

**Brand Architekts Group plc**  
**(“Brand Architekts” or the “Group”)**  
**Full Year Results**

Brand Architekts Group plc, a challenger British Beauty brand business, is pleased to announce its Full Year Results for the year ended 30 June 2021.

**Business highlights:**

- This financial year has been one of consolidation, transition and putting in place the strategic building blocks to achieve the Project 50 goal.
- Focus on four strategic tenets: optimising the portfolio, channel development, operational efficiency and being a responsible business.
- Number of live brands decreased from 22 to 13 in line with our focus on productivity. The Solution launched and 7 brands repositioned for relaunch in 2021/22.
- Multiple distribution gains & new listings across Waitrose, Morrisons, Tesco, Douglas, Carrefour and Wal Mart.
- Super Facialist TV campaign contributed to an annual net sales growth +30%.
- DTC silo sites grew by 100% to £0.6m. New 5-year agreement with THG Ingenuity for the launch of our own marketplace [www.theunexpectedstore.com](http://www.theunexpectedstore.com).

**Financial Highlights:**

	2021	2020
<b>Reported results from continuing operations</b>		
Revenue	£15.9m	£16.3m
Underlying operating (loss)/profit	£(0.3)m	£0.1m
Loss before taxation	£(1.9)m	£(4.3)m
Basic (loss)/earnings per share	(13.1)p	12.9p
Net cash	£19.0m	£18.0m

- Resilient business performance, with FY revenue down 2.3% to £15.9m (2020: £16.3m), supported by H2 revenue increasing 10% on the prior year, nearly offsetting on a full year basis a 10% decline in H1 revenue.
- Improved underlying gross profit margins up 170 bps to 36.9% (2020: 35.2%) driven by lower product discount expenditure in the year and higher margin product mix.
- Underlying operating loss of (£0.3m), £0.4m lower than the prior year (2020: £0.1m), absorbing the investment in the Group’s first ever brand advertising campaign for key skin care brand, Super Facialist in H2.
- Net cash up £1m to £19.0m (2020: £18.0m) from working capital efficiencies due to improved inventory planning as well as brand and product line optimisation. Repayment of outstanding term loans (£2.1m) and commercial invoice discounting facility (£1.1m) leaving the Group debt free.

**Quentin Higham, Chief Executive, commented:**

*“Throughout the period we have been focused on building the foundations, in line with our strategic pillars, to ultimately enable the Group to reach our Project 50 goal. We have spent time implementing a root & branch change program, which will result in a stronger business in the mid-term. In response to market dynamics, we have also relaunched seven brands at the same time. Notwithstanding the challenging environment in which we have operated in over the past 12 months, pleasingly the Group also delivered a resilient financial performance.*”

We now have an excellent platform on which to build future success. We are confident that our brand reach and brand development strategies will enable us to compete successfully in the future as retailers will need to offer an omnichannel solution, as consumers will not be constrained in how they shop beauty & personal care products.

We remain conscious of the challenges faced by traditional retail and whilst we continue to build our own e-commerce platform it will take time and investment before this channel is material. Given the above we are taking a cautious view for the year in prospect but remain confident in our strategy and future growth prospects."

**For further information please contact:**

**Brand Architekts Group PLC**

**via Alma**

Quentin Higham / Tom Carter

**Singer Capital Markets**

**(Nominated adviser and broker)**

**0207496 3000**

Shaun Dobson / Jen Boorer

**Alma PR**

**0203 405 0205**

Josh Royston / Sam Modlin

## **Chairman's Statement**

Notwithstanding the challenges posed by the pandemic our business has made excellent progress towards our strategic goals and achieved solid operating results including positive cash generation. The management team and all our colleagues have worked hard and adapted well.

The Group delivered a resilient financial performance, with turnover of £15.9 million, down 2.3% on the prior year, whilst improving its cash balance by £1m to £19.0m.

As previously indicated, during the year under review we always intended to strengthen our business disciplines and build on our strategic pillars. Considerable progress has been made here. The senior team have tackled the workload with vigour and have created the platform on which to build towards our Project 50 ambition, a program to deliver annual net sales of £50 million within five years. The activity has centred around four strategic pillars, namely: optimising the portfolio; channel development; operational efficiency, and; being a responsible business. I am pleased with the solid progress that has been made.

We have worked to optimise the portfolio by reducing the number of brands and products. In doing so we will focus on brands with greater growth potential and those product ranges that best meet consumer needs, concentrating our new product development in these areas. Within the rationalised portfolio, we revitalised seven brands, all of which will be relaunched in store by the end of calendar year 2021. In May and June, we launched our first advertising campaign across both television and digital channels to support key skin care brand Super Facialist, the Group's stand out performer and will look to invest in further campaigns in the future.

A significant amount of work has also been done on channel development through expanding our routes to market. Previously, the Group had limited reach direct to consumers. This reflected the genesis of Brand Architekts, which relied on the strengths of its relationships with a number of key retailers. As the pandemic accelerated a change in consumer shopping behaviour and offline retailers reduced space for non-essential categories, it became extremely important to invest in our own direct to consumer site. Our agreement with THG Ingenuity, will see the launch, later this calendar year of our new marketplace, theunexpektedstore.com. This development will accelerate our sales growth in 2022 and beyond. Our

International sales grew during the year despite the pandemic and we expect further progress as the sales team focus on building key international relationships.

From an operational efficiency perspective, the Group implemented customer and consumer shopping data dashboards, providing insight into brand performance, informing both portfolio optimisation and its new product development programme. Next year will bring the integration of its demand planning and business intelligence platforms, underpinning customer service levels and robust financial management.

Both consumers and investors alike are demanding greater responsibility from the companies they endorse and at Brand Architekts it is a task that we take seriously and readily accept. From the raw materials we use to the packaging of our end products we have made a commitment to improve. We have made a great start this year with a large number of our products now using a minimum of 30% post-consumer recycled material but there is much more that we can and will do.

Further information of the development of our strategic pillars into next year can be found in the CEO's statement.

We are conscious of the board structure and will be actively reviewing the diversity and relevance of its composition.

On behalf of the Board I would like to extend my sincere thanks to our staff. They have had to contend with a vast amount of change, including to the leadership team and the trading environment as a result of the pandemic. They have done so with great endeavour and application and it is of great credit to them all.

