REGISTERED NUMBER: 08037372 (England and Wales)

Charlotte Tilbury Beauty Limited

Annual Report and Financial Statements
for the Year Ended
31 December 2021

Contents

Company Information

Directors:	C E B Tilbury D Pinsent
Registered Office:	8 Surrey Street Temple London WC2R 2ND
Registered Number:	08037372 (England and Wales)
Auditor:	Ernst & Young LLP 1 More London Place London SE1 2AF

Strategic Report

The directors present their strategic report of Charlotte Tilbury Beauty Limited (the "**Company**") for the year ended 31 December 2021.

Principal Activity

The principal activity of the Company in the year under review was the sale and marketing of makeup, skincare and fragrance products, under the brand name Charlotte Tilbury.

Review of Business

The Company's key financial performance indicators during the year were as follows:

	2021	2020	Growth
	£000	£000	%
Turnover	**224,845**	180,499	24.6
Gross Margin (%)	***62.0%***	*62.3%*	
Profit Before Taxation	**8,048**	6,981	14.7
EBITDA[1]	**9,057**	7,917	15.1
Current Assets	**1.2**	1.2	
Average Number of Employees	**576**	621	-7.2

1 -EBITDA is calculated as being earnings before interest, tax, depreciation and amortisation.

As shown in the Statement of Profit and Loss and Other Comprehensive Income on page 15, the Company's turnover increased significantly by 24.6% to £224.85m (2020: £180.50m) for the year under review. The Company achieved an EBITDA result for the year of £9.06m (2020: £7.92m).

In 2021 we continued to fulfil our purpose to make everyone feel and look like the most beautiful version of themselves through the power of makeup and skincare. The growth in Turnover for the year was attributable to the re-opening of brick and mortar stores in both the UK and European markets following the Coronavirus ("COVID-19") pandemic lockdown measures of 2020 and the continued acquisition of new customers to online channels. Our focus on growing market share across existing markets continued at pace and we expanded our distribution footprint with new market entries into Poland, Australia and New Zealand.

The product pipeline was stronger than ever across our core categories of colour and skincare. We demonstrated our skincare expertise with new product innovation including the Cryo-Recovery Face Mask, Super Radiance Resurfacing Facial, Magic Serum Crystal Elixir and the Invisible UV Flawless Poreless Primer. Our powerhouse product franchises – Magic, Airbrush Flawless Finish and Pillow Talk - were further strengthened with blockbuster product launches and marketing campaigns.

The Company continued to deliver leading digital innovation, developing compelling experiences for our customers including first-to-market features such as our Foundation Finder, shoppable masterclasses and virtual consultations. We delved deeper into the metaverse with our virtual store, complete with breakthrough 'Shop with Friends' functionality.

The Company continued to use a Trade Financing facility with HSBC and, along with its immediate parent entity Islestarr Holdings Limited, entered into a Cash Pooling Arrangement with Puig S.L. However, the Company terminated both the existing multi-currency Revolving Credit Facility (RCF) of £10.00m and Invoice Financing facility of £15.00m with HSBC, as both facilities were unutilised and deemed surplus to requirements.

Strategic Report (continued)

Principal Risks and Uncertainties

The Company has appropriate processes in place to actively identify, manage and mitigate risks. The Company's Risk Management Committee, comprised of senior executives representing all company functions, meets at least quarterly to review and monitor the Company's: attitude to and appetite for risk and its future risk strategy; system of internal controls and risk management; and processes for compliance with laws, regulations and ethical codes of practice.

The principal risks and uncertainties facing the Company are broadly grouped as follows:

Financial Risk

The Company's main exposure to financial risk is through liquidity, interest rate, credit risk and currency risk exposure.

Liquidity Risk
The Company manages its financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Cash Flow is managed as part of the day to day operations and cash flow projections are used to determine drawdowns required on the working capital facilities.

Interest Rate Risk
The Company considers interest rate risk to be small. All interest payments and receipts are considered in the cash flow forecasts and are monitored.

Credit Risk
The Company manages its credit risk through strong customer onboarding and credit and payment monitoring practices. During the year the Company implemented a Group Credit insurance program to further strengthen its credit risk management practices.

Foreign Currency Risk
The Company is exposed to exchange rate (FX) movements through the sales and procurement cycle. The Company has procedures in place to monitor the FX impact on cash inflows and outflows as required.

