

The Artisanal Spirits Company plc

("The Artisanal Spirits Company", "ASC" or "the Group")

Preliminary Results for the year ended 31st December 2024

Delivering profitable growth, cash generation and strong asset backing

The Artisanal Spirits Company (AIM: ART), the creator of outstanding, limited-edition whiskies and experiences around the world, and owner of The Scotch Malt Whisky Society ("SMWS"), Single Cask Nation ("SCN") & J.G. Thomson is pleased to announce its preliminary results for the year ended 31 December 2024 ("FY24").

The Group delivered EBITDA of £1.1m, a record performance which was slightly ahead of market expectations. In challenging economic conditions, the Group has shown strong resilience to deliver profitable growth and cash generation, which, alongside its strong asset base of cask spirit, gives us continued confidence to meet our future strategic and financial goals.

Highlights

- Profitable growth; Full year FY24 EBITDA of £1.1m, slightly above consensus expectation of £1.0m
- Cash generation; £1.5m net debt reduction in H2-24
- Asset backed; Over 18,000 casks in stock, independently valued in July 2024 at £102m
- Membership growth; SMWS membership up 4% against prior year

Financial Highlights

- Marginal revenue growth of +0.4% to £23.6m (2023: £23.5m), with continued revenue diversification
- £1.5m of sustainable, long-term savings across Commission, A&P, Payroll and Overheads
- EBITDA of £1.1m, up £1.6m vs prior year (2023: (£0.5m))£1.0m improvement vs prior year adjusted EBITDA*
- Loss before tax reduced to £3.1m (2023: (£3.6m)), profit growth offset partially by increased interest costs
- H2-24 reduction in net debt** of £1.5m, resulting in a year end net debt of £25.5m, (Jun-24: £27.0m, Dec 23: £22.6m)
- Cask stock holding with NBV of £27.8m (2023: £25.9m), which when independently appraised during July 2024 was valued at £102m

£'m	Note	12 months to 31 December 2024	6 months to 30 June 2024	12 months to 31 December 2023
Revenue	6	23.6	10.1	23.5
Gross profit		15.0	6.4	15.0
Gross margin		64%	63%	64%
EBITDA	7	1.1	(1.0)	(0.5)
Loss before tax	7	(3.1)	(3.1)	(3.6)
Loss after tax		(3.3)	(3.2)	(3.7)
Net Debt**		(25.5)	(27.0)	(22.6)
Cask inventory	15	27.8	26.5	25.9
Cask inventory valuation***		102.0		n/a

* Adjusted EBITDA defined as earnings before interest tax, depreciation, amortisation and non-underlying costs

** Net debt defined as current and non-current financial liabilities less cash and cash equivalents per the Statement of Financial Position, less interest accrued on inventory financing.

***Cask inventory valuation based on an independent valuation completed by sector experts.

Operational Highlights

- Membership growth of 4% to 42,700 (2023; 41,000) with Europe supported by notable UK growth of 10% and the Asian region led by China (+24%) and recently added Korea franchise (+59%)

Global Membership			
	December 2024	December 2023	% Change
Europe	27,400	25,900	6%
Americas	8,000	8,300	(4%)
Asia	5,500	4,900	12%
Other	1,800	1,900	(5%)
Total	42,700	41,000	4%

- New product development success, with inaugural Creators Collection "Peat Plant Collection", released in Q4-24 having generated over £250k of sales.

Current Trading/Post Period Highlights

- The start to the year has been strong, with achievement of double-digit revenue growth in Q1-25 vs Q1-24
- Revenue growth led by bottle sales in Europe, supported by further success of the new Creators Collection range, as well as early success on delivering against full year cask sales targets
- In January 2025, we completed the investment in the SMWS America ("SMWSA") business, resulting in ability to take a greater proportion of the value chain from full control of membership and marketing services. Year on year profitability improvement in Q1-25 has more than offset this previously announced one-off £0.5m investment in SMWS America (SMWSA)
- Further awards across the Group including celebration of SCN retaining their Independent Bottler of the Year Award at the prestigious 'Icons of Whisky Awards'
- Completion of the sale of the second (and final) Vaults residential property, generating £0.3m cash inflow in Q1-25

Andrew Dane, CEO of Artisanal Spirits Company, commented:

"Our ambition remains to create a high quality, highly profitable and cash generative, premium global business and we made good progress on achieving this during FY24, despite a backdrop of uncertain economic conditions in some markets.

We have delivered profitable growth, helped by our successful acquisition of US based Single Cask Nation in January 2024 and the additional investment in our SMWS USA operations completed in January 2025 also further augments the exciting opportunity for ASC to deliver profitable growth in this key market.

We continue to have an outstanding asset backing, with the current cask inventory value of just over £100m representing around 4x both NBV and Net Debt. We have now made the important transition of only acquiring stock on a replenishment basis, and this continues to increase the positive future cash profile of the business which is encouraging.

Overall, we exit FY24 with a good set of results behind us, with a positive start to Q1-25 meaning that we are on track to deliver further profitable growth and cash generation in FY25 and beyond."

31 March 2025

Sellside analyst presentation

Andrew Dane, Chief Executive Officer, and Billy McCarter, Chief Financial Officer, will host an in person presentation for sellside equity analysts today at 09.00 hours GMT.

Analysts wishing to join should register their interest by contacting: artisanalspirits@instinctif.com.

A recording of the presentation will also be made available via the Group's website later today.

Investor Meet Company presentation

Andrew Dane, Chief Executive Officer, and Billy McCarter, Chief Financial Officer, will host a virtual presentation on Thursday 3 April at 09.00 hours GMT.

For further enquiries:

The Artisanal Spirits Company plc

<https://artisanal-spirits.com/link/6rklZP>

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About The Artisanal Spirits Company

ASC's purpose is to captivate a global community of whisky adventurers, by creating and selling outstanding, limited-edition whiskies and experiences around the world, with an ambition to create a high quality, highly profitable and cash generative, premium global business.

Based in Edinburgh, ASC owns The Scotch Malt Whisky Society (SMWS), Single Cask Nation (SCN) and J.G. Thomson (JGT). Owning over 18,000 casks primarily comprising Single Malt Scotch Whisky, ASC's stock includes outstanding whisky (and other spirits) from 150 different distilleries across 20 countries which is sold to members both as individual bottles and whole casks.

With an established global presence in some 30 countries, SMWS operates a direct-to-consumer model (90% of revenue) primarily through e-commerce, in addition to four member rooms in the UK. SMWS provides members with inspiring experiences, content and exclusive access to a vast and unique range of outstanding, expertly curated Scotch malt and other whiskies.

In January 2024, ASC acquired SCN which sources, curates and bottles single-cask whiskies and other spirits selling both online and via traditional retail channels to its following of over 10,000 whisky enthusiasts in the USA. SCN also retails to key international whisky markets around the world.

Launched in the UK in late 2021, JGT has a focus on outstanding small batch blended malt whiskies and other spirits, available both through direct-to-consumer online sales and through traditional retail channels. The award-winning brand has subsequently expanded into international markets.

With proven e-commerce reach and a growing family of brands, ASC is building a portfolio of limited-edition and small-batch whisky and other spirits brands for a global movement of discerning consumers - delivering revenue of £23.6 million in FY24, predominantly from outside the UK, with an expanding presence in the other key global whisky markets including USA, China, Europe, Japan, Australia and Taiwan.

