

Company Number: 05296742

Carte Blanche Group Limited

Annual Report and Financial Statements

For the year ended 30 June 2021

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CARTE BLANCHE GROUP LIMITED

Annual Report and Financial Statements for the year ended 30 June 2021

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CARTE BLANCHE GROUP LIMITED

General Information for the year ended 30 June 2021

DIRECTORS:

S W Haines (Chairman)
A R Marchant
D Spence
W D Dodd
R J Poerscout-Edgerton

REGISTERED OFFICE:

Unit 3
Chichester Business Park
Tangmere
Chichester
West Sussex
PO20 2FT

INDEPENDENT AUDITORS:

BDO LLP
Chartered Accountants and Statutory Auditors
Arcadia House
Marine Walk - Ocean Village
Southampton
SO14 3TL

REGISTERED NUMBER:

05296742

CARTE BLANCHE GROUP LIMITED

Strategic Report

For the year ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

Review of the business

The principal activity of the company continued to be that of a holding company.

The principal activity of the Group continued to be the design, sourcing and marketing of greeting cards and related giftware, stationery and soft toys.

Our results for the year ended 30 June 2021 include the impact of the various national and regional lockdowns on the High Street because of Covid-19, which had a significant impact the distribution of our products to our customers and their end consumers. We are pleased to say that the Group has continued to remain profitable at an EBITDA level in the 2021 financial year and we are forecasting continued profitability going forwards as we continue to adapt to the changing consumer behaviour of where they buy our products from as well as the challenges caused by the widely reported Far East supply chain issues.

As a board, we continue to strive to ensure our business is as efficient as possible, to ensure that we are able to provide excellent service to our customers and that we are positioned so as to be secure in the long-term profitability and sustainability of the business for years to come.

Operational update

As with the majority of the businesses in the UK, the largest factor impacting our business in the last twelve months has been that of Covid-19, with various national and regional lockdowns impacting the high street during the year impacting revenues for the year ended June 2021 from historic norms. However, our presence in essential retail, as well as a number of online distributors meant that our customer base still had access to our broad range of products. We have also managed costs effectively and utilised government support where appropriate. As part of this, we performed a restructuring exercise during the Autumn of 2020 to align our cost base with the anticipated revenues for the 2021 financial year and continue to monitor the suitability of this going forwards.

Management continues to work closely with customers and suppliers to ensure the integrity of the supply chain and that our product is available in as many outlets and online destinations as possible to ensure continuity of sales. The cost headwinds emanating from the Far East caused through shipping and production challenges have not materially impacted the Company during the 2021 financial year due to the levels of stocks carried forwards from the 2020 financial year, however this remains a source of focus for the business in the immediate future and will impact profitability in 2022.

In September 2020, the Group secured a £2.3m Coronavirus Business Interruption Loan ("CBIL") through a separate third party lender, Thincats, which secures the Group's liquidity into the future. This facility is repayable over a three year period and is structured so that the majority of repayment is made at the end of the three year period of the debt facility. As part of this debt application process, detailed forecasting was performed of a number of various scenarios, including further lockdowns and management remain optimistic that this facility, alongside the adaptations to our ability to serve customers (including the June relaunch of our customer branded website - www.metoyou.com - with full sales capability direct from our main warehouse) as well as brand presence in essential retail means that we will be able to continue to trade as normally as we can in the event of future outbreaks. The business has outperformed the initial forecasts both from a profitability and balance sheet perspective and no covenant breach has occurred, nor is forecast to occur and the Group thanks Thincats for their support since the CBIL was put into place.

Product

Our core range, "Me to You", which incorporates the Tatty Teddy character, as well as its derivatives Tiny Tatty Teddy and My Dinky Bear, remains one of the most popular cute brands in the UK Greetings Cards and Licencing Market. We continue to bring new and innovative products to market using the rest of our brand portfolio, including Hotchpotch, Wishing Well, Violent Veg, Blue Mountain Arts (under licence) and All Creatures.

We also continue to collaborate with our existing partners in all of our markets to explore new formats to exploit our intellectual property, as well as ensuring its distribution in the marketplace is as broad as possible.

CARTE BLANCHE GROUP LIMITED

Strategic Report (continued) For the year ended 30 June 2021

Financial Overview

Revenues were down in comparison to the previous year at £15.3m (2020: £15.7m), with gross profit increasing to £6.9m (2019: £6.6m). The gross profit margin was higher at 44.9% vs 41.7% in the prior year, which has been aided by the strengthening of Sterling against the Dollar during the year, as well as significantly lower levels of returns of seasonal cards due to stronger sell through in our supermarket retailers. This was due to less competition for these retailers at certain points of the year due to the forced closure through lockdown of other customers who trade on the High Street. The reduction in revenue was due to the impact of Covid-19 on the closure of non-essential retail throughout the year, with our proprietary sales on in relation to Valentines Day and Mothers Day especially impacted due to this. However, strong performance through our print on demand partners, the launch of our own retail website and growth in ecommerce channels helped to offset, in part, this high street decline.

Gross Profit margin continues to be influenced by the impact of foreign currency movements (predominantly the US Dollar) which have settled around £1:\$1.35. This will continue to have an impact in future periods given the levels of gift and plush products that are sourced in the Far East and paid for in US Dollars. Management closely review foreign exchange fluctuations and manage this via close monitoring of payments/receipts in foreign currency, to mitigate the adverse impact of foreign currency movements. Forward exchange contracts are considered but there are none in place at year end.

