THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "EUWA")) ("UK MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION (AS DEFINED IN UK MAR) IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Brand Architekts Group plc
("Brand Architekts" or the "Group")

Final Results

Brand Architekts Group plc, a market leader in the development and supply of beauty and personal care brands, announces its Full Year results to 30 June 2024.

Business highlights:

Strategic focus on fewer, bigger, solution-led margin accretive brands, rationalising the portfolio to 8 key focus brands.

- Super Facialist grew by 17%, fuelled by distribution gains, notably Holland & Barrett.
- Skinny Tan's Body Glow launched into Boots, Superdrug, Asda and Tesco. Body Glow is now the fastest growing value sku in the UK tanning category (Circana latest 12 weeks ending 8 July 24).
- Dirty Works launched in 750 Watsons stores in 9 countries, with encouraging sell out results. FY25 brand refresh will focus on all year-round gifting and a sub range called Mood Magic.
- The Solution's net sales were up 43%. The Solution Menopause range launched on its own website in June 2024 and rolled out to Amazon in July 24. The Solution Haircare range is planned to launch in Q3 FY25.
- Net sales of Root Perfect grew +14%, driven by strong UK demand for affordable hair colourants and a pan European distribution expansion across Normal stores.
- The number of live skus across the Group portfolio was reduced by 19% to 248, whilst net inventory reduced by £1.4m.

Financial Highlights:

- Sales for FY24 were £17.0m (down 15% on 2023: £20.1m) due to a planned brand rationalisation programme, as well as challenging trading conditions in the UK caused by a cost-of-living crisis and an unseasonably wet spring and early summer.
- Gross profit margins increased by 1.5% to 41.2% (2023: 39.7%).
- Underlying operating loss of £0.4m, was £0.8m lower than the prior year (2023: £1.2m operating loss) - better targeted advertising & promotions, and the benefit of a full year of operational synergies.
- The decreased loss before taxation of £1.4m (2023: £6.8m) reflects a reduced operating loss of £0.8m, together with a reduction in exceptional items (Innovaderma goodwill impairment of £3.5m, legal fees of £0.7m and IDP restructuring costs £0.4m).
- The Group retains a strong net cash position of £7.0m at the year-end (30 June 2023: £8.2m). £1.0m outflow for the acquisition of MR and the resolution of the legal claims & costs relating to the Fish acquisition in 2018.

	2024	2023	
Reported results from continuing operations			
Revenue (Note 2)	£17.0m	£20.1m	
Underlying operating (loss) [1]	£(0.4)m	£(1.2)m	
Loss before taxation	£(1.4)m	£(6.8)m	
Basic (loss)per share	(5.2)p	(23.5)p	
Net cash	£7.0m	£8.2m	

[1] Underlying operating loss is calculated before exceptional items, share-based payments and amortisation of acquisition-related intangibles.

Quentin Higham, Chief Executive, commented:

"The Group made good progress in rationalising its portfolio, whilst improving margins and significantly reducing its underlying operating losses. We expect to grow our brands through increased consumer awareness, investment in customer acquisition campaigns; product productivity; an extensive NPD pipeline planned for H2; the repositioning of Skinny Tan as Skin & Tan and international expansion. We will continue to focus on brand contribution and a further release of working capital tied up in harvest brands. We remain confident that the foundations we are building will enable us to return to profitability and achieve our medium and long-term goals."

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Shaun Dobson / Jen Boorer

Chairman's Statement

The Group continues to successfully deliver its portfolio rationalisation program and exit underperforming & unprofitable brands. Whilst this has led to a 15% decline in net sales (£17.0m v FY23 £20.1m) this process is in line with our strategy to focus on fewer, bigger, solution-led margin accretive brands. This has allowed us to release working capital tied up in non-strategic brands allowing us to target investment into our Invest brands.

A number of our brands saw good growth this year, with Super Facialist net sales up 17%; Root Perfect grew 14%; Fish grew by 24% and The Solution grew by 43%. Despite this the company has faced well documented, challenging, wider market conditions, in particular the cost-of-living crisis, severely affected the UK's premium self-tan category and resulted in double digit decline across the premium self-tan category. Skinny Tan was adversely affected in its UK offline and DTC channels, accounting for 42% of the overall net sales decline. Skinny Tan Net sales for the year in the UK were down 27%. In H2 the excellent growth we have seen in Dirty Works sales in Watsons across Asia was offset by a softening in sales in TJ Maxx so that Dirty Works sales were down 16%. The exit of underperforming brands & categories (i.e. Happy Naturals; Kind Natured, Christmas Gift exclusives) resulted in a £1.1m revenue decline. However, our strategic intent remains to grow our key Invest and Nurture brands.

I was pleased that the business has continued to focus on reducing underlying operating losses, which reduced from a £1.2m loss last year to a £0.4 loss in the year under review. The significant improvement on the prior year, was as a result of improved operational efficiencies, in particular, more effective use of targeted advertising and promotions, as well as a continued focus on cost control with actions taken to reduce staff costs and other overheads.

Central Plc. costs were reduced by 38% and now account for 15% of the overall group manpower and overhead costs. This was in part due to the one term benefit of releasing historical Executive cash settled LTIPs, but also strong cost management. I was particularly pleased that April 2023's triennial valuation of the closed defined benefit pension plan resulted in a significant reduction in the deficit recovery plan, under which we have a commitment to make payments of £318,000 per annum until 30th June 2033.

The Group closed the year with net cash of £7.0m, which although a £1.2m decline year on year, reflected the £1.0m outflow for the acquisition of MR and the resolution of the long term historical legal claims and associated costs.

We remain focused on realising both the strategic and financial aims of the Group. In line with our Brand Development strategic tenet, immediate priorities are on driving brand awareness on Skinny Tan and Super Facialist, with an expected year-on-year increase in digital awareness and acquisition campaigns – with more investment in TikTok and Influencers. This will address rate-of-sale (ROS) challenges. I am also very excited by the repositioning of Skinny Tan as Skin & Tan, which will filter through from November 2024 through to Spring 2025.

Historically we have done a very good job in securing new distribution, but to maintain these listings requires necessary advertising and promotional (A&P) spend to generate the appropriate ROS to maintain these listings. It is therefore vital that we further invest into A&P and work tirelessly on implementing our brand development strategic tenets.