ASC has a substantial asset backing and is delivering profitable growth and cash generation.

Chairs Statement

I am pleased to present this year's Chair's report, following a year where the global whisky market faced headwinds, but the Group was able to deliver membership growth, revenue stability and EBITDA growth.

The Board continue to focus on four broad areas - governance, strategy, performance and culture - ensuring that the business is well led and well run.

Despite ongoing business progress, frustratingly the market valuation of ASC materially lags both its performance trajectory and its asset value. This remains a key focus for the Board and Executive team as we seek to drive total shareholder returns. Through a review of our capital allocation strategy alongside active conversations with a number of our shareholders, profit growth and cash generation remains the absolute focus.

We will strengthen our balance sheet ensuring capital is deployed against building business momentum including cask purchases, deleveraging, retaining optionality for strategic M&A (with Single Cask Nation a good example of this) and then longer term consideration of a dividend policy or share buy backs.

Strategic priorities focus delivers first positive EBITDA delivery since IPO

This year marks a significant milestone for our Company as we delivered our first positive EBITDA since our IPO. This achievement is a testament to our focus on our strategic priorities and operational efficiencies. Our guidance indicates an improving revenue and EBITDA trajectory and strengthening balance sheet, reflecting our commitment to sustainable growth and profitability.

Growing SMWS Membership and Aspirations for Further Growth

SMWS membership continues to grow, reflecting the value and appeal of our offerings. We have ambitious aspirations to further increase our membership numbers, which we believe is the gateway to future growth. Our strategies are designed to attract, retain and engage members, driving long-term value. We are also proud to report that member retention rates for SMWS have held up strongly. This stability is a key indicator of member satisfaction and loyalty, which are critical to our ongoing success. We remain committed to enhancing the member experience and delivering exceptional value both through the on-line and in person offering.

SMWS venues continue to perform solidly, contributing to our overall success. We have focused on optimizing our venue operations to ensure they deliver exceptional experiences for our members and guests and will continue to enhance our flagship "storefronts" for the Group's products.

Positive developments in the USA

We have taken major steps to unlock the potential of the US market as we take more active control over operations allowing us to expand more rapidly and more efficiently in the USA. This complements the 2024 acquisition of the Single Cask Nation business, which has overdelivered on expectations, and continues to win awards and delight the "members of the nation" with outstanding whiskies.

As we head into 2025, while there is no specific new tariff currently being proposed on our products, the threat of tariffs remains a possibility and the group is taking steps to minimise any potential impact through management of our US stockholding, the optimal route to market, and our ability to utilise a greater percentage of US whiskey, should this be required at any stage.

China and Asia: a more manageable risk

While China and the Far East remain important markets for the Group, our exposure to the Chinese market has reduced, limiting the risk to the Group of further downside while being positioned to capitalise on any recovery.

Our international expansion efforts continue with Vietnam being our next target market. We are confident that our proven strategies and strong brand will resonate with consumers in Vietnam, opening new avenues for growth and success. This will build on previous expansions into Taiwan, South Korea and across South-East Asia, where demand for ultra-premium whisky remains strong.

Evolving the SMWS Portfolio

We are excited about the evolution of the SMWS range to provide our members with exclusive opportunities to explore and enjoy a wider range of products, further enhancing their experience and delivering outstanding whisky at multiple price points. Innovation remains at the heart of our product portfolio strategy. We are accelerating our efforts to introduce new and exciting products that meet the evolving needs and preferences of our members.

The introduction of the Creators Collection is a fine example of this, with the first release generating over £250,000 of sales in the first few weeks after launch. Additionally SMWS will continue to develop private cask sales as a strategic priority giving existing and new members the opportunity to acquire full casks of our outstandingly curated whiskey.

Improving Balance Sheet

Our balance sheet is improving as we see a reduction in net debt in the second half, cash generative in FY24-H2, reflecting our disciplined financial management and capital allocation strategy. This improvement provides us with the financial flexibility to pursue growth opportunities and navigate potential challenges. The balance sheet is underpinned by the exceptional stocks of whisky and spirits held by the Group, with over 18,000 casks in ownership with a current replacement valuation of over £100 million. Our asset value remains robust and is well ahead of our market capitalisation. This strength underscores the inherent value of our business and provides a solid foundation for future growth and value creation.

People and Culture

People are central to everything we do and the results of our 2024 culture survey demonstrated that we have an engaged team who are passionate about delivering world class experiences for our members around the world.

We continue to invest in people development ensuring that we have a work environment that represents the premium experiences that we seek to deliver.

In conclusion, we have made significant progress this year, achieving key milestones and positioning ourselves for continued success. I am confident that our strategic initiatives and dedicated team will drive our company forward, delivering value for our members and shareholders.

Thank you for your continued support.

CEO Statement

Creators of outstanding, limited-edition whisky and experiences

At the Artisanal Spirits Company, we aim to captivate a global community of whisky adventurers, and we do that by creating and selling an unrivalled selection of outstanding, limited-edition whisky and experiences.

Our ambition is to create a high quality, highly profitable and cash generative, premium global business and I am delighted to report that we have delivered our strongest EBITDA performance to date and have transitioned into a cash generative business from the latter part of FY24, as we make progress against that ambition.

This progress would not have been possible without the amazing team at ASC, and I would like to thank them for the quality and commitment of their efforts throughout the year.

Significant progress made since IPO

Whilst the journey to date has not been without its challenges, I thought it would be helpful to reflect on the substantial progress that has been made since our IPO in H1-21.

Both revenue and SMWS membership have each grown by 57% since 2020 (with membership at 31 December 2024 now over 42,000), supported by significant revenue diversification, product quality and innovation, international expansion, new brands and investment in marketing.

The Scotch Malt Whisky Society remains at the heart of the business; however we were delighted to welcome Single Cask Nation into the Group in January 2024, with a very positive inaugural year since acquisition.

The overall mix of the business has continued to evolve, with China gradually increasing to almost a quarter of the business in 2022, before reducing to only 10% in FY24, reflecting the economic headwinds in the market.

In response to this, we have been able to show strong agility, and revenue diversification, and excluding China, the rest of the business delivered a 15% CAGR between 2020 and 2024.

I am pleased with our ability to move with pace on these long term strategic opportunities for the group, with launches in new markets like Korea and significant growth in Taiwan, the successful acquisition of Single Cask Nation, as well as product development such as our 50th Anniversary Cask Programme and more generally our development of our cask sales offering helping to reduce dependency on individual markets, products or brands.

From a strategic investment perspective, we have successfully deployed the £15m of new equity raised on IPO. This, together with debt, has been primarily used to fund the £14m investment in spirit between 2021 and 2024, and a further £3m on cask wood during the same period. Following this significant investment in the cask inventory, we now hold all spirit required to meet demand through to the next decade. As a result, the cash profile of the Group is improving; and we believe that net debt has peaked, as we transition from material net cash investments in stock to a replenishment approach.

The new equity at IPO also helped us to complete our £2.5m investment in our Masterton Bond supply chain facility where we have now produced over 335,000 bottles and have over 2,300 casks in storage, helping to reduce our third party costs and dependency.