A reconciliation from operating profit to underlying EBITDA is as follows:

	Y/e 30 June 2021 (£k)	Y/e 30 June 2020 (£k)
Operating profit / (loss)	642	(2,180)
Depreciation	147	217
Goodwill Amortisation	154	495
Amortisation of other intangible assets	253	203
Exceptional Goodwill Impairment	-	1,540
Exceptional Costs of restructuring	153	18
Underlying EBITDA	1,349	293

Operating cash flow generated in the year saw the reversal of the working capital slowdown seen in the last quarter of the prior year alongside strong cash conversion of EBITDA which resulted in the Group generating £3.4m of operating cash inflow vs an operational outflow of £1.7m in the previous year. This was caused primarily by a reduction in stock holdings as we sold through product held on our books at the previous year end and our debtor book returning to terms. We feel the open and honest dialogue with all relevant stakeholders meant that we were able to absorb as many shocks as possible. The business also benefited from the certainty provided in refinancing of the business, utilising a Coronavirus Business Interruption Loan of £2.4m in the year, which replaced the invoice discounting facility which had previously been in place.

Overall group net assets increased by £0.4m from £9.5m to £9.9m during the year, due to the underlying operating profit generated of £0.4m. Net current assets, which reflects the underlying trading activities of the business increased from £6.2m to £9.4m, indicating that the Group has sufficient net working capital to meet future demand and growth opportunities. This increase over and above net assets is due to the balance of the Coronavirus Business Interruption Loan which is payable in more than one year (£2.2m)

Future developments

The biggest impact to our business in the year to 30 June 2022 will be the impact of the global shipping crisis on our stock purchased from the Far East and general inflationary cost pressures in our supply chain. We are working with suppliers and freight forwarders to try to mitigate the impact of this, however, this is going to impact profitability in the short term whilst we understand the levels at which container prices and material costs will settle in the longer term.

CARTE BLANCHE GROUP LIMITED

Strategic Report (continued) For the year ended 30 June 2021

Principal risks and uncertainties

As with many businesses, the Group is subject to numerous risks which could impact on the Group's prospects. Many of these are general in nature and can affect all businesses. In this respect the board has established a system of internal controls and risk management to provide assurance regarding effective and efficient operations, internal control and compliance with appropriate laws and regulations.

The principal risk faced by the Group is continued economic retail uncertainty, coupled with the financial stability of our key customers and suppliers, in addition to the impact of competitor brands and products. Policies are in place to mitigate this risk and can be found under the heading 'Financial risk and management objectives and policies' below.

Not only is the price of the product the Group purchases from suppliers fundamental to our continued success but so is the quality and adherence to all appropriate quality and health and safety standards. The Group has policies in place to ensure suppliers are audited periodically to ensure they meet the increasing requirements both in the UK and overseas. In addition continuity of supply is essential and the Group has policies to ensure that wherever possible we have alternative suppliers in place for all products.

Staff are key to all successful businesses and the loss of any key staff could impact on the Group's management and operational capabilities. The Group invests resources to ensure the selection of the right staff and in their retention through the working and cultural environment as well as through appropriate incentives.

Performance monitoring

Given the straightforward nature of the business, the Group's directors are of the opinion that an analysis using key performance indicators within this report is not necessary for an understanding of the development, performance or position of the business. The key performance measure used by the Board is EBITDA which is commented on above.

Financial risk management objectives and policies

The Group's operations expose it to a variety of financial risks the principal risks being foreign currency risk, interest rate risk, credit risk and liquidity risk. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. Policies are reviewed and agreed by the board of directors for managing each area of these risks and are implemented by the Group's finance department. The policies are summarised below and have remained unchanged from previous years.

Foreign currency risk

The Group sources a significant quantity of its products from the Far East denominated in US\$. The Group deals with the exposures arising out of the transactional foreign exchange risk by applying a natural hedging policy via monitoring of payments/receipts in foreign currency.

Interest rate risk

The Group financed its operations during the financial year through a mixture of retained profits and a £2.5m invoice discounting facility, where interest rate risk exposure is caused by the link of the interest rate to the Bank of England exchange rate. The invoice discounting facility has been replaced since the year end by a £2.4m Coronavirus Business Interruption Loan, with a fixed interest rate, therefore the risk of fluctuating interest rates is less of an issue.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers prior to any sales being made and the setting of credit limits (where appropriate) which are continually reassessed. Credit control procedures are in place to minimise the risk of bad and doubtful debts. Where possible the Group secures negotiated credit terms with its key suppliers.

Liquidity risk

The Group assesses liquidity through annual forecasts of cash requirements and close monthly monitoring. If appropriate forecasts will be extended and revised having regard to the credit risks described above and planned operations and expansions. Since the year end, we have replaced our £2.5m invoice discounting facility with a £2.4m Coronavirus Business Interruption Loan, which supports the assessment that the directors are satisfied that the Company has in place adequate liquid cash resources to support the Company's strategy.

Approved by the board on | December 2021
and signed on its behalf by:



R J Poerscout-Edgerton, Director

Unit 3, Chichester Business Park, Tangmere, Chichester, West Sussex PO20 2FT

CARTE BLANCHE GROUP LIMITED

Directors' Report

For the year ended 30 June 2021

The directors present their report and audited consolidated financial statements for Carte Blanche Group Limited (the "Group") for the year ended 30 June 2021.

