

REGISTERED NUMBER: 08037372 (England and Wales)

Charlotte Tilbury Beauty Limited

**Annual Report and Financial Statements
for the Year Ended
31 December 2020**



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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:

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Strategic Report

The directors present their strategic report of Charlotte Tilbury Beauty Limited (the “Company”) for the year ended 31 December 2020.

Principal Activity

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

Review of Business

Across the Company, by 9 March 2020, all Bricks and Mortar doors closed, as a result of the Coronavirus (“COVID-19”) pandemic. However, the Company was able to quickly pivot and move the majority of revenue to online sources, particularly through Charlottetilbury.com. Despite COVID-19, the Company ended the year with positive year-on-year growth, with a significant portion of this growth coming from online channels.

On 19 March 2020, the Company’s existing Invoice Financing facility increased from £10.00m to £15.00m. On 20 March 2020, the Company’s existing Trade Financing facility with HSBC increased from £15.00m to £25.00m

On 15 May 2020, a multi-currency Revolving Credit Facility (RCF) to the value of £10.00m was signed between Charlotte Tilbury Beauty Limited and Islestarr Holdings Limited, the Company’s immediate parent entity (the borrowers) and HSBC UK Bank plc. On 14 April 2021, the unutilised facility was deemed surplus to requirements and the Agreement terminated.

On 23 June 2020, the entire issued share capital of the Company’s immediate parent entity, Islestarr Holdings Limited, was acquired by Charlotte Tilbury Limited, a subsidiary of Puig, S.L. As part of the transaction, Puig acquired a majority stake in the business and the Founder and CEO retained a minority stake.

As a result of the on-going Coronavirus pandemic, during the first quarter of 2021, all physical distribution across the UK and most of Europe remained closed as a result of Coronavirus, however the company’s performance via online channels remained strong. All UK Bricks and Mortar doors (both owned and operated and Retailer doors) re-opened on 12 April 2021, inline with government guidelines.

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..

As shown in the Statement of Profit and Loss and Other Comprehensive Income on page 14, the Company’s turnover has increased significantly by 16.2% to £180.50m (2019: £155.27m) for the year under review. The Company achieved an EBITDA result for the year of £7.92m (2019: £6.31m).

Key Performance Indicators (“KPI’s”)

The Company’s KPI’s are as follows:

	2020	2019	Growth
	£000	£000	%
Turnover	180,499	155,268	16.2
Gross Margin (%)	62.3%	62.8%	
Profit Before Taxation	6,981	5,769	21.0
EBITDA ¹	7,917	6,306	25.5
Current Assets	1.2	1.1	
Average Number of Employees	621	582	6.6

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

Strategic Report (continued)

Reconciliation from Net Profit After Tax to EBITDA:

	2020	2019
	£000	£000
Net Profit After Tax	5,511	4,654
<i>Add Back:</i>		
Net Interest Expense	459	372
Tax Expense	1,469	1,115
Depreciation	402	149
Amortisation	76	16
EBITDA	<u>7,917</u>	<u>6,306</u>

Principal Risks and Uncertainties

The Company has appropriate processes in place to actively identify, manage and mitigate risks. Risks are constantly reviewed by the management of the Company and reported to the Board. The principal risks and uncertainties facing the Company are broadly grouped as follows:

- **Coronavirus**

The most significant external risk facing the Company is the Coronavirus pandemic. As the impact of the virus continues to lessen, with the phased easing of lockdown restrictions during Q1 and Q2 of FY2021 across the UK, the Company still remains focused on ensuring the safety and wellbeing of its customers, staff and partners. The Company has felt the impact of the temporary closure of the majority of their Bricks and Mortar doors throughout both 2020 and 2021 and continues to manage any ongoing risk as distribution across the UK and Europe starts to reopen.

To manage this ongoing risk the Company has tightly managed their cash flow, taking action and putting in place measures to maintain sufficient liquidity to meet the businesses ongoing needs including the reduction of discretionary spend and focusing towards business needs to support trade throughout this time. The Company's Supply Chain faced minimal disruption at this time.

Management will continue to follow Government guidance with the wellbeing and safety of staff, customers and the wider community front of mind.