We have also been able to invest in our international markets, in particular south-east Asia, and more recently in the USA, as well as to improve our IT and e-commerce systems across the business and undertake the substantial refurbishment of the SMWS brand home at the Vaults in Leith in 2023.

This investment in the Vaults helped to deliver the joint fastest growth of any venue in FY24 (+£0.1m = 8%). Overall, the member rooms remain a critical part of our member proposition, with around 100,000 visitors to our venues across 2024, helping to recruit around 1,000 new members and support almost £4m of revenue in the year. We have continued to invest in these member rooms during the year, with the successful roll out of a new electronic point of sale ("EPOS") till system across the venues in Q4-24 which is already driving benefits to members and our business.

As we look ahead, the level of capital investment has reduced, meaning that since June 2024, we have now transitioned into a cash generative phase for the business.

Profitable Growth

For 2024, we delivered a £1.6m year on year improvement in reported EBITDA (FY23: £0.5m loss) and a £1m improvement in Adjusted EBITDA (FY23: £0.1m), in the context of revenue being broadly flat at £23.6m (FY23: £23.5m).

This creditable performance has been achieved despite ongoing challenging trading conditions in certain markets and further demonstrates the strength and flexibility of the ASC business model.

Growing profitability has been delivered through successful expansion into new markets and new brands with the acquisition of Single Cask Nation in the USA, quality product innovation, the evolution of our cask programme, all with a continued focus on efficient cost management, each of which is set out in more detail below.

New markets

We have continued to deliver growth in new markets, most notably the first full year of trading for the Taiwan subsidiary and franchise in South Korea.

We are also pleased to be about to launch a new franchise in Vietnam, aligning with our strategy to expand internationally and further diversify the Group, by commencing operations in one of the world's top 20 markets for Ultra-Premium Scotch Whisky.

Early in 2025, we have also taken greater operational control of the SMWS America business as part of our stated ambition to further grow its presence in the USA and take a greater advantage share of the sizeable American market, confident that the £0.5m investment will enable us to deliver more substantial membership and profit growth.

Single Cask Nation

Named Independent Bottler of the Year at the Whisky Magazine's Icons of Whisky America awards for both 2024 and 2025, Single Cask Nation is regarded as the USA's premier bottler of rare and exceptional single cask whiskies. "Bottled by whisky geeks for whisky geeks the world over", the Single Cask Nation represents a passionate community of whisky lovers that spans the globe.

I am delighted with the performance of the business since acquisition, with the business and the team integrating well into the wider Group, and year one profitability exceeding our targets.

Product innovation

The SMWS has always been a haven of innovation with a prowess for creating and selling outstanding, limited-edition whiskies and experiences around the world. The Society recently launched its new "Creators Collection" with its inaugural release of the series, The Peat Plants Collection, at the end of November 2024. This was followed by the recently launched Homecoming Collection.

Complementing SMWS' existing Signature and Heresy ranges, the Creators Collection is a new series from the Society that showcases the liquid art of whisky making and the visual art of illustration, curating some of its oldest and rarest whiskies and collaborating to design beautiful labels to create the ultimate in whisky flights.

The first two releases of the Creators Collection have been met with encouraging demand by members of the Society, eager for each release, with strong trading results. The initial "Peat Plants Collection" generated over £250k of sales, with the second "Homecoming Collection" proving equally popular.

Through the Signature range, the SMWS is constantly innovating, showcasing exceptional single cask, single malt whiskies, bottled at cask strength to preserve their unique character and flavour.

Following a number of new Japanese whisky distillery releases, we recently released our first casks from two exciting new Scotch whisky distilleries (numbers 161 & 163) to great acclaim, with more to come.

This sits alongside the ever-popular Heresy range of small-batch whisky from the SMWS, which allows the Society to explore new flavours by combining whiskies from different casks and distilleries, an innovative approach providing members with a unique tasting experience that challenges conventional whisky norms.

Similarly, our acquisition of Single Cask Nation in FY24, has not only delivered better than expected initial trading results, but also allows us to incubate and trial new product propositions in a low cost/low risk way with the scope to expand in due course, whilst accelerating our US operations.

Likewise, our ability to innovate also extends to our recently launched full bottling service for third party customers at our Masterton Bond Supply Chain Facility. Our experience in sourcing and supply of dry goods, spirit preparation, bottling, packing and customer service, particularly with regards to smaller volume runs, makes us well placed to take care of bottling and distribution requirements across the industry.

Cask programme

In addition to trade cask sales to trusted industry partners, we have also evolved our cask programme for SMWS members. Complementing the range, we also offer our members access to exclusive casks, recognising the different requirements each market has and the ability for us to offer unique offerings to the members in those markets.

Our 50th Anniversary Cask Club also gives our members the opportunity to purchase an entire SMWS cask, handpicked from Society favourite distilleries and flavour profiles. These casks will be bottled in 2033, the SMWS 50th anniversary, and decorated with a unique 50th Anniversary Club label design, personalised with the member's name, message and signature.

Cost Management

We have continued to focus on ensuring that we have the appropriate cost base to support the business' growth trajectory. During FY24, this meant we have been able to deliver substantial, recurring cost savings, with reductions in overheads, payroll, advertising and promotion and selling costs.

As we look ahead, with the progress made to date to deliver an optimised cost base, we are now in the position to translate future revenue growth more directly into bottom line improvements in profitability as we deliver continued profitable growth.

Cash Generative

Net Debt peaked at £27m in June 2024 (underpinned by whisky assets valued at c.£100m). The Group has now started to reduce net debt as it transitions into a phase of generating positive operating cash flows, with a £1.5m reduction in net debt during H2-24.

Looking ahead, the cash profile is expected to continue to improve. ASC has transitioned from material net cash investments in stock to a replenishment approach, with spirit and wood spend expected to further significantly reduce in FY25 vs FY24, which alongside positive operating cash flows from improved profitability, results in a net debt reduction trajectory for the Group.

Strong Asset-Backing

Our proven strategy of investing in whisky stock has built an impressive inventory to satisfy our requirements and deliver outstanding liquid to our members well into the next decade, as well as delivering a significant uplift in value creation.

We are driven by the quality of the liquid, and it's not just our members who love our whiskies, with the Group picking up a staggering 54 awards commending our spirit this year, taking the Group's total to 347 international awards since 2018. This reflects the significant investment from our team in creating a unique and outstanding cask holding.

During H2-24, an independent cask spirit valuation was undertaken which assessed the value of our cask inventory at just over £100m, representing around 4x both our current Net Book Value (NBV) of cask spirit and our Net Debt.

This valuation has also been demonstrated by the c£4m of trade and private cask sales in the year which delivered an average of 4.9x NBV.

Current Trading

The opportunity for growth in the USA remains a key focus for the Group. Correspondingly, in January 2025 we made a £0.5m investment in The Scotch Malt Whisky Society in America ("SMWSA") which provided a transition

to full operational control with effect from 1 January 2025. This one-off cost resulted in a (non-recurring) reduction to reported EBITDA in FY25.

We are excited by this change, whereby the in-country marketing and operations team have become ASC employees since the start of 2025, providing ASC with direct operational control as well as an optimised cost structure in the market. We are confident that this change will provide the Group with an enhanced platform from which to deliver more substantial membership and profit growth in the world's largest Ultra-Premium Whisky market.