Market Risks

In a market characterised by rapid product innovation, new market entrants, technological advancements and changing consumer behaviour, the Company faces competitive pressures and is required to ensure that the product offering, technical innovation, channel distribution and marketing strategies remain relevant in a constantly changing market. The Company manages and mitigates these risks by prioritising an innovation agenda across all aspects of the business including: focusing on consumer demand for effective products, trustworthy expertise and information; investing significantly in new product development; building direct, emotional connections with customers; developing new technologies that improve the customer experience; continually adjusting routes to market; and building strong relationships with wholesale partners. As a Beauty Tech business, the Company works with key technology partners and platforms whilst also rapidly expanding its internal technology team.

Legislative Risks

The Company carefully and continuously monitors its global Legal and Regulatory compliance. During the financial year, it expanded its Legal and Regulatory Team, appointing local Senior Legal attorneys and regulatory specialists in major markets, including China and the US. The Company also works closely with its Legal partners on horizon scanning for trends and/or changes to new or existing laws and regulations.

Coronavirus

Coronavirus and the risk of resurgence continues to pose a risk to the Company and whilst the lockdown restrictions have been removed in 2021, the Company remains focused on ensuring the safety and wellbeing of its customers, employees and partners and will continue to follow Government guidance in this regard.

Strategic Report (continued)

Geopolitical Instability / Conflicts

Increasing geopolitical volatility with the potential to destabilise supply chains/operations is carefully monitored by the Company. This includes the longer-term impact of Brexit, changes to local regulations impacting imports/exports and potential exposure to international conflicts.

The Company does not have any operational or commercial exposure to the conflict in Ukraine. The Company does perceive an indirect risk relating to the global impact on commodity prices, inflation indices and foreign exchange rates. To manage this risk the Company is implementing measures to meet the business's ongoing needs including strengthening the company's procurement and supply chain operations, reviewing global pricing practices and strengthening its controls over foreign exchange risks.

Section 172 statement

This statement should be read in conjunction with the whole Strategic Report. It shows how the Directors have acted in a way they consider in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to stakeholders, including section 172(1)(a)-(f) of the Companies Act 2006, during 2021 and in doing so had regard, amongst other matters to:

- the likely consequences of any decision in the long term
- the interests of the Company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

During 2021 the Board undertook a variety of activities to engage with stakeholders.

<u>Securing our long-term success</u>

The Board always strives to act in the long-term interests of its key stakeholders by taking stakeholder interest into account when making both short and long-term decisions. Pivotal to this is the comprehensive review of the Company's strategic priorities at regular Board meetings and the formal review and approval of the Company's annual budget and rolling 3-5 year plan.

<u>Securing the interest of the Company's employees</u>

The Board recognises the critical importance of the Company's employees and is committed to their development and retention. The Company regularly solicits feedback from employees through an anonymous survey and shares this information with the Board to inform decision-making. During the year, the Company strengthened its employee offering and paid particular focus to the Company's diversity and inclusion initiatives, which remain a key strategic priority. The Company introduced training programmes, recruitment initiatives and an apprenticeship scheme to attract and develop the very best and diverse talent.

The Company ensures that employees are informed of the Company's performance through periodic meetings, webinars and emails. The Company provides employees with regular information on matters as relevant to them through various communication channels and face-to-face meetings.

Strategic Report (continued)

Engagement with suppliers, customers and other key stakeholders

The Board believes positive and collaborative relationships with our customers, supplier and wholesale partners and other stakeholders are critical to the Company's ongoing success and supports the Company in establishing and fostering them.

Strong customer relationships are at the core of the business. Learning from the customer will continue to be a key aspect in helping to form future strategy.

Supplier relationships are critical to achieving the quality of product our customers expect from the Company. Reliable, long term supplier relationships are critical to the Company's ongoing success.

Sustainability and Community

The Company understands that its operations have an impact on the environment and recognises that sustainability efforts are crucial. As such, Sustainability and ESG (Environmental, Social, Governance) are key focus areas.

The parent company of Charlotte Tilbury, Puig Group, supports Charlotte Tilbury's efforts to align with important international initiatives such as the Paris Agreement on climate change, the EU Action Plan for the Circular Economy and the UN Sustainable Development Goals (SDGs).

The Company is increasing its focus on embedding sustainability to create positive impacts for the wider society and the business as a whole. A senior level employee responsible for ESG was recruited and the company intends to expand this team during the next calendar year inline with growth. In addition:

- The Company reinforced its ESG and Sustainability commitments with initiatives including the achievement of Cruelty Free International's Leaping Bunny approval globally, the launch of refillable products, and a recycling programme to reduce our environmental footprint.