Finally, I look forward to a year of significant progress towards our long-term goals.

## **CEO Statement**

In September 2020 we launched "Project 50", which is our vision to grow the business to £50m net sales within the next five years. Project 50 deployed four strategic pillars, namely: optimising the portfolio; channel development; operational efficiency and being a responsible business. As we lived and breathed this within our team, discussing and developing both at a Board and senior management level, alongside input from key service providers, two things became apparent. Firstly, the increasing importance of our marketplace, theunexpectedstore.com, not only as channel development initiative but also as a strategic initiative that will inform our culture and way of thinking, our products and our engagement with our consumers. Secondly, operational efficiency changed from being an individual strategic pillar focused on specific operational improvements into the ongoing foundation of how we approach and develop all our strategic initiatives now and in the future.

Consequently, the transformative strategies have now evolved into the following four pillars and associated initiatives:

### **1. Brand Development**

#### **• Productivity**

Over the last year we have rationalised our brand count from 22 to 13, whilst also halving our number of products. The business remains focussed on rationalising underperforming products to improve productivity. This will result in stronger selling products on shelf or online, affording opportunities both in shelf position, ranking online, as well as purchasing efficiencies.

#### **• NPD – consumer insights & trends**

As a business we have invested in consumer data dashboards to help analyse trends and performance. Coupled with industry insights and our inherent understanding of the beauty & personal care market, NPD (new product development) lies at the heart of our organisation. In the last financial year we needed to reinvigorate our portfolio, which resulted in the planned relaunch of seven brands and the launch of one new brand. Our new brand, The Solution, launched into Superdrug in August 2020 and Tesco Ireland in June 2021. The seven relaunches were originally planned for the end of the last financial year, but due to

covid related reasons, offline retailers delayed their instore range builds until September & October 2021. We are excited to be rolling out to our UK & International customers, new designs for Dr Salts+, SenSpa, Argan+, Happy Naturals, Kind Natured, Beautopia and Root Perfect. Going forward we will continue to launch new and exciting products and we have a 3-year NPD program in place, which takes into consideration trends, consumer insights and change in consumer behaviour. This will allow us to add in-demand products to either existing brand portfolios, or as part of the creation of new brands.

- **Digital first**

In line with our DTC (direct-to-consumer) strategy of launching a new direct-to-consumer marketplace (as further detailed in our DTC strategy below), our strategic focus is to become a "digital first" business. This will allow us to launch new products or brands online first, thereby enabling us to launch outside the constraints of offline category range builds. It will also allow us to use our own DTC channel as a "test & play" environment, whereby we can get feedback from consumers, as well as being able to provide offline retailers with empirical success. Becoming digital first means that we will always ensure that a brand has extensive digital assets, always communicating to consumers through digital/social channels and investing advertising monies in the digital medium. We are changing the way we invest all our resources (financial, as well as human), so that digital first is at the heart of our business.

- **Advertising & Promotion**

The business has historically focussed on product development and offline retailer exclusivity & promotion. To support our omnichannel approach, we have started to invest in consumer advertising & marketing activities. Last year's Super Facialist Advertising campaign was the first example of our investment into a brand. The campaign objectives were to improve consumer engagement, drive brand awareness, stimulate trial and secure distribution gains. On the back of the campaign we secured new distribution in Tesco and Morrisons. As our brands achieve a certain level of scale, we will start to invest in advertising and promotion (A&P) to accelerate sales and return on investment (ROI).

- **Portfolio management M&A**

The Project 50 vision requires an acquisition plan that will complement our strategic pillars. We are constantly evaluating opportunities and although it is difficult to predict an exact timeline, over the next few years we are confident that we will be investing in additions that will be accretive to our portfolio. Key considerations will be the fit to our existing portfolio, NPD programme and culture.

## **2. Brand Reach**

- **UK omnichannel**

As part our omnichannel strategy, we successfully negotiated with retailers to secure non-exclusivity for Dirty Works; Happy Naturals; Beautopia; Kind Natured; Argan+ and SenSpa. As a result, we can now implement an online and offline distribution drive for these brands alongside the rest of our portfolio to secure new and incremental listings. The success of an omnichannel approach, can be seen in the growth of Super Facialist, which has come from securing new distribution in Amazon, Waitrose, Morrisons and more recently Tesco.

- **DTC**

Reflecting the change in consumer behaviour, the creation of a new integrated marketplace has been our number one priority. Since January 2021 we have been working with THG Ingenuity to create a new marketplace called **theunexpektedstore.com**. We are taking advantage of THG Ingenuity's world leading ecommerce platform- including trading and marketing services – and its sophisticated logistics and warehouse facilities to do this.

The marketplace is expected to launch by the end of this calendar year. Theunexpektedstore will not only sell all our brands and products, but we are very excited about creating a community, whereby our mission is to break the mould of everyday beauty. The unexpektedstore will be a community-driven platform that fuels positivity, inclusivity and exceeds the expectations of everyday beauty. We will be investing in a robust marketing program to drive traffic to the site, initially around our better-known brands, to secure customer acquisition, before we start to invest in theunexpektedstore brand.

- **International**

Our brands and products are sold in 34 countries, which has helped raise awareness and contribute to our annual volumes and sales results. Despite the pandemic, last year we were able to grow our International business and achieve listings in some key retailers around the world, notably in Ireland (Tesco, Dunnes, Macauley, Lloyds Pharmacy), Mexico (Walmart), Qatar (Carrefour) and across Europe on douglas.com. A key strategic focus going forward will be to prioritise time and effort in establishing some direct key international retailer relationships, whereby the retailer has a dominant share of a market; driving several strong distributor markets, whereby the distributor has the proven track record and desire to market at least three of our brands into multiple retailers; whilst maintaining support for all the smaller markets. The International focus will centre on a “fewer, bigger, better” approach, from both a customer and brand perspective.

### **3. Environmental & societal responsibility**

- **Sustainability pledge – packaging and ingredients environmental footprint**

In line with our sustainability pledge, we are working towards ensuring that all our plastic and packaging is 100% recyclable, reusable or bio-sourced by 2025. We will work with suppliers that are committed to building long term partnerships to meet or exceed government and EU targets for plastic reduction. Last year the number of products using a minimum of 30% PCR (post-consumer recycled material) increased from 0 to 87.

