valuation of goodwill and other intangible assets The Group's intangible assets comprise goodwill arising on acquisition of subsidiaries, brand assets, designs, trademarks, and customer contracts. When assessing the carrying value of goodwill and intangible assets, management makes significant judgements and estimates regarding the appropriate cash generating unit, strategy, future trading and profitability and the assumptions underlying these. We considered the risk that goodwill and other intangible assets could be impaired. This was considered to represent a significant audit risk and key audit matter. Note 15	We evaluated, having regard to the requirements set out in IAS 36, management's assessment (using discounted cash flow models) as to whether goodwill and/or other intangible assets were impaired for each CGU where carrying values were material. Our procedures included: • Assessing the appropriateness of CGU classifications. • Assessing the completeness of the assets subject to impairment assessment of each CGU. • Identifying and assessing the Group's key assumptions utilised in the cash flow forecasts. • Comparing the Group's assumptions to externally derived data in relation to key inputs such as long-term growth rates and pre-tax discount rates. Considering accuracy by performing retrospective review and confirming mathematical accuracy of the forecasts. • Performing sensitivity on the key assumptions and assessing the headroom in the model. We reviewed the disclosure in the financial statements to ensure they are in accordance with IFRS.

Our audit procedures in relation to the above matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 light of the knowledge and understanding of the Group and the Parent Company and their 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 where 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 AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 28, 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:

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SILVERWOOD BRANDS PLC (CONTINUED)

Use of our report

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

Stephen Bullock (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

28 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Revenue	5	**11,202,566**	*3,667,488*
Cost of sales		**(3,062,983)**	*(1,398,229)*
Gross profit		**8,139,583**	*2,269,259*
Other operating income	6	**26,799**	*30,119*
Administrative expenses		**(9,099,105)**	*(2,559,358)*
Deemed cost of listing		**-**	*(2,665,094)*
Acquisition costs, acquisition related contingent consideration and earn outs		**(3,482,615)**	*(2,832,049)*
Loss from operations		**(5,798,565)**	*(5,757,123)*
Finance income	11	**41,649**	*25,588*
Finance expense	11	**(805,786)**	*(160,085)*
Fair value gains/(losses)		**-**	*(120,703)*
Loss before tax		**(6,562,702)**	*(6,012,323)*
Tax expense	12	**471,528**	*(23,403)*
Loss for the period		**(6,091,174)**	*(6,035,726)*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

Items that are or may be reclassified subsequently to profit or loss.			
Exchange loss arising on translation on foreign operations		**(421,716)**	-
		(421,716)	-
Other comprehensive income for the period, net of tax		**(421,716)**	-
Total comprehensive income		**(6,512,890)**	*(6,035,726)*
Loss for the period attributable to:			
Owners of the parent		**(6,040,462)**	*(6,035,726)*
Non-controlling interests		**(50,712)**	-
		(6,091,174)	*(6,035,726)*
Total comprehensive income for the period attributable to:			
Owners of the parent		**(6,462,178)**	**(6,035,726)**
Non-controlling interests		**(50,712)**	**-**
		(6,512,890)	**(6,035,726)**
Earnings per share			
Basic and diluted loss per share (pence)	13	(2.33)	(37.5)
Basic and diluted loss per share - post capital contribution (pence)	*13*	*(19.38)*	*(37.5)*

The notes on pages 49 to 93 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	**2023** £	*2022* £
Assets			
Non-current assets			
Property, plant and equipment	14	**199,306**	*45,490*
Intangible assets	15	**23,594,130**	*5,973,797*
Other non-current investments	16	**80**	*216,802,081*
Trade and other receivables	18	**101,943**	-
		23,895,459	*222,821,368*
Current assets			
Inventories	17	**1,727,768**	*401,132*
Trade and other receivables	18	**3,293,618**	*968,021*
Cash and cash equivalents		**2,799,380**	*2,055,143*
		7,820,766	*3,424,296*
Total assets		**31,716,225**	*226,245,664*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

	Note	2023 £	*2022 £*
Liabilities			
Non-current liabilities			
Trade and other liabilities	19	**1,996,367**	-
Loans and borrowings	20	**1,264,449**	*13,947*
Deferred tax liability	12	**1,799,191**	*657,535*
		5,060,007	*671,482*
Current liabilities			
Trade and other liabilities	19	**6,099,082**	*5,858,054*
Loans and borrowings	20	**5,368,149**	*1,529,265*
Provisions	21	**286,282**	-
		11,753,513	*7,387,319*
Total liabilities		**16,813,520**	*8,058,801*
Net assets		**14,902,705**	*218,186,863*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2023

	Note	2023 £	*2022 £*
Issued capital and reserves attributable to owners of the parent			
Share capital	22	**3,250,018**	*24,202,969*
Share premium reserve		**22,795,826**	*201,467,075*
Shares to be issued		**831,450**	*831,450*
Reverse takeover reserve		**(4,797,432)**	*(4,797,432)*
Share based payment reserve		**6,110,807**	*3,257,875*
Foreign exchange reserve		**(421,716)**	*-*
Retained earnings		**(12,815,536)**	*(6,775,074)*
		14,953,417	*218,186,863*
Non-controlling interest		**(50,712)**	
TOTAL EQUITY		**14,902,705**	*218,186,863*

The financial statements were approved and authorised for issue by the board of directors on 28 June 2024 and were signed on its behalf by:

A M Gerrie
Director

The notes on pages 49 to 93 form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	*2022 £*
Assets			
Non-current assets			
Other non-current investments	16	**34,381,407**	*14,254,164*
Trade and other receivables	18	**170,216**	*218,007,377*
		34,551,623	*232,261,541*
Current assets			
Trade and other receivables	18	**1,462,557**	*362,264*
Cash and cash equivalents		**38,027**	*1,249,007*
		1,500,584	*1,611,271*
Total assets		**31,939,424**	*233,872,812*
Liabilities			
Non-Current liabilities			
Trade and other liabilities	19	**1,967,349**	-
		1,967,349	-
Current liabilities			
Trade and other liabilities	19	**6,857,301**	*7,535,493*
Loans and borrowings	20	**5,204,659**	*1,511,713*
Provisions	21	**286,282**	-
		12,348,242	*9,047,206*
Total liabilities		**12,348,242**	*9,047,206*
Net assets		**21,736,616**	*224,825,606*

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

	Note	2023 £	*2022* *£*
Issued capital and reserves attributable to owners of the parent			
Share capital	22	**3,250,018**	*24,202,969*
Share premium reserve		**22,795,826**	*201,467,075*
Shares to be issued	27	**831,450**	*831,450*
Share based payment reserve		**3,445,713**	*592,781*
Retained earnings		**(8,586,391)**	*(2,268,669)*
TOTAL EQUITY		**21,736,616**	*224,825,606*

The Company's loss for the year was £6,091,174 (*2022: loss for the 13-month period £6,035,726*)

The financial statements were approved and authorised for issue by the board of directors on 28 June 2024 and were signed on its behalf by:

A M Gerrie
Director
The notes on pages 49 to 93 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Shares to be issued	Reverse takeover reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2023	24,202,969	201,467,075	831,450	(4,797,432)	3,257,875	-	(6,775,074)		218,186,863
Comprehensive income for the year									
Loss for the period	-	-	-	-	-		(6,040,462)	(50,712)	(6,091,174)
Exchange loss arising on translation on foreign operations	-	-	-	-	-	(421,716)			(421,716)
Total comprehensive income for the period	-	-	-	-	-	(421,716)	(6,040,462)	(50,712)	(6,512,890)
Issue of share capital	1,868,312	15,309,489	-	-	-	-	-	-	17,177,801
Issue of share options	-	-	-	-	33,333	-	-	-	33,333
Capital reduction	(22,821,263)	(193,980,738)	-	-	-	-	-	-	(216,802,001)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Shares to be issued	Reverse takeover reserve	Share based payment reserve	Foreign exchange reserve	Retained earnings	Non-controlling interest	Total equity
Post combination remuneration – equity component	-	-	-	-	2,819,599	-	-	-	2,819,599
Total contributions by and distributions to owners	(20,952,951)	(178,671,249)	-	-	2,852,932	-	-	-	(196,771,268)
At 31 December 2023	**3,250,018**	**22,795,826**	**831,450**	**(4,797,432)**	**6,110,807**	**(421,716)**	**(12,815,536)**	**(50,712)**	**14,902,705**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium	Shares to be issued	Reverse takeover reserve	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
At 1 January 2022	532,494	1,406,108	-	(1,938,600)	-	(739,348)	(739,346)
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(6,035,726)	(6,035,726)
Total comprehensive income for the period	-	-	-	-	-	(6,035,726)	(6,035,726)
Contributions by and distributions to owners							
Issue of share capital	23,670,475	200,060,967	-	-	-	-	223,731,442
Equity share options issued	-	-	-	-	20,000	-	20,000
Deemed cost of listing	-	-	-	-	2,665,094	-	2,665,094
Shares to be issued as part of the consideration in a business combination	-	-	831,450	-	-	-	831,450
Reverse takeover	-	-	-	(2,858,832)	-	-	(2,858,832)
Post combination remuneration – equity component	-	-	-	-	572,781	-	572,781
Total contributions by and distributions to owners	23,670,475	200,060,967	831,450	(2,858,832)	3,257,875	-	224,961,935
At 31 December 2022	**24,202,969**	**201,467,075**	**831,450**	**(4,797,432)**	**3,257,875**	**(6,775,074)**	**218,186,863**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Shares to be issued	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
At 1 January 2023	24,202,969	201,467,075	831,450	592,781	(2,268,669)	224,825,606
Comprehensive income for the year						
Loss for the year	-	-	-	-	(6,317,722)	(6,317,722)
Total comprehensive income for the year	-	-	-	-	(6,317,722)	(6,317,722)
Issue of share capital	1,868,312	15,309,489	-	-	-	17,177,801
Capital reduction	(22,821,263)	(193,980,738)	-	-	-	(216,802,001)
Issue of share options	-	-	-	33,333	-	33,333
Post combination remuneration – equity component	-	-	-	2,819,599	-	2,815,599
Total contributions by and distributions to owners	(20,952,951)	(178,671,249)	-	2,852,932	-	(196,771,268)
At 31 December 2023	**3,250,018**	**22,795,826**	**831,450**	**3,445,713**	**(8,586,391)**	**21,736,616**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital	Share premium	Shares to be issued	Share based payment reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Comprehensive income for the year						
Loss for the year	-	-	-	-	(2,268,669)	(2,268,669)
Total comprehensive income for the year	-	-	-	-	(2,268,669)	(2,268,669)
Issue of share capital	24,202,969	201,467,075	-	-	-	225,670,044
Equity share options issued	-	-	-	20,000	-	20,000
Shares to be issued as part of the consideration in a business combination	-	-	831,450	-	-	831,450
Post combination remuneration – equity component	-	-	-	572,781	-	572,781
Total contributions by and distributions to owners	24,202,969	201,467,075	831,450	592,781	-	227,094,275
At 31 December 2022	**24,202,969**	**201,467,075**	**831,450**	**592,781**	**(2,268,669)**	**224,825,606**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Loss for the period		**(6,091,174)**	*(6,035,726)*
Adjustments for			
Deemed cost of listing		-	*2,665,094*
Acquisition costs, acquisition related contingent consideration and earn outs		**3,548,510**	*2,832,049*
Depreciation of property, plant and equipment	14	**141,565**	*18,714*
Amortisation of intangible fixed assets	15	**1,856,320**	*125,363*
Finance income	11	**(41,649)**	*(25,588)*
Finance expense	11	**805,786**	*160,085*
Impairment		**219,644**	-
Loss on sale of property, plant and equipment		**15,446**	-
Bad debt charge		**1,977**	*7,320*
Fair value movements		**-**	*120,703*
Share-based payment expense		**33,333**	*20,000*
Net foreign exchange (gain)/loss		**(68,451)**	*25*
Income tax expense/(credit)	12	**(471,528)**	*23,403*
Payment of income tax		**(188,020)**	-
		(225,764)	*(88,558)*

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Movements in working capital:			
Increase in inventories		**(367,679)**	*(50,785)*
(Increase)/decrease in trade and other receivables		**539,303**	*(167,475)*
Increase/(decrease) in trade and other payables		**(332,781)**	*292,715*
Net working capital movement, of cash generated/used in working capital movements		**(386,921)**	*(14,103)*
Net cash generated from/(used in) operating activities		**(386,921)**	*(14,103)*
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	26	**1,409,157**	*(5,893,163)*
Cash acquired on reverse acquisition		**-**	*1,491,957*
Purchases of property, plant and equipment		**(5,830)**	*(9,827)*
Proceeds from sale of property, plant and equipment		**1,500**	
Purchase of intangibles	15	**-**	*(2,860)*
Payments to acquire financial assets		**(77,716)**	*(1,284,025)*
Net cash from investing activities		**1,327,111**	*(5,697,918)*

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Cash flows from financing activities		
Issue of ordinary shares	**-**	*1,600,000*
Issue of loan note	**-**	*4,400,000*
Issue of convertible loan note	**-**	*1,500,000*
Proceeds from bank borrowings	**-**	*160,534*
Repayment of bank loans	**(87,762)**	-
Payment of lease liabilities	**(108,191)**	*(19,366)*
Net cash from/(used in) financing activities	**(195,593)**	*7,635,555*
Net cash increase in cash and cash equivalents	**744,237**	*2,018,967*
Cash and cash equivalents at the beginning of period	**2,055,143**	*36,176*
Cash and cash equivalents at the end of the period	**2,799,380**	*2,055,143*

The notes on pages 49 to 93 form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	*2022 £*
Cash flows from operating activities			
Loss for the period		**(6,317,722)**	*(2,268,669)*
Adjustments for			
Acquisition costs, acquisition related contingent consideration and earn outs		4,617,003	*1,306,673*
Finance income		**-**	*(19,644)*
Finance expense		**747,535**	*156,370*
Fair value movements		**-**	*120,703*
Impairment		**219,644**	-
Net foreign exchange loss		**220**	*2,044*
		(733,320)	*(702,523)*
Movements in working capital:			
(Increase)/decrease in trade and other receivables		**279,204**	*(381,472)*
Increase/(decrease) in trade and other payables		**(243,242)**	*124,426*
Net working capital movement, of cash generated/used in working capital movements		**(697,538)**	*(959,569)*
Net cash generated from/(used in) operating activities		**(697,358)**	*(959,569)*
Cash flows from investing activities			
Acquisition of subsidiary	26	**(435,906)**	*(6,000,000)*
Payments to acquire financial assets		**(77,716)**	*(1,284,025)*
Net cash from investing activities		**(513,622)**	*(7,284,025)*

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Cash flows from financing activities		
Issue of ordinary shares	**-**	*3,592,601*
Issue of loan note	**-**	*4,400,000*
Issue of convertible loan note	**-**	*1,500,000*
Net cash from financing activities	**-**	*9,492,601*
Net cash (decrease)/increase in cash and cash equivalents	**(1,210,980)**	*1,249,007*
Cash and cash equivalents at the beginning of period	**1,249,007**	-
Cash and cash equivalents at the end of the period	**38,027**	*1,249,007*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General Information

Silverwood Brands plc (the Company) is a public company limited by shares and registered in England and Wales with company number 13557318. The Company, which was incorporated on 10 August 2021, is domiciled in the United Kingdom and the registered office is 2nd Floor 38-43 Lincoln's Inn Fields, London, England, WC2A 3PER. The shares of the Company are traded on the Growth Market of the Acquis Stock Exchange with the ticker code SLWD. PL. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”) and are for the year ended 31 December 2023. Further details of the basis of preparation of the financial statements are set out in note 3.

The principal activity of the Group is the sale and distribution of beauty products.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards..

The financial statements are presented in Pounds Sterling and all values are rounded to the nearest pound.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below, which have been consistently applied to all the years presented.

Standards adopted in the year

There have been no standards adopted that have had a material impact on the financial statements and no standards adopted in advance of their implementation date.

Standards, amendments and interpretations to published standards not yet effective

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group’s operations, that are in issue but not yet effective and do not consider that they will have a material impact on the future results of the Group.

2.2 Going concern

At the year-end, the Group had cash balances of £2,799,380 (*2022:* £2,055,143) and net assets of £14,902,705 (2022: *£218,186,863*). The Group has posted a loss for the year after tax of £6,091,174 (2022: *£6,035,726*) and retained losses were £12,815,536 (2022: *£6,775,074*). The loss after tax of £6,546,300 was after charging non-cash exceptional acquisition costs of £4,538,760 and non-cash depreciation and amortisation charges of a further £1,997,885.