Directors

The directors set out below held office during the year from 1 July 2020 to the date of this report except as noted. The interests of the directors holding office on 30 June 2021 in the shares of the company were as follows:

	30-Jun-21 Ordinary £1 shares	30-Jun-21 Ordinary B £1 shares	30-Jun-21 Ordinary C £1 shares	30-Jun-21 Ordinary £1 shares	30-Jun-21 Ordinary B £1 shares	30-Jun-21 Ordinary C £1 shares
S W Haines	5,600	-	-	5,600	-	-
A R Marchant	-	800	267	-	800	267
D Spence (held through Matrix Property Ltd, a company registered in Guernsey)	2,400	-	-	2,400	-	-
W D Dodd	-	400	134	-	400	134
R J Poerscout-Edgerton	-	400	134	-	400	134

On 6 September 2021, A R Marchant purchased all of the shares owned by W D Dodd, reducing W D Dodd's shareholding to nil. No other changes in the ownership or composition of share capital has happened since the year end and to the date of this report.

Results and dividends

The Group profit for the financial year after taxation and other comprehensive income was £452,435 (2020: loss of £2,204,693). The company profit for the financial year after taxation was £906,801 (2020: £12,092).

No dividends were declared in either the current or previous financial year.

Financial risk management objectives and policies

Information on the financial risk management of the group can be found in the strategic report on pages 3 to 5.

Future developments

Information on the future developments of the group can be found in the strategic report on pages 3 to 5.

Going concern

The Group's business activities, together with the factors likely to affect its future development, financial position, financial risk management and objectives, and its exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk are described in the Strategic Report on pages 3 to 5. The directors believe that the Group is well placed to manage its business risks successfully despite the uncertain economic outlook. They have concluded, after the receipt of the CBIL loan and reviewing the sensitivities applied to the cashflow forecasts, there is a good expectation that the Group has adequate resources to continue in operation until at least 12 months from the approval of the financial statements. Accordingly they continue to adopt the going concern basis in these financial statements. Further details of the impact of Covid-19 on going concern is given in the strategic report and in Note 1.

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions were in force during the financial year and remain in force as at the date of approving the directors' report.

Employees

Consultation with employees has continued at all levels with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the economic performance of the Group. The Group has always recognised the importance of effective employee communications. It also believes the prime responsibility for communications lies with management. Employees are involved in briefing meetings which is considered to be effective for communication. Forward plans and regular reports on progress are a feature of internal communications. The Directors of the company advocate an open style of management with the objective of encouraging innovation and of ensuring maximum internal understanding of the Group's objectives and progress.

CARTE BLANCHE GROUP LIMITED

Directors' Report (continued)

For the year ended 30 June 2021

Employment of disabled persons

Applications for employment by disabled persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when the report is approved, have confirmed that:

- (a) as far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) each of the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of the relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standards 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board on 1 December 2021
and signed on its behalf by



R J Poerscout-Edgerton - Director

Unit 3

Chichester Business Park

Tangmere

Chichester

West Sussex

PO20 2FT

CARTE BLANCHE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTE BLANCHE GROUP LIMITED

Opinion on the Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Carte Blanche Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2021 which comprise the consolidated Statement of Comprehensive Income, the consolidated and company Statement of Financial Position, the consolidated and company Statement of Changes in Equity and the consolidated Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent 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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

CARTE BLANCHE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARTE BLANCHE GROUP LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Assessing journal entries as part of our planned audit approach
- Assessing the judgements made by management when making key accounting estimates and judgements, and challenging management on its appropriateness of these judgements.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialist and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Malcolm Thixton

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Malcolm Thixton (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Southampton, UK

02 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CARTE BLANCHE GROUP LIMITED

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2021

	Notes	£	Year to 30 June 2021 £	£	Year to 30 June 2020 £
TURNOVER	3		15,305,328		15,754,757
Cost of sales			(8,419,888)		(9,198,223)
GROSS PROFIT			<u>6,885,440</u>		<u>6,556,534</u>
Distribution costs			(1,134,265)		(1,575,090)
Administrative expenses:					
Normal administrative expenses		(5,306,664)		(5,441,389)	
Goodwill amortisation	9	(153,768)		(494,797)	
Exceptional goodwill impairment	9	-		(1,540,000)	
Exceptional costs of restructuring continuing operations		(153,353)		(18,235)	
			<u>(5,613,785)</u>		<u>(7,494,421)</u>
Other operating income			504,513		333,263
OPERATING PROFIT / (LOSS)	4		<u>641,903</u>		<u>(2,179,714)</u>
Interest receivable and similar income			-		-
Interest payable and similar charges	7		(138,582)		(48,241)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>503,321</u>		<u>(2,227,955)</u>
Tax on profit / (loss) on ordinary activities	8		(51,369)		5,891
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	18		<u>451,952</u>		<u>(2,222,064)</u>
Other comprehensive income					
Exchange differences on retranslation of net assets of subsidiary undertakings	18		483		17,372
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR			<u>452,435</u>		<u>(2,204,692)</u>

The Group's turnover and expenses all relate to continuing operations.