- **Market Risks**

In a market characterised by rapid product innovation, new market entrants, and changing consumer behaviour, the Company faces competitive pressures and is required to ensure that the product offering, channel distribution and marketing strategies remain relevant in a constantly changing market. The Company manages and mitigates these risks by investing significantly in new product development, continually reviewing the channel distribution, building strong relationships with wholesale partners, focusing on the consumer demand for credible expertise and education as well as adapting the way in which the brand communicates and engages with its customers.

- **Legislative Risks**

On 23 June 2016, the UK electorate voted to discontinue its membership of the European Union. The UK Government further triggered article 50 on 29 March 2017 to start the formal process of leaving the EU. The UK formally left the EU on 31 January 2020 and entered a period of transition which ended on 31 December 2020.

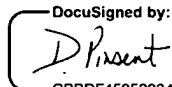
The Company has engaged proactively across the business to understand, assess, plan and implement operational actions that may be required now that the UK has left the EU. Actions included relocating and moving inventory into a new EU warehouse, assessing Right to Work documents and processes and working with advisors to ensure Fiscal representation across all EU countries. Due to the mitigating steps the Company took in relation to Brexit planning early on, the Company has been fortunate to only encounter minimal disruption as a result of the event. Management and the Board continue to monitor on a regular basis any new risks as they arise.

Strategic Report (continued)

Section 172 statement

This section should be read in conjunction with the whole Strategic Report. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders including the impact of its activities on the community, the environment and the Company's reputation when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the Company for its members long term.

ON BEHALF OF THE BOARD:

DocuSigned by:


CBBDF4595293434
Mrs D Pinsent - Director

Date: 12th October 2021

Directors' Report

The Directors present their report, together with the audited financial statements of the Company for the year ended 31 December 2020. Details of principal activities and performance can be found in the Strategic Report on pages 4-6.

Dividends

No dividends will be distributed for the year ended 31 December 2020 (2019: £Nil).

Results

The audited financial statements for the year ended 31 December 2020 are set out on pages 14 - 27. The profit for the year, after taxation, as detailed in the Statement of Profit and Loss and Other Comprehensive Income on page 14, amounted to £5.51m (2019: £4.65m).

Directors

The directors shown below have held office during the whole of the period from 1 January 2020 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 (2019: £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 2020 (2019: £Nil).

Events Since the Balance Sheet Date

Details of events since the balance sheet date can be found at Note 18 of the financial statements.

Going Concern

During 2020, the Company made a profit before tax of £6.98m (2019: £4.65m), and as at the Balance Sheet date had a net current asset position of £19.22m (2019: £13.71m) and a net asset position of £20.24m (2019: £14.73m). Cash and cash equivalents totalled £16.18m (2019: £6.37m), with undrawn facilities totalling ~£34.00m (2019: ~£10.00m). Of the undrawn facility balance at 31 December 2020, £10.00m related to the unutilised Revolving Credit Facility (a joint facility entered into with the Company's immediate parent entity, Islestarr Holdings Limited) which was terminated post year-end, as it was deemed surplus to requirements. In addition, 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..

In determining whether it is appropriate to adopt the going concern basis for the foreseeable future, consideration needs to be given towards Company performance during 2020 and performance subsequent to the Balance Sheet date, with reference to trade in the face of the ongoing COVID-19 pandemic.

Directors' Report (continued)**Going Concern (continued)**

Following the UK entering its first lockdown in March 2020 and during the periods of further, localised lockdowns during the financial year (and post balance sheet date), the Company moved solely to online sales in all of its key markets while stores and concessions were closed. In response to this, the Company initially took a number of actions to manage liquidity and covenant compliance including: securing additional financing by extending current Trade Financing to £25.0m and Receivables Financing to £15.0m, as well as putting in place a £10.0m Revolving Credit Facility (a facility which has since been terminated post year-end due to it being unutilised) and therefore adding an additional £25.0m liquidity to the Balance Sheet. Further actions included revising covenants, furloughing staff, carefully managing non-essential spend and entering into negotiations with landlords and suppliers.