- **Employee development**

One benefit of the pandemic was that it showed us how employees can benefit from working from home, whilst also highlighting the need for an office. As a result of listening to our employees we have changed all employee contracts to reflect a new hybrid way of working, whilst also upgrading our London office to become a hot desk hub that encourages creativity, collaboration and training. We have also ensured that everyone now benefits from bi-annual PDR (Performance & Development review) and PDPs (Personal development plan); onsite and offsite training; fortnightly Townhalls; employee recognition awards and quarterly company newsletters. The Project 50 vision requires our employee culture to evolve so that employees are empowered and excited to take ownership.

### **4. theunexpected**

Over the next few years, we expect theunexpected to become our culture and way of life, a mantra that we live by as a company. Our goal is to challenge the expectations of ourselves and the market we exist in, unconstrained by conventional thinking or ways of working. Our focus to deliver this will be on the quality and performance of the product, our editorial content and how-to-videos, and how we respond and react to user generated content and recommendations. If the business lives by theunexpected mantra, we should be in a position for our brands to flourish and challenge.

Given the pandemic's adverse impact on the last financial year, in particular with regards to the retailer-led delays of a number of key brand launches, we have extended Project 50's end date by a further year, but we remain confident that this ambitious goal is achievable. Although the last year was challenging, good improvements have been implemented. Distribution gains and market penetration both domestically and internationally are the priority for our brands, whereas driving traffic, customer acquisition, increasing conversion and average order value will be the focus of our new DTC business. We believe that we have in place the right strategies to deliver Project 50 and therefore increase earnings and shareholder value.

### **Outlook**

The required transformation of the business has taken longer than originally anticipated, undoubtedly exacerbated by COVID and the changing patterns and behaviours of offline retailers. We have, however, taken advantage of the market disruption, conducting a root and branch change program, taking significant action which will result in a stronger business in the medium term. Certain actions, particularly around brand relaunch, were deliberately brought forward although we were conscious that this would have a negative short-term effect. The result is an excellent platform on which to build future success. We are conscious of the challenges faced by traditional retail and whilst our own e-commerce platform is

close to readiness it will take time and investment before this channel is material. Given the above we are taking a cautious view for the year in prospect but remain confident in our strategy and future growth prospects.

## Finance Review

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

	2021	2020
<b>Reported results from continuing operations</b>		
Revenue (Note 2 of the financial statements)	£15.9m	£16.3m
Underlying operating (loss)/profit <sup>1</sup>	£(0.3)m	£0.1m
Loss before taxation	£(1.9)m	£(4.3)m
<b>Reported results from continuing and discontinued operations</b>		
Revenue (Note 2 of the financial statements)	£15.9m	£23.7m
Underlying operating loss <sup>1</sup>	£(0.3)m	£(0.8)m
(Loss)/Profit before taxation	£(1.9)m	£2.2m
Basic (loss)/earnings per share	(13.1)p	12.9p
Net cash	£19.0m	£18.0m

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

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

	2021 Continuing	2021 Discontinued	2021 Total	2020 Continuing	2020 Discontinued	2020 Total
Underlying (loss)/profit from operations	(273)	-	(273)	121	(909)	(788)
Exceptional cost of sales	488	-	488	(2,535)	-	(2,535)
Amortisation of acquisition-related intangibles	(240)	-	(240)	(260)	-	(260)
Charge for share-based payments	(38)	-	(38)	(4)	-	(4)
Other exceptional items	(1,600)	-	(1,600)	(1,444)	7,460	6,016
Operating (loss)/profit	(1,663)	-	(1,663)	(4,122)	6,551	2,429

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

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

### Statement of comprehensive income

Group statutory revenue at £15.9m from continuing operations was down 2.3% against prior year, reflecting continued adverse impact of Covid-19 lockdowns in the UK and internationally on our customers, in particular High Street retailers. This particularly affected H1 sales which declined by 10% on the prior year to £9.0m (H1 2020: £10.0m on an adjusted basis), including a £0.6m reduction in Christmas gift sales as customers reduced their Christmas ranges in store. Sales of male grooming products also declined in line with consumer usage during the national lockdowns. This was nearly offset on a FY basis by a 10% increase in H2 sales to £6.9m (H2 2020: £6.3m on an adjusted basis) as footfall in stores improved. The shift in consumer purchasing during the pandemic to online could only be partly captured by our current DTC proposition and e-tail sales channel, underlining our strategic need to invest in our new marketplace.

From a brands performance perspective, Super Facialist continued to excel with a 30% improvement vs the prior year, while other brands declined. This was foreseen at the start of the year and supported the time and resource spent by the team on preparing a relaunch of 7 of our brands. The impact of these relaunches, however, was delayed as our customers postponed implementation of their range changes in store to later in this calendar year.

Underlying gross profit margin, which excludes exceptional adjustments improved to 36.9% (2020: 35.2%). The improvement in margin was mainly driven by lower promotional spend in High Street stores from lower footfall as well as product and channel mix, offsetting the emerging threat of cost pressures and volatility from our supply chain towards the end of H2, in particular with respect to packaging materials and logistics costs. On a statutory basis, gross profit margin was 40.0% (2020: 19.6%), which included a £0.4m partial reversal of prior year exceptional inventory provisioning as the Group managed a better sell down of aged inventory lines as the brand relaunches were delayed and a lower-than-expected settlement of prior year supplier liabilities (further detail in Segmental Analysis Note 2 of the financial statements).

The Group made an underlying operating loss of £0.3m (2020: underlying operating profit £0.1m on a continuing operations basis), which is shown before acquisition related amortisation of intangibles, exceptional costs and charges for share-based payments. This result absorbed the increase in costs relating to the Super Facialist above the line marketing campaign in May / June 2021, as well as the NPD programme resources required for the brand relaunches. These investments exemplified our intention to invest further in our Brand Development strategic pillar, through advertising and promotion of key brands and development of new brands and products for our existing ranges.

