

Company registration number 05396577 (England and Wales)

TANGLE TEEZER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TANGLE TEEZER LIMITED

COMPANY INFORMATION

Director	Mr James Vowles	(Appointed 30 July 2021)
Company number	05396577	
Registered office	1st and 2nd floor 205 Stockwell Road London United Kingdom SW9 9SL	
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London United Kingdom WC2N 6RH	

TANGLE TEEZER LIMITED

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TANGLE TEEZER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the strategic report for the year ended 31 December 2021.

Business review

On 30 July 2021 Dragon BidCo Limited acquired 100% of the issued share capital of Tangle Teezer Limited. The new investment backed by Mayfair Equity Partners will support the accelerated growth of the business, investment in innovation and the brand, and the continued development of Tangle Teezer into a leading haircare brand.

2021 was an extraordinary year for Tangle Teezer, with strong growth in sales and operating profit, despite the significant global macroeconomic disruption caused by the Covid19 pandemic, Brexit and the global shipping crisis. Growth was well distributed geographically with growth in all key regions and across both core and new product ranges. Core retail and ecommerce sales grew strongly, far outweighing continued Covid-19 driven declines in professional and travel channels, which continued to struggle. The business continued to make significant investments in the Tangle Teezer brand and increased investments in research and development behind new product innovation. Further investments were made in infrastructure and personnel, as well as significant increases in production capacity to support the rapid growth.

The results presented reflect the Tangle Teezer Limited individual entity accounts for the full year. Unaudited comparisons for the underlying Tangle Teezer consolidated business are presented further below.

The results presented reflect the Tangle Teezer Limited individual entity accounts for the full year. Unaudited comparisons for the underlying Tangle Teezer consolidated business are presented further below because in previous year's Tangle Teezer produced consolidated accounts including the US, and this gives a more meaningful comparison.

Full year consolidated sales for the year to 31 December 2021 were £38,568,000 (2020: £27,692,000), 39% higher than in the year to 31 December 2020. Despite the global impact of the pandemic, sales grew strongly in key regions, driven by sales to the US subsidiary +92%, China +60% and Japan +43%. The US became Tangle Teezer's biggest market in 2021 and has significant headroom for further growth as brand awareness and retail distribution grows. The UK, Western Europe, Russia and Brazil also grew strongly, supported by further growth in new and emerging markets such as Chile and the post Covid recovery of markets such as South Africa and Australia. Export sales made up 84% (2020: 81%) of total revenues and grew 48% during the year. European sales grew 34% and now represent 36% of the total (2020: 38%) whilst UK Sales grew by 6%, with growth driven through Retail channels post pandemic. Rest of World sales continued to grow strongly by 60% and now represent 48% of total sales (2020: 42%). Established distribution continues in over 75 countries.

2021 saw significant growth in Styling and Pet Care categories, and our launch into the Scalp segment. Sales in the Styling category grew strongly driven by the launch of the 'Ultimate Styler' towards the end of the year, with 54% growth in the Pet Teezer brand driven by global expansion and new innovation. Detangling Sprays and Accessories categories also continued to develop. The first Tangle Teezer scalp care product was launched during 2021 and started strongly. Product sales of our established core products were supported by new size variants, new designs and innovation for different hair types. 'The Wet Detangler' product family continues to grow strongly supported by the introduction of large and small versions, and variants for fine and fragile and naturally curly hair. The Compact Styler, which operates in our On-The-Go category grew 10% in 2021, despite the continued challenges in the travel sector but shrunk as a % of total sales.

Tangle Teezer products continue to win numerous awards around the world from various influential press publications within the beauty industry, including recognition for our Blow Drying and Detangling ranges. Tangle Teezer 'Easy Dry & Go' won the Best New Beauty Tool at the CEW Beauty Awards in 2021, and The Wet Detangler won Women's Health Best Brush for Wavy Hair in 2021 and was highly commended in the 2021 Woman & Home Hair Awards.