While the Company has seen Bricks and Mortar trade shut down nationally as a result of the pandemic, the Company has performed exceptionally well during H1 of FY2021, with an overperformance against a budget; a budget that had not forecast the extended closure of Bricks and Mortar stores. The Company has seen some resurgence in Bricks and Mortar as markets have started to open in Q2 FY2021, however online consumer spend continues to be the dominant sales channel, with ~63% of all sales being made via online channels.

The Directors have considered the impact of COVID-19 carefully and have performed a detailed review of the Company's projected cash flows, committed facilities and the covenants within its borrowing facilities over a period which extended beyond 12 months from the date of these accounts. The approach included a review of the Company's financial position and performance, a range of scenarios with regard to trading performance and assumptions over FY21-FY22 including assumptions to reflect 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.

The scenarios set out the possible cash impact for different levels of sales. They then set out the measures which the business could take to control costs, conserve cash and meet its liabilities as they fall due. These severe but feasible scenarios assumed that consumer confidence does not return at all in FY21 and there were additional lockdowns resulting in no physical sales. Specifically, the severe but plausible case has modelled out prudent assumptions that had a 2-month lockdown in the Winter of 2021 where there was no physical trade, having a significant and adverse impact on physical Bricks and Mortar trade. Additionally, the severe but plausible case reflected adjustments to the expectation of non-essential spend and reducing key areas of marketing spend to focus on returns that would promote online trade.

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 the period to 31 December 2022. 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.

Directors' Report (continued)**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.

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 2020.

Actions taken by the Company to reduce its impact on the environment and carbon footprint, include encouraging employees to utilise public transport by offering season tickets within its benefits package offering, as well as partaking in the Cycle to Work Scheme.

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.

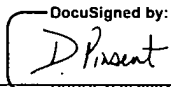
Statement as to Disclosure of Information to Auditor

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

Subject to Board approval, Ernst & Young LLP are proposed to be appointed in 2021 as auditor, to align with the wider Charlotte Tilbury group.

ON BEHALF OF THE BOARD:

DocuSigned by:


Mrs D Pinsent - Director

Date: 12th October 2021

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 ("the company") for the year ended 31 December 2020 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of, the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related 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 going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Considering remuneration incentive schemes and performance targets for management and directors.
-

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Members of Charlotte Tilbury Beauty Limited (continued)

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that B2B revenue is recorded in the wrong period, the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition for any other revenue streams because there are limited judgments and revenue is predominantly recognised at the point of sale, reducing the opportunity and incentive to commit fraud.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or unexpected accounts where one side of the journal was posted to cash, or where the credit side of the journal was posted to revenue.
- Assessing significant accounting estimates for bias, including inventory provisions.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of Charlotte Tilbury Beauty Limited (continued)**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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 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.



Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
15th October 2021

**Statement of Profit and Loss and Other Comprehensive Income
for the Year Ended 31 December 2020**

	Notes	31.12.20 £	31.12.19 £
Turnover	2	180,498,648	155,268,379
Cost of Sales		(68,386,132)	(57,745,187)
Gross Profit		112,112,516	97,523,192
Administrative Expenses		(108,148,494)	(91,441,457)
Other Operating Income	4	3,475,211	59,571
Operating Profit	5	7,439,233	6,141,306
Interest Payable and Similar Expenditure	11	(460,510)	(378,200)
Interest Receivable and Similar Income		1,782	5,679
Profit Before Taxation		6,980,505	5,768,785
Tax Expense on Profit	6	(1,469,331)	(1,115,219)
Profit for the Financial Year		5,511,174	4,653,566

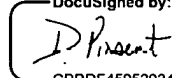
The operating profit for the current and prior year arises from the Company's continuing operations.

There was no other comprehensive income for 2020 (2019: £Nil).