- The Company publishes statements on efforts to help end Modern Slavery and an Ethical Trade and Modern Slavery workgroup meet regularly.

- The Company continue its support of the charity Women for Women International which helps women survivors of war rebuild their lives and create a ripple effect of change in their communities.

Reputation for High Standards of Business Conduct

The Board is responsible for monitoring Company culture and values. The delivery of the Company's strategy can only be achieved with the highest standards of business conduct. All Directors must act with integrity and lead by example. Our focus is on maintaining an open, positive and inclusive culture. The Company has a Confidential Concerns programme, which creates space and opportunities for employees to report, confidentially, any areas of concern or points of interest.

Acting Fairly

The Company meets with its Board and shareholders regularly and has transparent and constructive conversations with its shareholders.

ON BEHALF OF THE BOARD: DocuSigned by: D Pinsent CBBDF4595293434...

Mrs Demetra Pinsent - Chief Executive Officer
Date: 12 August 2022

Directors' Report

The Directors present their report, together with the audited financial statements of the Company for the year ended 31 December 2021. Details of principal activities and performance can be found in the Strategic Report on pages 4-7.

Dividends

No dividends will be distributed for the year ended 31 December 2021 (2020: £Nil).

Results

The audited financial statements for the year ended 31 December 2021 are set out on pages 15 - 28. The profit for the year, after taxation, as detailed in the Statement of Profit and Loss and Other Comprehensive Income on page 15, amounted to £6.55m (2020: £5.51m).

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Ms C E B Tilbury
Mrs D Pinsent

The Company did not provide qualifying third-party indemnity provisions to its directors during the financial year and at the date of this report (2020: £Nil).

Employees

Detail on the number of employees and related costs can be found in Note 3 of the financial statements. The Company gives full consideration to applications for employment from disabled persons where the candidate's aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, the Company's position is to continue employment wherever practicable in the same or an alternative position and to provide any necessary training required.

The Company ensures that employees are informed of the Company's performance through periodic meetings and emails. The Company provides employees with regular information on matters as relevant to them through relevant communication channels and face-to-face meetings.

Political and Charitable Donations and Expenditure

The Company has not made any political or charitable donations or incurred any political or charitable expenditure during the financial year ended 31 December 2021 (2020: £Nil).

Going Concern

During 2021, the Company made a profit before tax of £8.10m (2020: £6.98m), and as at the Balance Sheet date had a net current asset position of £26.49m (2020: £19.22m) and a net asset position of £26.79m (2020: £20.24m). Cash and cash equivalents totalled £36.34m (2020: £16.18m), with undrawn facilities totalling £3.12m (2020: £34.00m). The Company maintained a positive net cash position throughout the 2021 year and continues to do so through 2022.

The Company has renewed the Trade Finance Facility of £25m with HSBC, but has terminated the unutilised Revolving Credit facility of £10.0m and the unutilised Invoice Finance facility of £15.0m as both were deemed surplus to requirement. On 1 September 2021, the Company, along with its immediate parent company, Islestarr Holdings Limited, entered into a Cash Pooling Arrangement with Puig S.L which will come into operation in 2022 and provide an alternative source of funding should the Company require.

Directors' Report (continued)

In 2021 we continued to fulfil our purpose to make everyone feel and look like the most beautiful version of themselves through the power of makeup and skincare. The growth in Turnover of 24.6% for the year was attributable to the re-opening of brick and mortar stores in both the UK and European markets following the Coronavirus ("COVID-19") pandemic lockdown measures of 2020 and the continued acquisition of new customers to online channels. Our focus on growing market share across existing markets continued at pace and we expanded our distribution footprint with new market entries into Poland, Australia and New Zealand.

The Directors have considered several scenarios which may have a different level of impact against the Company and Group plans and have performed a detailed review of the Company's projected cash flows and committed facilities over a period which extended beyond 12 months from the date of signing of these accounts.

This approach included a review of the Company's and Group financial position and performance, based on a range of scenarios with regard to trading performance and assumptions over FY22-FY25 including stress tested scenarios having regard to the principal risks and uncertainties faced by the business including specific consideration of the potential risks associated with COVID-19 resurgence, inflationary factors driven by recent increase in commodity and energy prices and sensitivity to the performance of management plans.