TANGLE TEEZER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Gross profit margins increased during the period at 50% (2020: 43%). The business was negatively impacted by increasing global supply chain and manufacturing costs in the year, but was mitigated through price increases, and then more than offset by the reduction in shareholder royalties following acquisition of IP by Tangle Teezer Limited in December 2020. The Group distribution and brand strategy enables Tangle Teezer to sustain premium brand positioning and we expect to be able to maintain this positioning in the face of continued cost pressure and supply chain disruption in 2022, following the impact of global price increases, further supply chain efficiency and economies of scale.

Profit before taxation (PBT) increased by 422% to £7,023,000 (2020: £1,345,000) while PBT margins improved to 18% (2020: 5%). This was driven by the growth in sales and improved gross margins, offset by increased investment in marketing and personnel, with administrative costs increased by 19%.

There were a number of staff additions during the year with average staff numbers increasing to 55 (2020: 54). These additions primarily supported the business expansion in the US.

Net current assets increased to £20,236,000 (2020: £15,653,000). Trade and other receivables increased by 12% driven by the growth in the business, while overdue debt remains at low levels demonstrating close credit control. Inventories increased by 78% as the business successfully increased production capacity and rebuilt stock holding to support growth and mitigate any risk associated with longer global logistics lead times. Trade payables increased by 36% in line with the growth in the business, while other creditors were fully settled during the period relating to shareholder royalties.

Future developments

The business is a market leader in detangling hairbrushes and has leveraged its strong brand equity to expand into other core haircare categories, such as Blow-drying and Styling, catering for different global hair types and delivering exciting designs. The business has successfully launched into adjacent categories with the launch of detangling sprays, accessories and scalp care products, as well as the successful Pet Teezer brand. Tangle Teezer has grown to become a truly global brand that enjoys substantial and increasing brand awareness, and strong customer loyalty; it has continual innovation at its heart, producing a range of extremely functional and fashionable products. The goal is to continue to grow into a leading haircare brand and to be the world's most popular hairbrush.

Tangle Teezer will continue its innovative approach to product development, and plans are in place for numerous significant product launches during the next 18 months, meeting evolving customer demands and expanding into adjacent categories. This includes the launch of a range of Combs, and further expansion into adjacent categories. Tangle Teezer will continue to build on its strong brand position, and seek to grow the market with new products, gain further market share and expand geographically.

Environmental, social and governance considerations (ESG)

Tangle Teezer takes its environmental and social responsibility extremely seriously. In 2021 we launched our recycling program which enables consumers to recycle Tangle Teezer and any other plastic hairbrush, and we have started to migrate to 100% recycled material in our recyclable packaging. For consumers who prefer not to have single use packaging we now offer a packaging free option for online consumers. We also partnered with CleanHub in 2021 supporting the recovery of Ocean Bound plastics in India. More information is available on our website.

Tangle Teezer has been a supporter of the Teenage Cancer Trust since 2014 and has been a supporter of The Princes Trust since 2017. In 2021 the business has teamed up with Stonewall and AKT in partnerships focused on LGBTQ+ rights and launched a series of children's books in partnership with Woke Babies to help address the imbalance of racial diversity in children's literature.

TANGLE TEEZER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal and financial risks

It is the responsibility of the directors to understand and ensure systems are in place to control risks and uncertainties that the group faces. The principal risks the business faces are:

Credit risk

Over the recent years the company's exposure to bad debt has been minimal. The company continues to control this through rigorous company credit checks prior to offering credit terms, and with bank guarantees where deemed necessary.

Liquidity and cashflow risks

Liquidity and cashflow risk remains low. Sales revenue has remained strong and consistent in recent years due to a balanced sales portfolio, generating strong margins. Operating expenses contain a large discretionary element used to support the brand, which can be flexed should external factors materially impact demand. The business has and utilised rolling credit facility and the full support of shareholders. This was tested during the Covid-19 pandemic, Brexit and with the global shipping crisis, and the business remained strong and profitable despite the initial downturn in sales.

