

**Brand Architekts Group plc**  
**(“Brand Architekts” or the “Group”)**  
**Interim results**

**Brand Architekts Group plc, a market leader in the development and supply of beauty and personal care brands, announces its interim results for the 6-month period ended 31 December 2022**

**Business highlights:**

- Business focussed on driving our solution-led Invest & Nurture brands that can command higher retail prices, engender strong consumer loyalty and deliver stronger margins.
- Initial stages of the InnovaDerma integration complete, core functions now based in the UK.
- Skinny Tan launched into Sainsbury in September; new listings confirmed in Boots in January 23, Superdrug in March 23 and new launch into Waitrose for Spring 23.
- Launched New Super Facialist Clear Skin, targeting problematic teenage skin care needs, on Amazon in September. Listing confirmed in Boots for June 23.
- Planned launch of new Super Facialist D2C site in Spring 23, benefitting from InnovaDerma D2C and digital communications expertise.
- 35% growth vs the prior year in international channel sales driven by post covid rebound in volumes from General Merchandise stores across North America and Europe, benefitting in particular Dirty Works.
- New distribution gains for Dirty Works in Ecuador and Guatemala and new launches confirmed in 200 Watsons stores in Thailand and Vietnam in June 23.
- Strong sell through of Dirty Works Christmas gift sets in Sainsbury and to international customers.

**Financial highlights:**

- Revenues for the period of £10.6m, an increase of 45% on the prior year (£7.4m) as a result of the acquisition of InnovaDerma Plc at the end of May 2022.
- Gross Profit Margin improved to 38.9% (H1 2022: 32.5%), reflecting the impact of the InnovaDerma brand portfolio.
- Underlying operating loss of £0.8m was in line with the prior year (H1 2022: £0.8m). Excluding InnovaDerma, underlying operating loss improved by £0.3m to £0.5m from higher revenue and cost savings.
- Loss before tax increased by £0.7m to £1.8m (H1 2022: £1.1m) owing to InnovaDerma related exceptional costs and intangibles amortisation.
- Net cash position as at the period end was £8.1m.

	H1 2023	H1 2022
Revenue (Note 2 of financial statements)	£10.6m	£7.4m
Underlying operation (loss)/profit <sup>1</sup>	£(0.8)m	£(0.8)m
(Loss)/profit before taxation	£(1.8)m	£(1.1)m
Basic (loss)/earnings per share (Note 4 of financial statements)	(6.1)p	(7.7)p
Net cash	£8.1m	£17.3m

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

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

*“Throughout the period we focused upon driving the strategic benefits of the enlarged Group together with delivering the integration plan and simplifying the organisational structure. We have secured new distribution gains against our key Invest (Skinny Tan and Super Facialist) and Nurture (Dirty Works and The Solution) brands, both online and offline, domestically and internationally. Our focus has been on implementing strategies that focus on profitability, whilst capitalising on the Group’s new online and digital communications capabilities.*

*Despite facing a very challenging marketplace, with well documented headwinds including inflation and reduction of consumer discretionary spend, we are pleased that our results for the first half are in line with our expectations. In the second half, as we enter the self-tanning season, we will look to implement an awareness and customer acquisition program for Skinny Tan so as to capitalise on its recent omnichannel distribution gains.”*

**For further information please contact:**

**Brand Architekts Group PLC**

**via Alma**

Quentin Higham / Tom Carter

**Singer Capital Markets**

**(Nominated adviser and broker)**

**0207496 3000**

Shaun Dobson / Jen Boorer

**Alma PR**

**0203 405 0205**

Josh Royston / Sam Modlin

## **CEO's Review**

The trading environment throughout the last six months has continued to be challenging, with the ongoing impact of the wider macroeconomic and geopolitical issues having reduced consumer disposable income and therefore consumption rates. The business has focused on mitigating the impact of cost price inflation on its gross margins by increasing its selling prices and tight control of costs.

Post Covid we have seen consumers reverting back to high street shopping behaviour which reinforces the need for an omnichannel sales approach. I am pleased to see some positive momentum in our brand reach deliverables, in particular confirmed brand launches and distribution gains planned for 2023. We will continue to focus on securing additional omnichannel distribution gains within the UK and Internationally.

Given the dynamic nature of the beauty and personal care space, it is vital that we continue to innovate and we are excited by the NPD planned for FY24, notably exciting problem solving initiatives for Skinny Tan; Super Facialist; The Solution as well as the relaunch of Fish and Dirty Works. We will be applying a digital first mindset to all new brand and product initiatives, whilst ensuring that we either meet or exceed our corporate sustainability pledge.