We are pleased to have started FY25 strongly, delivering double digit growth in Q1-25 vs Q1-24. This has helped to support a year-on-year profitability improvement in Q1-25 which has more than offset this £0.5m investment in the US.

As we continue to improve the quality of our shareholder engagement, we are pleased to have launched a new ASC website www.artisanal-spirits.com and look forward to the imminent relaunch of our Spirited Shareholder benefit programme.

Overall, we therefore exit FY24 with a good set of results behind us, with a positive start to Q1-25 meaning that we are on track for a strong set of results and to deliver further profitable growth and cash generation in FY25 and beyond.

CFO Statement

Full year EBITDA delivery and H2-24 cash generation sets us up strongly for sustainable profit and cash generation

I am pleased to share the financial results of ASC Group for FY24 and the achievement of EBITDA of £1.1 million. While the spirits market remained tough, we further strengthened the H1-24 EBITDA improvement of £1 million to deliver a full year EBITDA improvement of £1.6 million (£1.0 million at an adjusted EBITDA level).

The loss before tax of £3.1 million, an improvement on the prior year (FY23; £3.6 million loss), represents the EBITDA delivery of the Group, offset by increased interest costs.

Global Revenue Diversification

Revenue of the Group was up marginally on prior year, +£0.1 million, evidencing continued diversification and resilience of our revenue base, notably our ability to offset a 34% revenue decline in China where significant economic headwinds continued to exist.

Revenue movement compared to prior year - by Region



The ability to offset such challenge over the last 18-24 months, where China has moved from 25% to 10% of our global revenue is testament to the strategic moves we have made in Taiwan, Korea, Single Cask Nation (SCN) and cask sales (within Europe).

Europe

As the home of SMWS, the European region comprises UK online, UK Venues, Europe and our two franchise markets, Denmark & Switzerland.

Membership grew 6% in the period in the region, to just over 27,000 - making up 64% of the Group total - which along with contributing 58% of Group revenue, makes it our largest global market. Most of the growth in membership came through the UK with an online presence alongside four outstanding member rooms.

Revenue growth in the period of 7.6% was primarily delivered by the continued and planned success of the cask sales programme, with £4.0 million delivered within the Europe region. FY24 cask sales were primarily made to trusted trade partners, but as we enter 2025, we aim to further build on the strategic growth of private cask sales across the Group.

Americas

2024 saw the region welcome the newly acquired Single Cask Nation business, complementing the core SMWS America (SMWSA) brand and the franchises of Canada and Mexico. SMWS membership in the region was marginally down 3% at just over 8,000, with SMWSA retention levels falling slightly to 63%. We were pleased to see that the overlap between the c7,000 paying SMWS membership and the c8,000 on the SCN mailing list was less than 5%, supporting both the distinct propositions of the brands, and the overall size of the addressable market opportunity.

The first-year performance of SCN has been a resounding success, integrating well within the Group and surpassing profit expectations - achieving EBITDA and PBT margin of over 38% on £0.7 million of revenue.

The SMWS America business, which represents 80% of revenue delivery in the region, saw a 12% decline in revenue, based on reduced volume shipments to the market in line with many other spirits companies who continued to de-stock following strong Covid years. The SMWSA depletion performance was down 7% on prior year which reflects a relatively resilient performance compared with other spirits companies who have reported declines at high single digit or double-digit levels over the past 12-18 months.

Overall, the region witnessed 3% revenue growth in year, with SCN offsetting the decline in SMWSA.

Going forward, the Americas region is a key strategic opportunity for the business as we build on the initial success of SCN with continued brand growth and special projects as well as greater control of the SMWSA business, taking more direct control of recruitment and marketing, pricing and whisky selection and further enhancing member experience.

Asia

Our key Asian markets consist of China, Japan, Taiwan and franchise partner Korea, alongside franchises in Malaysia and SE Asia. Membership in the region saw significant growth year on year, +12% to over 5,400, driven by +24% in China and +59% in Korea, the former increasing its retention levels from 49% to 62% and the latter further consolidating its new position in the region as a high performing franchise market.

In terms of revenue, the region saw another year of decline, minus 20%, predominantly driven by the challenging economic headwinds in China. However, the Group has offset this decline with stronger delivery within the Europe region as highlighted above and we remain well placed to benefit when the recovery in the market takes place.

In our internal forecasts we have assumed no material recovery in the China economy over the next 2-3 years, which will hopefully represent a relatively prudent assumption for medium term growth in the market.

In the other markets within the region, the first full year of Taiwan, delivering +150% on FY23 and continued strong delivery of the 2023 launched franchise in Korea, helped offset challenging conditions in Japan, where like China revenue was down around 30%.

Other

The other markets within SMWS, representing 4% of the Group business, both in terms of revenue and membership, consist of our wholly owned subsidiary in Australia and franchise operations in New Zealand and South Africa.

Australia had a strong year with regards to its revenue delivery, achieving 10% growth, the region overall therefore achieving 4% growth. The New Zealand franchise saw decline year on year as it went through a destocking process ready for growth in FY25. Overall, the membership in region declined slightly, 6%, to just over 1,800.

	Selling & Distribution Expenses		Administrative Expenses	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Commission	1,071	1,524		
Advertising & Promotion (A&P)	2,297	3,081		
Depreciation	1,627	1,455		

FX Loss	118	178		
Overheads			3,485	4,189
Payroll			7,143	6,712
Total	5,114	6,238	10,628	10,901

Cost base management and efficiencies

Throughout this year we have taken the opportunity to further review and manage the cost base of the business.

I am pleased to say we have achieved £1.4 million (8%) of long term sustainable savings across the full cost base (£1.5m (10%) across the core cost base of Commission, A&P, Payroll and Overheads) - leaving the business not only leaner in a more challenging spirits environment, but one that is equipped to deliver our ambitions of gross profit growth delivery to the bottom line.

Selling & Distribution Expenses

The biggest efficiency achieved in this area of spend was our Advertising & Promotion (A&P) cost, a 25% saving against the prior year representing a significant improvement on return on investment in this area. One of the key reasons for this further focus on costs is to ensure money is invested in the key area of recruitment and retention, where returns are more immediate - aided by the brand building we have achieved since IPO in 2021. This will remain the spend level, representing low double digit % of revenue going forward.

Within Commission, the £0.5 million reduction year on year represents the savings made through the agreement regarding the SMWS America brand. As part of this re-alignment, there is no commission agreement in place as we take on the employees of the SMWSA business direct. The saving shown took effect from September 2024.

The net FX loss in year was £0.1 million, predominantly the impacts of USD. For most of 2024 we chose not to hedge against our USD exposure, however in Q4 we did implement hedging of USD for FY25.

Administrative Expenses

The Overheads efficiency of £0.8 million represents management of key spend areas including travel costs, professional fees and recruitment costs, the latter a result of a more mature and stable employee base, our Culture and Values and strong employee engagement scores resulting in low employee turnover (outside our Venues) and significant improvement regarding direct employment, building a stronger Employee Value Proposition as an employer of choice within the locations we are based.