The financial statements have been prepared on a going concern basis. The Directors have reviewed forecasts for the Group for a period of at least 12 months from the date of approval of the financial statements.

Based on their assessment, the Directors have a reasonable expectation that the Group and Company have adequate resources to for at least twelve months and that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operational existence. Accordingly, they have adopted the going concern basis in preparing the consolidated financial statements.

2.3 Basis of consolidation

The Group financial statements consolidate those of the Company and its subsidiaries undertakings drawn up to 31 December 2023. The group subsidiaries and the Company's shareholding is shown in the table below. Subsidiaries are entities over which the Group has control. Control comprises an investor having power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

On 14 June 2022, the Company, completed a reverse acquisition of Balmonds Skincare Ltd a company registered in the United Kingdom. Further information about this transaction is disclosed in note 3.

Undertaking	Country of Incorporation	Holding	Registered Office	Proportion of voting rights and shares held 2023	Proportion of voting rights and shares held 2022
Balmonds Skincare Ltd	United Kingdom	Ordinary Shares	Unit 7 Westergate Business Centre, Westergate Road, Brighton, BN2 4QN	100%	100%
NBY London Ltd	United Kingdom	Ordinary Shares	5.17 Grand Union Studios 322 Ladbroke Grove, London, England, W10 5AD	100%	100%
Cosmic Circles Ltd	United Kingdom	Ordinary Shares	38 - 43, Lincoln's Inn Fields, London, United Kingdom, WC2A 3PE	100%	100%
Sonotas Holdings	Japan	Ordinary Shares	Sonotas Corporation 1F NSS II Building 2-13-34 Kounan, Minato-ku, Tokyo, Japan, 108-0075	90%	-

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into GBP at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into GBP at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

2.4 Revenue

Revenue is measured on the consideration specified in a contract with a customer.

Revenue is recognised when the Group's obligations are fulfilled, i.e. when control over goods is transferred to customers. Customers obtain control of the goods when they are delivered to and have been accepted at their premises, or other agreed upon location, or made available for ex-works collection, depending on individual customer arrangements.

Invoices are generated at that point in time and are usually payable within 30 days. Revenue is recorded based on the price specified in sales invoices, net of any agreed discounts, and exclusive of value added tax on goods supplied to customers during the year.

There are a variety of discounts and rebates provided to customers, which are assessed on a case-by-case basis as to whether the resulting payment to customers is for a distinct good or service (such as marketing) or for a promotional discount.

Returns are permitted, but typically these only occur in isolated instances where inaccuracy has been made in the order.

2.5 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, except where included in the cost of inventories, 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. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

2.6 Property, plant and equipment

All plant and equipment is stated at cost less subsequent depreciation and impairment. The costs of the property, plant and equipment is purchase price plus any incidental costs of acquisition. Depreciation commences at the point the asset is available for use.

If there is any indication that an asset's value is less than it's carrying amount an impairment review is carried out. Where impairment is identified an asset's value is reduced to reflect this.

The residual values and useful economic lives of property, plant and equipment are reviewed by management on an annual basis and revised to the extent required.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all plant and equipment equally over their expected useful lives. It is calculated at the following rates:

- Office Equipment at 33% per annum
- Plant & Machinery at 25% per annum
- Computer Equipment at 25-33% per annum
- Short-Term Leasehold Property – over the life of the lease
- Freehold Property – 25% per annum

2.7 Intangible assets

All intangible assets, excluding goodwill arising on a business combination, are stated at their amortised cost or value at initial recognition less amortization and/or any provision for impairment.

Acquisition related intangible assets

All assets acquired as part of a business combination include an assessment of the fair value of separately identifiable acquisition related intangible assets in addition to other assets, liabilities and contingent liabilities purchased.

Definite useful life intangibles

- Trademarks - amortised at 10% per annum straight-line
- Customer relationships - amortised at 20% per annum straight-line
- Development - amortised at 20% per annum straight-line
- Patents – amortised at 25% per annum straight-line
- Software- amortised at 20% per annum straight-line
- Other intangible assets – amortised at 20% per annum straight-line

Indefinite useful life intangibles
Goodwill is allocated to the cash generating unit (CGU) to which it relates and is tested for impairment annually, or more frequently when there is an indication that the unit maybe impaired. The testing takes the form of a discounted cashflow analysis using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. Impairment losses cannot be subsequently reversed.

2.8 Investments

Investments are non-derivative financial assets that cannot be classified as loans and other receivables or cash and cash equivalents. Investments are recognised when the Group becomes party to the contractual arrangements relevant to ownership and de-recognised when it ceases to be party to such arrangements.

Dividends and interest income from investments are included within finance income when the Group's right to receive payments is established. This category includes financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.9 Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.11 Taxation

The tax expense for the period comprises current tax and deferred tax. Current tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments (less than three months at inception) that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.13 Inventories

Inventories are valued on a first in, first out basis at the lower of cost and net realizable value. Cost includes all expenditure incurred during the normal course of business in bringing in inventories to their present location and condition. Net realizable value is based on the estimated useful selling price less any direct sale costs.

2.14 Financial instruments

Non-derivative financial instruments
A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Trade and other receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECL's") using a lifetime provision for trade receivables. To measure ECL's on a collective basis, trade receivables are grouped basis on similar credit risk and ageing.

Interest-bearing borrowings
Interest-bearing borrowings are classified as nonderivative financial instruments, measured at amortised cost using the effective interest rate method.

Trade and other payables
Trade and other payables are stated at net payable amounts.

Derivative financial instruments
The Group has no derivative financial instruments.

2.15 Share capital and reserves

“Ordinary Shares” are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

“Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares net of expenses of the share issue.

“Retained earnings” represents retained losses of the group. As a result of the reverse takeover, the consolidated figures include the retained losses of the Group only from the date of the reverse takeover together with the brought forward losses of Balmonds Skincare Ltd.

"Reverse takeover reserve" represents the accounting adjustments required to reflect the reverse takeover upon consolidation.

“Shares to be issued” represents the deferred consideration arising from the acquisition of Balmonds Skincare Ltd which will be recognised as an issue of shares in Silverwood Brands plc.

"Share based payments reserve" represents amounts recognised in equity in relation to share based payments and similar charges.

“Foreign exchange reserve” represents the exchange gains arising on translation on foreign operations.

2.16 Critical judgements and significant accounting estimates

In the application of the Company’s accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions 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.

Critical accounting judgements
In applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the consolidated financial statements.

Derecognition of investment in Lush and presentation in the financial statements

In determining the derecognition of the Group’s previously recognised investment in Lush and its presentation in these financial statements the directors of the Company exercised judgement in considering the circumstances in relation to the Company’s investment in Lush. In particular:

- in determining that the investment ceased to meet the definition of an asset in IFRS in the period because it ceased to be a resource controlled by the Group from which future economic benefits were expected to flow to the Group; and
- in considering whether the consequent implementation of the share capital reduction, shareholder and court approvals for which were both forthcoming prior to the approval of these financial statements, was an adjusting post balance sheet event.

In arriving at this judgement the directors of the Company considered the criteria for derecognition of an asset set out in para 5.26 of the Conceptual Framework for Financial Reporting and the examples of adjusting post balance sheet events set out in paragraphs 8 and 9 of IAS 10.

The directors of the Company consider the Lush investment met the definition of an asset at 31 December 2022 and at the date of approval of those financial statements were approved. The subsequent derecognition in the year ended 31 December 2023 does not therefore give rise to a prior period adjustment.

See note 16 for further details.

Reverse acquisition accounting – identifying the accounting acquirer
As disclosed in the basis of preparation (accounting policy 2.1), management has used judgement to determine an appropriate accounting policy to account for business combinations, including the business combinations in the prior period. The most significant judgement is in determining the accounting acquiror as the conclusion of this has a fundamental impact on the presentation of the financial statements. In arriving at that judgement management had regard to the guidance in IFRS 3 to identify the accounting acquirer and on this basis determined that Balmonds Skincare Ltd was the accounting acquirer in the combination which took place in the prior period which resulted in the presentation in the financial statements disclosed in note 3.