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

Consolidated Statement of Financial Position at 30 June 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	9		2,424,555		2,815,578
Tangible assets	10		301,321		443,224
			<u>2,725,876</u>		<u>3,258,802</u>
CURRENT ASSETS					
Stock	12	2,451,482		3,830,842	
Debtors	13	3,382,856		4,504,019	
Cash at bank and in hand		5,811,148		99,769	
		<u>11,645,486</u>		<u>8,434,630</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(2,209,370)</u>		<u>(2,234,000)</u>	
NET CURRENT ASSETS			<u>9,436,116</u>		<u>6,210,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,161,992		9,469,432
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			(2,240,125)		-
NET ASSETS			<u>9,921,867</u>		<u>9,469,432</u>
CAPITAL AND RESERVES					
Called up share capital	17		10,669		10,669
Share premium	18		180,000		180,000
Profit and loss account	18		8,881,198		8,428,763
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			<u>9,071,867</u>		<u>8,619,432</u>
Non-controlling interests	18		850,000		850,000
			<u>9,921,867</u>		<u>9,469,432</u>

The financial statements were approved by the board of directors on 1 December 2021 and were signed on its behalf by:


R J Poerscout-Edgerton - Director

CARTE BLANCHE GROUP LIMITED
Company Registered Number 05296742

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

Consolidated Statement of Changes In Equity
For the year 30 June 2021

	Share Capital	Share Premium account	Profit and loss account	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£
As at 1 July 2020	10,669	180,000	8,428,763	8,619,432	850,000	9,469,432
Comprehensive profit for the year						
Profit for the year	-	-	451,952	451,952	-	451,952
Exchange differences on retranslation of net assets of subsidiary undertakings						
	-	-	483	483	-	483
Other comprehensive income for the year						
	-	-	483	483	-	483
Total comprehensive income for the year						
	-	-	452,435	452,435	-	452,435
As at 30 June 2021	10,669	180,000	8,881,198	9,071,867	850,000	9,921,867

	Share Capital	Share Premium account	Profit and loss account	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£
As at 1 July 2019	10,669	180,000	10,633,455	10,824,124	850,000	11,674,124
Comprehensive loss for the year						
Loss for the year	-	-	(2,222,064)	(2,222,064)	-	(2,222,064)
Exchange differences on retranslation of net						
	-	-	17,372	17,372	-	17,372
Other comprehensive income for the year						
	-	-	17,372	17,372	-	17,372
Total comprehensive loss for the year						
	-	-	(2,204,692)	(2,204,692)	-	(2,204,692)
As at 30 June 2020	10,669	180,000	8,428,763	8,619,432	850,000	9,469,432

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

**Consolidated Cash Flow Statement
For the Period Ended 30 June 2021**

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the financial year	451,952	(2,222,064)
Adjustments for:		
Depreciation, amortisation and impairment of fixed assets and goodwill	553,805	2,454,770
Profit on disposal of fixed assets	(38,037)	(32,909)
Net interest payable	138,582	48,241
Taxation charge	-	(5,891)
Decrease / (Increase) in stocks	1,379,360	(1,008,207)
Decrease / (Increase) in debtors	1,121,163	(341,839)
Decrease in creditors	(193,402)	(611,788)
NET CASH FLOW GENERATED FROM / (USED IN) OPERATING ACTIVITIES	3,413,423	(1,719,687)
INVESTING ACTIVITIES		
Payments to acquire intangible/tangible fixed assets	(35,286)	(315,298)
Receipts from sale of tangible fixed assets	52,444	54,585
NET CASH FLOW GENERATED FROM / (USED IN) INVESTING	17,158	(260,713)
FINANCING ACTIVITIES		
Coronavirus Business Interruption Loan	2,418,896	-
Interest paid	(138,582)	(48,241)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	2,280,314	(48,241)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,710,895	(2,028,641)
Cash and cash equivalents at 1 July	99,770	2,111,039
Foreign exchange gains and losses	483	17,372
CASH AND CASH EQUIVALENTS AT 30 JUNE	5,811,148	99,770
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash at bank and in hand	5,811,148	99,769

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

Company Statement of Financial Position at 30 June 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	11		9,875,250		8,890,000
			9,875,250		8,890,000
CURRENT ASSETS					
Debtors	13	490,274		563,443	
Cash at bank and in hand		2,438		2,468	
		492,712		565,911	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(6,922,475)		(6,917,225)	
NET CURRENT LIABILITIES			(6,429,763)		(6,351,314)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,445,487		2,538,686
NET ASSETS			3,445,487		2,538,686
CAPITAL AND RESERVES					
Called up share capital	17		10,669		10,669
Share premium	18		180,000		180,000
Profit and loss account	18		3,254,818		2,348,017
			3,445,487		2,538,686

As permitted by Section 408 of the Companies Act 2006 the company has not presented its own statement of comprehensive income. The profit for the financial year of Carte Blanche Group Limited is £906,801 (2020: £12,092).

The financial statements were approved by the board of directors on 1 December 2021 and were signed on its behalf by:



R J Poerscut-Edgerton - Director

CARTE BLANCHE GROUP LIMITED

Company Registered Number 05296742

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

**Company Statement of Changes in Equity
For the year ended 30 June 2021**

	Share Capital £	Share Premium account £	Profit and loss account £	Total equity £
As at 1 July 2020	10,669	180,000	2,348,017	2,538,686
Comprehensive profit for the year	-	-	906,801	906,801
Profit the year	-	-	906,801	906,801
Total comprehensive profit for the year	-	-	906,801	906,801
As at 30 June 2021	10,669	180,000	3,254,818	3,445,487

	Share Capital £	Share Premium account £	Profit and loss account £	Total equity £
As at 1 July 2019	10,669	180,000	2,335,925	2,526,594
Comprehensive profit for the year	-	-	12,092	12,092
Profit the year	-	-	12,092	12,092
Total comprehensive profit for the year	-	-	12,092	12,092
As at 30 June 2020	10,669	180,000	2,348,017	2,538,686

The notes on pages 16 to 28 form part of these financial statements.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements

For the year ended 30 June 2021

1 ACCOUNTING POLICIES

Carte Blanche Group Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies (see Note 2).