Good progress has been made on new product development, brand launches and relaunches and distribution gains, which are in line with our problem-solving strategy and therefore gives a degree of confidence for the future.

Key highlights include:

- Super Facialist grew by 17%, fuelled by distribution gains, in particular in Holland & Barrett in Q2. The brand's design upgrade started to enter stores during Q4. Super Facialist's New Vegan Collagen line and New Sleep Smart Night Moisturisers launched into Boots in July 24. Significant increase in digital awareness campaigns is planned throughout the new year to support ROS.

- In response to market trends and consumers' switch to more affordable gradual tanners, Skinny Tan's Body Glow launched into Boots, Superdrug, Asda and Tesco. As a result, Body Glow sku is now the fastest growing value sku in the UK tanning category (Circana latest 12 weeks ending 8 July 24). Skinny Tan launched as a Boots exclusive in all its international stores across six Gulf countries in Q3 and launched into Morrisons in July 24. The Skin & Tan relaunch strategy has been well received by existing customers and we have a secured pipeline of exciting Face Glow NPD planned for the next tanning season. Targeted Investment will continue to be made into new aspirational digital assets, and we will be investing into more digital awareness campaigns throughout the year. We are working with our American distributor to accelerate growth in the US, and we are also working with their European arm to launch Skin & Tan across Amazon Europe.

- Dirty Works launched in 750 Watsons stores in 9 countries, with very encouraging sell out results in Thailand, Turkey, Malaysia, the Gulf, Singapore and Hong Kong. The brand refresh with a focus on all year-round gifting, the signature range and new products should lead to further distribution opportunities domestically and internationally.

- The Solution's net sales were up 43%. The Solution Menopause range launched on its own website in June 2024 and rolled out to Amazon in July 24. The range is succinct; meets important consumer needs- states; has excellent empirical consumer panelling and encapsulates our company vision. The Solution Haircare range is planned to launch in Q3 FY25.

- Net sales of Root Perfect, a key Harvest brand, continued to outperform last year +14%, driven by strong UK demand for affordable hair colourants and a pan European expansion across Normal stores and an improved pricing strategy in Morrisons. The objective is to replicate this success with other key European retailers.

- We have pivoted MR Expert Solutions' route to market, so that we are focused on building a male problem-solving brand solution online, rather than offline, this reflects how men prefer to shop. Investment will be made into creating new digital assets and investment into Amazon conversion.

We will continue to deliver revenue synergies through international expansion, retain a laser focus on brand contribution and release working capital tied up in harvest brands. We remain committed to returning the business to profitability at the earliest opportunity.

On behalf of the Board, I would like to thank our employees for their hard work and commitment and shareholders for their continued support.

CEO's Statement 2024

We continue to make progress in increasing brand awareness, relevance, brand and product productivity, and social and digital presence. We continue to look at ways to address our over reliance on non-strategic sales channels; whilst reducing our central corporate costs.

The well documented cost-of-living crisis affected certain categories more disproportionally than others. Whilst we benefited from consumers buying into more affordable hair colourants, which saw Root Perfect net sales grow by 14%, conversely, the premium self-tan subcategory showed double digit decline. Given the squeeze on disposable income, consumers switched from instant premium tanners to more affordable gradual tanners. This resulted in Skinny Tan's UK sales declining by 27%, despite the brand extending its global distribution into Latin America and the Middle East. We also launched Skinny Tan Body Glow (gradual tanner) into full UK omnichannel distribution in H2, which resulted in it becoming the fastest growing value sku in the UK (Circana 12-week July 24).

The ongoing strong performance of the UK Beauty High Street and the general softening of the direct-to-consumer market reinforces the need for a strong omnichannel approach. We continue to work closely with our offline partners, and I was pleased to see some notable distribution gains on our key Invest and Nurture brands, in particular the launch of Super Facialist into Holland & Barrett and Skinny Tan Body Glow distribution gains across the UK. The focus for our DTC channels has been on improving profitability and ROAS (return on advertising spend), whilst investing in brand content and assets so that we can improve the overall immersive DTC brand experience.

Over the next 12 months we have a strong brand development program in place, with several exciting product launches (Super Facialist and Skinny Tan), brand redesigns (Super Facialist and Dirty Works); brand extensions (The Solution Menopause and Haircare), and the relaunch of Skinny Tan as Skin & Tan in 2025. We are excited by our key customers and consumers response to the Skin & Tan relaunch strategy and are confident that this will enable the brand to increase its relevance and saliency. We are also optimistic that the new face-centric skincare enhanced products will bring new consumers to the brand and to the category.

Performance review

The 27% softening of Skinny Tan across the UK trade had an adverse effect on all channels, in particular Boots and DTC, with the exception of Amazon where Skinny Tan grew by 19%. However, Skinny Tan was able to grow its international business with new listings in the Middle East and Peru. Rationalisation of the portfolio and the exiting of three underperforming brands also affected the overall UK business. Amazon was the standout channel with sales up 27%. Our business in the USA General Merchandise discount channel declined by 34%, as we took strategic steps to focus on the core portfolio. We were however pleased that the remaining Export business grew 63%. This was driven by strong Dirty Works distribution gains across 750 Watsons stores which helped Dirty Works grow by 71% in this channel. We are over one year into our strategy of rationalising our portfolio and focusing on problem solving, margin accretive brands and this is beginning to show through. Our number one performance priority is to continue to address ROS challenges and invest in topline sales growth for our key Invest and Nurture brands.

Gross Profit margin increased by 1.5ppts to 41%, with Dirty Works +6ppts, Mr Expert Solutions +13ppts and Dr Salts +17ppts. These offset the decline from the Skinny Tan revenue reduction, which affected the overall margin mix of the business. This reflects our drive to improve margins and long-term profitability.

Whilst sales performance was disappointing, the business worked very hard in reducing its losses. The underlying operating loss improved by £0.8m to show a loss for the year of £0.4m. This was driven by £0.4m reduction in central costs, notably the release of executive LTIP accruals and a reduction in executive manpower costs. We made £0.4m savings in overheads driven by IDP acquisition synergies.

Progress made against the Group's three strategic pillars is outlined below:

1. **Brand Development**

By the end of FY25 the objective is to rationalise the brand portfolio down to 8 brands, split into 3 classifications: Invest, Nurture and Harvest.