The Group made a loss before tax of £1.9m which included other exceptional items of £1.6m from the partial impairment of the intangible value of male styling brand, Fish. The impairment review, under IAS 36, reflected the impact of a reduction in

consumer usage and habits that have affected the Male Grooming category in the UK (further detail in Intangible Assets Note 13 of the financial statements).

Financing costs were £0.2m (2020: £0.3m) relating to the defined benefit pension plan notional finance charge.

The effective tax rate for the period was negative 17% (2020: negative 1%) of pre-tax profits. The effective rate is below the statutory rate of 19% due to the losses in the period and the non-recognition of deferred tax assets in relation to taxable losses carried forward. The current year tax charge reflects standard UK rates of taxation.

### **Financial position and cash flow**

The Group's net cash position at the year ended June 2021 was £19.0m (2020: net cash £18.0m). The £1m improvement in cash was due to an improvement in working capital, in particular from a strong reduction in inventory levels to £2.3m (2020: £3.7m). As part of our operational efficiency strategy, full focus was made during the year to dissipation of aged inventory across our sales channels, as well as implementing a robust demand planning system for efficient purchasing while maintaining good product availability. The inventory sell down was managed within the provisioning set by the Group in FY20, with no further provisions required in the year.

It was decided in H1 to repay all outstanding term loans (£2.1m) as well as the commercial invoice discounting facility (£1.1m) to leave the Group debt free. The strong net cash balance is planned primarily to drive the M&A agenda of the Group over the next few years as we identify assets that are complementary to our portfolio and Project 50 strategy.

The Group also did not utilise any government furlough or loans scheme in the period.

### **Defined benefit pension plan**

The defined benefit pension plan underwent its last triennial valuation on 5 April 2020. The actuarial deficit, taking into account market conditions up to 31 March 2021, was £15.1m. The Group entered a revised deficit recovery plan and schedule of contributions in July 2021. Under this there was a commitment to make a one-off deficit reduction payment of £1m by 31 July 2021, £318k payment per annum for four years followed by £791k for a further thirteen years, and to pay certain administration costs and the PPF levy for the life of the plan. This commitment will be reassessed at the next triennial valuation at 5 April 2023.

The April 2020 timing of the last triennial valuation increased the pension deficit significantly, as the start of the pandemic depressed the valuation of scheme assets while lower discount rates linked to bond yields increased estimated scheme liabilities. Extensive reviews were held with the Trustee to balance the assurance needed by the pension scheme in light of the increased deficit, while aligning with Project 50's objective of investing cash reserves in the business to the long-term benefit of all stakeholders, including the pension scheme.

Accounting standards require the discount rate used for valuations under IAS 19 'Employee Benefits' to be based on yields on high quality (usually AA-rated) corporate bonds of appropriate currency, taking into account the term of the relevant pension plan's liabilities. Corporate bond indices are used as a proxy to determine the discount rate. At the reporting date, the yields on bonds of all types were higher than they were at 30 June 2020. This has resulted in higher discount rates being adopted for accounting purposes compared to last year. This has decreased the fair value of the plan liabilities as measured under IAS 19, which combined with an improvement in the fair value of the scheme's assets, has translated into a decreased liability under the IAS 19 methodology. For accounting purposes at 30 June 2021, the Group recognised under IAS 19, a net liability of £10.4m (2020: £13.2m).

### **Going concern**

As part of its normal business practice, the Group prepares annual and longer-term plans and, in reviewing this information the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The Group has significant cash reserves of £19.0m. Accordingly, we continue to adopt the going concern basis in preparing the Annual Report and Accounts.



## Group Statement of Comprehensive Income

For the period ended 30 June 2021 and 52 weeks ended 27 June 2020

	Notes	2021 £'000	2020 £'000
<b>Revenue</b>	2	<b>15,875</b>	16,250
Cost of sales (including Exceptional credits /(costs))	3	<b>(9,530)</b>	(13,069)
<b>Gross profit</b>		<b>6,345</b>	3,181
Commercial and administrative costs		<b>(6,408)</b>	(5,859)
<b>Operating loss before other exceptional items</b>		<b>(63)</b>	(2,678)
Other exceptional items	3	<b>(1,600)</b>	(1,444)
<b>Operating loss</b>		<b>(1,663)</b>	(4,122)
Finance income		<b>2</b>	77
Finance expense		<b>(224)</b>	(301)
<b>Loss before taxation</b>	4	<b>(1,885)</b>	(4,346)
Taxation	5	<b>(314)</b>	55
<b>Loss for the year</b>		<b>(2,199)</b>	(4,291)
Profit on Discontinued Operations after taxation	8	-	6,529
<b>(Loss) / Profit for the year</b>		<b>(2,199)</b>	2,238
<b>Other comprehensive income/(loss):</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement of defined benefit liability		<b>2,786</b>	(4,086)
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations		-	(49)
<b>Other comprehensive income / (loss) for the year</b>		<b>2,786</b>	(4,135)
<b>Total comprehensive income / (loss) for the year</b>		<b>587</b>	(1,897)
<b>(Loss) / profit attributable to:</b>			
Equity shareholders		<b>(2,253)</b>	2,217
Non-controlling interests		<b>54</b>	21
<b>Total comprehensive income / (loss) attributable to:</b>			
Equity shareholders		<b>533</b>	(1,918)
Non-controlling interests		<b>54</b>	21
<b>Earnings per share</b>			
	6		
- basic		(13.1)p	12.9p
- diluted		(13.1)p	12.9p
<b>Dividends</b>			
Paid in year (£'000)		Nil	745
Paid in year (pence per share)		Nil	4.35p
Proposed (£'000)		Nil	Nil
Proposed (pence per share)		Nil	Nil