Foreign exchange risk

Exposure to foreign exchange risks remain minimal over the years due to Tangle Teezer Ltd predominately invoicing in GBP and Tangle Teezer Inc. solely in USD. As the group has expanded internationally there are now a few customer accounts in foreign currencies. These customer accounts represent a very small proportion of our overall business. Otherwise, exposure to foreign exchange risk is limited to costs incurred in US dollar, Euro and Chinese Yuan. The group holds bank accounts in all four currencies and the current and future strategy will continue to focus on creating a natural hedge position to mitigate any foreign exchange exposure.

Commercial risks and developments

As with any successful brand, imitation and counterfeit products have been launched by competitors in several markets. The group has a full time, in-house, Brand Protection Manager who works closely with customs officials, both home and abroad, and a 'zero tolerance' approach is taken with anyone found manufacturing or distributing non-genuine product. The group provides consumers the opportunity to verify that Tangle Teezer products are genuine, through a global Track & Trace solution. This system marks every product that we sell with a unique individual identifying QR code, which when scanned verifies the authenticity of the product and allows the source of the stock to be traced electronically.

Covid-19 Considerations

We remain vigilant to the risks and changing trends associated with the Covid-19 pandemic. The impact on the global economy has been significant with the retail, travel retail and salon professional sectors particularly badly affected, to different levels of severity by market. Tangle Teezer has continued to perform well during the pandemic and is well insulated against the challenges presented, with a diverse geographical sales split and a balanced channel mix. While non-essential retail and professional sales have been depressed in some markets, essential retail and e-commerce sales have grown strongly, and more than compensated.

The business has continued to perform well during the crisis, remains a going concern with a healthy Balance Sheet and a strong outlook.

Unaudited information

The table below presents the comparative underlying operating consolidated results for the Tangle Teezer group including Tangle Teezer Inc, Dragon MidCo Limited and Dragon BidCo Limited for the 12 months to 31 December 2021. After the acquisition, results are no longer consolidated at Tangle Teezer Limited, and therefore this provides a comparative view to the audited 2020 Tangle Teezer group consolidated results.

TANGLE TEEZER LIMITED
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Proforma consolidated group income statement (unaudited)	2021	2020
	£'000	£'000
Turnover	43,449	29,584
Cost of sales	(21,401)	(13,677)
Gross profit	22,048	15,907
Marketing expenses	(4,882)	(3,685)
Administrative expenses	(7,462)	(6,404)
Profit before exceptional expenses, interest, tax, depreciation and amortisation (EBITDA)	9,704	5,818

Full year consolidated sales for the year to 31 December 2021 were £43,449,000 (2020: £29,584,000), 47% higher than in the year to 31 December 2020. In addition to the strong growth in the Tangle Teezer Limited business, the US business grew +133% to become Tangle Teezer's largest market in 2021.

EBITDA increased by 67% to a profit of £9,704,000 (2020: £5,817,000) with EBITDA margins increased to 22% (2020: 20%). This was driven by the significant increase in sales volume, while the business continued to make significant investment in Marketing (32% increase) to support direct market growth and brand development, and increased investment in personnel and infrastructure.

Financial key performance indicators (KPIs)

Continuous revenue growth is planned through deeper market penetration and new product innovation and diversification. In line with this, costs such as marketing, research & development and staff costs will increase due to the additional resources required to assist in taking the group forward.

Our financial KPI's for the next 12 months will focus on:

Exports exceeding 85% of total sales;
a gross profit margin of at least 50%; and
an underlying profit before margin of at least 15%.

This report was approved by the board and signed on its behalf by:

Mr James Vowles
Director
8 July 2022

TANGLE TEEZER LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his annual report and the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of design and distribution of specialist hairbrushes and associated products. All products are manufactured in the UK.

Business review, future developments and risks

Included in the strategic report on pages 1 - 4 are business review, future developments and risks.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid (2020: £nil). The director does not recommend payment of a final dividend.