Skinny Tan and Super Facialist are classified as Invest Brands. They have an omnichannel route to market including their own DTC site; masstige positioning; a degree of existing scale as demonstrated through net sales and market share, and both have significant growth potential through A&P investment focusing on digital brand awareness and conversion campaigns. In response to market research, we will be relaunching Skinny Tan as Skin & Tan in FY25. This is a major and exciting initiative, which along with a pipeline of exciting new face tan products, will help deliver sustainable and long-term growth and address the declines of the last two years.

Dirty Works, The Solution and MR Expert Solutions are classified as Nurture brands. Dirty Works has the potential to broaden its presence through new category extensions, such as All Year-Round Gifting, to new distribution gains through international partners, such as Watsons. The Solution and MR are both high-performance propositions, with a clear point of difference that answer the specific needs of the consumer. Our initial focus is on developing The Solution brand by launching a highly efficacious and targeted sub brand called The Solution Menopause. This launched on Amazon and its own DTC site in June 24. Our focus this financial year will be on extending the Menopause distribution to other key retailers and then by introducing The Solution Haircare range. Our vision is for The Solution to become a master brand that provides focused personal care solutions.

Although we discontinued three brands last year, we will be exiting a further two (SenSpa and Argan+) in FY25, which will leave a portfolio of three low investment Harvest Brands. These brands, such as Root Perfect, require minimal investment, they compete on price and provide us with a stronger category share of voice and credibility with key customers. Fish, which was upgraded with new packaging in

2024, has the potential to become a Nurture brand, once its brand reach has been increased. Charles + Lee, which is an Australian centric male grooming brand, has a strong gifting proposition and top 4 position in the Australian department store channel.

The following strategic Brand Development tenets have been applied to our Invest and Nurture brands:

Profitability

With a sharp focus on brand contribution, our A&P spend is focused on our Invest brands. We continually evaluate our packaging footprint in line with our sustainability pledge and where possible remove all secondary packaging to reduce costs. In addition, we implement VRE (value reengineering) initiatives to reduce COG (cost of goods), so as to improve every brand's Gross Profit, whilst retaining high product quality. One such initiative is the VRE of the Root Perfect cans, which resulted in a double-digit Gross Profit improvement at the latter end of last year.

The business continues to review its range offering and where possible we rationalise ranges to remove duplication and improve sku productivity and profitability. Last year the number of live skus was reduced by 19% to 248. Along with prudent stock management, we were able to reduce our net inventory by £1.4m. As part of the Skin & Tan relaunch planned for the next fiscal, we will be reducing the range by 41% to 24 skus.

NPD/Consumer Insights

Towards the end of FY24 H2, Super Facialist launched a new Vegan Collagen range and a range of new Night Moisturisers.

Vegan Collagen is an innovative, easy-to-navigate line up of ingredient-led, solution-driven formulas including a cleanser, serum, day cream and night cream. Blending a potent Marine Biopolymer made from sustainably sourced Red Algae and Hyaluronic Acid, with plant-derived Vegan Collagen sourced from the sap of the acacia tree. Collagen is a trending ingredient which responds to the growing demand for age-preventative skincare, presenting an opportunity to provide customers with an affordable trade-down collagen solution that's vegan-friendly. It delivers both immediate and sustained hydration to the skin, targeting signs of ageing to reveal a plumper and smoother complexion. The Vegan Collagen line launched in Boots, Amazon and DTC at end of the year.

After three years of research and development Super Facialist launched a range of Sleep Smart Night Creams across our bestselling ranges, Rosehip, Retinol and Vitamin C. This "World first" Resync SleepSmart™ Complex technology is powered by two potent & proven actives. It is a revolutionary concept that helps reset & rejuvenate skin overnight when skin is its most receptive to repair. The formulation works in synchronisation with the skin's circadian rhythm for a refreshed & healthier looking complexion. The new moisturisers started to filter through into store across all retailers in Q4.

In response to the cost-of-living crisis the new Skinny Tan Body Glow Gradual Tanner launched across all UK channels and became the fastest growing tanning value sku in the UK. On the back of extensive consumer research, we will be relaunching Skinny Tan in FY25. We expect the relaunch to facilitate new customer acquisition, expand our press reach and increase the scope for new brand listings domestically and internationally. Relaunching as Skin & Tan is a simple name and logo change, but one that encapsulates our vision, where everybody can radiate confidence and have a healthy glow. Skin & Tan is an inclusive name that clearly demonstrates our expertise and enables easier category, retailer and market expansion. In response to consumer demand, we will be expanding our Face Tan products, which will be launching in time for the new 2025 tanning season. The three new products will all retail at the emotive and competitive £20 price point, and they all include the registered Oxygeskin complex, that allows oxygen to strengthen the skin's barrier functions, whilst improving skin quality. The new sub range includes a Deep Hydration Sleepover Tan Mask, a Hydrating Tanning Mist; and a Hydrating SPF Tanning Serum, which combines superior tanning technology with a multi-molecular hydration complex and a broad SPF protection.

To maintain momentum and consumer engagement, design upgrades for Super Facialist, MR Expert Solutions and Dirty Works will filter throughout FY25.

Digital 1st

Last year we restructured the team to better leverage resources and have significantly increased digital activity across all commercial and media channels. Performance marketing has been brought inhouse, thereby enabling us to execute more paid activity across Google, YouTube, TikTok, Meta and Affiliation, which helps drive consumers to D2C, Amazon and offline retailers. We have shifted a higher portion of the media spend and organic activity to TikTok and launched TikTok shops. Given the growing importance of first party data/direct consumer touch, we have increased the focus on building social following and grown the number of engaged customers in our email/SMS databases, whilst also removing unengaged customers. The Skinny Tan database engagement grew from 32% to 81% post the cleansing of the database, which reduced from 340k to 180k. We have started involving brand fans more in content creation and product development. We continue to launch products first on D2C and Amazon, in order to quickly build 5-star reviews before launching in other channels, but also to make sure that our loyal database consumers are rewarded first.

Advertising & promotions (A&P)

A&P spend is focused on Skinny Tan and Super Facialist, both brands benefit from a retained PR agency; appointed skincare & tanning experts; substantial campaign activity across Google, YouTube, TikTok, Meta and retail specific activation.