Another key reason is the first full year production of bottling within our wholly-owned Masterton Bond supply chain facility - enabling efficiency achievements and the cost allocation to cost of sales representing a full year view as opposed to part year in 2023.

In Payroll, we are slightly up on 2023, £0.4 million of additional cost, however, all of this additional cost, £0.4m, is related to the reinstatement of a bonus for our employees. After bonus reinstatement, the payroll base was largely flat on prior year, with the 3% inflation impact offset by vacancy management and efficiencies made in the second half of the year.

Share member schemes and EPS

We have followed up the award of share options in 2023 with further options within the scheme.

In 2024, 1,282,848 new share options were issued, consisting of time vesting options for central office and venue staff. Senior Management options are all performance related, based on revenue, EBITDA and share price.

Our Earnings per Share at the end of 2024 is (4.6p), (2023; (5.5p)).

Balance sheet strength supported by cash generation

Our balance sheet remains strong, with net assets of £15.1 million supported by further gross investment in spirit and wood of around £2.9 million (2022: £4.7 million).

The cash profile has changed within the business over the past 12 months, notably the last 6 months, as we achieved EBITDA, managed our net working capital and pivoted our position regarding cask spirit investment.

In the year, cash flow from operations was £0.8 million, a significant change from prior year cash absorbed by operations of £4.3 million - reflected by improved profitability alongside lower levels of investment in cask spirit, £1.3 million, timing and collection of key US debtor, £1.3 million and creditors timing and lower spend of £1.3 million

CapEx spend in year of around £0.9 million related to wood for cask spirit and replacement of our EPOS system in our Venues, £0.8 million and £0.1 million respectively.

In 2024, we took the decision to put on the market the two owned SMWS residential properties, recognising this is not a core part of our business and a sale provided the opportunity to reduce our net debt. At the end of 2024, one of the two properties had been sold with cash proceeds received of around £170,000, the term loan reduced by that value. The second sold in March 2025, resulting in a further £280,000 loan repayment made as a result.

The business Net Debt at the end of 2024 stands at £25.5 million, a £1.5 million reduction on the FY24 H1 position, and we remain committed to making further reductions in future years as the profitability growth alongside reduced spirit and wood investment means we become more cash self-sufficient.

In October 2024, the current revolving credit facility (RCF) agreement with The Royal Bank of Scotland was extended a further six months to June 2026.

Cask spirit valuation of £100m represents the inherent value of the business

Our cask inventory is held at cost in our Balance Sheet in line with accounting guidelines, and at the end of December 2024 NBV was £27.8 million.

In June 2024, we carried out our first ever independent valuation exercise with the purpose to more definitively state the inherent value of our cask spirit holding, resulting in a valuation of £102 million at June 2024, around 4x the current NBV

This strong valuation highlights the delta that exists to our current market capitalisation of less than £24m and as we evidence this strong asset backing alongside profitable growth and cash generation, we believe our market capitalisation growth will follow.

Confidence as we look ahead

Our ability to deliver EBITDA profitability and cash generation in FY24 serves as a strong base to achieve our FY25 ambitions, grasping the opportunities that exist within the Group: the significant size of the global Ultra-Premium Scotch Whisky market (\$7.1 billion), where our market share is only 0.4%, growth in the USA, the largest Ultra-Premium Scotch Whisky market and where SMWS America and Single Cask Nation are primed to deliver; increased membership and engagement in the Europe region; continued growth in our recently added strategic markets of Taiwan and Korea; and cask sales, both trade and private.

Supporting the business' profitability ambition over the next 3 years is a cost base that has achieved £1.6 million of efficiencies across Advertising & Promotion (A&P), Commission, Payroll and Overheads in FY24. These sustainable long term efficiencies support revenue and EBITDA growth and an improving cash and net debt profile as we benefit from cash investments in prior years and move to a cask spirit replenishment approach.

Following a successful year, and with the strategic plans in place over the next 3 years, confidence remains high that we will meet the business and financial objectives we have set ourselves.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

		2024	2023
	Notes	£'000	£'000
Revenue	6	23,601	23,500
Cost of sales		(8,576)	(8,499)
Gross profit		15,025	15,001
Selling and distribution expenses		(5,114)	(6,238)
Administrative expenses		(10,628)	(10,901)
Finance costs	6	(2,461)	(1,516)
Other income	9	36	79
Loss on ordinary activities before taxation	7	(3,142)	(3,575)
Taxation	11	(109)	(158)
Loss for the year		(3,251)	(3,733)

Other comprehensive income:

Items that may be reclassified to profit or loss:

Movements in cash flow hedge reserve	-	(8)
Movements in translation reserve	(71)	(64)
Tax relating to other comprehensive loss	-	-
	(71)	(72)
Total comprehensive loss for the year	(3,322)	(3,805)

Loss for the year attributable to:

- Owners of parent company	(3,300)	(3,848)
- Non-controlling interest	49	115
	(3,251)	(3,733)

Total comprehensive loss for the year attributable to:

- Owners of parent company	(3,371)	(3,920)
- Non-controlling interest	49	115
	(3,322)	(3,805)

Basic EPS (pence)	12	(4.6p)	(5.5p)
Diluted EPS (pence)	12	(4.6p)	(5.5p)

Consolidated Statement of Financial Position as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Investment property		285	420
Property, plant and equipment	13	10,734	10,426
Intangible assets	14	2,352	2,389
		13,371	13,235
Current assets			
Inventories	15	31,768	30,564
Trade and other receivables		4,286	4,787
Cash and cash equivalents		2,868	1,235
		38,922	36,586
Total assets		52,293	49,821
Current liabilities			
Trade and other payables		3,459	3,216
Current tax liabilities		705	702
Financial liabilities	16	3,032	272
Lease liability		513	384
		7,709	4,574
Net current assets		31,214	32,012
Non-current liabilities			
Financial liabilities	16	25,938	23,809
Lease liability		2,920	2,575
Deferred tax liabilities		-	-
Provisions		670	589
Total non-current liabilities		29,528	26,973
Total liabilities		37,237	31,547
Net assets		15,056	18,274

Equity

Called up share capital	176	176
Share premium account	15,255	15,255
Translation reserve	(211)	(140)
Retained earnings	(424)	2,789
Cash flow hedge reserve	-	-
Equity attributable to owners of the parent	14,796	18,080

Non-controlling interest	260	195
Net assets	15,056	18,275

Consolidated Statement of Changes In Equity For the year ended 31 December 2024

£'000	Called up share capital	Share premium account	Retained earnings	Cash flow hedge reserve	Translation reserve	Total controlling interest	Non-controlling interest	Total equity
Balance at 31 December 2022	174	14,997	6,685	8	(76)	21,788	228	22,016
Issue of share capital	2	258	-	-	-	260	-	260
(Loss)/profit for the period	-	-	(3,848)	-	-	(3,848)	115	(3,733)
Share-based compensation	-	-	(48)	-	-	(48)	-	(48)
Transactions with non-controlling interest	-	-	-	-	-	-	65	65
Dividend payable	-	-	-	-	-	-	(213)	(213)
Other comprehensive loss	-	-	-	(8)	(64)	(72)	-	(72)
Balance at 31 December 2023	176	15,255	2,789	-	(140)	18,080	195	18,275
Issue of share capital	-	-	-	-	-	-	-	-
(Loss)/profit for the period	-	-	(3,300)	-	-	(3,300)	49	(3,251)
Share-based compensation	-	-	135	-	-	135	-	135
Transactions with non-controlling interest	-	-	(48)	-	-	(48)	16	(32)
Other comprehensive loss	-	-	-	-	(71)	(71)	-	(71)
Balance at 31 December 2024	176	15,255	(424)	-	(211)	14,796	260	15,056

