

Company registration number 420247 (Ireland)

THE SCION SPIRITS COMPANY LIMITED
ABRIDGED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

THE SCION SPIRITS COMPANY LIMITED

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THE SCION SPIRITS COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

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

Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally accepted Accounting Practice in Ireland) issued by the Financial Reporting Council. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Mary Sadlier
Director


Michael Reilly (Mar 4, 2026 16:24:07 GMT)

Michael Reilly
Director

25 February 2026

THE SCION SPIRITS COMPANY LIMITED

INDEPENDENT AUDITOR'S SPECIAL REPORT TO THE DIRECTORS PURSUANT TO SECTION 356 OF THE COMPANIES ACT 2014

Opinion

In our opinion, the directors are entitled under section 352 of the Companies Act 2014 to annex the abridged financial statements to the annual return of The Scion Spirits Company Limited and those abridged financial statements have been properly prepared pursuant to the provisions of section 353 of the Companies Act 2014.

Basis of opinion

We have examined:

- (i) the abridged financial statements for the year ended 30 June 2023 on pages 5 to 15, which the directors of The Scion Spirits Company Limited propose to annex to the annual return of the company; and
- (ii) the financial statements to be laid before the annual general meeting, which form the basis for those abridged financial statements.

The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to annex abridged financial statements to the annual return and that those abridged financial statements have been properly prepared, pursuant to section 353 of the Companies Act 2014, from the financial statements to be laid before the annual general meeting.

Other information required by the Companies Act 2014

On 25 February 2026 we reported to the members of The Scion Spirits Company Limited on the company's financial statements for the year ended 30 June 2023 and our report was as follows:

Qualified opinion on financial statements

We have audited the financial statements of The Scion Spirits Company Limited ('the company') for the year ended 30 June 2023, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for qualified opinion

We were unable to observe the counting of physical inventories held by the company at the year end. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2023, which are included in the balance sheet at €405,913, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

THE SCION SPIRITS COMPANY LIMITED

INDEPENDENT AUDITOR'S SPECIAL REPORT TO THE DIRECTORS

PURSUANT TO SECTION 356 OF THE COMPANIES ACT 2014 (CONTINUED)

Material uncertainty related to going concern

We draw attention to note 1.2 of the financial statements, which indicates that the Company incurred a loss of €1.4m during the financial year and, at year-end, had net liabilities of €4.4m. These conditions, along with other matters set out in Note 1.2, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the company. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE SCION SPIRITS COMPANY LIMITED

INDEPENDENT AUDITOR'S SPECIAL REPORT TO THE DIRECTORS PURSUANT TO SECTION 356 OF THE COMPANIES ACT 2014 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the company's financial statements is located on the IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thomas McDonagh

For and on behalf of UHY Farrelly Dawe White Limited, Statutory audit firm
Chartered Certified Accountants
FDW House
Blackthorn Business Park
Coes Road
Dundalk
Co. Louth
Ireland
25 February 2026

We, the undersigned, hereby certify that:

- the foregoing is a true copy of the Special Report of the Auditor.
- the attached profit and loss account, balance sheet and the related abridged notes are a correct abridged copy of those laid before the annual general meeting of the company.

On behalf of the board



Mary Sadlier
Director

Date: 25 February 2026



Mary Sadlier
Secretary

Date: 25 February 2026

THE SCION SPIRITS COMPANY LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	€	€	€	€
Fixed assets					
Tangible assets	7		4,653		7,201
Current assets					
Stocks	8	405,913		601,713	
Debtors	9	194,353		323,216	
Cash at bank and in hand		239,020		178,115	
		<u>839,286</u>		<u>1,103,044</u>	
Creditors: amounts falling due within one year	10	<u>(2,085,518)</u>		<u>(1,192,243)</u>	
Net current liabilities			<u>(1,246,232)</u>		<u>(89,199)</u>
Total assets less current liabilities			<u>(1,241,579)</u>		<u>(81,998)</u>
Creditors: amounts falling due after more than one year	11		<u>(3,178,616)</u>		<u>(2,898,615)</u>
Net liabilities			<u>(4,420,195)</u>		<u>(2,980,613)</u>
Capital and reserves					
Called up share capital presented as equity			1,679,864		1,679,864
Share premium account			11,811,135		11,811,135
Profit and loss reserves			<u>(17,911,194)</u>		<u>(16,471,612)</u>
Total equity			<u>(4,420,195)</u>		<u>(2,980,613)</u>

We, as directors of The Scion Spirits Company Limited, state that:

The company has relied on the specified exemption contained in section 352 Companies Act 2014; the company has done so on the grounds that the company is entitled to the benefit of that exemption as a small company and the abridged financial statements have been properly prepared in accordance with section 353 Companies Act 2014.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Financial Reporting Standard 102 'The Financial Statement Reporting Standard applicable in the UK and Republic of Ireland'.