Last year we supported Super Facialist with a strong "Vitamin C + Me" campaign and the focus for the next year is to significantly grow brand awareness and foster engagement with both new and existing consumers, through 360 omnichannel campaigns that deliver extensive reach, provide disruptive brand content, whilst being supported with PR and influencer campaigns. Digital activity will be focused on the new Rosehip Double Cleanser launch in Boots in the summer; Vegan Collagen and Sleep Smart activity in the Autumn, whilst our main campaign will be focused on supporting the launch of Super Facialist Vitamin C SPF 50 Serum in Spring 2025.

Last year Skinny Tan's Wonder Serum awareness and conversion campaign was adversely affected by overall category dynamics, in particular consumer confidence, level of discretionary spend and a change in consumption behaviour. The focus for this fiscal is on addressing omnichannel brand awareness and we will be putting higher media investment into broader and more effective channel targeting and fully integrated omnichannel activation, in order to reengage existing customers and reach new audiences. We will continue to invest into conversion, which will be optimized around key retailer and promotional moments. Investment will also go into a website relaunch; asset upgrades; organic social activity and a PR campaign to support the relaunch and extended distribution of the Body Glow franchise and the launch of Skin & Tan Face Glow.

2. Brand Reach

We believe in an omnichannel distribution approach, to ensure that our customers can buy our brands and products whenever, wherever and on whatever they want. It is therefore imperative that we build our brand distribution online and offline, whilst supporting our key Invest brands with their own DTC sites.

UK & International

Last year we launched Super Facialist into Holland & Barrett and The Solution into Waitrose. Dirty Works rolled out to 750 Watsons stores in 9 countries in the Middle East and Asia. Skinny Tan Body Glow launched in Boots, Superdrug, Asda, Tesco and also in Peru and 6 Gulf countries. The brand launched into 327 Morrisons stores in July 2024 and we are aiming to expand distribution throughout the UK and Internationally on the back of the forthcoming relaunch and exciting NPD. We plan to appoint an Australian distributor to manage Skin & Tan DTC and on Amazon Australia, in time for the Winter tanning season (like our new American model). This will enable us to close the Skinny Tan Australian entity and further simplify our business. We launched The Solution Menopause on Amazon in July 2024 and expect to secure distribution gains across the three pillars of the brand in the second half of the fiscal. Participation at Cosmoprof Bologna in March will be key to securing international distribution for The Solution franchise. Our objective with Super Facialist is to consolidate existing UK distribution and focus on improving ROS and productivity. We are attending several ECRM International Trade shows to secure new distribution in H2.

D2C

Our focus for the Skinny Tan D2C site has been on profitability and to align pricing and promotions across all channels. Strategy for last year and the new fiscal is to shift spend from D2C conversion to omnichannel awareness and conversion. A more selective conversion advertising approach improved D2C ROAS FY24 6.0 v FY23 4.4. However, the overall low demand and our omnichannel approach of matching promotions and offers across all channels, resulted in last year's disappointing but expected DTC net sales decline. All tech stack contracts were renegotiated with savings achieved across the brands. In June 2024 we launched The Solution D2C site, which is integral to building awareness and trial of the new Menopause range. Traffic and database growth programmes will build slowly, since brand A&P will be focused on omnichannel brand awareness. Our strategy for Super Facialist DTC is for the site and database to grow organically on the back of increased traffic through the wider omnichannel awareness campaigns, rather than aggressive conversion investment. The site is steadily growing month on month, and we have further improved profitability by moving to a more cost effective 3PL.

3. Sustainability

99% of our single products are fully recyclable or reusable. 60% of our plastic packaging includes post recycled materials, with this figure reaching 90% for all tubes. 100% of our UK-sourced cartons have Forest Stewardship Council (FSC) certification, reflecting our commitment to work in an environmentally responsible manner whenever possible. We have also started using Prevented Ocean Plastic™ (recycled plastic collected from coastal areas at risk of plastic pollution) in some of our key brands such Super Facialist, Dirty Works and Fish to actively prevent ocean plastic and further support sustainable initiatives.

Outlook

The management team remains focused on continuing to realise both the strategic and financial aims of the Group. In line with its Brand Development strategic tenet, immediate priorities are launching an extensive new product development pipeline planned for H2 and supported by extensive consumer research, the repositioning of Skinny Tan as Skin & Tan, which will filter through in 2025. We will be supporting this by driving brand awareness on Super Facialist and Skinny Tan, with an expected year-on-year increase in digital awareness and customer acquisition campaigns – with targeted investment in Tik Tok and Influencer marketing.

We expect to deliver revenue growth through an improvement in consumer awareness, product productivity, NPD pipeline and through international expansion. We will retain a keen focus on brand contribution and will further release working capital tied up in harvest brands or discontinued products. We remain confident that the foundations we are building will enable us to return to profitability and achieve our medium and long-term goals.

Financial Review

Key performance indicators

To measure and monitor our progress against our growth strategy, we track our performance against a set of ambitious targets and milestones. The goals we set are closely assessed to ensure we focus our efforts to deliver both in the short term and long term. A summary of the financial measures used are:

	2024	2023
Reported results from continuing operations		
Revenue (Note 2)	£17.0m	£20.1m
Underlying operating loss[1]	£(0.4)m	£(1.2)m
Loss before taxation	£(1.4)m	£(6.8)m
Basic loss/earnings per share	(5.2)p	(23.5)p
Net cash	£7.0m	£8.2m

1 Underlying operating (loss) is calculated before exceptional items, share-based payments and amortisation of acquisition-related intangibles.

A reconciliation of underlying operating loss to operating loss is shown below:

	2024 Total	2023 Total
Underlying loss from operations	(412)	(1,206)
Amortisation of acquisition-related intangibles	(975)	(1,027)
(Charge)/credit for share-based payments	(26)	12
Exceptional items – Impairment of intangible assets	-	(3,500)
Other exceptional items	(133)	(1,078)
Operating loss	(1,546)	(6,799)

The Group implements a number of non-statutory measures which are summarised in the tables above and in more detail within the segmental income statement (Note 2 of the financial statements). Exceptional items are also explained further below and in Note 3 of the financial statements. These measures are used to illustrate the impact of non-recurring and non-trading items on the Group's financial results.