**Statement of Financial Position
As at 31 December 2020**

	Notes	31.12.20 £	£	31.12.19 £	£
Fixed Assets					
Intangible Assets	7		255,322		298,909
Tangible Assets	8		1,006,075		807,160
			<u>1,261,397</u>		<u>1,106,069</u>
Current assets					
Stocks	9	34,471,687		35,428,434	
Debtors: Amounts Falling Due Within One Year	10	81,522,601		239,456,836	
Cash at Bank and in Hand		16,182,987		6,370,182	
		<u>132,177,275</u>		<u>281,255,452</u>	
Creditors					
Amounts Falling Due Within One Year	11	(112,960,383)		(267,544,351)	
Net Current Assets			<u>19,216,892</u>		<u>13,711,101</u>
Total Assets Less Current Liabilities			<u>20,478,289</u>		<u>14,817,170</u>
Creditors					
Amounts Falling Due After One Year	12		(193,670)		-
Provisions for Liabilities	14		(44,618)		(88,343)
Net Assets			<u>20,240,001</u>		<u>14,728,827</u>
Capital and Reserves					
Called Up Share Capital	15		1		1
Retained Earnings			<u>20,240,000</u>		<u>14,728,826</u>
Shareholders' Funds			<u>20,240,001</u>		<u>14,728,827</u>

The financial statements were approved by the Board of Directors on 12th October 2021 and were signed on its behalf by:

DocuSigned by:

 CBBDF4595293434...

Mrs D Pinsent – Director
 Company Registered Number: 08037372

The notes on pages 17-27 form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2020**

	Called Up Share Capital £	Retained Earnings £	Total Equity £
At 1 January 2019	1	10,075,260	10,075,261
Total Comprehensive Income	-	4,653,566	4,653,566
At 31 December 2019	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

The notes on pages 17-27 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020****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 2020, the Company made a profit before tax of £6.98m (2019: £4.65m), and as at the Balance Sheet date had a net current asset position of £19.22m (2019: £13.71m) and a net asset position of £20.24m (2019: £14.73m). Cash and cash equivalents totalled £16.18m (2019: £6.37m), with undrawn facilities totalling ~£34.00m (2019: ~£10.00m). Of the undrawn facility balance at 31 December 2020, £10.00m related to the unutilised Revolving Credit Facility (a joint facility entered into with the Company’s immediate parent entity, Islestarr Holdings Limited) which was terminated post year-end, as it was deemed surplus to requirements. In addition, 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..

In determining whether it is appropriate to adopt the going concern basis for the foreseeable future, consideration needs to be given towards Company performance during 2020 and performance subsequent to the Balance Sheet date, with reference to trade in the face of the ongoing COVID-19 pandemic.

Following the UK entering its first lockdown in March 2020 and during the periods of further, localised lockdowns during the financial year (and post balance sheet date), the Company moved solely to online sales in all of its key markets while stores and concessions were closed. In response to this, the Company initially took a number of actions to manage liquidity and covenant compliance including: securing additional financing by extending current Trade Financing to £25.0m and Receivables Financing to £15.0m, as well as putting in place a £10.0m Revolving Credit Facility (a facility which has since been terminated post year-end due to it being unutilised) and therefore adding an additional £25.0m liquidity to the Balance Sheet. Further actions included revising covenants, furloughing staff, carefully managing non-essential spend and entering into negotiations with landlords and suppliers.

1. Accounting Policies (continued)**1.2 Going Concern (continued)**

While the Company has seen Bricks and Mortar trade shut down nationally as a result of the pandemic, the Company has performed exceptionally well during H1 of FY2021, with an overperformance against a budget; a budget that had not forecast the extended closure of Bricks and Mortar stores. The Company has seen some resurgence in Bricks and Mortar as markets have started to open in Q2 FY2021, however online consumer spend continues to be the dominant sales channel, with ~63% of all sales being made via online channels.

The Directors have considered the impact of COVID-19 carefully and have performed a detailed review of the Company's projected cash flows, committed facilities and the covenants within its borrowing facilities over a period which extended beyond 12 months from the date of these accounts. The approach included a review of the Company's financial position and performance, a range of scenarios with regard to trading performance and assumptions over FY21 - FY22 including assumptions to reflect 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.

The scenarios set out the possible cash impact for different levels of sales. They then set out the measures which the business could take to control costs, conserve cash and meet its liabilities as they fall due. These severe but feasible scenarios assumed that consumer confidence does not return at all in FY21 and there were additional lockdowns resulting in no physical sales. Specifically, the severe but plausible case has modelled out prudent assumptions that had a 2-month lockdown in the Winter of 2021 where there was no physical trade, having a significant and adverse impact on physical Bricks and Mortar trade. Additionally, the severe but plausible case reflected adjustments to the expectation of non-essential spend and reducing key areas of marketing spend to focus on returns that would promote online trade.