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

(a) Going concern

The financial statements are prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Group secured a £2.3m Coronavirus Business Interruption Loan; the Directors believe that this provides appropriate external funding in order to secure its future viability.

As part of the assessment of going concern, the Directors considered the sufficiency of future trading and budgeted cash flows of the Group. The Directors performed a number of sensitivities to their base revenue forecast in order to assess the ability of the Group to absorb any future shocks and remain able to meet the covenants in place for the CBIL debt. Sensitivities included factors such as increased freight costs and general reduction in EBITDA e.g. due to future unexpected lock-downs set against the budgeted base case. The Board has concluded, after receipt of the CBIL loan and reviewing the sensitivities applied to the cashflow forecasts, there is a good expectation that the Group has adequate resources to continue to operate until at least 12 months from the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

(b) Basis of consolidation

The consolidated financial statements present the results of Carte Blanche Group Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In respect of Zepho Enterprises Limited, the minority interest of 10% has not been accounted for in these financial statements given the directors consider this is not material. 100% of the post-acquisition results and year end net assets of this company have therefore been included in the consolidated financial statements of the group.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements

For the year ended 30 June 2021

1 ACCOUNTING POLICIES (continued)

(c) Parent company disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv), reconciliation of the number of shares outstanding at the beginning and end of the period;
- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d), to include a cash flow statement in the financial statements;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A, disclosure of financial instruments; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7, the disclosure of key management personnel compensation.

(d) Turnover

Turnover represents the invoiced value of goods sold and services provided during the period stated net of discounts and value added tax. Turnover is recognised on despatch of goods or once the service has been provided. Turnover excludes the sales value of estimated returns.

Merchandise licensing advances and guarantee royalty payments are recognized based on the contractual royalty rate when the licensed product is sold by the licensee. Non-refundable advances and minimum guarantee royalty payments in excess of royalties earned are generally recognized as revenue at the end of the contract period.

(e) Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives as follows:

Motor vehicles	- Between 25% and 33% per annum
Plant and machinery	- Between 10% and 50% per annum
Leasehold improvements	- over the term of the lease
Freehold Property	- 2% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income' in the statement of comprehensive income.

(f) Operating Leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

(g) Stock

Stock is valued at cost using a first in first out weighted average costing system. Where necessary, provision is made for slow moving and obsolete stock such that its value is recognised at the lower of cost and net realisable value.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements For the year ended 30 June 2021

1 ACCOUNTING POLICIES (continued)

(g) Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where, they related to timing differences in respect of interest in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

(j) Intangible assets

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years. All goodwill will be amortised in full by 2024.

Impairment reviews are carried out in the first full year following acquisition and when events dictate that an impairment review is necessary.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful economic lives. The estimated useful economic life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software intangibles are amortised over 10 years from the date they are brought into use on a straight line basis.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

1 ACCOUNTING POLICIES (continued)

(h) Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of transaction or at contracted forward rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates or, if applicable, at contracted forward rates of exchange. All revaluation differences and realised foreign exchange differences are taken to the income statement.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

(i) Pension costs

Contributions payable to the Group's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.

(k) Investments

Investments held as fixed assets are stated at cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

(l) Finance Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. The interest element is charged against profits so as to produce a constant periodic charge over the term of the finance lease. Depreciation is calculated to write the assets off over their expected useful lives.

(m) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

(m) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

(o) Government Grants

Grants are accounted under the accruals model as permitted by FRS 102

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating leases 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 lessees on a lease by lease basis.

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. 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.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

1 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed 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 a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Provisions

The company has recognised provisions in relation to slow moving stock, trade receivables (doubtful debtors and credit notes) and sale or return obligations under contracts with certain customers. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and post balance sheet activity up to the date of signing.

Impairment of goodwill and investments

An impairment review was undertaken during both the current and prior periods in relation to the Group goodwill and Company investments using a discounted cashflow model to generate a figure for value in use, which was then compared against the net assets of the underlying business. The key assumptions included in this review were the discount rate and growth rates. The discount rate is a pre-tax adjusted discount rate and reflects management's estimate of the Group's weighted average cost of capital. The management forecasts are extrapolated using growth rates of between 1 and 2% over the next five years, with assumptions relevant for the business sector, the current economic climate and are based on industry research. A longer term growth rate of 2% has been used, in line with the Bank of England target inflation rate.

The impairment review included the consideration of a number of scenarios, some of which included potential changes to the Group to reflect changes in the retail environment which the Group operates, that are currently being made by the board. These different scenarios were each used to calculate a discounted cashflow model, given a probability factor and used to calculate a weighted average expected value in use for the impairment review. An impairment of £1.5m has been performed in the year.

3 TURNOVER

The turnover is attributable to the principal activity of the design and marketing of greeting cards and related giftware, stationery and soft toys, and associated royalty income. Analysis of turnover by segment has not been given as it considered this would be seriously prejudicial to the group.