In addition to the financial key performance measures, a range of operational non-financial key performance indicators are also monitored at a management level covering, amongst others, new product development and innovation. The Board receives an overview of these as part of its Board management report.

Statement of comprehensive income
Group statutory revenue for the year was £17.0m (FY 2023: £20.1m), a decrease of 15% on the prior year due to a mix of factors. Sales reduced due to the planned brand rationalisation programme, fewer Christmas gift exclusives and challenging trading conditions in the UK caused by a cost of living crisis and an unseasonably wet spring and early summer. International sales were down £0.5m on the previous year.

The gross profit margin was better than the prior year, increasing by 1.5% to 41.2% (2023: 39.7%). This is due to improved sales mix. Margins from the sale of Brand Architekts' brand products have been maintained despite continued and significant cost increases throughout the supply chain, notably in raw materials, componentry and energy. Cost increases were passed on to retailers where possible and given previously agreed pricing commitments.

Despite the challenging trading environment, the Group generated a reduced operating loss in H2, a significant improvement on the performance in H1, due to a focus on better targeted advertising & promotions resulting in improved contribution.

The Group made a loss before tax of £1.4m after amortisation of intangibles £1m, and exceptional items of £0.13m which included restructuring costs (£0.09m), and costs associated with the resolution of the legal claim with MR haircare (£0.03m).

Financing costs were £0.1m (2023: £0.1m) relating to the defined benefit pension plan notional finance charge.

The effective tax rate for the period was negative 4% (2023: negative 3%) of pre-tax losses. The effective rate is below the statutory rate of 25.0% due to the losses in the period.

Financial position and cash flow

The Group retains a net cash position of £7.0m, a reduction of £1.2m versus the prior year (2023: £8.2m). The cash outflow was due to a mix of the underlying operating loss of £0.4m and the acquisition of the remaining 49% issued share capital of MR Haircare Ltd for £0.5m. The Company also made a payment of £0.3m, its annual payment commitment to its defined benefit pension scheme as outlined below.

Defined benefit pension plan

The defined benefit pension plan underwent its latest triennial valuation on 5 April 2023. The scheme funding at this date revealed a deficit of £4.6m. As a result, the Group entered a revised deficit recovery plan and schedule of contributions under which there is a commitment to pay £318k per annum for the ten years to 30 June 2033 and to pay certain administration costs and the PPF levy for the life of the plan.

Accounting standards require the discount rate used for valuations under IAS 19 'Employee Benefits' to be based on yields on high quality (usually AA-rated) corporate bonds of appropriate currency, taking into account the term of the relevant pension plan's liabilities. Corporate bond indices are used as a proxy to determine the discount rate. In 2023 market conditions were volatile, there has been some stability in 2024. At the reporting date, the yields on bonds of all types were marginally more favourable than the prior year and has resulted in a slightly more favourable discount rate being adopted for accounting purposes. The fair value of the plan assets as measured under IAS 19 has increased year on year at the same time that the fair value of the scheme's liabilities has decreased, the net result is a decreased liability under the IAS 19 methodology. For accounting purposes at 30 June 2024, the Group showed an unrecognised surplus of £0.8m under IAS 19. (2023: net liability £1.6m).

Going concern

As part of its normal business practice, the Group prepares annual and longer-term plans and, in reviewing this information the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The Group has significant cash reserves of £7.0m. Accordingly, we continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Group Statement of Comprehensive Income
For the year ended 30 June 2024 and 30 June 2023

	Notes	**2024** **£'000**	2023 £'000
Revenue	2	**17,027**	20,085
Cost of sales		**(10,008)**	(12,101)
Gross profit		**7,019**	7,984
Commercial and administrative costs		**(8,431)**	(10,202)
Operating loss before exceptional items		**(1,412)**	(2,218)
Exceptional items – Impairment of intangible assets	3	**-**	(3,500)
Other exceptional items	3	**(133)**	(1,078)
Operating loss		**(1,545)**	(6,796)
Finance income		**173**	111
Finance expense		**(74)**	(88)
Loss before taxation	4	**(1,446)**	(6,773)
Taxation	5	**56**	188
Loss for the year		**(1,390)**	(6,585)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit liability		**1,031**	444
Other comprehensive income for the year		**1,031**	444
Total comprehensive income for the year		**(359)**	(6,141)
Loss attributable to:			
Equity shareholders		**(1,456)**	(6,588)
Non-controlling interests		**66**	3
Total comprehensive income attributable to:			
Equity shareholders		**(425)**	(6,144)
Non-controlling interests		**66**	3
Earnings per share	6		
- basic		(5.2)p	(23.5)p
- diluted		(5.2)p	(23.5)p
Dividends			
Paid in year (£'000)		**Nil**	Nil
Paid in year (pence per share)		**Nil**	Nil
Proposed (£'000)		**Nil**	Nil
Proposed (pence per share)		**Nil**	Nil

Group Statement of Financial Position
As at 30 June 2024

	Notes	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment including right of use assets		**29**	43
Intangible assets	7	**13,432**	14,462
Deferred tax assets		**-**	520
Total non-current assets		**13,461**	15,025
Current assets			
Inventories		**4,718**	6,123
Trade and other receivables		**4,794**	4,774
Cash and cash equivalents		**6,963**	8,177
Total current assets		**16,475**	19,074
Total assets		**29,936**	34,099
LIABILITIES			
Current liabilities			
Trade and other payables		**3,250**	4,687
Current Tax Payable		**2**	2
Total current liabilities		**3,252**	4,689
Non-current liabilities			
Post-retirement benefit obligations		**-**	1,619
Deferred tax liabilities		**1,952**	2,190
Total non-current liabilities		**1,952**	3,809
Total liabilities		**5,204**	8,498
Net assets		**24,732**	25,601
EQUITY			
Share capital		**1,397**	1,397
Share premium		**11,987**	11,987
Merger reserve		**6,588**	6,588
Retained earnings		**4,760**	5,398
Equity attributable to holders of the parent		**24,732**	25,370
Non-controlling interest		**-**	231
Total equity		**24,732**	25,601

Group Statement of Changes in Equity
For the year ended 30 June 2024 and the year ended 30 June 2023