## Group Statement of Financial Position

For the period ended 30 June 2021, and 52 weeks ended 27 June 2020

	Notes	2021 £'000	2020 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment including right of use assets		67	142
Intangible assets		10,118	11,714
Deferred tax assets		2,605	2,515
<b>Total non-current assets</b>		<b>12,790</b>	<b>14,371</b>
<b>Current assets</b>			
Inventories		2,299	3,724
Trade and other receivables		3,651	3,969
Cash and cash equivalents	7	19,018	21,240
Current tax receivable		432	836
<b>Total current assets</b>		<b>25,400</b>	<b>29,769</b>
<b>Total assets</b>		<b>38,190</b>	<b>44,140</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		2,602	4,503
Interest-bearing loans and borrowings		-	1,029
<b>Total current liabilities</b>		<b>2,602</b>	<b>5,532</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		-	1,066
Post-retirement benefit obligations		10,418	13,237
Lease liabilities		-	81
Deferred tax liabilities		1,475	1,154
<b>Total non-current liabilities</b>		<b>11,893</b>	<b>15,538</b>
<b>Total liabilities</b>		<b>14,495</b>	<b>21,070</b>
<b>Net assets</b>		<b>23,695</b>	<b>23,070</b>
<b>EQUITY</b>			
Share capital		862	862
Share premium		11,987	11,987
Revaluation of investment reserve		-	-
Exchange reserve		-	-
Pension re-measurement reserve		(7,802)	(10,588)
Retained earnings		18,496	20,711
<b>Equity attributable to holders of the parent</b>		<b>23,543</b>	<b>22,972</b>
Non-controlling interest		152	98
<b>Total equity</b>		<b>23,695</b>	<b>23,070</b>

## Group Statement of Changes in Equity

For the period ended 30 June 2021 and 52 weeks ending 27 June 2020

	Share Capital	Share Premium	Revaluation of investment reserve	Exchange Reserve	Pension re-measurement reserve	Retained Earnings	Non-controlling interest	Total Equity
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at June 2020</b>	<b>862</b>	<b>11,987</b>	-	-	<b>(10,588)</b>	<b>20,711</b>	<b>98</b>	<b>23,070</b>
Non-controlling interest	-	-	-	-	-	-	54	54
Share based payments	-	-	-	-	-	38	-	38
Transactions with owners	-	-	-	-	-	38	54	92
Loss for the year attributable to equity shareholders	-	-	-	-	-	(2,253)	-	(2,253)
<i>Other comprehensive income:</i>								
Re-measurement of defined benefit liability	-	-	-	-	2,786	-	-	2,786
Total comprehensive income for the year	-	-	-	-	2,786	(2,253)	-	533
<b>Balance as at June 2021</b>	<b>862</b>	<b>11,987</b>	-	-	<b>(7,802)</b>	<b>18,496</b>	<b>152</b>	<b>23,695</b>

	Share Capital	Share Premium	Revaluation of investment reserve	Exchange Reserve	Pension re-measurement reserve	Retained Earnings	Non-controlling interest	Total Equity
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at June 2019</b>	<b>857</b>	<b>11,987</b>	<b>1,241</b>	<b>(147)</b>	<b>(6,502)</b>	<b>18,160</b>	<b>145</b>	<b>25,741</b>
Dividends	-	-	-	-	-	(745)	(68)	(813)
Issue of new shares	5	-	-	-	-	-	-	5
Non-controlling interest	-	-	-	-	-	-	21	21
Share based payments charge	-	-	-	-	-	(162)	-	(162)
Realisation of exchange differences on sale of subsidiary	-	-	-	196	-	-	-	196
Transactions with owners	5	-	-	196	-	(907)	(47)	(753)
Profit for the year attributable to equity shareholders	-	-	-	-	-	2,217	-	2,217
<i>Other comprehensive income:</i>								
Re-measurement of defined benefit liability	-	-	-	-	(4,086)	-	-	(4,086)
Exchange difference on translating foreign operations	-	-	-	(49)	-	-	-	(49)
Realised profit on asset sold	-	-	(1,241)	-	-	1,241	-	-
Total comprehensive income for the year	-	-	(1,241)	(49)	(4,086)	3,458	-	(1,918)
<b>Balance as at June 2020</b>	<b>862</b>	<b>11,987</b>	-	-	<b>(10,588)</b>	<b>20,711</b>	<b>98</b>	<b>23,070</b>

## Cash Flow Statement

For the period ended 30 June 2021 and 52 weeks ending 27 June 2020

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Cash flow from operating activities</b>				
(Loss) / profit before taxation	(1,885)	2,183	(3,116)	5,627
Depreciation	7	93	-	-
Amortisation / Impairment	1,880	1,204	1,678	1,020
Gain on disposal of subsidiaries	-	(8,922)	-	(9,015)
Change in value of assets held for resale prior to sale in period	-	(3,225)	-	(3,681)
Finance income	(2)	(77)	(2)	(149)
Finance cost	224	324	221	278
Decrease in inventories	1,425	1,487	-	-
Decrease / (Increase) in trade and other receivables	318	(494)	227	(214)
(Decrease) / increase in trade and other payables	(687)	923	(799)	(1,562)
Share based payment expense / (credit)	38	(124)	36	(124)
Contributions to defined benefit plans	(318)	(318)	(318)	(318)
<b>Cash generated from operations</b>	<b>1,000</b>	<b>(6,946)</b>	<b>(2,073)</b>	<b>(8,138)</b>
Finance expense paid	(28)	(128)	(25)	(82)
Taxation received / (paid)	381	(773)	373	(50)
<b>Net cash flow from operating activities</b>	<b>1,353</b>	<b>(7,847)</b>	<b>(1,725)</b>	<b>(8,270)</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(66)	(28)	-	-
Purchase of intangible assets	(284)	(101)	-	-
Proceeds from the sale of subsidiaries	-	35,255	-	35,255
Cost associated with disposal of subsidiaries	-	(1,315)	-	(1,315)
<b>Net cash flow from investing activities</b>	<b>(350)</b>	<b>33,811</b>	<b>-</b>	<b>33,940</b>
<b>Cash flow from financing activities</b>				
Repayment of / Movements in invoice discounting facility	(1,132)	(3,187)	-	(3,592)
Finance income received	2	77	2	149
Repayment of loans	(2,095)	(1,135)	(2,095)	(1,135)
Lease payments	-	(52)	-	-
Issue of new shares	-	5	-	5
Dividends paid	-	(813)	-	(745)
<b>Net cash flow from financing activities</b>	<b>(3,225)</b>	<b>(5,105)</b>	<b>(2,093)</b>	<b>(5,318)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,222)</b>	<b>20,859</b>	<b>(3,818)</b>	<b>20,352</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>21,240</b>	<b>381</b>	<b>20,499</b>	<b>147</b>
<b>Cash and cash equivalents at end of year</b>	<b>19,018</b>	<b>21,240</b>	<b>16,681</b>	<b>20,499</b>