Director

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr James Vowles	(Appointed 30 July 2021)
Mr Shaun Pulfrey	(Resigned 30 July 2021)
Mr Garry Watts	(Resigned 30 July 2021)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the date of approval of these financial statements.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

The business remains in a strong position, with continued growth in sales and operating profit and with strong maintainable cash generation. The Covid-19 pandemic continued to impact the global economy in 2021, with certain sectors and regions negatively impacted. Brexit and the global shipping crisis impacted global logistics costs and availability and led to significant cost inflation. Despite the macroeconomic uncertainty the Tangle Teezer business continued to grow sales strongly across all key markets and saw significant growth in operating profits.

In March 2022, Russia invaded Ukraine with war continuing throughout 2022. Both are markets where Tangle Teezer products are widely distributed, with Russia representing 6.4% of total sales in 2021 and Ukraine representing 0.8%. The board of directors immediately decided to suspend shipment of products to Russia in response, as well as donating to charities supporting Ukraine and global refugee initiatives. Despite the immediate impact to sales, the global business continues to grow strongly in 2022, driven by other key market over-performance.

TANGLE TEEZER LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern (continued)

The business remains well insulated against the impact of the pandemic, war in Ukraine and other potential risks due to its balanced mix of channels and geographies, strong operating margins, flexible cost base and strong financial position. The company's forecast and projections, taking account of reasonable possible changes in trading performance show that the company has sufficient resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of the approval of these financial statements by the directors. There are no material uncertainties in relation to going concern and the directors have therefore adopted a going concern basis in preparing these financial statements.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board and signed on its behalf by:

Mr James Vowles

Director

8 July 2022

TANGLE TEEZER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TANGLE TEEZER LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Tangle Teezer Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

TANGLE TEEZER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TANGLE TEEZER LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

TANGLE TEEZER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF TANGLE TEEZER LIMITED

reviewing financial statement disclosures to underlying supporting documentation;• enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; • identifying and testing journals entries meeting specific fraud criteria; and• challenging assumptions made by management in its significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors Watford

8 July 2022

TANGLE TEEZER LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	38,568	27,692
Cost of sales		(19,218)	(15,900)
Gross profit		19,350	11,792
Administrative expenses		(12,418)	(10,447)
Operating profit	4	6,932	1,345
Interest receivable and similar income	8	92	-
Interest payable and similar expenses	9	(1)	-
Profit before taxation		7,023	1,345
Tax on profit	10	758	(70)
Profit for the financial year		7,781	1,275
Total comprehensive income for the year		7,781	1,275

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 27 form part of these financial statements.

TANGLE TEEZER LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	11		1,644		1,439
Tangible assets	12		1,096		793
Investments	13		1		1
			<u>2,741</u>		<u>2,233</u>
Current assets					
Stocks	15	7,185		4,038	
Debtors falling due after more than one year	16	832		74	
Debtors falling due within one year	16	13,900		8,980	
Cash at bank and in hand		4,031		7,580	
		<u>25,948</u>		<u>20,672</u>	
Creditors: amounts falling due within one year	17	<u>(5,712)</u>		<u>(7,709)</u>	
Net current assets			<u>20,236</u>		<u>12,963</u>
Net assets			<u>22,977</u>		<u>15,196</u>
Capital and reserves					
Called up share capital	20		-		-
Profit and loss reserve			<u>22,977</u>		<u>15,196</u>
Total equity			<u>22,977</u>		<u>15,196</u>

The notes on pages 13 to 27 form part of these financial statements.

The financial statements on pages 10 to 27 were approved by the board of directors and authorised for issue on 8 July 2022 and are signed on its behalf by:

Mr James Vowles
Director

Company Registration No. 05396577

TANGLE TEEZER LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss reserve	Total equity
	£'000	£'000	£'000
Balance at 1 January 2020	-	13,921	13,921
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	1,275	1,275
Balance at 31 December 2020	-	15,196	15,196
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	7,781	7,781
Balance at 31 December 2021	-	22,977	22,977

The notes on pages 13 to 27 form part of these financial statements.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

General information

Tangle Teezer Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is 1st and 2nd floor, 205 Stockwell Road, London, United Kingdom, SW9 9SL.