Group	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Retained Earnings £'000	Non-controlling interest £'000	Total Equity £'000
Balance as at June 2023	**1,397**	**11,987**	**6,588**	**5,398**	**231**	**25,601**
Non-controlling interest	-	-	-	-	66	66
Share based payments	-	-	-	26	-	26
Purchase of remaining NCI shares	-	-	-	(239)	(297)	(536)
Transactions with owners	-	-	-	(213)	(231)	(444)
Loss for the year attributable to equity shareholders	-	-	-	(1,456)	-	(1,456)
Other comprehensive income:						
Re-measurement of defined benefit liability	-	-	-	1,031	-	1,031
Total comprehensive income for the year	-	-	-	(425)	-	(425)
Balance as at June 2024	**1,397**	**11,987**	**6,588**	**4,760**	**-**	**24,732**

Group	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Retained Earnings £'000	Non-controlling interest £'000	Total Equity £'000
Balance as at June 2022	**1,397**	**11,987**	**6,588**	**11,554**	**228**	**31,754**
Non-controlling interest	-	-	-	-	3	3
Share based payments	-	-	-	(12)	-	(12)
Transactions with owners		-	-	(12)	3	(9)
Loss for the year attributable to equity shareholders	-	-	-	(6,588)	-	(6,588)
Other comprehensive income:						
Re-measurement of defined benefit liability	-	-	-	444	-	444
Total comprehensive income for the year	-	-	-	(6,144)	-	(6,144)
Balance as at June 2023	**1,397**	**11,987**	**6,588**	**5,398**	**231**	**25,601**

Cash Flow Statement
For the year ended 30 June 2024 and the year ended 30 June 2023

	Group		Company	
	2024	2023	**2024**	2023
	£'000	£'000	**£'000**	£'000
Cash flow from operating activities				
Loss before taxation	**(1,446)**	(6,773)	**(6,311)**	(5,493)
Depreciation	**33**	32	**-**	-
Amortisation	**1,054**	1,118	**23**	74
Impairment of property, plant & equipment	**-**	(166)	**-**	-
Impairment of intangible assets	**-**	3,500	**-**	-
Impairment of investments	**-**	-	**3,600**	3,500
Finance income	**(173)**	(111)	**(161)**	(111)
Finance cost	**74**	88	**74**	88
(Increase)/ Decrease in inventories	**1,405**	1,252	**-**	-
Decrease /(Increase) in trade and other receivables	**(20)**	325	**2,075**	(904)
Increase / (Decrease) in trade and other payables	**(1,442)**	(2,082)	**(829)**	(996)
Share based payment expense	**26**	(14)	**8**	(23)
Contributions to defined benefit plans	**(318)**	(318)	**(318)**	(318)
Cash outflow from operations	**(807)**	(3,149)	**(1,839)**	(4,183)
Taxation received	**-**	(66)	**-**	-
Net cash outflow from operating activities	**(807)**	(3,215)	**(1,839)**	(4,183)
Cash flow from investing activities				
Purchase of property, plant and equipment	**(19)**	(22)	**-**	-
Purchase of intangible assets	**(24)**	(44)	**-**	-
Cash consideration paid for acquisitions	**(537)**	-	**(537)**	-
Net cash flow from investing activities	**(580)**	(66)	**-**	-
Cash flow from financing activities				
Finance income received	**173**	111	**161**	111
Net cash flow from financing activities	**173**	111	**161**	111
Net decrease in cash and cash equivalents	**(1,214)**	(3,170)	**(2,215)**	(4,072)
Cash and cash equivalents at beginning of year	**8,177**	11,347	**5,730**	9,802
Cash and cash equivalents at end of year	**6,963**	8,177	**3,515**	5,730

Notes to the Accounts

The financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006, but has been extracted from the statutory accounts for the period ended June 2024 on which an unqualified audit report has been issued and which will be delivered to the Registrar following their adoption at the Annual General Meeting. The statutory accounts for the period ended June 2023 have been delivered to the Registrar of Companies with an unqualified audit report and did not contain a statement under section 498 of the Companies Act 2006. Copies of the 2024 Annual Report and Accounts with the notice of Annual General Meeting will be sent to shareholders via their elected channel. Further copies may be obtained by contacting the Company Secretary at Brand Architekts Group plc, 8 Waldegrave Rd, Teddington, TW11 8GT. An electronic copy will be available on the Group's web site (www.brandarchitektsplc.com).

Note 1 Significant accounting policies

General Information
Brand Architekts Group plc is a public limited company which is listed on AIM and is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given at the end of the financial report. The nature of the Group's operations and its principal activities are set out in the Strategic Report. The results for the current period have been drawn up for a traditional 12 month calendar year.

Basis of preparation
The Group has prepared its consolidated financial statements in accordance with UK adopted International Accounting Standards (UK adopted IAS) in conformity with the requirements of the Companies Act 2006. These financial statements have been prepared under the historical cost convention.

The Directors have considered trading and cash flow forecasts prepared for the Group, and based on these, and the level of cash held, are satisfied that the Group will continue to be able to meet its liabilities as they fall due for at least one year from the date of signing of these accounts. In making this assessment directors have considered the possible impact of a reduction of trading on budgets and have stress tested the figures by comparing costs committed to with the cash available which showed sufficient headroom to continue trading. On this basis, they consider it appropriate to adopt the going concern basis in the preparation of these accounts.

The consolidated financial statements are presented in sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

Basis of consolidation
The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. The results and net assets of undertakings acquired or disposed of during a financial year are included in the Group Statement of Comprehensive Income and Group Statement of Financial Position from the effective date of acquisition or to the effective date of disposal. Subsidiary undertakings have been consolidated using the acquisition method of accounting. In accordance with the exemptions given by section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss after tax for the year to June 2024 was £6.479m (2023: loss after tax £5.529m).

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 30 June 2024. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Note 2 Segmental Analysis

During the year, there were three reportable segments of the Group, the reportable segments of the Group were aggregated as follows:

- Brand Architekts Brands – These include those brands organically developed plus the acquisitions of the portfolio of Brands included in The Brand Architekts acquisition (in 2016) and the Fish brand acquired during 2018.
- Innovaderma Brands – This segment includes those brands acquired as part of the Innovaderma business combination. The results of Innovaderma brands are currently reported separately from other brands to the directors.
- Eliminations and Central Costs. Other Group-wide activities and expenses, including defined benefit pension costs, share-based payment expenses / (credits), amortisation of acquisition-related intangibles, interest, taxation and eliminations of intersegment items, are presented within 'Eliminations and central costs'.