The Board reviewed the key assumptions across these scenarios which were designed to be severe but plausible, as well as the feasibility and reasonableness of the mitigations identified by the business. In assessing these cash flow forecasts, the Directors also reviewed the Company's committed borrowing and available facilities over a period which extended beyond 12 months from the date of signing of these accounts. Under both base case and severe but plausible scenarios, the Directors forecast sufficient headroom to meet the Company's liabilities as they fall due. The approach was discussed and agreed by the Board of Directors with the Board concluding in its view, the going concern assumption is appropriate.

Financial Risk Management

The Company's main exposure to financial risk is through liquidity, interest rate and currency risk exposure.

Liquidity Risk
The Company manages their financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Cash Flow is managed as part of the day to day operations and cash flow projections are used to determine drawdowns required on the working capital facilities.

Interest Rate Risk
The Company considers interest rate risk to be small. All interest payments and receipts into the cash flow forecasts which are monitored.

Foreign Currency Risk
The Company is exposed to exchange rate (FX) movements through the sales and procurement cycle. The Company has procedures in place to monitor the FX impact on cash inflows and outflows as required.

Research and Development

The Company did not undertake any research and development activities during the current or preceding year.

Engagement with suppliers, customers and others in a business relationship with the Company

Positive and collaborative relationships with our customers, supplier and wholesale partners and other stakeholders are critical to the Company's ongoing success.

Customer relationships are at the core of the business. Learning from the customer will continue to be a key aspect in helping to form future strategy.

Supplier relationships are critical to achieving the level of quality of product our customers engage with. Long term supplier relationships are critical to the Company's ongoing success.

Directors' Report (continued)

Government Support

As part of government financial support measures during the COVID-19 pandemic, the Company received in financial year 2021 £1,237,245 (2020: £ 2,992,247.11) in grants to help cover the cost of employees who were placed on furlough. As a result of the UK business's resilience in the face of the pandemic, and the strong performance subsequently delivered, the Company has paid back the furlough payments received from the UK government during the 2021 financial year.

Likely Future Developments

The Company will continue to pursue its strategic plan, including growth in existing and new markets while increasing its digital footprint.

Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency Actions

The Company has not disclosed detailed energy and carbon information as it is a low energy user with <40MWh energy use for the financial year ended 31 December 2021 and financial year ended 31 December 2020.

Actions the Company has taken to reduce its carbon footprint include: installation of LED lighting in our stores, ensuring heating/cooling systems are run on timers and switched off over night to save on energy; all printers are programmed to be on energy saving mode when not in use; lights are all on sensors so are switched off when space is unoccupied; portable heaters or coolers are not utilised and the promotion of a paperless working environment. The Company also encourages its employees to reduce their impact on the environment by offering Season Tickets for public transport and the 'Cycle to Work' scheme through its employee benefits package.

Branches Outside of the United Kingdom

As at the Balance Sheet date, the Company held interest in the following branches located outside of the UK:

- Charlotte Tilbury Beauty Limited Sucursal en España, a branch registered in Spain; and
- Charlotte Tilbury Beauty Limited Filiale a Italia, a branch registered in Italy.

Events after reporting date

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Statement as to Disclosure of Information to Auditor

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Ernst & Young LLP has been appointed in 2021 as auditor, to align with the wider Charlotte Tilbury group

ON BEHALF OF THE BOARD:

DocuSigned by:
D Pinsent
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Mrs D Pinsent - Director

Date: 12 August 2022

8 Surrey Street, London, WC2R 2ND
Company Registered Number: 08037372

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLOTTE TILBURY BEAUTY LIMITED

Opinion

We have audited the financial statements of Charlotte Tilbury Beauty Limited for the year ended 31 December 2021, which comprise the profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the thirteen month period to September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework FRS 102 "The

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Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, the Companies (Miscellaneous Reporting) Regulation and relevant health and safety, anti-bribery, anti-money laundering, privacy and tax laws and regulations.

- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, discussions with those charged with governance as well as consideration of the results of our audit procedures across the Company and we did not identify any contradictory evidence.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand their process of identification and assessment of risk and how these risks are being mitigated. We also considered performance targets and their influence on efforts made by management to manage earnings. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. We also considered the risk of fraud through management override of controls and, in response, incorporated data analytics into our testing of manual journal entries. Where the risk of material misstatement was considered to be higher, we performed specific audit procedures to address each identified risk of material misstatement including fraud risk. These procedures included testing manual journals and tracing these back to the source documentation.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Our procedures involved: journal entry testing using data analytics in relation to the identified fraud risk with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and reviewing the disclosures in the financial statements. Our procedures also involved enquiries of Company management and those charged with governance