The principal activity of the company continued to be that of design and distribution of specialist hairbrushes and associated products. All products are manufactured in the UK.

1.1 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.2 Basis of preparation and summary of significant accounting policies

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;

Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

Tangle Teezer Limited is a wholly owned subsidiary of Dragon MidCo Limited, which prepares consolidated financial statements. The results of Tangle Teezer Limited are included in the consolidated financial statements of Dragon MidCo Limited which are available from 1st and 2nd floors, 205 Stockwell Road, London, United Kingdom, SW9 9SL.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

1.3 Going concern

The business remains in a strong position, with continued growth in sales and operating profit and with strong maintainable cash generation. The Covid-19 pandemic continued to impact the global economy in 2021, with certain sectors and regions negatively impacted. Brexit and the global shipping crisis impacted global logistics costs and availability and led to significant cost inflation. Despite the macroeconomic uncertainty the Tangle Teezer business continued to grow sales strongly across all key markets and saw significant growth in operating profits.

In March 2022, Russia invaded Ukraine with war continuing throughout 2022. Both are markets where Tangle Teezer products are widely distributed, with Russia representing 6.4% of total sales in 2021 and Ukraine representing 0.8%. The board of directors immediately decided to suspend shipment of products to Russia in response, as well as donating to charities supporting Ukraine and global refugee initiatives. Despite the immediate impact to sales, the global business continues to grow strongly in 2022, driven by other key market over-performance.

The business remains well insulated against the impact of the pandemic, war in Ukraine and other potential risks due to its balanced mix of channels and geographies, strong operating margins, flexible cost base and strong financial position. The company's forecast and projections, taking account of reasonable possible changes in trading performance show that the company has sufficient resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of the approval of these financial statements by the directors. There are no material uncertainties in relation to going concern and the directors have therefore adopted a going concern basis in preparing these financial statements.

1.4 Turnover

The company manufactures and sells specialist hair brushes and their associated products. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and it can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

1.5 Research and development expenditure

Expenditure on pure and applied research is charged to the statement of comprehensive income in the year in which it is incurred.

Development costs are charged to the statement of comprehensive income in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding ten years, commencing in the year the company starts to benefit from the expenditure.

Patents and licences are stated at cost less amortisation. Amortisation is provided at 10% per annum in order to write off each asset over its estimated useful life.

1.6 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software development	4 years
Development expenditure	10 years
Patents	10 years
Intellectual property	7-11 years

Development expenditure is amortised over the NPD (new product development) life of the project.

Patents are amortised over their useful life.

Intellectual property is not amortised in the year of acquisition.

Consideration of obsolescence, future changes in technology, competition, and other economic factors have been used in determining the estimated useful life of the software development capitalised costs.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of non-current assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	20% - 25%
Fixtures and fittings	25%
Motor vehicles	10%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.8 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if the reasons for the impairment loss have ceased to apply.

1.10 Stocks

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

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

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

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

Basic financial assets

Basic financial assets, including trade and other debtors, cash and bank balances are recognised at transaction price.

Impairment of financial assets

The company makes an estimate of the recoverable value of trade and other debtors. Where necessary an impairment provision is made.