Consolidated Statement of Cash Flows For the year ended 31 December 2024

	2024	2023
Notes	£'000	£'000
Loss for the year after tax	(3,251)	(3,733)

Adjustments for:

Taxation charged		109	158
Finance costs		2,293	1,415
Interest income		(1)	(4)
Movements in provisions		16	9
Share-based payments		135	(48)
Investment property fair value movement		(20)	(15)
Investment property gain on disposal		(14)	
Lease interest		151	101
Depreciation of tangible assets	13	1,308	1,171
Amortisation of intangible assets		321	282

Movements in working capital:

Increase in inventory		(560)	(1,863)
Decrease/(increase) in trade and other receivables		486	(1,073)
Increase/(decrease) in trade and other creditors		1	(700)

Cash flow from/(absorbed by) operations

Income taxes(paid)/received		(104)	139
Interest paid excluding lease interest		(1,676)	(1,379)

Net cash outflow used in operating activities

Cash flow from investing activities

Purchase of intangible assets		-	(422)
Purchase of property, plant and equipment	13	(948)	(1,657)
Sale of investment property		169	
Sale of property, plant and equipment	13	19	23
Cash paid to acquire trade and assets of J&J Spirits	14	(238)	-
Interest income		1	4

Net cash used in investing activities

Cash flows from financing activities

Share issue		-	260
Transactions with non-controlling interest		(16)	65
Dividend paid to non-controlling interest		(213)	-
Asset backed lending received		4,343	2,592
Repayment of asset backed lending		(116)	-

Inventory secured RCF facility	500	5,000
Loan received	-	1,450
Repayment of loan	(487)	(2,336)
Repayment of leases	(504)	(461)
Net cash from financing activities	3,507	6,570
Net increase/(decrease) in cash and cash equivalents	1,704	(1,023)
Cash and cash equivalents at beginning of year	1,235	2,331
Foreign currency translation	(71)	(73)
Cash and cash equivalents at end of year	2,868	1,235
Relating to:		
Bank balances and short term deposits	2,868	1,235

Notes to the Financial Statements

1) Basis of preparation

The condensed interim financial information presents the consolidated financial results of The Artisanal Spirits Company plc and its subsidiaries (together the "Group") for the twelve months ended 31 December 2024 and the comparative figures for the twelve months ended 31 December 2023.

The Group's consolidated financial statements have been prepared on a going concern basis under the historical cost convention; in accordance with UK adopted International Accounting Standards.

This statement does not include all the information required for the annual financial statements and should be read in conjunction with the Annual Report & Accounts.

The financial information set out above does not constitute the company's statutory accounts for 2024 or 2023. The statutory accounts for 2023 have been delivered to the Register of Companies, and those for 2024 will be delivered in due course. The independent auditor has reported on these accounts, their reports were (i) unqualified, (ii) did not draw attention to any matter by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

This announcement was approved on behalf of the Board on 28 March 2025.

2) Accounting Policies

The accounting policies applied in preparing the condensed consolidated financial information are the same as those applied in the preparation of the Annual Report and Accounts for the year ended 31 December 2024, and those applied in the preparation of the Group's Historical Financial Information included within the Company's Admission Document.

3) Going concern

The Directors are, at the time of approving the financial statements, satisfied that the Group and Company have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group meets its day-to-day working capital requirements from a revolving credit facility of £21.5m together with cash balances. The Group has further access to a £15.0m inventory financing facility which can be drawn upon if required. The revolving credit facility was renewed in December 2022 with an extension in November 2024 and is not due for renewal until June 2026 whilst the inventory financing facility has an evergreen term. The revolving credit facility has quarterly leverage and covenants relating to minimum stock holding level as a percent of the facility drawn down, the 'springing test', which requires 135% of eligible inventory holding against the RCF balance, reviewed monthly. Secondary covenants of EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) and Net Assets (excluding Intangibles) exist if the springing test is not met.

The Group remained compliant with its banking covenants throughout the year to 31 December 2024. The Directors have considered the availability of continued financing beyond the current revolving credit facility's expiry in June 2026, which is outside of the going concern measurement period. The Directors have made enquiries and are satisfied that sufficient facilities are expected to remain available on satisfactory commercial terms beyond this date.

In the context of the above, the Directors have prepared cash flow forecasts for the period to 30 April 2026 which indicate that, taking account of reasonably plausible downside scenarios, the Group will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors have assessed the potential future impacts of geopolitical risk and have modelled scenarios as follows:

1. A base cash flow forecast. The 2025 figures in this forecast are based on the Group's 2025 budget, which is compiled using board approved forecasts and reflecting current performance, expected revenue growth and membership retention. The 2026 figures in the base cash flow forecast are taken from the Group's 3-5 year long range planning. This base case assumes a more prudent growth trajectory than in previous years, with organic market growth rate at single digit, supported by full year delivery of strategic initiatives secured. Cost inflation has been considered and additional costs have been included to account for increased wage.

2. A severe, but plausible downside scenario. The Directors have also prepared a sensitised forecast which considers the impact of certain severe but plausible downside events, when compared to the base case. This severe but plausible downside scenario assumes a global economic downturn, exacerbated by unexpected or additional tariffs alongside geopolitical shock events with a resultant shut down of Asian operations impacting revenue in excess of £5m per annum, together with an associated reduction in global sales based on recent experience from other economic downturns. Under this scenario, one-off costs to implement the required cost-base reductions are assumed in the impacted markets.

In this scenario, capital expenditure has been reduced whereas investment in spirit and wood continues on a replenishment basis. Throughout the severe but plausible downside scenario the Group would remain within its facility limits and in compliance with the relevant covenants, with further cash mitigation opportunities available through capital expenditure, spirit and wood investment.

The Directors are mindful of the potential impacts to macro-economic conditions and further risk of disruption to supply chains that the ongoing conflict in Ukraine presents, but after assessing the risks do not believe there to be a material risk to going concern. The Directors have also considered the potential impact on going concern from the potential imposition of tariffs, and have mitigating plans to offset a material portion of the potential impact. Based on the above, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

4) Principal risks and uncertainties

The principal risks and uncertainties affecting the Group are separately disclosed in the Annual Report & Accounts.

5) Dividends

No dividend was declared or paid during the period (prior period £nil).

6) Operating Segments

As the business has grown the level of information presented to the chief operating decision maker has continued to develop to better support business needs and inform decision making. The geographical markets in which the Group operates are allocated to a business segment, consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision maker has been identified as the Board of Directors, which is responsible for developing strategy and leading its execution. The Board includes the Chief Executive Officer, Chief Financial Officer, Chair and Non-Executive Directors.