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

Use of our report

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

Ernst & Young LLP

Mohan Pandian (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

12/08/2022

Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2021

	Notes	31.12.21 £	31.12.20 £
Turnover	2	**224,845,489**	180,498,648
Cost of Sales		**(85,525,423)**	(68,386,132)
Gross Profit		**139,320,066**	112,112,516
Administrative Expenses		**(131,887,882)**	(108,148,494)
Other Operating Income	4	**1,122,763**	3,475,211
Operating Profit	5	**8,554,947**	7,439,233
Interest Payable and Similar Expenditure	11	**(453,342)**	(460,510)
Interest Receivable and Similar Income		-	1,782
Profit Before Taxation		**8,101,605**	6,980,505
Tax Expense on Profit	6	**(1,556,090)**	(1,469,331)
Profit for the Financial Year		**6,545,515**	5,511,174

The operating profit for the current and prior year arises from the Company's continuing operations.

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 18-28 form part of these financial statements

Statement of Financial Position
As at 31 December 2021

	Notes	31.12.21 £	31.12.21 £	31.12.20 £	31.12.20 £
Fixed Assets					
Intangible Assets	7		**231,424**		255,322
Tangible Assets	8		**786,366**		1,006,075
			1,017,790		1,261,397
Current assets					
Stocks	9	**39,569,130**		34,471,687	
Debtors: Amounts Falling Due Within One Year	10	**78,081,025**		81,522,601	
Cash at Bank and in Hand		**36,341,098**		16,182,987	
		153,991,253		132,177,275	
Creditors					
Amounts Falling Due Within One Year	11	**(127,498,583)**		(112,960,383)	
Net Current Assets			**26,492,670**		19,216,892
Total Assets Less Current Liabilities			**27,510,460**		20,478,289
Creditors					
Amounts Falling Due After One Year	12		**(713,855)**		(193,670)
Provisions for Liabilities	14		**(11,089)**		(44,618)
Net Assets			**26,785,516**		20,240,001
Capital and Reserves					
Called Up Share Capital	15		**1**		1
Retained Earnings			**26,785,515**		20,240,000
Shareholders' Funds			**26,785,516**		20,240,001

The financial statements were approved by the Board of Directors on 12 August 2022 and were signed on its behalf by:

DocuSigned by:
D Pinsent
CBBDF4595293434...

Mrs D Pinsent – Director
Company Registered Number: 08037372

The notes on pages 18-28 form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called Up Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2020	1	14,728,826	14,728,827
Total Comprehensive Income	-	5,511,174	5,511,174
At 31 December 2020	1	20,240,000	20,240,001
Total Comprehensive Income	**-**	**6,545,515**	**6,545,515**
At 31 December 2021	**1**	**26,785,515**	**26,785,516**

The notes on pages 15-28 form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 December 2021

1. Accounting Policies

1.1 Basis of Preparation of Financial Statements

Charlotte Tilbury Beauty Limited (the "**Company**") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 08037372 and the registered address is 8 Surrey Street, Temple, London, WC2R 2ND.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("**FRS 102**"). The presentation currency of these financial statements is sterling (£), unless otherwise stated, all amounts are stated in sterling and rounded to the nearest £1.

The Company's ultimate parent undertaking, Puig S.L., includes the Company in its consolidated financial statements. The consolidated financial statements of Puig S.L. are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Puig S.L., Plaza Europa 46-48, 08902 L'Hospitalet de Llobregat, Barcelona, Spain. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Puig S.L. include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going Concern

During 2021, the Company made a profit before tax of £8.10m (2020: £6.98m), and as at the Balance Sheet date had a net current asset position of £26.49m (2020: £19.22m) and a net asset position of £26.79m (2020: £20.24m). Cash and cash equivalents totalled £36.34m (2020: £16.18m), with undrawn facilities totalling £3.12m (2020: £34.00m). The Company maintained a positive net cash position throughout the 2021 year and continues to do so through 2022.

During the year, the Company has renewed the Trade Finance Facility of £25m with HSBC, but has terminated the unutilised Revolving Credit facility of £10.00m and the unutilised Invoice Finance facility of £15.00m as both were deemed surplus to requirement. On 1 September 2021, the Company, along with its immediate parent entity, Islestarr Holdings Limited, entered into a Cash Pooling Arrangement with Puig S.L which will come into operation in 2022 and provide an alternative source of funding should the Company require.