The analysis of turnover by geographical market is as follows

	Year to 30 June 2021	Year to 30 June 2020
	£	£
United Kingdom	13,583,586	14,033,015
Rest of EU	1,064,268	1,064,268
Rest of world	657,474	657,474
	<u>15,305,328</u>	<u>15,754,757</u>

4 OPERATING PROFIT / (LOSS)

	Year to 30 June 2021	Year to 30 June 2020
	£	£
Operating profit / (loss) is stated after charging/(crediting):		
Hire of equipment	1,301	1,301
Operating lease rentals - land and buildings	377,500	377,500
Amortisation and impairment of Goodwill	153,768	2,034,797
Amortisation of other intangible assets	252,587	203,330
Depreciation of owned tangible fixed assets	147,450	216,643
Profit on disposal of tangible fixed assets	(38,037)	(32,909)
Foreign exchange differences	91,488	62,662
Defined contribution pension cost	258,279	261,411
CBIL Interest contribution income	(136,537)	-
Coronavirus Job Retention Scheme income	(367,976)	(333,263)

During the period the Group obtained the following services from the Group's auditors and it's associates:

	Year to 30 June 2021	Year to 30 June 2020
	£	£
Fees payable to the company auditors for the audit of the parent company and consolidated financial statements	5,000	3,000
Fees payable to the company's auditors and it's associates for other services:		
The audit of the company's subsidiaries pursuant to legislation	28,500	28,300
Tax services	10,300	13,575
Other services	-	-
	<u>43,800</u>	<u>44,875</u>

CARTE BLANCHE GROUP LIMITED

**Notes to the Financial Statements
For the year ended 30 June 2021**

5 STAFF COSTS

The average monthly number of persons (including directors) employed by the Group during the period were:

	2021	2020
	Number	Number
Selling	31	37
Production and warehousing	61	66
Office and management	12	18
	<u>104</u>	<u>121</u>

Their aggregate remuneration:

	Year to 30 June 2021	Year to 30 June 2020
	£	£
Wages and salaries	3,362,759	3,921,589
Social security costs	294,435	325,391
Other pension costs	258,279	261,411
	<u>3,915,473</u>	<u>4,508,391</u>

The company has no employees and therefore no staff costs.

6 DIRECTORS

	Year to 30 June 2021	Year to 30 June 2020
	£	£
Aggregate emoluments		
Emoluments	544,412	652,702
Contributions to defined contribution pension schemes	35,640	35,849
	<u>580,052</u>	<u>688,551</u>

Fees paid to directors' service companies	<u>54,650</u>	<u>54,650</u>
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The emoluments of the directors disclosed above include the following amount paid to the highest paid director:

Emoluments	236,522	269,407
Contributions to defined contribution pension schemes	<u>21,162</u>	<u>1,940</u>

During the year 3 directors (2020: 3 directors) accrued benefits under the company's defined contribution pension scheme. The highest paid director received £21,162 (2020: £1,940) accrued benefits under a defined contribution pension scheme.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	12 months to 30 June 2021	12 months to 30 June 2020
	£	£
Coronavirus Business Interruption Loan Interest	136,537	-
Invoice discounting interest	<u>2,045</u>	<u>48,241</u>
	<u>138,582</u>	<u>48,241</u>

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

8 TAX ON LOSS ON ORDINARY ACTIVITIES

	Year to 30 June 2021 £	Year to 30 June 2020 £
Analysis of tax charge/(credit) for the period:		
Current tax:		
Foreign tax	-	56,700
Total current tax charge	<u>-</u>	<u>56,700</u>
Deferred tax (note 16):		
Origination and reversal of timing differences	221,582	(20,772)
Adjustments in respect of prior periods	(6,630)	9,196
Effect of tax rate change on opening balance	(163,583)	(51,015)
Total deferred tax charge / (credit)	<u>51,369</u>	<u>(62,591)</u>
Tax charge / (credit) on loss on ordinary activities	<u>51,369</u>	<u>(5,891)</u>
	Year to 30 June 2021 £	Year to 30 June 2020 £
Profit / (loss) on ordinary activities before tax	<u>503,321</u>	<u>(2,227,955)</u>
Profit / (loss) on ordinary activities multiplied by rate of corporation tax in the UK applicable to the Group of 19% (2020: 19%)	95,631	(423,311)
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation and impairment)	55,890	389,498
Fixed assets differences	6,636	5,321
Adjustment to brought forward values	-	120
Adjustments in respect of prior periods (foreign tax)	-	56,700
Adjustment in respect of previous periods (deferred tax)	(6,630)	9,196
Remeasurement of deferred tax for changes in tax rates	(143,074)	(61,388)
Deferred tax not recognised	42,916	17,974
Tax charge / (credit) for the period	<u>51,369</u>	<u>(5,891)</u>

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

9 INTANGIBLE FIXED ASSETS

	ERP System	Trademarks	Website	Goodwill	Total
	£	£	£	£	£
COST					
At 1 July 2020	2,158,851	203,153	46,800	73,121,473	75,530,277
Additions	-	10,082	-	5,250	15,332
At 30 June 2021	<u>2,158,851</u>	<u>213,235</u>	<u>46,800</u>	<u>73,126,723</u>	<u>75,545,609</u>
ACCUMULATED AMORTISATION					
At 1 July 2020	219,126	60,695	-	72,434,878	72,714,699
Charge for the year	215,318	21,669	15,600	153,768	406,355
At 30 June 2021	<u>434,444</u>	<u>82,364</u>	<u>15,600</u>	<u>72,588,646</u>	<u>73,121,054</u>
NET BOOK VALUE					
At 30 June 2021	<u>1,724,407</u>	<u>130,871</u>	<u>31,200</u>	<u>538,077</u>	<u>2,424,555</u>
At 30 June 2020	<u>1,939,725</u>	<u>142,458</u>	<u>46,800</u>	<u>686,595</u>	<u>2,815,578</u>

Software costs relate to a new Enterprise Management System which was brought into use in June 2019 and have been amortised over the expected useful economic life of 10 years on a straight line basis.