## Notes to the Accounts

### Note 1 Significant accounting policies

#### Statutory accounts

The financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006, but has been extracted from the statutory accounts for the period ended June 2021 on which an unqualified audit report has been issued and which will be delivered to the Registrar following their adoption at the Annual General Meeting. The statutory accounts for the 52 week year ended June 2020 have been delivered to the Registrar of Companies with an unqualified audit report and did not contain a statement under section 498 of the Companies Act 2006. Copies of the 2021 Annual Report and Accounts with the notice of Annual General Meeting will be sent to shareholders via their elected channel. Further copies may be obtained by contacting the Company Secretary at Brand Architekts Group plc, 8 Waldegrave Rd, Teddington, TW11 8GT. An electronic copy will be available on the Group's web site ([www.brandarchitektsplc.com](http://www.brandarchitektsplc.com))

#### General Information

The Group have moved to a traditional 12 month calendar year and as such have drawn the accounts to 30 June 2021. In prior years, the accounts were prepared on a 52 week year basis.

#### Basis of preparation

The Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 and also in accordance with IFRS issued by the International Accounting Standards Board. These financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain non-current assets and financial instruments.

The Directors have considered trading and cash flow forecasts prepared for the Group, and based on these, and the level of cash held, are satisfied that the Group will continue to be able to meet its liabilities as they fall due for at least one year from the date of signing of these accounts. On this basis, they consider it appropriate to adopt the going concern basis in the preparation of these accounts.

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

#### Discontinued Activities

As a result of the disposal of the manufacturing business (completed 23 August 2019), these operations have been disclosed as discontinued within the comparative information. No operations have been classified as discontinued in the period to 30 June 2021.

#### Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings. The results and net assets of undertakings acquired or disposed of during a financial year are included in the Group Statement of Comprehensive Income and Group Statement of Financial Position from the effective date of acquisition or to the effective date of disposal. Subsidiary undertakings have been consolidated using the purchase method of accounting. In accordance with the exemptions given by section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss after tax for the year to June 2021 was £2.852m (2020: profit after tax £5.518m).

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 30 June 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

### Note 2 Segmental Analysis

During the year, there were only two reportable segments of the Group (three in the comparative period), the reportable segments of the Group were aggregated as follows:

- Brands – we leverage our skilled resources to develop and market a growing portfolio of Brand Architekts Group owned and managed Brands. These include those organically developed plus the acquisitions of the

portfolio of Brands included in The Brand Architekts acquisition (in 2016) and the Fish brand acquired during 2018.

- Manufacturing – the contracted development, formulation and production of quality products for many of the world's leading personal care and beauty Brands. Disposal of the manufacturing business completed on the 23 August 2019.
- Eliminations and Central Costs. Other Group-wide activities and expenses, including defined benefit pension costs, share-based payment expenses / (credits), amortisation of acquisition-related intangibles, interest, taxation and eliminations of intersegment items, are presented within 'Eliminations and central costs'.

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

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

a) Principal measures of profit and loss – Income Statement segmental information for period ended 30 June 2021 and 52 weeks ending 27 June 2020:

Period ended 30 June 2021	Brands	Eliminations and Central Costs	Total	2020 Total
	£'000	£'000	£'000	£'000
UK revenue	13,447	-	<b>13,447</b>	18,637
International revenue	2,428	-	<b>2,428</b>	5,093
Revenue – External	15,875	-	<b>15,875</b>	23,730
Revenue – Internal	-	-	-	-
<b>Total Revenue</b>	<b>15,875</b>	-	<b>15,875</b>	23,730
Discontinued Operation	-	-	-	(7,480)
<b>Total Revenue Continuing Operations</b>	<b>15,875</b>	-	<b>15,875</b>	16,250
<b>Underlying profit / (loss) from operations*</b>	<b>917</b>	<b>(1,190)</b>	<b>(273)</b>	(788)
Charge for share-based payments	(6)	(32)	<b>(38)</b>	(4)
Amortisation of acquisition-related intangibles	-	(240)	<b>(240)</b>	(260)
Exceptional items included in cost of sales (Note 3)	488	-	<b>488</b>	(2,535)
Other Exceptional items (Note 3)	-	(1,600)	<b>(1,600)</b>	6,016
Net borrowing costs	(4)	(218)	<b>(222)</b>	(246)
Segment Profit included in Discontinued Operations	-	-	-	(6,529)
<b>Profit / (Loss) before taxation</b>	<b>1,395</b>	<b>(3,280)</b>	<b>(1,885)</b>	(4,346)
Tax (charge) / credit	(259)	(55)	<b>(314)</b>	55
<b>Profit for the period from continuing activities</b>	<b>1,136</b>	<b>(3,335)</b>	<b>(2,199)</b>	(4,291)

<b>52 weeks ended 27 June 2020</b>	<b>Brands</b>	<b>Manufacturing</b>	<b>Eliminations and Central Costs</b>	<b>Total</b>	<b>2019 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
UK revenue	13,796	4,841	-	<b>18,637</b>	52,144
International revenue	2,454	2,639	-	<b>5,093</b>	25,194
Revenue – External	16,250	7,480	-	<b>23,730</b>	77,338
Revenue – Internal	5	444	(449)	-	-
<b>Total revenue</b>	<b>16,255</b>	<b>7,924</b>	<b>(449)</b>	<b>23,730</b>	77,338
Discontinued Operation	-	(7,924)	444	(7,480)	(57,662)
<b>Total Revenue Continuing Operations</b>	<b>16,255</b>	-	<b>(5)</b>	<b>16,250</b>	19,676
<b>Underlying profit from operations*</b>	<b>1,204</b>	<b>(909)</b>	<b>(1,083)</b>	<b>(788)</b>	4,428
Charge for share-based payments	-	-	(4)	<b>(4)</b>	(115)
Amortisation of acquisition-related intangibles	-	-	(260)	<b>(260)</b>	(260)
Exception items included in cost of sales (Note 3)	(2,535)	-	-	<b>(2,535)</b>	-
Other Exceptional items (Note 3)	(176)	7,460	(1,268)	<b>6,016</b>	(717)
Net borrowing costs	(46)	(22)	(178)	<b>(246)</b>	757
Tax charge on discontinued operations	-	-	-	-	(255)
Segment Profit included in Discontinued Operations	-	(6,529)	-	<b>(6,529)</b>	(2,050)
<b>Profit/ (Loss) before taxation</b>	<b>(1,553)</b>	-	<b>(2,793)</b>	<b>(4,346)</b>	1,788
Tax credit/ (charge)	328	-	(273)	<b>55</b>	(198)
<b>Profit for the period from continuing activities</b>	<b>(1,225)</b>	-	<b>(3,066)</b>	<b>(4,291)</b>	1,590

\*The underlying result is calculated net of eliminations.