The Group is organised in three distinct geographical segments for which summarised management information is available to the Board plus a fourth segment which makes up the rest of the world. These geographical markets as set out in the table below represent the operating segments of the Group. Australia, New Zealand and South Africa, which do not sit within the identified geographical segments, are aggregated and presented within Other. Whilst Central costs are not considered at an operating segment level, they are reported to the Board and are included to aid reconciliation to the Consolidated Statement of Comprehensive Income. Sales are allocated to the geographical market in which the sale is fulfilled. The Board receives monthly financial information to a Gross Profit level, in addition to Central Costs, and utilise this information to monitor performance and allocate resources.

	Europe	Asia	Americas	Other	Group
	£'000	£'000	£'000	£'000	£'000
2024					
Revenue	13,785	4,191	4,657	968	23,601

Cost of Sales	(5,826)	(1,243)	(1,086)	(421)	(8,576)
Gross Profit	7,959	2,948	3,571	547	15,025
Selling & distribution costs					(5,114)
Administrative costs					(10,628)
Finance Costs					(2,461)
Other income					36
Loss before tax					(3,142)
Taxation					(109)
Net Loss					(3,251)

	Europe	Asia	Americas	Other	Group
	£'000	£'000	£'000	£'000	£'000
2023					
Revenue	12,570	5,223	4,722	985	23,500
Cost of Sales	(5,783)	(1,415)	(896)	(405)	(8,499)
Gross Profit	6,787	3,808	3,826	580	15,001
Selling & distribution costs					(6,238)
Administrative costs					(10,901)
Finance Costs					(1,516)
Other income					79
Loss before tax					(3,575)
Taxation					(158)
Net Loss					(3,733)

The Board does not receive a segmental breakdown of assets and liabilities, depreciation or capital expenditure.

Within Europe, the UK represents the largest market, split UK Online and UK Venues, delivering £3.2 million (2023: £3.5 million) and £4.1 million (2023: £4.0 million), respectively.

In the Americas region, the largest market being the USA, shipment sales of £4.0 million were 10% lower than the prior year (2023: £4.4 million), with in-market depletions 9% lower than the prior year.

China represents the largest market in Asia, revenue in the year of £2.4 million (2023: £3.5 million) was a 30% decline on the prior year, impacted by the economic headwinds within the market.

Other is predominantly represented by Australia, with revenue of £0.8 million (2023: £0.8 million).

An analysis of the Group's revenue by product category is as follows.

	2024	2023
	£'000	£'000
Revenue from sale of whisky	18,291	18,161
Membership income	1,794	1,724

Revenue from sale of other spirits	125	143
Member rooms	2,218	2,244
Events and tastings	953	886
Other	220	342
Total revenue	23,601	23,500

Other includes revenue from sales of merchandise, rental income from investment properties, shipping charges billed to customers, and income from bottling services provided to third parties.

7) Loss on ordinary activities before taxation

The Group measures its performance using EBITDA and Adjusted EBITDA, which are non-GAAP measures. EBITDA and adjusted EBITDA are reconciled to statutory loss before tax as below:

	2024	2023
	£'000	£'000
Operating loss is stated after charging:		
Amortisation of intangible assets	321	282
Depreciation on tangible assets	1,308	1,173
Cost of inventories recognised as an expense	6,000	5,759
Net foreign exchange loss	58	79
Reconciliation of adjusted EBITDA:		
Loss on ordinary activities before taxation	(3,142)	(3,575)
Add back; Depreciation of tangible assets	1,308	1,173
Add back; Depreciation of production assets within cost of sales	123	106
Add back; Amortisation of intangible assets	321	282
Add back; Finance Costs - interest on loans	2,293	1,415
Add back; Finance Costs - leases	151	101
EBITDA	1,055	(498)
Exceptional and non-recurring costs	-	647
Adjusted EBITDA	1,052	149

Adjusted EBITDA and loss for the year are stated after including £0.1m (2023: £nil) of share based payment costs.

8) KPIs

Certain KPIs relating to membership are monitored by the Board and by Management, as follows:

	Revenue ¹	Year End	Average	Annual	Annual	Retention	Expected (Members)	LTV
	£'000	Members	Members	Revenue/ Member £	Contribution/ Member £ ²	%	Years ³	£ ⁴
2024								
Europe	9,911	27,359	24,979	397	183	74%	3.9	705

Asia	4,166	5,455	5,265	791	552	75%	4.0	2,187
Americas	4,179	8,041	8,410	497	345	63%	2.7	943
Other	968	1,867	1,917	505	281	72%	3.5	997
Total	19,224	42,722	40,571	474	269	71%	3.4	927
Change vs prior year	-9%	4%	5%	-13%	-11%	-4%	-12%	-21%

	Revenue	Year End	Average	Annual Revenue/ Contribution/ Member £	Annual Retention	Expected	LTV (Members)	
2023	£'000	Members	Members	Member £	%	Years	£	
Europe	10,231	25,921	24,987	409	187	78	4.6	866
Asia	5,223	4,865	4,249	1,229	878	63	2.7	2,355
Americas	4,722	8,281	7,511	628	366	67	3.0	1,107
Other	977	1,977	1,958	499	291	70	3.3	970
Total	21,153	41,044	38,706	547	303	74	3.9	1,173

1 Total revenue excludes sales totalling £4,377k (2023: £2,347k) which relate to trade cask sales, JG Thomson and Single Cask Nation, and are unrelated to membership proposition.

2 Contribution is a non-IFRS measure, and is defined by Management as Gross Profit less Commission paid on sales (primarily in relation to the USA).

3 Expected Years is a non-IFRS measure, and is defined by Management as one divided by one minus retention $1/(1-r\%)$.

4 Lifetime Value (LTV) is a non-IFRS measure, and is defined as Annual Gross Profit per member, multiplied by expected years.

9) Other operating income

	2024	2023
	£'000	£'000
Other income	36	79
	36	79

Other income in 2024 and 2023 relate to refunds of previously overpaid expenses in SMWS China.

10) Exceptional and non-recurring costs

	2024	2023
	£'000	£'000
Organisational restructuring costs	-	418
Acquisition and transaction-related costs	-	138

Masterton pre-operational costs	-	91
	-	647

In 2023 non-recurring costs comprised executive and senior management team restructuring costs, pre-acquisition costs in relation to the Group's new operations in Taiwan and the Group's acquisition of Single Cask Nation subsequent to the year end, and costs relating to finalisation of the Masterton Bond start-up which became operational in 2022.

11) Taxation

	2024	2023
	£'000	£'000
Current income tax		
UK corporation tax		
Adjustment in respect to prior periods	-	(45)
Foreign tax	109	203
Current tax charge	-	158
Deferred tax		
Deferred tax charge	-	-
Tax on ordinary activities	109	158

12) Earnings per Shares (EPS)

	2024	2023
	£'000	£'000
Earnings used in calculation	(3,320)	(3,848)
Number of shares	70,559,774	70,214,725
Basic EPS (p)	(4.6p)	(5.5p)
Number of dilutable shares	76,058,111	74,989,595
Diluted EPS (p)	(4.6p)	(5.5p)

All dilutable potential shares relate to share options. A loss per share is not diluted. The number of shares and number of dilutable shares shown represent the weighted average for the period.