10 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Motor Vehicles	Plant and Machinery	Total
	£	£	£	£
COST				
At 30 June 2020	1,780,921	385,700	2,728,200	4,894,821
Additions	-	-	19,954	19,954
Disposals	-	(149,869)	-	(149,869)
At 30 June 2021	<u>1,780,921</u>	<u>235,831</u>	<u>2,748,154</u>	<u>4,764,906</u>
ACCUMULATED DEPRECIATION				
At 1 July 2020	1,471,290	332,271	2,648,036	4,451,597
Charge for the year	34,925	34,486	78,039	147,450
Disposals	-	(135,462)	-	(135,462)
At 30 June 2021	<u>1,506,215</u>	<u>231,295</u>	<u>2,726,075</u>	<u>4,463,585</u>
NET BOOK VALUE				
At 30 June 2021	<u>274,706</u>	<u>4,536</u>	<u>22,079</u>	<u>301,321</u>
At 30 June 2020	<u>309,631</u>	<u>53,429</u>	<u>80,164</u>	<u>443,224</u>

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

11 FIXED ASSET - INVESTMENTS

COMPANY	Year to 30 June 2021
COST	£
At 1 July 2020	83,780,872
Additions	5,250
At 30 June 2021	83,786,122
PROVISION FOR IMPAIRMENT	
At 1 July 2020	74,890,872
Reversal of prior period impairment	(980,000)
At 30 June 2021	73,910,872
NET BOOK VALUE	
At 30 June 2020	8,890,000
At 30 June 2021	9,875,250

The Company is the ultimate holding company for the following subsidiaries:

Name	Percentage of shares held by Company	Percentage of shares held by Subsidiary	Nature of business
Carte Blanche Greetings Limited	100%	-	Greetings cards and gifts publisher
Carte Blanche Limited	-	100%	Dormant
Gemini Toys Limited	-	100%	Dormant
Carte Blanche Greetings (Hong Kong) Limited	-	100%	Dormant
Brandmaster Limited	100%	-	Intellectual Property
Wishing Well Studios (Holdings) Ltd	100%	-	Dormant
Wishing Well Studios Limited	-	100%	Non-trading
Hotchpotch Publishing Limited	100%	-	Dormant
Lello Design Limited	100%	-	Non-trading
Carte Blanche Australia Pty Ltd	100%	-	Non-trading
Carte Blanche Retail Limited	100%	-	Non-trading
CBG Retail Limited *	100%	-	Dormant
Hob Holdings Limited	100%	-	Non-trading
Is It Art Limited	100%	-	Greetings cards and gifts publisher
Suppliers Web Shop Limited	100%	-	Non-trading
Blue Mountain Arts Limited *	100%	-	Dormant
Zepho Enterprises Limited	90%	-	Greetings cards and gifts retailer
Carte Blanche Greetings (Ireland) Limited	100%	-	Non-trading

The above non-dormant companies with the exception of Carte Blanche Greetings Limited, are all exempt from the requirements of the Companies Act relating to the audit of the accounts under section 479A of the Companies Act 2006.

The directors believe that the carrying value of the investments is supported by their underlying net assets or value in use, after the recording of the impairment charge in the year.

All subsidiary undertakings (see also note 1a) have been included in the consolidation. All have co-terminus year ends, with the exception of those marked *. These undertakings have a 31 December year end, but this has no impact on the consolidation as they are dormant. All subsidiary undertakings are incorporated in the United Kingdom except Carte Blanche Greetings (Hong Kong) Limited, which is incorporated in Hong Kong, and Carte Blanche Australia Pty Ltd which is incorporated in Australia.

In respect of Zepho Enterprises Limited, the minority interest of 10% has not been accounted for in these financial statements given the directors consider this is not material. 100% of the post-acquisition results and year end net assets of this company have therefore been included in the consolidated financial statements of the group.

The registered office for all of the above companies is Unit 3, Chichester Business Park, Tangmere, Chichester, PO20 2FT.

CARTE BLANCHE GROUP LIMITED
Notes to the Financial Statements
For the year ended 30 June 2021

12 STOCK

	Group Year to 30 June 2021 £	Group Year to 30 June 2020 £	Company Year to 30 June 2021 £	Company 18 months to 30 June 2020 £
Finished goods and goods for resale	2,451,482	3,830,842	-	-

13 DEBTORS

	Group Year to 30 June 2021 £	Group Year to 30 June 2020 £	Company Year to 30 June 2021 £	Company Year to 30 June 2020 £
Trade debtors	1,387,795	2,598,873	-	-
Amounts owed by group undertakings	-	-	160,426	160,426
Other debtors	392,683	335,640	191,248	191,248
Corporation tax	-	-	-	-
Deferred tax (note 16)	460,020	511,389	138,600	105,330
Prepayments and accrued income	1,142,358	1,058,117	-	106,439
	<u>3,382,856</u>	<u>4,504,019</u>	<u>490,274</u>	<u>563,443</u>

Amounts above falling due after more than one year:

	Group Year to 30 June 2021 £	Group Year to 30 June 2020 £	Company Year to 30 June 2021 £	Company Year to 30 June 2020 £
Deferred tax (note 16)	460,020	511,389	138,600	105,330
	<u>460,020</u>	<u>511,389</u>	<u>138,600</u>	<u>105,330</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group Year to 30 June 2021 £	Group Year to 30 June 2020 £	Company Year to 30 June 2021 £	Company Year to 30 June 2020 £
Invoice Discounting Facility	-	139,709	-	-
Coronavirus Business Interruption Loan	178,771	-	-	-
Trade creditors	652,960	779,827	-	-
Amounts owed to group undertakings	-	-	6,922,475	6,917,225
Other taxation and social security costs	358,684	511,974	-	-
Other creditors	336,529	133,115	-	-
Accruals and deferred income	682,426	659,375	-	-
	<u>2,209,370</u>	<u>2,224,000</u>	<u>6,922,475</u>	<u>6,917,225</u>

The Coronavirus Business Interruption Loan is secured against the assets of the Group. Repayments begin in October 2021, with the full balance to be repaid in September 2023.

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

Obligations under finance leases are secured over the assets concerned.

CARTE BLANCHE GROUP LIMITED
Notes to the Financial Statements
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15 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR

	Group Year to 30 June 2021	Group Year to 30 June 2020	Company Year to 30 June 2021	Company Year to 30 June 2020
	£	£	£	£
Coronavirus Business Interruption Loan	<u>2,240,125</u>	<u>-</u>	<u>-</u>	<u>-</u>

16 DEFERRED TAX

	Year to 30 June 2021 £	Year to 30 June 2020 £
At 1 July	(511,389)	(448,798)
Deferred tax charge / (credit) in profit and loss account for the period	<u>51,369</u>	<u>(62,591)</u>
At 30 June	<u>(460,020)</u>	<u>(511,389)</u>
The deferred tax asset arises due to the following differences:		
	Year to 30 June 2021 £	Year to 30 June 2020 £
Short term timing difference:	(6,039)	(6,039)
Losses and other deductions	(353,318)	(404,687)
Accelerated capital allowances	<u>(100,663)</u>	<u>(100,663)</u>
	<u>(460,020)</u>	<u>(511,389)</u>

CARTE BLANCHE GROUP LIMITED
Notes to the Financial Statements
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17 CALLED UP SHARE CAPITAL

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Allotted, issued and fully paid				
8,000 (2018: 8,000) ordinary shares of £1 each	8,000	8,000	8,000	8,000
2,000 (2018: 2,000) B ordinary shares of £1 each	2,000	2,000	2,000	2,000
669 (2018: 669) C ordinary shares of £1 each	669	669	669	669
	<u>10,669</u>	<u>10,669</u>	<u>10,669</u>	<u>10,669</u>

Called up share capital represents the nominal value of shares issued.

18 RESERVES

GROUP

	Profit and Loss Account	Total
	£	£
At 1 July 2020	8,428,763	8,428,763
Profit for the financial year	451,952	451,952
Exchange differences on retranslation of net assets of subsidiary undertakings	483	483
	<u>8,881,198</u>	<u>8,881,198</u>
At 30 June 2021		

COMPANY

	Profit and Loss Account	Total
	£	£
At 1 July 2020	2,348,017	2,348,017
Profit for the financial year	906,801	906,801
	<u>3,254,818</u>	<u>3,254,818</u>
At 30 June 2021		

Minority interest is represented by a holding of £850,000 (2020: £850,000) preference shares issued by Carte Blanche Greetings Limited to a director of Carte Blanche Group Limited. There are no rights to receive dividends nor voting rights with the preference shares. The holder of the preference shares has no redemption rights.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

CARTE BLANCHE GROUP LIMITED

Notes to the Financial Statements
For the year ended 30 June 2021

19 PENSION COMMITMENTS

The Group operates a defined contribution money purchase scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group and amounted to £258,279 (2020: £261,411).

At 30 June 2020 contributions of £27,218 (2020: £25,213) due in respect of the current reporting year had not been paid over to the scheme.

20 OTHER FINANCIAL COMMITMENTS

The group had minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Operating leases which expire:				
Within one year	377,500	385,834	27,095	45,889
Between two and five years	94,375	471,875	22,938	36,280
	<u>471,875</u>	<u>857,709</u>	<u>50,033</u>	<u>82,169</u>

21 NET DEBT RECONCILIATION

	30-Jun-20	Cash flows	30 June 2021
Cash at bank and in hand	99,769	5,711,379	5,811,148
Invoice Discounting facilities	(139,709)	139,709	-
Coronavirus Business Interruption Loan	-	(2,418,896)	(2,418,896)
	<u>(39,940)</u>	<u>3,432,192</u>	<u>3,392,252</u>

22 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS102 not to disclose transactions with members of the group headed by Carte Blanche Group Limited on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into and trading balances outstanding at 30 June, are as follows:

	Sales to related party	Purchases / services received from related party	Amounts owed from related party	Amounts owed to related party
	£	£	£	£
Entities in which a director has a controlling interest				
2021	-	58,800	-	1,200
2020	-	54,650	-	23,400
Entities controlled by a close family member				
2021	-	-	-	-
2020	-	6,380	-	-

Sales, purchases and services between related parties are made at both normal market prices in addition to discounted goods being supplied at discounted rates. Outstanding balances with entities are unsecured and interest free.

23 ULTIMATE PARENT UNDERTAKING

Carte Blanche Group Limited is the ultimate parent undertaking of the Group, the controlling interest in which is held by S W Haines.