The underlying result in the period to 30 June 2021 is derived wholly from continuing activities. For the 52 week period ended 27 June 2020 underlying result was split between continuing and discontinued activities as follows:

	<b>Continuing operations – Brands</b>	<b>Discontinued operations – Manufacturing</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Underlying profit / (loss) from operations – operating segments	1,204	(909)	295
Eliminations and central costs	(1,083)	-	(1,083)
Underlying profit / (loss) from operations	121	(909)	(788)

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

Inter segment revenue earned by Manufacturing from sales to Brands is determined on commercial trading terms as if Brands were a third-party customer, prior to disposal.

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

b) Other Income Statement segmental information

The following additional items are included in the measures of underlying profit and loss reported to the CODM and are included within (a) above:

Period ended 30 June 2021	Brands	Manufacturing	Eliminations and Central Costs	Total
	£'000	£'000	£'000	£'000
Depreciation	7	-	-	7
Amortisation / impairment*	280	-	1,600	1,880

  

52 weeks ended 27 June 2020	Brands	Manufacturing	Eliminations and Central Costs	Total
	£'000	£'000	£'000	£'000
Depreciation	93	-	-	93
Amortisation/ impairment*	16	-	1,188	1,204

\* Impairment losses of £1.6m (2020: £0.9m) in Central Costs is included in Exceptional Items

c) Principal measures of assets and liabilities

The Groups assets and liabilities are managed centrally by the CODM and consequently there is no reconciliation between the Group's assets per the statement of financial position and the segment assets. All assets and liabilities in relation to the contract manufacturing division were sold during the period.

d) Additional entity-wide disclosures

The distribution of the Group's external revenue by destination is shown below:

Geographical segments	52 weeks ended 30 June 2021 £'000	52 weeks ended 27 June 2020 £'000
UK	13,447	18,637
Other European Union countries	970	2,683
Rest of the World	1,458	2,410
	<b>15,875</b>	<b>23,730</b>

Geographical segments – Continuing Operations	52 weeks ended 30 June 2021 £'000	52 weeks ended 27 June 2020 £'000
UK	13,447	13,796
Other European Union countries	970	541
Rest of the World	1,458	1,913
	<b>15,875</b>	<b>16,250</b>

In the period ended 30 June 2021, the Group had one customer that exceeded 10% of total revenues, being 24%. In the 52 weeks ended 27 June 2020, the Group had three customers from Continuing Operations (being the Brands business) that exceeded 10% of total revenues, being 26%, 13% and 11% respectively.

**Note 3 Exceptional Items**

Exceptional charges / (credits) from Continuing Operations:	Period ended 30 June 2021 £'000	52 weeks ended 27 June 2020 £'000
Included within Cost of sales:		
Inventory related	(488)	2,535

Other exceptional items:



Impairment of intangible assets	1,600	928
Severance costs (including social security costs)	-	311
Consultancy fees	-	205
	<u>1,600</u>	<u>1,444</u>
Total exceptional items from Continuing Operations	<u>1,112</u>	<u>3,979</u>

Exceptional cost of sales includes a partial write back of prior year provision relating to inventory (£0.5m), where the corresponding cost in the comparative period was treated as exceptional. Other Exceptional items include £1.6m impairment of the Fish brand.

The comparative period exceptional items charge represents a provision of £2.5m for payments due to manufacturers for inventory not expected to be utilised and changes in estimates surrounding the valuation of inventory. Other exceptional items included £0.9m impairment of the RSC brand, £0.3m cost in relation to the departure of the former Chief Executive Officer and £0.2m exceptional consultancy fees following the reorganisation of the group.

**Exceptional charges / (credits) from Discontinued Operations (note 27):**

	Period ended 30 June 2021 £'000	52 weeks ended 27 June 2020 £'000
<i>Other exceptional items:</i>	-	-
Profit on disposal of the manufacturing division	-	(8,922)
Bonus payments	-	1,116
Inventory write offs and disposal costs	-	346
	-	<u>(7,460)</u>

**Note 4 Loss before taxation**

	2021 £'000	2020 £'000
<b>(a) This is stated after charging/ (crediting)</b>		
Depreciation of property, plant and equipment of purchased assets	7	93
Amortisation of intangible assets	280	276
Impairment of intangible assets (classified as exceptional – Note 3)	1,600	928
Research	-	177
Foreign exchange (gains) / losses	21	3
Gain on disposal of subsidiaries	-	8,922
Amounts expensed for short term and low value leases	59	5
<b>(b) Auditors' remuneration</b>		
<b>Audit services:</b>		
Audit of the Company financial statements	28	41
Audit of subsidiary undertakings	12	11
<b>Audit related services:</b>		
Interim review	2	7
<b>Other non-audit services:</b>		
Corporate finance advice	-	9

**Note 5 Taxation**

	2021 £'000	2020 £'000
<b>(a) Analysis of tax charge in the year</b>		
<b>UK corporation tax:</b>		
- on profit for the year	-	14
- adjustment in respect of previous years	(1)	(323)
<b>Total current tax (credit)/charge</b>	<u>(1)</u>	<u>(309)</u>
<b>Deferred tax:</b>		
-current year (credit)	(36)	(283)
-prior year charge/(credit)	-	115
-effect of tax rate change on opening balance	351	(122)
-non-recognition of deferred tax asset for losses	-	544
<b>Total deferred tax charge</b>	<u>315</u>	<u>254</u>
<b>Tax charge/(credit)</b>	<u>314</u>	<u>(55)</u>