In 2021 we continued to fulfil our purpose to make everyone feel and look like the most beautiful version of themselves through the power of makeup and skincare. The growth in Turnover of 24.6% for the year was attributable to the re-opening of brick and mortar stores in both the UK and European markets following the Coronavirus ("COVID-19") pandemic lockdown measures of 2020 and the continued acquisition of new customers to online channels. Our focus on growing market share across existing markets continued at pace and we expanded our distribution footprint with new market entries into Poland, Australia and New Zealand.

The Directors have considered several scenarios which may have a different level of impact against the Company and Group plans and have performed a detailed review of the Company's projected cash flows and committed facilities over a period which extended beyond 12 months from the date of signing of these accounts.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

1. Accounting Policies (continued)

1.2 Going Concern (continued)

This approach included a review of the Company's and Group financial position and performance, based on a range of scenarios with regard to trading performance and assumptions over FY22-FY25 including stress tested scenarios having regard to the principal risks and uncertainties faced by the business including specific consideration of the potential risks associated with COVID-19 resurgence, inflationary factors driven by recent increase in commodity and energy prices and sensitivity to the performance of management plans.

The Board reviewed the key assumptions across these scenarios which were designed to be severe but plausible, as well as the feasibility and reasonableness of the mitigations identified by the business. In assessing these cash flow forecasts, the Directors also reviewed the Company's committed borrowing and available facilities over a period which extended beyond 12 months from the date of signing of these accounts. Under both base case and severe but plausible scenarios, the Directors forecast sufficient headroom to meet the Company's liabilities as they fall due. The approach was discussed and agreed by the Board of Directors with the Board concluding in its view, the going concern assumption is appropriate.

1.3 Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The items in the financial statements where these estimates have been made include:

Stock Provisions
Where necessary, a provision is made for obsolete and slow-moving stock. A provision is based on their probable net realisable value, estimated on the basis of historical and projected data.

Provision for Trade Debtors
The provision for trade debtors assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the aging of open debts as well as known issues or concerns relating to debts with specific customers.

1.4 Foreign Currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Interest Receivable and Payable

Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of value added tax ("**VAT**") and trade discounts. Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually at the point the customer has taken delivery of the goods.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

1. Accounting Policies (continued)

1.7 Other Operating Income: Government Grants

Grants received from the government are accounted for under the accruals model, as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Profit and Loss and Other Comprehensive Income in the same period as the related expenditure. Amounts recognised in the Statement of Profit and Loss and Other Comprehensive Income are presented under the heading 'Other Operating Income'.

1.8 Intangible Fixed Assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Product development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- the technical feasibility of completing the product so that it will be available for use or sale;
- the intention to complete the product and use or sell it;
- the ability to use the product or to sell it;
- how the product will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the product; and
- the ability to measure reliably the expenditure attributable to the development of the product.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Patents and Licences	5-10 years
Product Development Costs	5 years
Website Development Costs	5 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

1.9 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful economic lives on a straight-line basis, except where otherwise indicated. The principal annual rates used for this purpose are as follows:

Plant and Machinery	-	25% on reducing balance, or 20% /33% on cost
Furniture and Fittings	-	33% on cost
Assets Under Construction	-	Not depreciated

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets not currently available for use are categorised as work in progress and will commence depreciation over its useful life from the date the asset is available for use.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

1. Accounting Policies (continued)

1.10 Impairment of Assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.11 Cash and Cash Equivalents

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

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the weighted average cost approach. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.13 Basic Financial Instruments

Trade and Other Debtors / Creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.14 Provision for Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Company recognises a provision for holiday leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the expected salary cost payable over the next 12 months and includes an amount for on costs such as employer's national insurance.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

1. Accounting Policies (continued)

1.15 Pensions

Defined Contribution Pension Plan
The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the fund are held separately from the Company in independently administered funds.

1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for:

- differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and
- differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

2. Turnover

Turnover, analysed geographically between markets, is as follows:

	31.12.21	31.12.20
	£	£
UK	**162,421,316**	143,840,228
Rest of the World	**62,424,173**	36,658,420
	224,845,489	180,498,648

Turnover in the current and prior year is derived solely from the sale of goods.

3. Staff Numbers and Costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	31.12.21	31.12.20
	Number	Number
Sales Staff	**576**	621

The aggregate payroll costs of these persons were as follows:

	31.12.21	31.12.20
	£	£
Wages and Salaries	**8,780,994**	9,213,484
Social Security Costs	**998,281**	913,545
Pension Costs	**205,006**	227,788
	9,984,281	10,354,817

There was an outstanding creditor balance at the year-end in respect of defined contribution pension plans of £29,839 (2020: £35,239).