Classification of financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed by group undertakings are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.13 Share capital

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

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

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

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

1.16 Retirement benefits

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

1.17 Leases

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

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Impairment of tangible and intangible assets

Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Stocks provision

When calculating the stocks provision, management considers the nature and condition of the stocks, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. If stocks are deemed to be impaired and not in saleable condition, or the product is obsolete, the carrying value is reduced to zero. If the product line is deemed categorised as discontinued, a provision is taken for all stocks above 6 months of sales, based on current sell through rates. Refer to note 15 for the net carrying amount of the inventory.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover

	2021	2020
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	5,998	5,639
Rest of Europe	13,989	10,463
Rest of the World	18,581	11,590
	<u>38,568</u>	<u>27,692</u>

4 Operating profit

	2021	2020
	£'000	£'000
Operating profit for the year is stated after charging:		
Exchange losses	87	-
Research and development costs	154	159
Depreciation of owned tangible fixed assets	400	518
Amortisation of intangible assets	343	353
Loss on disposal of intangible assets	-	70
Operating lease charges	849	818
	<u>1,833</u>	<u>1,818</u>

5 Auditors' remuneration

	2021	2020
	£'000	£'000
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the company	133	70
For other services		
Taxation compliance services	176	42
Statutory accounts preparation fee	4	-
All other non-audit services	325	110
	<u>505</u>	<u>152</u>

6 Employees

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

	2021	2020
	Number	Number
Employees	<u>55</u>	<u>54</u>

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	3,764	3,806
Social security costs	449	474
Other pension costs	113	128
	<u>4,326</u>	<u>4,408</u>

7 Director's remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	441	478
Company pension contributions to defined contribution schemes	2	10
	<u>443</u>	<u>488</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	205	352
Company pension contributions to defined contribution schemes	2	10
	<u>207</u>	<u>362</u>

8 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest receivable from group companies	92	-
	<u>92</u>	<u>-</u>

9 Interest payable similar expenses

	2021 £'000	2020 £'000
Other interest on financial liabilities	1	-
	<u>1</u>	<u>-</u>

10 Tax on profit

2021 £'000	2020 £'000
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TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tax on profit

	2021 £'000	2020 £'000
Deferred tax		
Origination and reversal of timing differences	(601)	39
Changes in tax rates	(157)	(12)
Adjustment in respect of prior periods	-	43
Total deferred tax	(758)	70

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £'000	2020 £'000
Profit before taxation	7,023	1,345
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00 % (2020: 19.00%)	1,334	256
Tax effect of expenses that are not deductible in determining taxable profit	395	-
Tax effect of income not taxable in determining taxable profit	(1,930)	(11)
Adjustments in respect of prior years	-	43
Effect of change in corporation tax rate	(157)	(12)
Research and development tax credit	(315)	(206)
Other adjustments	7	-
Deferred tax movements	(92)	-
Taxation (credit)/charge for the year	(758)	70

Factors affecting future tax charge

The main rate of UK corporation tax in the year was 19%. The rate will increase to 25% from 1 April 2023. This change is expected to adversely affect the company.

As this change was enacted in March 2021, the deferred tax has been recognised at 25% (2020: 19%).

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Intangible assets

	Software development £'000	Development expenditure £'000	Patents £'000	Intellectual property £'000	Total £'000
Cost					
At 1 January 2021	975	689	769	100	2,533
Additions	65	354	129	-	548
Disposals	(598)	(21)	(1)	-	(620)
At 31 December 2021	442	1,022	897	100	2,461
Accumulated amortisation					
At 1 January 2021	649	153	292	-	1,094
Amortisation charged for the year	165	83	84	11	343
Disposals	(598)	(21)	(1)	-	(620)
At 31 December 2021	216	215	375	11	817
Carrying amount					
At 31 December 2021	226	807	522	89	1,644
At 31 December 2020	326	536	477	100	1,439

12 Tangible fixed assets

	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January 2021	1,411	43	17	1,471
Additions	668	35	-	703
Disposals	(371)	(40)	-	(411)
At 31 December 2021	1,708	38	17	1,763
Accumulated depreciation				
At 1 January 2021	629	37	12	678
Depreciation charged in the year	385	14	1	400
Eliminated in respect of disposals	(371)	(40)	-	(411)
At 31 December 2021	643	11	13	667
Carrying amount				
At 31 December 2021	1,065	27	4	1,096
At 31 December 2020	782	6	5	793