The financial statements were approved by the board of directors and authorised for issue on 25 February 2026 and are signed on its behalf by:



Mary Sadlier
Director



Michael Reilly (Mar 4, 2026 16:24:07 GMT)

Michael Reilly
Director

THE SCION SPIRITS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	€	€	€	€
Balance at 1 July 2021	1,679,846	11,811,135	(15,904,878)	(2,413,897)
Year ended 30 June 2022:				
Loss and total comprehensive income	-	-	(566,734)	(566,734)
Issue of share capital	18	-	-	18
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	1,679,864	11,811,135	(16,471,612)	(2,980,613)
Year ended 30 June 2023:				
Loss and total comprehensive income	-	-	(1,439,582)	(1,439,582)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>1,679,864</u>	<u>11,811,135</u>	<u>(17,911,194)</u>	<u>(4,420,195)</u>

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

The Scion Spirits Company Limited is a limited company domiciled and incorporated in Ireland. The registered office is Tatestown, Navan, Co. Meath, Ireland and its company registration number is 420247.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), as adapted by Section 1A of FRS 102, and the requirements of the Companies Act 2014.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company incurred a loss of €1,439,582 (2022: €566,734) during the year and continues to report accumulated losses and net liabilities of €4,420,195 (2022: €2,980,613) at the reporting date.

These conditions indicate that there is a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These conditions have been carefully considered by the Directors.

During Q1 of FY 2026, the company undertook a programme to restructure its balance sheet. The directors determined that the company's legacy capital structure, including the convertible loan notes, constrained its financial flexibility and ability to fully realise its growth potential. Accordingly, a restructuring was initiated to provide a more stable and scalable financial foundation.

To date, holders representing a majority of the company's convertible loan notes have indicated their intention to convert their holdings into B Convertible Preference Shares as part of this restructuring. The implementation of the conversion process and associated documentation is expected to conclude during Q4 of FY 2026.

These arrangements materially strengthen the company's financial position by removing short- and medium-term repayment pressure and eliminating the cash interest burden previously associated with the CLNs.

In addition, the company has since the end of the FY 30 June 2023 reduced its overhead base by approximately 64%, improved gross margins, reduced its operational breakeven point to approximately 40,000 cases and continues to grow sales in key markets, particularly the United Kingdom and the United States.

The directors have prepared detailed forecasts through to June 2027. These forecasts demonstrate the company generating a profit in the financial year ending June 2027.

Having considered the above, together with continued shareholder and noteholder support, the Directors are satisfied that the company will have sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.3 Turnover

Revenue comprises sales of goods or services provided to customers net of value added tax and other sales taxes, less an appropriate deduction for actual and expected returns and discounts. Revenue is recognised when performance obligations are satisfied and the control of goods or services is transferred to the buyer. Where the performance obligation is satisfied over time, revenue is recognised in accordance with its progress towards complete satisfaction of that performance obligation.

When cash inflows are deferred and represent a financing arrangement, the promised consideration is adjusted for the effects of the time value of money, which is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Goodwill	20% Straight Line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long-term leasehold property	20% Straight Line
Plant and equipment	33-50% Straight Line
Fixtures and fittings	33-50% Straight Line
Office Equipment	33-50% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

As lessee

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors believe that there are no estimates or assumptions that had, or are likely to have within the next financial year, a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities.

3 Operating loss

	2023	2022
	€	€
Operating loss for the year is stated after charging:		
Depreciation of tangible fixed assets	3,956	4,697

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Total	25	22

5 Directors' remuneration

	2023	2022
	€	€
Remuneration for qualifying services	61,000	60,000

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

6 Intangible fixed assets

	Goodwill
	€
Cost	
At 1 July 2022 and 30 June 2023	157,343
Amortisation and impairment	
At 1 July 2022 and 30 June 2023	157,343
Carrying amount	
At 30 June 2023	-
At 30 June 2022	-