Directors Remuneration

Current and prior year directors' emoluments were borne by the Company's immediate parent, Islestarr Holdings Limited. The amount attributable to services provided in relation to the Company is considered to be £447,000 (2020: £384,000) of which £229,000 (2020: £198,000) relates to the highest paid Director. Company pension contributions attributable are £Nil (2020: £Nil) of which £Nil (2020: £Nil) relates to the highest paid Director.

4. Other Operating Income

	31.12.21	31.12.20
	£	£
Government Grants	1,122,763	3,473,364
Other Operating Income	-	1,847
	1,122,763	**3,475,211**

As part of the financial support measures during the COVID-19 pandemic, the Company received £1,122,763 (2020: £3,473,364) in grants to help cover the cost of employees who were placed on furlough.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

5. Operating Profit and Auditor's Remuneration

Included in the profit are the following:

	31.12.21	31.12.20
	£	£
Depreciation	**426,696**	401,568
Amortisation	**74,531**	76,309
Loss on Disposal of Fixed Assets	**11,886**	100,838
Auditor's Remuneration	**100,000**	63,700
Direct Foreign Exchange Loss/ (Gains)	**832,591**	(3,409,015)

The Company does not have any operating lease commitments in the current or prior year.

6. Taxation

The tax expense on the profit on ordinary activities for the year was as follows:

	31.12.21		31.12.20	
	£	£	£	£
Current tax				
Current tax on income for the period	**1,495,813**		1,297,230	
Adjustments in respect of prior periods	**61,419**		134,131	
Foreign taxation	**32,387**		82,065	
Double taxation relief	**-**		(370)	
Total current tax		**1,589,619**		1,513,056
Deferred tax				
Origination and reversal of timing differences	**(27,131)**		29,720	
Adjustments in respect of prior periods	**(15,571)**		(75,013)	
Effect of tax rate change on opening balance	**9,173**		1,568	
Total deferred tax		**(33,529)**		(43,725)
Total Tax Expense		**1,556,090**		1,469,331

Reconciliation of total tax expense included in profit and loss
The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK.

The differences are explained below.

	31.12.21	31.12.20
	£	£
Profit Before Tax	**8,101,605**	6,980,505
Total Tax at 19.00% (2020: 19.00%)	**1,539,305**	1,326,296
Effects of:		
Fixed Assets Differences	**(21,441)**	84
Expenses not Deductible for Tax Purposes	**(42,670)**	570
Foreign Tax Credits	**-**	81,695
Prior period adjustment to deferred tax	**(15,571)**	-
Adjustments in Respect of Previous Periods	**93,806**	59,118
Remeasurement of Deferred Tax for Changes in Tax Rates	**2,661**	1,568
Total Tax Expense	**1,556,090**	1,469,331

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

6. Taxation (continued)

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

7. Intangible Fixed Assets

	Patents and Licences £	Product Development Costs £	Website Development Costs £	Total £
COST				
At 1 January 2021	33,305	98,227	249,680	381,212
Additions	-	10,921	39,712	50,633
At 31 December 2021	**33,305**	**109,148**	**289,392**	**431,845**
AMORTISATION				
At 1 January 2021	13,321	40,083	72,486	125,890
Amortisation for Year	3,330	19,563	51,638	74,531
At 31 December 2021	**16,651**	**59,646**	**124,124**	**200,421**
NET BOOK VALUE				
At 31 December 2021	**16,654**	**49,502**	**165,268**	**231,424**
At 31 December 2020	19,984	58,144	177,194	255,322

As at 31 December 2021, HSBC has fixed and floating charges over all assets and undertaking of the Company, including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

8. Tangible Fixed Assets

	Fixtures and Fittings £	Plant and Machinery £	Assets Under Construction £	Total £
COST				
At 1 January 2021	372,861	1,324,338	47,035	1,744,234
Additions	-	206,998	11,875	218,873
Transfers	-	35,232	(35,232)	-
Disposals	-	-	(11,886)	(11,886)
At 31 December 2021	**372,861**	**1,566,568**	**11,792**	**1,951,221**
DEPRECIATION				
At 1 January 2021	208,610	529,549	-	738,159
Expense for Year	163,972	262,724	-	426,696
At 31 December 2021	**372,582**	**792,273**	-	**1,164,855**
NET BOOK VALUE				
At 31 December 2021	**279**	**774,295**	**11,792**	**786,366**
At 31 December 2020	164,251	794,789	47,035	1,006,075