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 the period to 31 December 2022. 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. Accounting Policies (continued)**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.

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.

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.

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. Accounting Policies (continued)

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Turnover

Turnover, analysed geographically between markets, is as follows:

	31.12.20	31.12.19
	£	£
UK	143,840,228	142,663,057
Rest of the World	36,658,420	12,605,322
	<u>180,498,648</u>	<u>155,268,379</u>

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:

	31.12.20	31.12.19
	Number	Number
Sales Staff	621	582

The aggregate payroll costs of these persons were as follows:

	31.12.20	31.12.19
	£	£
Wages and Salaries	9,213,484	9,908,584
Social Security Costs	913,545	1,200,048
Pension Costs	227,788	230,191
	<u>10,354,817</u>	<u>11,338,823</u>

There was an outstanding creditor balance at the year-end in respect of defined contribution pension plans of £35,239 (2019: £98,291).

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 £384,000 (2019: £380,000) of which £198,000 (2019: £219,000) relates to the highest paid Director. Company pension contributions attributable are £Nil (2019: £4,300) of which £Nil (2019: £4,000) relates to the highest paid Director.

4. Other Operating Income

	31.12.20	31.12.19
	£	£
Government Grants	3,473,364	-
Other Operating Income	1,847	59,571
	<u>3,475,211</u>	<u>59,571</u>

As part of the government's financial support measures during the COVID-19 pandemic, the Company received £3,473,364 (2019: £Nil) in grants from the Coronavirus Job Retention Scheme in order to help cover the cost of employees who were placed on furlough during the year.

5. Operating Profit and Auditor's Remuneration

Included in the profit are the following:

	31.12.20	31.12.19
	£	£
Depreciation	401,568	148,562
Amortisation	76,309	15,994
Loss on Disposal of Fixed Assets	100,838	107,101
Auditor's Remuneration	63,700	36,000
Direct Foreign Exchange Gains	(3,409,015)	(1,814,140)

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:

	31.12.20		31.12.19	
	£	£	£	£
<i>Current tax</i>				
Current tax on income for the period	1,297,230		1,051,190	
Adjustments in respect of prior periods	134,131		14,616	
Foreign taxation	82,065		-	
Double taxation relief	(370)		(4,315)	
Total current tax	<u>1,513,056</u>		<u>1,061,491</u>	
<i>Deferred tax</i>				
Origination and reversal of timing differences	29,720		54,507	
Adjustments in respect of prior periods	(75,013)		(779)	
Effect of tax rate change on opening balance	1,568		-	
Total deferred tax	<u>(43,725)</u>		<u>53,728</u>	
Total Tax Expense	<u>1,469,331</u>		<u>1,115,219</u>	

Reconciliation of total tax expense included in profit and loss

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK.

The differences are explained below.

	31.12.20	31.12.19
	£	£
Profit Before Tax	<u>6,980,505</u>	<u>5,768,785</u>
Total Tax at 19.00% (2019: 19.00%)	<u>1,326,296</u>	<u>1,096,072</u>
<i>Effects of:</i>		
Fixed Assets Differences	84	-
Expenses not Deductible for Tax Purposes	570	3,063
Foreign Tax Credits	81,695	-
Impact of Rate Difference Between Deferred and Current Tax	-	(6,412)
Adjustments in Respect of Previous Periods	59,118	22,496
Remeasurement of Deferred Tax for Changes in Tax Rates	1,568	-
Total Tax Expense	<u>1,469,331</u>	<u>1,115,219</u>

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date, the deferred tax liability would have increased by £14,090.