Contingent consideration

The agreements, made in 2022, to acquire Balmonds Skincare Ltd ("Balmonds") and NBY London Ltd ("NBY") and the agreements made in 2023 to acquire Sonotas Holdings and Sonotas Corporation (“Sonotas”) include provision for the Group to pay additional consideration to the selling shareholders in future years conditional on the achievement of incremental revenue or other specific growth targets. The Directors have evaluated each agreement in accordance with IFRS 3 to determine whether these payments should be included as part of the business combination or post combination remuneration expensed to the income statement. Where agreements include conditions for continuing employment, therefore we have concluded that these payments should be charged to the income statement in future periods.

The acquisition-related contingent consideration and earn-out liabilities may include estimates of future financial performance against targets. When estimating the future financial performance, we use Board-approved budgets and, if the timeframe goes beyond available budgets, reasonable growth rates are assessed for each business thereafter.

Valuation of intangible assets
The determination of the fair value of assets and liabilities including goodwill arising on the acquisition of businesses, the acquisition of industry-specific knowledge, branding and customer relationships, whether arising from separate purchases or from the acquisition as part of business combinations, and development expenditure which is expected to generate future economic benefits and the time over which this is expected, are based, to a considerable extent, on management’s estimations.

The fair value of these assets and their expected useful economic lives are determined by discounting estimated future net cash flows generated by the asset where no active market for the assets exists. The use of different assumptions for the expectations of future cash flows and the discount rate would change the valuation of the intangible assets.

As at 31 December 2023 the carrying value of other intangible assets was £7,345,949 (*2022: £2,776,441*). The sensitivity of a one year shortening or lengthening of the useful economic life of Brands and Customer Contracts as at 31 December 2023 is a decrease or increase in the carrying amount of £462,000 and £305,000 respectively.

Key sources of estimation uncertainty
The key areas where estimates and assumptions are significant to the financial statements are described below.

Goodwill
The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use. The key assumptions for the value in use calculations are those regarding the discount rates (being the cost of capital), growth rates (based on Board approved forecasts) and future profit margins (based on Board approved forecasts). The Directors are satisfied that recoverable amounts are in excess of the value of the goodwill held. At 31 December 2023, the carrying amount of goodwill was £16,248,181 (*2022: £3,197,396*).

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (‘CGUs’) that are expected to benefit from that business combination. The carrying amount of the goodwill has been allocated between two CGUs – Nailberry and Sonotas. The Group tests goodwill at least annually for impairment. Tests are conducted more frequently if there are indications that goodwill might be impaired.

At 31 December 2023 shares in the company were suspended pending resolution of the unwinding of the Lush investment. Following the unwinding of the Lush investment and the consequent capital reduction the company’s shares resumed trading and the revised market capitalisation of the group is less than the carrying value of goodwill and other intangibles so there is an indicator of impairment.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations have been individually estimated for each CGU and include the discount rates and expected changes to cash flows during the period for which management has detailed plans.

The budgets for each of the CGU’s for the year ending 31 December 2024 as approved by the board have been used as the basis for the future cash flow projections. Management also prepared projections for a further four years to 31 December 2028. Beyond the plan period the projections are extrapolated using a terminal value with an estimated conservative long-term growth rate of 2.0% for both CGUs. The Group uses a discount rate based on the weighted average cost of capital (‘WACC’) of 11.7%. The WACC is derived using beta values of a comparator group of companies adjusted for funding structures as appropriate.

Following a detailed review, no impairment losses were recognised in the year ended 31 December 2023.A sensitivity analysis was performed on the forecasts to consider the impact of reasonably possible worst-case scenarios in which forecast rates of short term revenue growth were reduced by 25% with no mitigation in reduction of overheads. The application of these scenarios did not result in either of the CGUs requiring impairment.

3. Reverse take over

On 15 June 2022, the Company acquired through a share for share exchange the entire shares of Balmonds Skincare Ltd ("Balmonds") whose principal activity is the sale and distribution of beauty products.

Although the transaction resulted in Balmonds becoming a wholly owned subsidiary of the Company, the transaction constituted a reverse acquisition as the previous shareholders of Balmonds owned a majority of the ordinary shares of the Company.

In substance, the shareholders of Balmonds acquired a controlling interest in the Company and the transaction has therefore been accounted for as a reverse acquisition. As the Company's activities prior to the acquisition were purely the maintenance of its listing on the Acquis Growth Market, acquiring Balmonds and raising equity finance to provide the required funding for the operations of the acquisition it did not meet the definition of a business in accordance with IFRS 3 for the purpose of these consolidated financial statements of the Group.

Accordingly, in these consolidated financial statements, the reverse acquisition did not constitute a business combination and was accounted for in accordance with IFRS 2 "Share-based Payments" and the associated IFRIC guidance. Although, the reverse acquisition is not a business combination, the Company became a legal parent and was required to apply IFRS 10 and prepare consolidated financial statements. The Directors have prepared these consolidated financial statements using the reverse acquisition methodology, but rather than recognising goodwill, the difference between the equity value given up by the Balmonds shareholders and the share of the fair value of net assets gained by the Balmonds shareholders charged to the statement of comprehensive income as a share-based payment on reverse acquisition and represents in substance the cost of acquiring a market listing.

In accordance with reverse acquisition accounting principles, these consolidated financial statements represent a continuation of the consolidated statements of Balmonds and therefore are the financial statements of the group for the year ended 31 December 2022, including activities before the legal formation of the parent entity. The consolidated financial statements include:

- the assets and liabilities of Balmonds at their pre-acquisition carrying value amounts and the results for both years; and
- the assets and liabilities of the Company as at 14 June 2022 and its results from the date of the reverse acquisition to 31 December 2022.

On 14 June 2022, the Company issued 4,808,039 ordinary shares to acquire the whole of the share capital of Balmonds an issue price of £0.85 per share. In addition, a further 1,398,365 Ordinary shares were issued to shareholders in Balmonds in consideration of the novation of the Company of a shareholder loan and a further 3,205,360 Ordinary shares are to be issued to the shareholders in Balmonds as deferred consideration.

Because the legal subsidiary, Balmonds, was treated on consolidation as the accounting acquirer the fair value of the shares deemed to have been issued by Balmonds to acquire the company less the fair value of the net assets of the company at acquisition resulted in £2,665,094, being recognised as a reverse acquisition expense within Exceptional Costs in accordance with IFRS 2, Share Based Payments, reflecting the economic cost to Balmonds shareholders of acquiring a quoted entity.

4. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

5. Revenue

The following is an analysis of the Group's revenue for the period from continuing operations:

	2023	*2022*
	£	*£*
Sale of goods	**11,202,566**	*3,667,488*
	11,202,566	*3,667,488*

Analysis of revenue by country of destination:

	2023	*2022*
	£	*£*
United Kingdom	**3,835,528**	*2,656,606*
Rest of Europe	**1,056,299**	*460,547*
Rest of the world	**6,310,739**	*550,335*
	11,202,566	*3,667,488*

Timing of revenue recognition:

	2023	*2022*
	£	*£*
Goods transferred at a point in time	**11,202,566**	*3,667,488*
	11,202,566	*3,667,488*

6. Other operating income

	2023	2022
	£	£
Other operating income	26,799	119
Government grants receivable	-	30,000
	26,799	30,119

7. Exceptional Costs

	2023	2022
	£	£
Deemed cost of listing	-	2,665,094
Acquisition related contingent consideration and earn-outs	4,583,760	876,196
Share based payments	33,333	20,000
Acquisition costs	642,995	2,832,049
Exceptional costs recoverable	(1,384,010)	-

Deemed cost of listing
The amount of £2,665,094 represents the deemed cost of acquisition over the net assets of Silverwood Brands plc that were acquired. Under IFRS 2, the deemed costs of obtaining the listing was expensed to profit and loss.

Acquisition related contingent consideration and earn-outs
Under IFRS 3, contingent consideration on business combination is analysed to determine whether it is a cost of acquisition or for post-acquisition remuneration. The contingent consideration for both the acquisition of NBY London Ltd, Balmonds Skincare Ltd (“Balmonds”) and Sonotas Holdings (“Sonotas”) include elements that require the sellers to remain engaged by the company. This contingent consideration is accounted for as remuneration for post combination services which is recognised in the profit and loss account.

Deferred consideration for Balmonds is recognised in two parts. Contingent consideration attributable to sellers who are not required to remain engaged with the business, is recognised as part of the investment and a corresponding amount is recognised in the "shares to be issued reserve". The remainder of the deferred consideration, which requires individuals to remain engaged with the Company, is recognised as remuneration for post combination services provided over the relevant service period. The amount recognised in the current year the profit and loss in respect of the Balmonds contingent consideration is £833,136.