This is the basis on which the Group presents its operating results to the Directors, which is considered to be the Chief Operating Decision Maker (CODM) for the purposes of IFRS 8. Comparative full year numbers have been presented on the same basis.

IFRS15 requires the disaggregation of revenue into categories that depict how the nature, timing, amount and uncertainty of revenue and cash flows are affected by economic factors. The directors have considered how the Group's revenue might be disaggregated in order to meet the requirements of IFRS15 and has concluded that the activity and geographical segmentation disclosures set out below represent the most appropriate categories of disaggregation.

a) Principal measures of profit and loss – Income Statement segmental information for year ended 30 June 2024 and year ended 30 June 2023:

Year ended 30 June 2024	Brand Architekt Brands	Innovaderma Brands	Eliminations and Central Costs	Total
	£'000	£'000	£'000	**£'000**
UK revenue	10,592	2,698	-	**13,290**
International revenue	3,280	457	-	**3,737**
Revenue – External	13,872	3,155	-	**17,027**
Total Revenue	**13,872**	**3,155**	**-**	**17,027**
Underlying profit / (loss) from operations	**457**	**(147)**	**(721)**	**(411)**
Charge for share-based payments	(18)	-	(8)	**(26)**
Amortisation of acquisition-related intangibles	-	-	(975)	**(975)**
Other Exceptional items (Note 3)	(83)	(25)	(25)	**(133)**
Net borrowing income	10	2	87	**99**
Profit / (Loss) before taxation	**366**	**(170)**	**(1,642)**	**(1,446)**
Tax charge	-	(20)	76	**56**
Profit/(Loss) for the year	**366**	**(190)**	**(1,566)**	**(1,390)**

Year ended 30 June 2023	Brand Architekt Brands	Innovaderma Brands	Eliminations and Central Costs	Total
	£'000	£'000	£'000	**£'000**
UK revenue	11,243	4,538	-	**15,781**
International revenue	3,225	1,079	-	**4,304**
Revenue – External	14,468	5,617	-	**20,085**
Total Revenue	**14,468**	**5,617**	**-**	**20,085**
Underlying profit/(loss) from operations	**193**	**(233)**	**(1,166)**	**(1,206)**
Credit / (charge) for share-based payments	(12)	-	24	**12**
Amortisation of acquisition-related intangibles	-	-	(1,027)	**(1,027)**
Exceptional items – Impairment of intangible assets (Note 3)	-	(3,500)	-	**(3,500)**
Other Exceptional items (Note 3)	(147)	(297)	(634)	**(1,078)**
Net borrowing income	-	-	26	**26**
Profit/(Loss) before taxation	**34**	**(4,030)**	**(2,777)**	**(6,773)**
Tax charge	77	(91)	202	**188**
Profit/(Loss) for the period	**111**	**(4,121)**	**(2,575)**	**(6,585)**

The segmental Income Statement disclosures are measured in accordance with the Group's accounting policies as set out in note 1.

All defined benefit pension costs and an element of the share-based payment expenses are recognised for internal reporting to the CODM as part of Group-wide activities and are included within 'Eliminations and central costs' above. Other costs, such as Group insurance and auditors' remuneration which are incurred on a Group-wide basis are recharged by the head office to segments on a reasonable and consistent basis for all periods presented, and are included within segment results above.

b) Other Income Statement segmental information

Year ended 30 June 2024	Brand Architekt Brands	Innovaderma Brands	Eliminations and Central Costs	Total
	£'000	£'000	£'000	£'000
Depreciation / impairment of PPE	33	-	-	33
Amortisation / impairment of intangibles *	79	-	975	1,054

Year ended 30 June 2023	Brand Architekt Brands	Innovaderma Brands	Eliminations and Central Costs	Total
	£'000	£'000	£'000	£'000
Depreciation	32	-	-	32
Amortisation/ impairment*	91	3,500	1,027	4,618

* Impairment losses of £Nil (2023: £nil) in Central Costs is included in Exceptional Items – Impairment of intangible assets

c) Principal measures of assets and liabilities
The Groups assets and liabilities are managed centrally by the CODM and consequently there is no reconciliation between the Group's assets per the statement of financial position and the segment assets.

d) Additional entity-wide disclosures
The distribution of the Group's external revenue by destination is shown below:

Geographical segments	**Year ended 30 June 2024 £'000**	Year ended 30 June 2023 £'000
UK	13,290	15,781
Other European Union countries	751	642
Rest of the World	2,986	3,662
	17,027	20,085

In the year ended 30 June 2024, the Group had two customers that exceeded 10% of total revenues, being 11.0% and 10.7% respectively. In the year ended 30 June 2023, the Group had one customer that exceeded 10% of total revenues, being 13.7%. All of these customers are reported within the Brand Architekts Brands segment. Revenue is recognised when goods are despatched to the customer and the significant risks and rewards of ownership to the customer have been transferred. Our policy requires customers to pay us in accordance with agreed payment terms. Depending on the geographical location, our settlement terms are generally due within 30 or 60 days from the end of the month of sale.

Note 3 Exceptional Items

Exceptional charges / (credits) from Continuing Operations:	**Year ended** 30 June 2024 £'000	Year ended 30 June 2023 £'000
Exceptional items – Impairment of intangible assets	-	3,500
Other exceptional items:		
Restructuring costs	83	390
Legal costs	31	705
Other exceptional costs	19	(17)
Total exceptional items	133	4,578

Exceptional impairments of intangible assets relates to the partial impairment of the InnovaDerma brand of £nil (2023: £3.5m).

Restructuring costs of £0.08m (2023: £0.4m) have been incurred following the acquisition of InnovaDerma in 2022.

Legal costs of £0.03m (2023: £0.7m) associated with the resolution of the claim with MR Haircare were incurred in the year. There are no further costs connected with the settlement agreement (2023: £425k).