As at 31 December 2021, HSBC has fixed and floating charges over all assets and undertaking of the Company, including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

9. Stocks

	31.12.21 £	31.12.20 £
Work in Progress	**13,300,927**	7,424,410
Finished Goods	**30,481,592**	31,533,957
Stock provisions	**(4,213,389)**	(4,486,680)
	39,569,130	34,471,687

There is no significant difference between the replacement cost of finished goods and their carrying amounts. Finished goods recognised in cost of sales amounted to £36,883,463 (2020: £27,943,473). The impairment of stocks to net realisable value amounted to £1,515,520 (2020: £4,081,933). Of this amount, £251,374 (2020: £2,036,187) relates to samples, testers, collateral and packaging and has been recorded in administrative expenses in the Statement of Profit and Loss and Other Comprehensive Income, with the remaining balance of £1,264,146 (2020: £2,045,756) being recognised in cost of sales.

10. Debtors: Amounts Falling Due Within One Year

	31.12.21 £	31.12.20 £
Trade Debtors	**20,207,014**	14,670,238
Amounts Owed by Group Undertakings	**51,330,054**	60,795,809
Other Debtors	**2,323,118**	392,216
Corporate Tax Debtor	**13,145**	-
Prepayments and Accrued Income	**4,207,694**	5,664,338
	78,081,025	81,522,601

Amounts Owed by Group Undertakings
Amounts Owed by Group Undertakings are on interest free terms and are payable on demand.

11. Creditors: Amounts Falling Due Within One Year

	31.12.21 £	31.12.20 £
Trade Creditors	**4,774,356**	3,652,719
Amounts Owed to Group Undertakings	**76,602,326**	68,170,876
Corporate Tax Liability	**255,652**	204,250
Social Security and Other Taxes	**6,003,302**	6,860,820
Other Creditors	**7,597,387**	9,774,359
Trade Finance Liability	**21,881,792**	16,198,315
Accrued Expenses and Deferred Income	**10,383,768**	8,099,044
	127,498,583	112,960,383

Amounts Owed to Group Undertakings
Amounts Owed to Group Undertakings are on interest free terms and are payable on demand.

Trade Finance Liability
Trade finance facility is an interest-bearing facility which is payable on demand. Interest is payable monthly. Details of the secured trade finance liability are below at Note 13. The associated interest expense for the year is £437,260 (2020: £255,303). There was no interest charged on the Receivables Finance Facility (2020: £205,207).

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

12. Creditors: Amounts Falling Due After One Year

	31.12.21	31.12.20
	£	£
Accruals and Deferred Income	713,855	193,670
	713,855	193,670

13. Secured Debts

As at 31 December 2021, HSBC holds a debenture for the provision to the Company for a £25,000,0000- trade finance facility and £500,000 overdraft facility. In addition, at 31 December 2020, the Company maintained a multi-currency Revolving Credit Facility (RCF) to the value of £10,000,000, a facility jointly signed by the Company and its immediate parent, Islestarr Holdings Limited. This unutilised facility was terminated during the year ended 31 December 2021 as it was deemed surplus to requirements.

The debenture comprises fixed and floating charges over all assets and undertaking of parent company, Islestarr Holdings Limited including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

An unlimited composite guarantee is in place, given by Islestarr Holdings Limited (Company) and Charlotte Tilbury Beauty Limited (Company) to secure all liabilities of each other.

14. Provisions for Liabilities

	Deferred Tax
	£
Balance at 1 January 2021	44,618
Credited to Profit or Loss During the Year (Note 6)	(33,529)
Balance at 31 December 2021	**11,089**

The deferred tax liability relates to accelerated capital allowances and short term temporary timing differences.

15. Called Up Share Capital

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	**31.12.21**	31.12.20
			£	£
1 (2020: 1)	Ordinary	£1	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

16. Immediate and Ultimate Parent Company

The Company is an immediate subsidiary of Islestarr Holdings Limited, a company incorporated and registered in England and Wales.

The ultimate parent undertaking and controlling party and the largest group to consolidate these financial statements is Puig S.L. Copies of the Puig S.L. consolidated financial statements can be obtained from Puig S.L., Plaza Europa 46-48, 08902 L'Hospitalet de Llobregat, Barcelona, Spain. No other group financial statements include the results of the Company.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2021

17. Related Party Disclosures

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*', not to disclose related party transactions with wholly owned subsidiaries within the Group.