Contingent consideration for both NBY London Ltd and Sonotas is recognised as remuneration for post combination services and charged to the profit and loss account over the relevant service periods. An amount of £1,764,071 and £1,986,463 has been recognised in the profit and loss in respect of these business combinations respectively in the current year with a corresponding amount recognised in other liabilities.

The maximum deferred consideration payable to the former shareholders of Balmonds on or around the third anniversary of the reverse take over, is 3,205,360 ordinary shares in the Company, subject to certain conditions including certain performance targets being satisfied and, in most but not all cases, on continuing employment in the business. The maximum deferred consideration payable to the former shareholder of Nailberry is £4.0 million, subject to the achievement of certain performance criteria dependent on sales and EBITDA growth over the next three years and on continuing employment in the business. The maximum deferred consideration payable to the former shareholders of Sonotas Holdings on or around the fourth anniversary of the acquisition, is £9.0m, subject to the achievement of certain performance criteria dependent on revenues generated inside and outside of Japan being satisfied and on continuing employment in the business.

Share based payments
An expense of £33,333 has been recognise during the year to recognise the fair value of options which have vested during the year. Further details of the charge can be found in note 21.

Acquisition related costs
Costs arising as a result of business combinations in the year have been recognised as exceptional items.

Exceptional costs recoverable
Stamp duty of £1,084,010 has been recognised as recoverable as at 31 December 2023 as a result of the capital reduction of Group’s investment in Lush Cosmetics Limited and Cosmetic Warriors Limited.

An additional amount of £300,000 has been recognised as recoverable from directors for reimbursement of exceptional fees incurred as a result of the legal proceedings with Lush.

Both amounts were recovered in January 2024.

8. Auditors' remuneration

During the period, the Group obtained the following services from the Group's auditors:

	2023 **£**	*2022* *£*
Fees payable to the auditors for the audit of the consolidated and parent Company's financial statements	**105,000**	*85,000*

9. Employee benefit expenses

Group

	2023 £	2022 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	***2,825,680***	*346,671*
National insurance	***53,050***	*29,372*
Defined contribution pension cost	***17,542***	*9,761*
	2,896,272	*385,804*

In addition to the above, acquisition related contingent consideration and earn out amounts of £4,583,670 have been accounted for as post combination remuneration in the year.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 1.

	2023 £	2022 £
Salary	**198,750**	*53,000*
	198,750	*53,000*

The monthly average number of persons, including the directors, employed by the Group during the period was as follows:

	2023 No.	2022 No.
Executive Directors	**10**	*2*
Sales	**32**	*2*
Marketing	**12**	*2*
Admin	**9**	*4*
Despatch	**6**	*2*
Production	**7**	*3*
	76	*14*

10. Directors' remuneration

	2023 £	*2022* *£*
Directors' emoluments	**198,750**	*65,547*
	198,750	*65,547*

The remuneration recognised above relates to directors of Balmonds Skincare Ltd and NBY London Ltd. Details of the director's remuneration for Silverwood Brands plc is detailed in the governance report.

No retirement benefits are accruing to Company Directors under a defined contribution scheme *(2022: none)*.

11. Finance income and expense

Recognised in profit or loss

	2023 £	*2022* *£*
Finance income		
Interest on bank deposits	**2,882**	*99*
Other interest receivable	**38,767**	*25,489*
Total finance income	**41,649**	*25,588*
Finance expense		
Interest portion of lease payments	**52,231**	*3,715*
Other loan interest payable	**753,555**	*156,370*
Total finance expense	**805,786**	*134,497*
Net finance expense recognised in profit or loss	**(764,137)**	*(134,497)*

12. Tax expense

12.1 Income tax recognised in profit or loss

	2022 **£**	*2022* *£*
Current tax		
Current tax on profits for the period	**-**	*23,166*
Adjustments in respect of prior years	**(22,302)**	*-*
Japanese corporate taxes	**6,389**	
Total current tax	**(15,913)**	*23,166*
Deferred tax expense		
Origination and reversal of timing differences	**(455,615)**	*237*
Total deferred tax	**(455,615)**	*237*
	(471,528)	*23,403*
Total tax expense		
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	**(471,528)**	*23,403*
	(471,528)	*23,403*

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	2023 **£**	*2022* *£*
Loss for the period	**(6,091,174)**	*(6,035,726)*
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	**(471,528)**	*23,403*
Loss before income taxes	**(6,562,702)**	*(6,012,323)*
Tax using the Company's blended domestic tax rate of 23.5% (2022:19%)	**(1,542,235)**	*(1,142,341)*
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	**1,252,906**	*1,258,391*
Non-taxable income	**(243,470)**	*(4,031)*
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	**-**	*(32,260)*
Origination and reversal of timing differences	**471,528**	-
Unrelieved tax losses carried forward	**532,799**	*(56,356)*
Total tax expense	**(471,528)**	*23,403*

Changes in tax rates and factors affecting the future tax charges

At 31 December 2023, the group had unutilised trading tax losses of £1,231,833 (2022: £1,138,795). The related deferred tax asset of approximately £307,958 (2022: £284,700) has not been recognised on the basis that there is insufficient certainty of future profits in the subsequent financial year to warrant recognition at this stage.

12.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2023 **£**	2022 £
Deferred tax liabilities	**(1,799,191)**	(657,535)
	(1,799,191)	(657,535)

12.2 Deferred tax balances

Group

	Opening balance £	Recognised in profit or loss £	Acquisitions/ disposals £	Utilised in the year £	Closing balance £
2023					
Property, plant and equipment	(237)	(227)		-	(464)
Other timing differences	-	716		-	716
Intangible assets	(657,298)		(1,597,271)	455,126	(1,799,443)
	(657,535)	**489**	**(1,597,271)**	**455,126**	**(1,799,191)**
2022					
Property, plant and equipment	-	(237)	-	-	(237)
Other timing differences	-	-	-	-	-
Intangible assets	-	-	(682,737)	25,439	(657,298)
	-	**(237)**	**(682,737)**	**25,439**	**(657,535)**

13. Earnings per share

(i) Basic earnings per share

	2023 **Pence**	*2022* *Pence*
From continuing operations attributable to the ordinary equity holders of the Company	**(2.33)**	*(37.5)*
Total basic earnings per share attributable to the ordinary equity holders of the Company	**(2.33)**	*(37.5)*

(ii) Reconciliation of earnings used in calculating earnings per share

	2023 **£**	*2022* *£*
Total comprehensive income attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**(6,040,462)**	*(6,035,726)*
	(6,040,462)	*(6,035,726)*

(iii) Weighted average number of shares used as the denominator

	2023 **Number**	*2022* *Number*
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**259,383,201**	*16,105,381*
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**259,383,201**	*16,105,381*

During the year, the group derecognised its investment in Lush, leading to a capital reduction of 228,212,632 Ordinary shares. Details of this can be found in note 16.

The capital reduction took place on 22 April 2024. The director's believe it is appropriate to publish a comparative earnings per share under the assumption the capital reduction occurred in January 2023.

(i) Basic earnings per share – reflective of capital reduction

	2023 Pence	*2022 Pence*
From continuing operations attributable to the ordinary equity holders of the Company	**(19.38)**	*(37.5)*
Total basic earnings per share attributable to the ordinary equity holders of the Company	**(19.38)**	*(37.5)*

(ii) Reconciliation of earnings used in calculating earnings per share

	2023 £	*2022 £*
Total comprehensive income attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**(6,040,462)**	*(6,035,726)*
	(6,040,462)	*(6,035,726)*

(iii) Weighted average number of shares used as the denominator - reflective of capital reduction

	2023 Number	*2022 Number*
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**31,170,569**	*16,105,381*
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**31,170,569**	*16,105,381*

Where the Group reports a loss for the current period, then in accordance with IAS 33, the share options in issue are not considered dilutive.