7 Tangible fixed assets

	Long-term leasehold property	Plant and equipment	Fixtures and fittings	Office Equipment	Total
	€	€	€	€	€
Cost					
At 1 July 2022	9,747	37,900	19,073	20,362	87,082
Additions	-	-	-	1,408	1,408
At 30 June 2023	9,747	37,900	19,073	21,770	88,490
Depreciation and impairment					
At 1 July 2022	8,615	37,900	16,536	16,830	79,881
Depreciation charged in the year	1,132	-	1,450	1,374	3,956
At 30 June 2023	9,747	37,900	17,986	18,204	83,837
Carrying amount					
At 30 June 2023	-	-	1,087	3,566	4,653
At 30 June 2022	1,132	-	2,537	3,532	7,201

8 Stocks

	2023	2022
	€	€
Finished goods	405,913	601,713

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts.

No impairment loss in respect of stocks was recognised in the financial year (2022: €Nil).

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Debtors

	2023	2022
Amounts falling due within one year:	€	€
Trade debtors	171,272	166,023
Other debtors	8,167	57,902
Prepayments	14,914	99,291
	<u>194,353</u>	<u>323,216</u>

10 Creditors: amounts falling due within one year

	2023	2022
	€	€
Amounts owed to credit institutions	25,549	24,075
Trade creditors	303,091	498,187
PAYE and social security	47,645	71,354
Other creditors	1,548,451	325,699
Accruals	160,782	272,928
	<u>2,085,518</u>	<u>1,192,243</u>

Included in other debtors are amounts due to directors of €Nil (2022: €230). This balance is deemed to be unsecured, interest free and payable on demand.

As at 30 June 2023, other creditors include convertible loan notes of €1,127,836 (2022: €290,107) which carry a coupon of 10% pa. These loans converted to equity during in 2026.

On 11 January 2023, the company executed a debenture in favour of Teybridge Capital (Europe) Limited as security for its borrowings. The debenture created a charge on all sums now due or after to become due from the company to Teybridge Capital (Europe) Limited.

11 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		€	€
Convertible loans	12	3,135,802	2,838,567
Amounts owed to credit institutions		42,814	60,048
		<u>3,178,616</u>	<u>2,898,615</u>

As at 30 June 2023, the company has convertible loan notes of €3,135,802 (2022: €2,838,567) which carry a coupon of 10% pa which converted to equity during in 2026.

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

12 Convertible loan notes

	2023 €	2022 €
Liability component of convertible loan notes	3,135,802	2,838,567

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Balance Sheet represents the effective interest rate less interest paid to that date.

As at 30 June 2023, the company had convertible loan notes of €3,135,802 (2022: €2,838,567) which carry a coupon of 10%. The loans converted to equity in 2026.

The equity component of the convertible loan notes has been credited to the equity reserve.

13 Events after the reporting date

There are no events occurring post year end which would require adjustment or disclosure in the financial statements.

14 Related party transactions

Remuneration of key management personnel

The directors' remuneration disclosed in note 5 represents the total compensation paid to key management personnel.

Other information

As at 30 June 2023, the company owed the director Mary Sadlier €Nil (2022: €230). This balance is deemed to be unsecured, interest free and payable on demand. Included within trade creditors is an amount payable of €892 to Mary Sadlier (2022: €3,385) for expenses incurred on behalf of the company.

During the year ended 30 June 2023, director Michael Reilly advanced to the company €50,000 to assist with working capital. As at the year end a balance of €22,761 (2022: €Nil) remained due to Michael Reilly in respect of this advance.

The company has a rental agreement with Philip Brady, who is a member of key management and a connected person of a director. The annual rental charge is €20,000 (2022: €20,000). Also included in trade creditors is a balance owed to Philip Brady of €16,286 (2022: €23,354) Included in accruals is an amount of €5,000 (2022: €49,958) payable by the company in respect of this expense. In the prior year, Philip Brady advanced to the company €45,000 to assist with working capital. As at the year end a balance of €28,442 (2022: €18,442) remained due to Philip Brady in respect of this advance.

The company has a corporate services agreement with Amstrow Corporate Services (Ireland) Limited, who is joint company secretary. During the year the company incurred expenses of €14,842 including VAT (2022: €14,055) for these services and included in trade creditors is an amount of €Nil (2022: €Nil) payable by the company in respect of this expense.

There are no other related party transactions during the year which require disclosure in the financial statements.

THE SCION SPIRITS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2023*

15 Approval of financial statements

The directors approved the financial statements on 25 February 2026.