7. Intangible Fixed Assets

	Patents and Licences £	Product Development Costs £	Website Development Costs £	Total £
COST				
At 1 January 2020	33,305	65,505	249,680	348,490
Additions	-	32,722	-	32,722
At 31 December 2020	33,305	98,227	249,680	381,212
AMORTISATION				
At 1 January 2020	9,991	30,017	9,573	49,581
Amortisation for Year	3,330	10,066	62,913	76,309
At 31 December 2020	13,321	40,083	72,486	125,890
NET BOOK VALUE				
At 31 December 2020	19,984	58,144	177,194	255,322
At 31 December 2019	23,314	35,488	240,107	298,909

As at 31 December 2020, 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 2020	33,600	893,495	216,656	1,143,751
Additions	339,261	314,861	47,199	701,321
Transfers	-	115,982	(115,982)	-
Disposals	-	-	(100,838)	(100,838)
At 31 December 2020	372,861	1,324,338	47,035	1,744,234
DEPRECIATION				
At 1 January 2020	13,900	322,691	-	336,591
Expense for Year	194,710	206,858	-	401,568
At 31 December 2020	208,610	529,549	-	738,159
NET BOOK VALUE				
At 31 December 2020	164,251	794,789	47,035	1,006,075
At 31 December 2019	19,700	570,804	216,656	807,160

As at 31 December 2020, 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.

9. Stocks

	31.12.20	31.12.19
	£	£
Work in Progress	7,424,410	7,975,357
Finished Goods	31,533,957	28,404,419
Stock provisions	(4,486,680)	(951,342)
	<u>34,471,687</u>	<u>35,428,434</u>

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 £27,943,473 (2019: £26,598,236). The impairment of stocks to net realisable value amounted to £4,081,933 (2019: £1,365,189). Of this amount, £2,036,187 (2019: £610,777) 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 £2,045,756 being recognised in cost of sales.

10. Debtors: Amounts Falling Due Within One Year

	31.12.20	31.12.19
	£	£
Trade Debtors	14,670,238	14,839,510
Amounts Owed by Group Undertakings	60,795,809	220,042,996
Other Debtors	392,216	-
Prepayments and Accrued Income	5,664,338	4,574,330
	<u>81,522,601</u>	<u>239,456,836</u>

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

	31.12.20	31.12.19
	£	£
Trade Creditors	3,652,719	5,172,525
Amounts Owed to Group Undertakings	68,170,876	211,921,584
Corporate Tax Liability	204,250	1,005,521
Social Security and Other Taxes	6,860,820	23,614,152
Other Creditors	9,774,359	8,008,838
Trade Finance Liability	16,198,315	14,025,346
Accrued Expenses and Deferred Income	8,099,044	3,796,385
	<u>112,960,383</u>	<u>267,544,351</u>

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 £255,303 (2019: £331,107). The remaining interest expense of £205,207 (2019: £47,093), as disclosed in the Statement of Profit and Loss and Other Comprehensive Income, relates to interest charged on the receivable financing facility.

12. Creditors: Amounts Falling Due After One Year

	31.12.20	31.12.19
	£	£
Accruals and Deferred Income	193,670	-
	193,670	-

13. Secured Debts

At 31 December 2020, HSBC holds a debenture for the provision to the Company for a £25,000,000 trade finance facility, £15,000,000 receivable finance facility, and £500,000 overdraft facility. In addition, at this date, 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 has since been terminated post year-end as it was deemed surplus to requirements.

The debenture comprises fixed and floating charges over all assets and undertaking of ultimate parent of the 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 and Charlotte Tilbury Beauty Limited (the Company) to secure all liabilities of each other.

14. Provisions for Liabilities

	Deferred Tax £
Balance at 1 January 2020	88,343
Credited to Profit or Loss During the Year (Note 6)	(43,725)
Balance at 31 December 2020	44,618

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:	31.12.20 £	31.12.19 £
1 (2019: 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.

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.

18. Events After Reporting Date

With the ongoing COVID-19 pandemic, the Company was required to close its UK Bricks and Mortar doors (both owned and operated and Retailer doors) prior to the year-end date. All Bricks and Mortar doors remained closed until 12 April 2021, when they were re-opened inline with government guidelines. During the period of closure, the Company continued to generate strong revenues via online sources, particularly Charlottetilbury.com.

On 14 April 2021, the Company's unutilised multi-currency Revolving Credit Facility (RCF) of £10,000,000 was terminated between Islestarr Holdings Limited and Charlotte Tilbury Beauty Limited (the Borrowers) and HSBC UK Bank plc as it was deemed surplus to requirements.

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..

There are no other matters or circumstances that have arisen since 31 December 2020 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.