14. Property, plant and equipment

Group

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation							
At 1 January 2022	25,818	81,316	55,517	-	-	3,250	165,901
Additions	-	-	9,827	-	-	1,041	10,868
Acquisition of subsidiary	-	-	-	-	339	-	339
At 31 December 2022	25,818	81,316	65,344	-	339	4,291	177,108
Additions	-	999	2,405	-	-	2,645	6.049
Acquisition of subsidiary	-	264,869	8,376	32,604	-	-	305.849
Disposals	-	(15,586)	(2,650)	-	-	-	(18.236)
At 31 December 2023	**25,818**	**331,598**	**73,475**	**32,604**	**339**	**6,936**	**470,770**

14. Property, plant and equipment (continued)

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Accumulated depreciation and impairment							
At 1 January 2022	17,792	44,047	33,405	-	-	1,879	97,123
Charge owned for the period	5,617	-	12,189	-	75	833	18,714
Charged financed for the period	-	13,553	2,228	-	-	-	15,781
At 31 December 2022	23,409	57,600	47,822	-	75	2,712	131,618
Charge owned for the period	1,673	16,077	13,579	10,857	112	767	43,065
Charged financed for the period	-	98,130	370	-	-	-	98,500
Disposals	-	-	(1,719)	-	-	-	(1,719)
At 31 December 2023	**25,082**	**171,807**	**60,052**	**10,857**	**187**	**3,479**	**271,464**

14. Property, plant and equipment (continued)

Net book value							
At 1 January 2022	8,026	37,269	22,112	-	-	1,371	68,778
At 31 December 2022	2,409	23,716	17,522	-	264	1,579	45,490
At 31 December 2023	736	159,791	13,423	21,747	152	3,457	199,306

14. Property, plant and equipment (continued)

14.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated statement of financial position is as follows:

	31 December 2023	*31 December 2022*
	£	*£*
Property, plant and equipment owned	**62,278**	*21,404*
Right-of-use assets	**137,028**	*24,086*
	199,306	*45,490*

Information about right-of-use assets is summarised below:

Net book value

	31 December 2023	*31 December 2022*
	£	*£*
Property	**137,028**	*23,716*
Plant and machinery	**-**	*370*
	-	*24,086*

Depreciation charge for the period ended

	31 December 2023	*31 December 2022*
	£	*£*
Property	**98,130**	*13,553*
Plant and machinery	**370**	*2,228*
	98,500	*15,781*

15. Intangible assets

Group

	Goodwill £	Development expenditure £	Patents £	Trademarks £	Brands £	Customer contracts and designs £	Computer software £	Total £
Cost								
At 1 January 2022	5,000	-	80,000	12,766	-	-	-	97,766
Additions - external	-	2,064	-	2,860	-	-	-	4,924
On acquisition of subsidiaries	3,192,356	-	-	-	1,319,726	1,548,916	-	6,060,998
At 31 December 2022	3,197,356	2,064	80,000	15,626	1,319,726	1,548,196	-	6,163,688
On acquisition of subsidiaries	13,050,825	-	-	-	5,068,548	1,320,535	45,745	19,485,653
At 31 December 2023	**16,248,181**	**2,064**	**80,000**	**15,626**	**6,388,274**	**2,869,451**	**45,745**	**25,649,341**

15. Intangible assets (continued)

	Goodwill £	Development expenditure £	Patents £	Trademarks £	Brands £	Customer contracts and designs £	Computer software £	Total £
Accumulated amortisation and impairment								
At 1 January 2022	-	-	62,567	1,961	-	-	-	64,528
Charge for the year - owned	-	516	16,000	1,961	49,168	57,718	-	125,363
At 31 December 2022	-	516	78,567	3,922	49,168	57,718	-	189,891
Charge for the period - owned	-	516	1,433	1,961	1,274,877	573,166	13,367	1,865,320
At 31 December 2023	**-**	**1,032**	**80,000**	**5,883**	**1,324,045**	**630,879**	**13,367**	**2,055,211**
Net book value								
At 1 January 2022	5,000	-	17,433	10,805	-	-	-	33,238
At 31 December 2022	3,197,356	1,548	1,433	11,704	1,270,558	1,491,198	-	5,973,797
At 31 December 2023	16,248,181	1,032	-	9,743	5,064,229	2,238,567	32,378	23,594,130

16. Other non-current investments

Group

	2023 £	2022 £
Investments	**80**	*80*
Other fixed asset investments	**-**	*216,802,001*
	80	*216,802,081*

Company

	2023 £	2022 £
Investments in subsidiary companies	**34,381,407**	*14,254,164*
	34,381,407	*14,254,164*

Other fixed asset investments - investment in Lush

By executed stock transfer forms dated 15 December 2022, Cosmic Circles Limited (‘Cosmic’), a wholly owned subsidiary of the Company, acquired 1,808 shares in Cosmetic Warriors Limited and 1,808 shares in Lush Cosmetics Limited (together the ‘Lush companies’), representing approximately 19.8% of the issued capital of the Lush companies from Andrew Gerrie and Alison Hawksley’s Consideration for the transfer to Cosmic was £216,802,001, satisfied by the allotment and issue credited as fully paid up 228,212,632 ordinary shares in the Company at a price equal to the closing price on AQUIS Growth Market the last business day prior to the date of the agreement to sell and purchase, such price being determined to be 95 pence per share. . At the date of approval of the 2022 financial statements the directors of the Lush companies had not registered the transfers and disputed that they have had effect and disputed the validity of the consideration.

On 15 December 2022 the Company and Andrew Gerrie and Alison Hawksley entered into a deed of grant of power of contractual control (‘the deed’) over the shares in the Lush companies. The deed sought to have effect until such time as Cosmic was registered as the holder of the shares by the Lush companies. The directors of the Lush companies disputed that the deed had any effect.

In preparing and approving the financial statements of the Company for the period ended 31 December 2022 the directors of the Company considered the circumstances in relation to the Company’s investment in the Lush companies and consider the investment met the definition of an asset in IFRS because it was a resource controlled by the entity as a result of past events from which future economic benefits are expected to flow to the Group.

The fair value of this investment was categorised as Level 3 at 31 December 2022. This was because the shares were not listed on an exchange and there were no recent observable arm’s length transactions in the shares. The valuation technique applied in considering fair value were the market comparison technique.

On 9 October 2023 the Company announced that it had decided to withdraw the request that Lush companies register the transfers of the shares in the Lush companies to Cosmic and not to argue that Cosmic was entitled to be registered as the holder of those shares on 12 December 2022 to acquire the investment in Lush.

On 9 January 2024 a settlement deed was executed, affective from 31 December 2023, between Andrew Gerrie and Allison Hawkesley, the Company and Cosmic. Under the terms of the agreement the parties had each concluded that they should not defend the proceedings instigated by Lush and they acknowledged and agreed that, notwithstanding previous actions, Andrew Gerrie and Alison Hawkesley remain (and have at all material times been) the owners of the legal and beneficial title to the shares in the Lush companies and that the attempted transfer did not transfer any legal or beneficial interest in the shares in the Lush companies to the Company or Cosmic. The parties also concluded and acknowledged and agreed that the deed of grant and the powers of control over the shares in the Lush companies are of no legal effect and that the parties had agreed to take steps to unwind the issue and allotment of the shares in the Company issued in consideration for the purchase of the Lush investment.

On 20 February 2024 a shareholder circular was issued proposing a reduction of the Company's share capital through the cancellation of the 228,212,632 ordinary shares of 10p each in the Company issued pursuant to the Company's acquisition of a 19.8% stake in each of the Lush companies. 0n 8 March 2024 the Company announced that the resolution to approve the capital reduction was duly passed at a General Meeting held on that date. On 16 April 2024 confirmation was received from the Court of the capital reduction, in the form of the cancellation of the share premium account and the consideration shares, and on 30 April 2024 the capital reduction was registered at Companies House.

The directors of the Company consider that the criteria for derecognition of an asset set out in para 5.26 of the Conceptual Framework for Financial Reporting and, accordingly, the Lush investment has been derecognised in these financial statements because the Group no longer controlled the investment at the reporting date. Further, the transactions to unwind the Group's investment in Lush, comprising the reduction of the Company's share capital through the cancellation of the consideration shares and the cancellation of the Company's share premium account have been presented as adjusting post balance sheet events in accordance with paragraphs 8 and 9 of IAS 10. The directors consider that this presentation best presents the corresponding reduction in shareholder's equity arising from the derecognition of the Lush investment.

The directors of the Company consider the Lush investment met the definition of an asset at 31 December 2022 and at the date those financial statements were approved. The subsequent derecognition in the year ended 31 December 2023 does not therefore give rise to a prior period adjustment.

Investments in subsidiaries – Company

Details of the Company's subsidiary undertakings are set out in note 2.3. Details of the subsidiaries acquired during the year can be found in note 27.