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	14	1	1

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Tangle Teezer Inc.	Bold 3PL, 1125 E 4th Ave, Hutchinson, KS 67501 United States	Distribution of specialist hair brushes and their associated products	Ordinary	100.00
Pet Teezer Limited	1st and 2nd floor, 205 Stockwell Road, London SW9 9SL United Kingdom	Dormant company	Ordinary	100.00

15 Stocks

	2021 £'000	2020 £'000
Raw materials and consumables	3,135	1,696
Finished goods and goods for resale	4,050	2,342
	7,185	4,038

During the year £17,519,000 of stocks (2020: £11,855,000) was recognised as an expense and included within cost of sales in the statement of comprehensive income.

During the year £139,000 of stocks was written off (2020: £198,000).

16 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	3,616	4,547
Corporation tax recoverable	2	4
Amounts owed by group undertakings	9,248	3,487
Other debtors	692	652
Prepayments and accrued income	342	290
	13,900	8,980

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Debtors

	2021 £'000	2020 £'000
Amounts falling due after more than one year:		
Deferred tax asset (note 18)	832	74
Total debtors	14,732	9,054

Included within amounts owed by group undertakings is £4,598,000 loan receivable from the immediate parent company, Dragon BidCo Limited. The loan bears an annual interest at 5%, is unsecured and repayable on demand.

The remaining amounts owed by group undertakings are interest free, unsecured and repayable on demand.

17 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	2,225	1,642
Amounts owed to group undertakings	1,977	-
Taxation and social security	108	121
Other creditors	277	4,359
Accruals and deferred income	1,125	1,587
	5,712	7,709

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

18 Deferred taxation

The following are the major deferred tax assets recognised by the company and movements thereon:

	Assets 2021 £'000	Assets 2020 £'000
Balances:		
Accelerated capital allowances	104	(11)
Tax losses	728	85
	832	74

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Deferred taxation

	2021 £'000
Movements in the year:	
Asset at 1 January 2021	74
Credit to profit or loss	758
Asset at 31 December 2021	832

19 Retirement benefit schemes

	2021 £'000	2020 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	113	128

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.1p each	180,002	180,002	180	180
"A" ordinary shares of £1 each	100	100	100	100
	180,102	180,102	280	280

Ordinary shares rank pari passu and have full voting, dividend and distribution rights. These shares are non-redeemable.

"A" ordinary shares have no voting and dividends rights and have rights to participate in capital distributions arising only in certain circumstances and above certain levels of value. These shares are non-redeemable.

TANGLE TEEZER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Operating lease commitments

Lessee

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £'000	2020 £'000
Within one year	749	747
Between two and five years	1,231	1,968
In over five years	4	-
	<hr/> 1,984	<hr/> 2,715

22 Related party transactions

The company has taken advantage of the exemption under section 33.1A of FRS102 from disclosing transactions or balances with entities which form part of the group.

23 Ultimate controlling party

The company's immediate parent company is Dragon BidCo Limited, the company registered and incorporated in England and Wales. Dragon BidCo Limited owns 100% of the company's share capital and is itself a wholly owned subsidiary of Dragon MidCo Limited. Dragon MidCo prepares consolidated financial statements which include results of Tangle Teezer Limite and are available from 1st and 2nd floor, 205 Stockwell Road, London, United Kingdom, SW9 9SL.

The company's ultimate parent company is Dragon TopCo Limited, the company registered and incorporated in Guernsey.

The company's ultimate controlling party is Mayfair Equity Partners LLP which is based at 8 Hanover Street, London W1S 1YQ.

24 Events after the reporting date

In March 2022, Russia invaded Ukraine with war continuing throughout 2022. Both are markets where Tangle Teezer products are widely distributed, with Russia representing 6.4% of total sales in 2021 and Ukraine representing 0.8%. The board of directors immediately decided to suspend shipment of products to Russia in response, as well as donating to charities supporting Ukraine and global refugee initiatives. Sales to the Ukraine continue, but were down 40% in the first half of 2022 compared to the same period in 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.