13) Property, plant and equipment

	Land and buildings freehold	Land and buildings leasehold	Leasehold improvements	Fixtures, fittings and equipment	Cask wood	Right-of use asset	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
As at 1 January 2023	678	1,441	503	4,170	3,449	4,505	14,746

Additions	-	-	-	817	840	-	1,657
Disposals	-	-	-	(25)	-	-	(25)
As at 31 December 2023	678	1,441	503	4,962	4,289	4,505	16,378
Additions	-	-	25	144	779	1,159	2,107
Disposals	-	-	-	(19)	-	-	(19)
As at 31 December 2024	678	1,441	528	5,087	5,068	5,664	18,466

Accumulated depreciation

As at 1 January 2023	181	1,097	306	1,172	493	1,135	4,384
Charge for the year	15	70	47	849	169	420	1,570
Released on disposal	-	-	-	(2)	-	-	(2)
As at 31 December 2023	196	1,167	353	2,019	662	1,555	5,952
Charge for the year	15	53	51	844	237	579	1,779
As at 31 December 2024	211	1,220	404	2,863	899	2,134	7,731

Net book value

As at 31 December 2023	482	274	150	2,943	3,627	2,950	10,426
As at 31 December 2024	467	221	123	2,224	4,169	3,530	10,734

£226k (2023: £151k) of the depreciation charge for cask wood, £62k (2023: £65k) of the depreciation charge for fixtures, fittings and equipment and £66k (2023: £74k) of the depreciation charge for right-of-use assets have been capitalised as costs of stock. The remaining balance has been expensed to the Statement of Comprehensive Income.

Leases are in relation to the Group's supply chain facility at Masterton Bond, the Group's Head Office in Edinburgh, and venues at Queen Street in Edinburgh and Bath Street in Glasgow.

Right of use assets included in the Consolidated Statement of Financial Position were as follows.

	Venues	Supply Chain Facility	Head office	Total
As at 1 January 2023	1,332	2,038	-	3,370
Depreciation	(187)	(233)	-	(420)
As at 31 December 2023	1,145	1,805	-	2,950
Additions	75	-	1,084	1,159
Depreciation	(201)	(232)	(146)	(579)
At 31 December 2024	1,019	1,573	938	3,530

Lease Liabilities included in the Consolidated Statement of Financial Position were as follows.

	Venues	Supply Chain Facility	Head office	Total
As at 1 January 2023	1,279	2,040	-	3,319
Interest payment	51	50	-	101
Repayment of lease liability	(199)	(262)	-	(461)
As at 31 December 2023	1,131	1,828	-	2,959
Additions	37	-	789	826
Interest payment	63	44	44	151
Repayment of lease liability	(249)	(255)	-	(504)
At 31 December 2024	983	1,617	833	3,433

14) Business Combinations

On 3 January 2024 the Group acquired 100% of the trade and trading assets of J&J Spirits, trading as Single Cask Nation. Single Cask Nation is a US-based membership society that purchases single cask whiskies and other spirits to distribute and sell direct to consumers and through retail and distribution channels in the USA, UK, Germany, Sweden, Japan, Israel and Canada.

Details of the acquisition are as set out below:

	2024
	£000
Purchase consideration:	
Cash paid	160
Deferred consideration	307
	467
Less: fair value of identifiable net assets acquired	(248)
Intangible asset recognised	219

Goodwill recognised is attributable to the workforce assumed with the acquisition, and synergies expected to be achieved as part of the Group.

Deferred consideration recognised is contingent upon the future revenue, profitability and membership growth in the acquired business during the financial years 2024 and 2025. This comprises a base earn out and stretch target with the amount payable ranging from £nil to £397k. The deferred consideration recognised on acquisition of £307k has been valued based on forecast trading performance at the acquisition date; these forecasts remain the basis for measurement as at the Balance Sheet date.

During the year to 31 December 2024, £78k of deferred consideration was settled.

The fair value of net assets acquired comprise:

	2024
	£000
Cask whisky and other spirits	99
Bottled stock and other inventory	74
Customer list intangible	75
	248

During the period, the acquired business contributed £684k revenue and £263k profit before taxation. Had the business been under the Group's control from 1 January 2024, the Group's revenue and profit before tax would remain as reported, due to the minimal time period between 1 January and the acquisition date. As set out in Note 10, certain non-underlying costs incurred in 2023 related to this acquisition. Of the non-underlying acquisition and transaction costs in the year ended 31 December 2023, £58k related to the completed acquisition.

15) Inventories

	2024	2023
	£'000	£'000
Cask Goods	27,810	25,887
Bottled stock	2,515	3,092
Other inventory	1,443	1,585
	31,768	30,564

The cost of inventories recognised as an expense during the year was £6,000k (2023: £5,759k). The cost of inventories recognised as an expense includes £39k (2022: £151k) in respect of write-downs of bottled stock and other inventory.

Inventories with a carrying amount of £4,423k (2023: £795k) have been pledged as security for certain of the Group's financing facilities.

16) Financial liabilities

	2024	2023
	£'000	£'000
Inventory Secured RCF	20,500	20,000
Inventory financing	7,505	2,628
Bank loans	950	1,418
Other loans	15	35
Total financial liabilities	28,970	24,081

Inventory secured RCF The revolving credit facility (RCF) is secured by a bond and floating charge over eligible inventory within the Group. The availability of funds under the facility agreement is linked to a calculation of eligible inventory, which is predominantly the casked goods component of inventory assets. In December 2022, the revolving credit facility was increased, as part of the accordion element within the original contract, by £3m to £21.5m. The loan is interest bearing and interest is due at a rate of 2.25% over the Bank of England base rate, this new rate replacing the original rate of 2.5%. The revolving credit facility has quarterly leverage and covenants relating to minimum stock holding level as a percent of the facility drawn down, the 'springing test', which requires 135% of eligible inventory holding against the RCF balance, reviewed monthly. Secondary covenants of EBITDA and Net Assets (excluding Intangibles) exist if the springing test is not met. The springing test has been met throughout the period. The Company has issued a parental guarantee to SMWS in favour of the lender.

Inventory financing On 6 November 2023 the Group entered into a facility with Ferovinum under which the SMWS subsidiary may raise finance of 60% to 80% of current market value secured against cask spirit. The total available facility is £15.0m with utilisation as at 31 December 2024 of £6.9m. The facility carries interest on cash advanced at a rate of 2.25% over the Bank of England base rate, settled on settlement of the principal. The total outstanding balance is secured against cask inventory with a book (cost) value of £4,423k. The Company has issued a parental guarantee to SMWS in favour of the lender.

Bank loan The bank loan is secured by standard securities over the ground floor premises of the Leith property and a legal charge over the Greville Street property. The loan is interest bearing and interest is due at a rate of 2.5% over the Bank of England base rate.

17) Financial instruments - accounting classification and fair value

Financial assets

Trade and other receivables and cash and cash equivalents are classified as financial assets at amortised cost.

Derivative assets are classified as financial assets measured at fair value (level 2 - i.e. those that do not have regular market pricing) through the Consolidated Statement of Comprehensive Income.

Financial liabilities

Trade and other payables (excluding deferred income) are classified as financial liabilities and measured at amortised cost.

The fair value of both financial assets and financial liabilities have been assessed and there is deemed to be no material difference between fair value and carrying value.

Derivative liabilities are classified as financial liabilities measured at fair value (level 2) through the Consolidated Statement of Comprehensive Income.

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