## (b) Factors affecting total tax charge for the year

The tax assessed on the profit before taxation for the year is at the standard rate of UK corporation tax of 19.00% (2020: 19.00%). The differences are reconciled below:

	2021 £'000	2020 £'000
(Loss) / profit before taxation (from continuing and discontinued activities)	(1,885)	2,183
Tax at the applicable rate of 19.00% (2020: 19.00%)	(358)	415
<b>Effect of:</b>		
Adjustment in respect of previous years	(1)	(208)
Expenses not deductible for tax purposes	6	-
Income not taxable for tax purposes	(3)	(806)
Deferred tax asset not recognised on taxable losses	319	-
Remeasurement of deferred tax for changes in tax rates	351	544
<b>Actual tax charge</b>	<b>314</b>	<b>(55)</b>

The group has tax losses of £4.9m (2020: £2.9m) which have not been recognised as there is no certainty that they can be utilised.

## Note 6 Earnings per share

	2021	2020
<b>Basic and Diluted</b>		
(Loss)/Profit for the year attributable to equity holders (£'000)	(2,253)	2,217
(Loss) / Profit for the year (£'000) continuing operations attributable to equity holders	(2,253)	(4,312)
Basic weighted average number of ordinary shares in issue during the year	17,230,702	17,143,646
Diluted number of shares	17,319,702	17,143,646
<b>Basic earnings / (loss) per share</b>	<b>(13.1)p</b>	12.9p
<b>Diluted earnings / (loss) per share</b>	<b>(13.1)p</b>	12.9p
<b>Basic (loss) / earnings per share continuing operations</b>	<b>(13.1)p</b>	(25.2)p
<b>Diluted (loss) / earnings per share continuing operations</b>	<b>(13.1)p</b>	(25.2)p

Basic earnings per share has been calculated by dividing the profit for each financial year by the weighted average number of ordinary shares in issue at 30 June 2021 and 27 June 2020 respectively.

## Note 7 Notes to Cash Flow Statement

### GROUP

	2021 £'000	2020 £'000
(Decrease) / Increase in cash and cash equivalents	(2,222)	20,859
Net cash outflow from decrease in borrowings	3,227	4,322
Change in net cash / (debt)	1,005	25,181
Opening net (debt)	18,013	(7,168)
Closing net cash / (debt)	19,018	18,013

### (b) Analysis of net cash / (debt):

Closing 2020	Cash Flow	Closing 2021
-----------------	--------------	-----------------

	£'000	£'000	£'000
Cash at bank and in hand	21,240	(2,222)	<b>19,018</b>
CID facility	(1,132)	1,132	-
Borrowings due within one year	(1,029)	1,029	-
Borrowings due after one year	(1,066)	1,066	-
	<u>18,013</u>	<u>1,005</u>	<b>19,018</b>

## COMPANY

	<b>2021</b>	2020
	£'000	£'000
Increase / (Decrease) in cash and cash equivalents	<b>(3,818)</b>	20,352
Net cash outflow from in borrowings	<b>2,095</b>	4,727
Change in net cash / (debt)	<b>(1,723)</b>	25,079
Opening net cash / (debt)	<b>18,404</b>	(6,675)
Closing net cash / (debt)	<b>16,681</b>	18,404

### (b) Analysis of net cash / (debt):

	Closing	Cash	Closing
	2020	Flow	2021
	£'000	£'000	£'000
Cash at bank and in hand	20,499	(3,818)	<b>16,681</b>
Borrowings due within one year	(1,029)	1,029	-
Borrowings due after one year	(1,066)	1,066	-
	<u>18,404</u>	<u>(1,723)</u>	<b>16,681</b>

## Note 8 Discontinued Operations

On 23 August 2019, the Group sold its 100% interest in Curzon Supplies Ltd for consideration of £35,255,000 (completing the disposal of the manufacturing division) which is the only operation presented as discontinued operations in 2020. Curzon Supplies Ltd was incorporated in March 2019. Assets relating to the manufacturing division, along with the related investments in Swallowfield Consumer Products Limited, Swallowfield SARL, Swallowfield s.r.o. and Swallowfield Inc, were transferred to Curzon Supplies Ltd prior to its disposal.

Profit on disposal	<b>Group At Disposal 23 August 2019 £'000</b>
Property, plant and equipment	11,338
Intangible fixed assets	695
Equity instruments held at fair value	1,558
Inventories	9,724
Trade and other receivables	13,196
Trade and other payables	(10,025)
Deferred tax liability	(561)
Post-retirement pension obligations *	(1,103)
Realisation of exchange differences	196
	<u><b>25,018</b></u>
Deal costs	1,315
<b>Profit on disposal **</b>	<b>8,922</b>
<b>Satisfied by:</b>	
Cash consideration	35,255

\* Post-retirement pension scheme obligations figure of £1,103,000 in this table relates to reassessment of annual uprating of pension liabilities.

\*\* Profit on disposal increased by £161,000 vs the interim accounts owing mainly to recovery of VAT on deal related costs and changes in consideration following agreement on the final completion accounts.

<b>Result of discontinued operations</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	-	7,480
Expenses other than finance costs	-	(8,389)
(Finance Costs) / Investment Income	-	(22)
Exceptional costs	-	(1,462)
Profit on disposal of manufacturing business	-	8,922
Tax expense	-	-
<b>Profit for the year</b>	<b>-</b>	<b>6,529</b>

Included in 2020 Exceptional costs in discontinued operations are £1.1m employee bonuses paid out following disposal of the manufacturing business and £0.3m relating to specific branded inventory write offs that were intrinsically linked to the manufacturing division.

No tax charge has been allocated to discontinued operations as the division was loss making, excluding the profit on disposal, in the period from 30 June 2019 to disposal. These taxable losses were transferred with the trade.

<b>Earnings per share from discontinued operations:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Basic earnings per share	-	38.1
Diluted earnings per share	-	38.1
<b>Cashflow in respect of discontinued activities</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Operating cash flows	-	(5,761)
Investing cash flows	-	32,255
Financing cash flows	-	(3,592)
<b>Total cash flows</b>	<b>-</b>	<b>25,902</b>