17. Inventories

Group

	2023	*2022*
	£	*£*
Raw materials	**1,176,166**	*220,926*
Finished goods and goods for resale	**551,602**	*180,206*
	1,727,768	*401,132*

The Directors are satisfied that all inventory at 31 December 2023 is recorded at the lower of cost (realisable value. There is no provision for impaired inventory as at 31 December 2023.

Inventory of £3,062,983 (*2022: £1,312,541*) was recognised as an expense in the year.

18. Trade and other receivables

Group

	2023	2022
	£	£
Trade receivables	**1,346,873**	*452,205*
Trade receivables - net	**1,346,873**	*452,205*
Prepayments and accrued income	**423,853**	*53,302*
Tax recoverable	**1,410**	-
Other receivables	**1,623,425**	*462,514*
Total trade and other receivables	**3,395,561**	*968,021*
Less: current portion - trade receivables	**(1,346,783)**	*(452,205)*
Less: current portion - prepayments and accrued income	**(422,760)**	*(53,302)*
Less: current portion - other receivables	**(1,522,575)**	*(462,514)*
Less: current portion - taxation recoverable	**(1,410)**	-
Total current portion	**3,293,618**	*968,021*
Total non-current portion	**101,943**	-

Company

	2023	2022
	£	£
Trade receivables	**2,690**	*681*
Trade receivables - net	**2,690**	*681*
Receivables from related parties	**31,000**	*-*
Loans to related parties	**170,216**	*218,007,377*
Total financial assets other than cash and cash equivalents classified as loans and receivables	**203,906**	*218,008,058*
Prepayments and accrued income	**15,772**	*-*
Other receivables	**1,413,095**	*361,583*
Total trade and other receivables	**1,632,773**	*218,369,641*
Less: current portion - trade receivables	**(2,690)**	*(681)*
Less: current portion - prepayments and accrued income	**(15,772)**	*-*
Less: current portion - other receivables	**(1,413,095)**	*(361,583)*
Less: current portion - receivables from related parties	**(31,000)**	*-*
Total current portion	**1,462,557**	*362,264*
Total non-current portion	**170,216**	*218,007,377*

19. Trade and other payables

Group

	2023	2022
	£	£
Trade payables	**504,234**	*391,768*
Payables to related parties	**-**	*4,544,657*
Other payables	**6,244,806**	*328,302*
Accruals	**1,135,714**	*273,294*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**7,884,754**	*5,538,021*
Other payables - tax and social security payments	**209,425**	*319,086*
Deferred income	**1,270**	*947*
Total trade and other payables	**8,095,449**	*5,858,054*
Less: current portion - trade payables	**504,234**	*391,768*
Less: current portion - payables to related parties	**-**	*4,544,657*
Less: current portion - other payables	**4,486,882**	*647,388*
Less: current portion - accruals	**1,106,696**	*273,294*
Less: current portion - deferred income	**1,270**	*947*
Total current portion	**6,099,082**	*5,858,054*
Total non-current position	**1,996,367**	*-*

Company

	2023	2022
	£	£
Trade payables	**153,272**	*184,529*
Payables to related parties	**2,331,529**	*6,876,186*
Other payables	**6,200,266**	*323,412*
Accruals	**139,583**	*151,366*
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**8,824,650**	*7,535,493*
Less: current portion - trade payables	**(153,272)**	*(184,529)*
Less: current portion - payables to related parties	**(2,331,529)**	*(6,876,186)*
Less: current portion - other payables	**(4,232,917)**	*(323,412)*
Less: current portion - accruals	**(139,583)**	*(151,366)*
Total current portion	**6,857,301**	*7,535,493*
Total non-current position	**1,967,349**	-

20. Loans and borrowings

Group

	2023	2022
	£	£
Non-current		
Bank loans - secured	**1,215,910**	-
Lease liabilities	**48,539**	*13,947*
	1,264,449	*13,947*
Current		
Bank loans - secured	**60,903**	-
Convertible debt	**5,204,659**	*1,511,713*
Lease liabilities	**102,587**	*17,552*
	5,368,149	*1,529,265*
Total loans and borrowings	**6,632,598**	*1,543,212*

Company

	2023	2022
	£	£
Current		
Convertible debt	**5,204,659**	*1,511,713*
	5,204,659	*1,511,713*
Total loans and borrowings	**5,204,659**	*1,511,713*

Convertible debt

On 12 October 2022, £4.4m was loaned to Silverwood Brands plc from Castelnau for the acquisition of NBY London Ltd. The loan has an interest rate of 15% p.a, which is non compounding and was due to be repaid by 12 October 2023. The principal loan amount of £4.4M was converted into equity 31 January 2024 for 54p per Ordinary share. The interest continues to accumulate and is expected to be converted into equity before December 2024.

21. Provisions

Group

	Provision for legal fees
	£
Charged to profit or loss	**286,282**
As at 31 December 2023	**286,282**

During the year, the group has recognised a provision of £286,282 relating to legal fees. This provision is considered current and is expected to be settled before December 2024.

22. Share capital

Issued and fully paid

	2023 Number	**2023 £**	*2022 Number*	*2022 £*
Ordinary shares of £0.10 each				
At 1 January	242,029,693	24,202,969	*5,324,942*	*532,494*
Shares issued	18,683,115	1,868,312	*236,704,751*	*23,670,475*
Capital reduction	(228,212,632)	(22,821,263)		
At 31 December	**32,500,176**	**3,250,018**	*242,029,693*	*24,202,969*

During the year ended 31 December 2023 the Company undertook the following transactions in relation to its issued share capital:

(a) On 9 January 2023, the Company allotted 16,398,478 Ordinary shares of £0.10 each at a price of £0.95 for total consideration of £15,578,554. The consideration was in the form of a share for share exchange to acquire 90% of the capital of Sonotas Holdings. Details of this can be found in note 27.

(b) On 5 June 2023, the Company allotted 2,284,637 Ordinary shares of £0.10 each at a price of £0.70 for total consideration of £1,599,246.

On 20 February 2024 a shareholder circular was issued proposing a reduction of the Company's share capital through the cancellation of the 228,212,632 ordinary shares of 10p each in the Company issued pursuant to the Company's acquisition of a 19.8% stake in each of the Lush companies. 0n 8 March 2024 the Company announced that the resolution to approve the capital reduction was duly passed at a General Meeting held on that date. On 16 April 2024 confirmation was received from the Court of the capital reduction, in the form of the cancellation of the share premium account and the consideration shares, and on 30 April 2024 the capital reduction was registered at Companies House.

As set out in note 16, the directors of the Company consider that the criteria for derecognition of an asset set out in para 5.26 of the Conceptual Framework for Financial Reporting and, accordingly, the Lush investment has been derecognised in these financial statements because the Group no longer controlled the investment at the reporting date. Further, the transactions to unwind the Group's investment in Lush, comprising the reduction of the Company's share capital through the cancellation of the consideration shares and the cancellation of the Company's share premium account have been presented as adjusting post balance sheet events in accordance with paragraphs 8 and 9 of IAS 10.

Prior to the cancellation the Company's issued share capital comprised of 270,712,808 Ordinary Shares. After the cancellation the Company's issued share capital comprised of 32,500,176 ordinary shares of 10p each.

Share options

During the prior period options to acquire 300,000 ordinary shares with an exercise price of 60p per share were granted to three members of management. The options vest 12 months from the date of grant subject to satisfaction of service condition. A share-based payment charge of approximately £80,000 will be recognised over the vesting period.

During the year to December 2023, 100,000 options lapsed. As such, the total charge to recognise has been deflated by £26,667.

A charge of £33,333 is included in administrative expenses in the current period.

At 31 December 2023 there were 200,000 options outstanding with a weighted average remaining contractual life of 3.0 years and a weighted average exercise price of 60p.

23. Leases

Group

(i) Leases as a lessee

The lease liabilities relate to equipment and property leased by the group. The details of the right of use assets can be found in note 14.1.

Lease liabilities are due as follows:

	2023	2022
	£	£
Not later than one year	**48,539**	*13,947*
Between one year and five years	**102,587**	*17,552*
	151,126	*31,499*
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	**151,126**	*31,499*
Non-current	**48,539**	*13,947*
Current	**102,587**	*17,552*

The following amounts in respect of leases have been recognised in profit or loss:

	2023	2022
	£	£
Interest expense on lease liabilities	**6,020**	*3,715*

24. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior executives ("executives") under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk
Foreign currency risk
Although not currently material to the financial statements, the Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting

Price risk
The Group is exposed to changes in price of its equity investments.