Note 4 Loss before taxation

	2024 £'000	2023 £'000
(a) This is stated after charging/ (crediting)		
Depreciation of property, plant and equipment of purchased assets	33	32
Amortisation of intangible assets	1,054	1,118
Foreign exchange (gains) / losses	51	66
Amounts expensed for short term and low value leases	56	56
(b) Auditors' remuneration		
Audit services:		
Audit of the Company financial statements	64	57
Audit of subsidiary undertakings	44	32
Audit related services:		
Interim review	3	3

Note 5 Taxation

(a) Analysis of tax charge in the year	2024 £'000	2023 £'000
UK corporation tax:		
- on profit for the year	-	-
- adjustment in respect of previous years	5	-
Total current tax credit	-	-
Deferred tax:	-	-
-current year (credit)/ charge	(61)	(188)
Total deferred tax charge	(61)	(188)
Tax charge	(56)	(188)

(b) Factors affecting total tax charge for the year

The tax assessed on the profit before taxation for the year is at the standard rate of UK corporation tax of 25.00% (2023: 20.50%). The differences are reconciled below:

	2024 £'000	2023 £'000
Loss before taxation	(1,446)	(6,773)
Tax at the applicable rate of 20.5.% (2022: 19.00%)	(361)	(1,388)
Effect of:		
Adjustment in respect of previous years	5	-
Expenses not deductible for tax purposes	162	792
Adjustment to losses	-	15
Deferred tax asset not recognised on taxable losses	134	494
Remeasurement of deferred tax for changes in tax rates	-	(44)
Other timing differences	4	(57)
Actual tax (credit)	(56)	(188)
Amount of tax charged directly to equity	344	376

The group has tax losses of £13.8m (2023: £12.9m) which have not been recognised as there is no certainty that they can be utilised.

Note 6 Earnings per share

	2024	2023
Basic and Diluted		
Loss for the year attributable to equity holders (£'000)	(1,456)	(6,588)
Basic weighted average number of ordinary shares in issue during the year	27,943,180	27,943,180
Diluted number of shares	28,748,949	28,032,180
Basic loss per share	(5.2)p	(23.5)p
Diluted loss per share	(5.2)p	(23.5)p

Basic earnings per share has been calculated by dividing the profit for each financial year by the weighted average number of ordinary shares in issue at 30 June 2024 and 30 June 2023 respectively.

Note 7 Intangible assets

GROUP	Software and Trademarks £'000	Brand Names £'000	Customer Relationships £'000	Goodwill £'000	Trade marks £'000	Total £'000
Cost:						
At June 2022	603	10,323	4,455	8,354	19	23,754
Additions	44	-	-	-	-	44
At June 2023	647	10,323	4,455	8,354	19	23,798
Additions	24	-	-	-	-	24
At June 2024	**671**	**10,323**	**4,455**	**8,354**	**19**	**23,822**
Amortisation:						
At June 2022	471	3,024	1,386	-	3	4,884
Provided during the year	85	466	561	-	6	1,118
Impairment charge during the year	-	-	-	3,500	-	3,500
Disposals	-	-	-	(166)	-	(166)
At June 2023	556	3,490	1,947	3,334	9	9,336
Provided during the year	69	322	653	-	10	1,054
At June 2024	625	3,812	2,600	3,334	19	10,390
Net book value:						
At June 2024	**46**	**6,511**	**1,855**	**5,020**	**-**	**13,432**
At June 2023	91	6,833	2,508	5,020	10	14,462

COMPANY	Brand Names £'000	Customer Relationships £'000	Total £'000
Cost:			
At June 2022	3,624	480	4,104
At June 2023	3,624	480	4,104
At June 2024	**3,624**	**480**	**4,104**
Amortisation:			
At June 2022	3,024	383	3,407
Provided during the year	-	74	74
At June 2023	3,024	457	3,481
Provided during the year	-	23	23
At June 2024	**3,024**	**480**	**3,504**
Net book value:			
At June 2024	**600**	**-**	**600**
At June 2023	600	23	623

Impairment testing
Three Brands (Brand Architekts, Fish and InnovaDerma) and associated goodwill have been tested for impairment as they have indefinite useful lives. All the brands gave a valuation in excess of their carrying values, and therefore no impairment is required.

The recoverable amount of each brand was determined based on the higher of value-in-use calculations or fair value less costs to sell. The value-in-use calculations covered underlying 1-2 year forecasts, followed by an extrapolation of expected cash flows for the remaining useful life using growth assumptions of 2%. Fair value less costs to sell was determined by a review of historical acquisitions in the consumer goods market of similar size and current market data to identify multiples that have been paid.

The present value of the expected cash flows is determined by applying a suitable discount rate for current market assessments of the time value of money and risks specific to the brand. The discount rate applied is 12.2% (2023: 8.1%), reflecting expected returns for AIM listed businesses as well as the debt free capital structure of the Group.

Growth assumptions
Management have assumed a base case growth rate of 2%, in line with wider industry forecasts, in the calculations including into perpetuity.

Discount rates
The discount rates reflect appropriate adjustments relating to market risk and specific risk factors.

Cash flow assumptions
Management's key assumptions include profit margins, based on past experience in this market. The Group's management believes that this is the best available input for forecasting this mature sector. The expectations included in the workings are for increases in performance and profits being made due to cost synergies from integration into the BAG group and a focus on higher margin products.

Apart from the considerations in determining the value-in-use of the brand described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates. The values of the intangibles with indefinite useful lives for Brand Architekts remains at £7,709,000 (comprising Goodwill of £2,618,000 and Brands of £5,091,000), while the Fish brand net carry value is £600,000. Goodwill held in relation to InnovaDerma was £2,402,000. The value of the customer relationship intangibles for Brand Architekts are £313,000. The values of the customer relationship and brand intangibles for InnovaDerma are £1,397,000 and £964,000 respectively.

Sensitivity analysis
Impairment is assessed on the higher of the value in use and fair value less costs to sell and as a result the fair value has been used to assess the impairment. The maximum amount that fair value less costs to sell would reduce by before there is an impairment is £2,636k for Brand Architekts goodwill and brand names and £1,282k for the Innovaderma group goodwill.

Note 8 Notes to Cash Flow Statement

GROUP

	2024 £'000	2023 £'000
Decrease in cash and cash equivalents	(1,214)	(3,170)
Change in net cash	(1,214)	(3,170)
Opening net cash	8,177	11,347
Closing net cash	6,963	8,177

(b) Analysis of net cash:

	Closing 2023 £'000	Cash Flow £'000	**Closing 2024 £'000**
Cash at bank and in hand	8,177	(1,214)	6,963
	8,177	(1,214)	6,963