Interest rate risk
The Group's main interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value risk.

At present the directors do not believe that the Group has significant interest rate risk and consequently does not hedge against such risk. Cash balances earn interest at variable rates.

The Group's interest generating financial assets as at 31 December 2023 comprised cash at bank of £2,799,380 (*2022: £2,055,143*) Interest is paid on cash at bank at floating rates in line with prevailing market rates.

The Group's interest generating financial liabilities as at 31 December 2023 included terms loans and convertible loan agreements totalling £6,632,598. Interest on the loans is accrued at a fixed rate.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has no concentration of credit risk exposure.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Capital risk management
The Group is not subject to any external capital requirements. The Group's management objectives are to ensure the Group is appropriately funded to continue as a going concern and to provide an adequate return to shareholders commensurate with risk. The Group defines shareholder's equity as share capital and equity reserves. The Group has external debt finance in the form of leases and overdrafts, gearing is not measured. The Group's structure is periodically reviewed and, if appropriate, adjustments are made in the light of expected future funding needs, changes in economic conditions, financial performance and changes in Group structure.

The Group adheres to the maintenance requirements as set out in the Companies Act 2006.

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25. Related party transactions

Investment in Lush

As set out in note 16, in the period Silverwood has de-recognised its investment in Lush and has entered into a series of agreements to unwind the investment with Lush co-founder Andrew Gerrie and his wife Alison Hawksley. Andrew Gerrie is a director of the Company

Loans from Castelnau Group Limited

Castelnau Group Limited ("Castelnau") is a public company traded on the London Stock Exchange which was formed by Phoenix Asset Management Partners Limited ("Phoenix") in 2020. Andrew Gerrie is a non-executive director at Phoenix.

On 12 October 2022, £4.4m was loaned to Silverwood Brands plc from Castelnau for the acquisition of NBY London Ltd. The loan has an interest rate of 15% p.a, which is non compounding and was due to be repaid by 12 October 2023. The principal loan amount of £4.4M was converted into equity 31 January 2024 for 54p per Ordinary share. The interest continues to accumulate and is expected to be converted into equity before December 2024.

Loan to Ginger Teleporter Limited

Ginger Teleporter Limited ("Ginger") is a private company incorporated and registered in England and Wales. Andrew Gerrie and Paul Hodgins are directors of Ginger.

On 6 May 2022, Silverwood Brands plc entered into a convertible loan agreement to loan up to £350,000 to Ginger. On 9 May 2022 £200,000 was loaned to Ginger. The loan has an interest rate of 15% and was repayable by May 2024. The directors believe this amount is irrecoverable, therefore an amount impairment amount of £219,644 has been recognised in the Company's Statement of Comprehensive Income.

Acquisition of Sonotas

On 9 January 2023 the Company completed the acquisition of 90% of the issued share capital of Sonotas Holdings Corporation and 100% of the share capital of Sonotas Corporation from executive director Andrew Tone, as well as other seller and entered into a put and call option agreement with Andrew Tone, which entitles the company to acquire from him the 10 percent balance of the total issued share capital of Sonotas Holdings Corporation during the six month period commencing 48 months after the completion date.

On completion of the Sonotas Acquisition, Japanese ¥69,999,992 in cash and 16,398,478 Ordinary shares worth £15,578,554 were paid to the Sonotas vendors by Silverwood ("Sonotas Consideration Shares").

The Company also agreed to pay Andrew Tone a deferred payment in respect of his shares in Sonotas Holdings of ¥392,268,790 (approximately £2.14 million). This amount was paid in full on 20 February 2024 and has been recognised as a current liability in the Company's balance sheet.

Directors

Directors' remuneration for the period is detailed in the director's report.

26. Controlling party

Prior to the capital reduction and cancellation of the Lush consideration shares described in note 16, Andrew Gerrie and Alison Hawksley, together with shares held by Silver Americum Limited, a company in which Andrew Gerrie and Alison Hawksley each hold separate 20% stakes in addition to the shares held by Brooke Gerrie, Oliver Gerrie and Aliana Gerrie, held 89.27% of the Company and were collectively the controlling party.

After the capital reduction and cancellation of the Lush consideration shares there is no controlling party.

27. Business combinations during the period

27.1 Subsidiaries acquired

During the year, Silverwood acquired 90% of Sonotas Holdings and its subsidiaries; Sonotas Corporation, a company established in Japan, International Brands Management Services, a company established in Hong Kong and Steamcream Limited, a company established in the United Kingdom. For the disclosure below, the group is collectively referred to as “Sonotas”.

Name	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred £
Sonotas	Production and distribution of skincare products	09/01/2023	90	20,127,243
				20,127,243

27.2 Consideration transferred

	Sonotas £
Cash	435,906
Allotment of Ordinary shares	15,578,554
Deferred consideration	2,145,434
Contingent consideration	1,967,349
	20,127,243

27.3 Assets acquired and liabilities recognised at the date of acquisition

	Sonotas £	Total £
Non-current assets		
Property, plant and equipment	339,828	339,828
Intangible assets	6,389,083	6,389,083
Current assets		
Cash and cash equivalents	1,845,063	1,845,063
Trade and other receivables	2,893,206	2,893,206
Inventories	1,061,068	1,061,068
Non-current liabilities		
Deferred taxation	(1,597,271)	(1,597,271)
Current liabilities		
Trade and other liabilities	(3,854,659)	(3,854,659)
	7,076,318	7,076,318

27.4 Goodwill arising on acquisition

	Sonotas £	Total £
Consideration transferred	20,127,143	20,127,143
Fair value of identifiable net assets acquired	(7,076,318)	(7,076,318)
Goodwill arising on acquisition	13,050,825	13,050,825

27.5 Net cash outflow on acquisition

	2023 £
Consideration paid in cash	**435,906**
Less: cash and cash equivalent balances acquired	**(1,845,063)**
	(1,409,157)

27.6 Impact of acquisition on the results of the Group

Acquisition of Sonotas Holdings
On 9 January 2023, the group acquired 90% of the share capital of Sonotas Holdings ("Sonotas") for a total consideration of £20.1M.

Sonotas has two brands, Steamcream and Cigarro. The group intends to use its market knowledge to grow the brand both in the UK and internationally and are excited about the future of the business within the Silverwood Brands portfolio.

Goodwill of £13,050,825 recognised in relation to the acquisition of NBY relates to the synergistic benefits able to be realised through Sonotas being a part of the larger Silverwood Group, as well as goodwill in relation to the assembled workforce.

Deferred consideration of £2,145,434 was paid in cash on 20 February 2024.

Contingent consideration of £1,967,349 is recognised within the Statement of changes in equity as a share-based payment with a corresponding amount recognised in the investment value.

For the purposes of the group accounts, the Sonotas results have been consolidated for the full financial year; 1 January 2023 to 31 December 2023 as the results for the period between 1 January 2023 and acquisition on 9 January 2023 are considered immaterial. Post acquisition revenue of £5,868,034 and loss of £567,240 have been recognised in respect of Sonotas.

A loss amount of £50,712 has been recognised as attributable to Non-Controlling Interests.

28. Events after the reporting date

Acquisition of Cosme Science

On 29 March 2024 the Group completed the acquisition of Cosme Science Corporation ("Cosme Science"), a premier Japanese manufacturer of beauty products, and its 100% subsidiary, Dr. Baeltz, a pioneering skincare and self-care brand.

As consideration for the Acquisition, Sonotas Corporation, Silverwood's Japanese subsidiary, paid ¥1 (£ nominal) for the purchase of 100% of the shares of Cosme Science and Dr. Baeltz, and ¥1,000 million (approximately £5.3 million) to acquire the outstanding debt between Cosme Science and its former owner, Hokkan Holdings. The costs of the Acquisition are funded via debt finance in Japan.

Lush Transaction

A settlement agreement between Silverwood, Andrew Gerrie, and Alison Hawksley following the decision to unwind the Lush transaction was announced on 10 January, 2024. The unwind of the Lush transaction was completed on 30 April, 2024. Discussion with Lush of the final costs settlement remains ongoing. Silverwood, Andrew Gerrie, and Alison Hawksley have already made a payment of £150,000 to Lush towards costs.