Key achievements include:

- Skinny Tan launched into Sainsbury in September; new listings confirmed in Boots in January 23, Superdrug in March and new launch into Waitrose for Spring 23.
- Launched New Super Facialist Clear Skin, targeting problematic teenage skin care needs, on Amazon in September, launch confirmed in Boots for June 23.
- Planned launch of new Super Facialist D2C site in Spring 23, benefitting from InnovaDerma D2C and digital communications expertise.
- 35% growth vs the prior year in International channel sales driven by post covid rebound in volumes from General Merchandise stores across North America and Europe, benefitting in particular Dirty Works.
- New distribution gains for Dirty Works in Ecuador and Guatemala and new launches confirmed in 200 Watsons stores in Thailand and Vietnam in June 23.

## **Performance review**

Revenues for the period of £10.6m, an increase of 45% on the prior year (£7.4m) as a result of the acquisition of InnovaDerma Plc at the end of May 2022. Excluding InnovaDerma, revenue improved by 4%, driven by strong international sales that were partially offset by lower UK retail and DTC trading. Gross Profit Margin improved to 38.9% (H1 2022: 32.5%), reflecting the margin accretive impact of the InnovaDerma brand portfolio.

Underlying operating loss of £0.8m was in line with the prior year (H1 2022: £0.8m). Excluding InnovaDerma, underlying operating loss improved by £0.3m to £0.5m from higher revenue and cost savings. Loss before tax increased by £0.7m to £1.8m (H1 2022: £1.1m) owing to exceptional costs relating to integration restructuring activities and an increase in amortisation from InnovaDerma acquired intangibles.

Net cash position as at the period end was £8.1m, absorbing the operating loss in the period, payment of accrued acquisition transaction and restructuring costs and other working capital changes.

Progress made against the Group's new strategic pillars is outlined below:

## 1. Brand Development

The brand portfolio has now been split into 3 brand categories: **Invest, Nurture and Harvest.**

**Invest Brands** are those that have an omnichannel distribution and either have, or will have, their own DTC platform. Skinny Tan and Super Facialist have a masstige positioning and provide existing scale, but also have significant potential. Both brands are widely recognised within their respective categories and reflect key consumer trends.

**Nurture brands** encompass those brands within the portfolio that have exciting potential to broaden, from both a brand development and brand reach perspective, such as Dirty Works. Alternatively, they could be high-performance propositions, with a clear point of difference that answer the specific needs of the consumer, such as The Solution and MR.

Whilst we undergo this business transition to focus on margin accretive efficacious brands, it is important that we continue to manage a portfolio of low investment **Harvest Brands**. These brands, such as Argan and Root Perfect require minimal investment, competing on price and provide us with a stronger category share of voice and credibility with key customers.

The following strategic Brand Development tenets have been applied to our **Invest** and **Nurture** brands:

- **Profitability:**

Profitability remains the number one priority. A&P investment is focused only on the Invest and Nurture brands, thereby improving the profitability of the Harvest portfolio. We have also reduced the size and use of secondary packaging, which reduces impact on shelf but meets our sustainability pledge (recent examples are Fish Root Boost powder and the Dirty Works Shower Puff and Mitt products).

- **NPD/Consumer Insights**

In H1 we launched a Limited Edition Skinny Tan mousse in collaboration with the breast cancer awareness charity CoppaFeel!. We launched the Super Facialist Clear Skin sub brand (targeting problematic teen skin) onto Amazon as well as two new Salicylic Acid products. We launched a Dr Salts+ 2kg Muscle Ease bath salts, specifically for Amazon and Costco. In January 2023 we will launch several exciting Skinny Tan extensions: two Tanning Whips; an Instant 1 Day Tanner; a Miracle Tan Eraser and two tanning brush accessories. In the spring Skinny Tan will also launch an online exclusive 10-year celebration tanning mousse and a Cherry Tanning Drop. We will relaunch the Super Facialist for Men range and the MR Haircare brand, alongside some channel exclusive brand extensions, such as Dirty Works Skincare in TJ Maxx and three All Year-Round Dirty Works gifts. NPD is an integral tenet to our long-term success and we are excited by the plans in place for the future, in particular with the 2024 launch of The Solution Menopause collection.

- **Digital 1st**

To successfully transition our business it is vital that we not only put digital activity at the heart of our organisation, but that we drive our awareness and reach through 360-degree integrated plans. The InnovaDerma D2C and social communications team are now fully integrated into the wider organisation. The Skinny Tan community has over 1 Million followers across channels and we are beginning to see improvements in Super Facialist's digital metrics. The digital team continues to push boundaries and the UGC (user generated content) programs have been extended across our key brands with investments made in Skinny Tan's TikTok activity, including TikTok Live Shopping and Creator (influencer) Affiliation activity.

- **Advertising & promotions (A&P)**

A&P is prioritised to support our Invest and Nurture brands, with the objective of raising awareness; stimulating consumer trial and driving distribution. Skinny Tan has the largest A&P budget that is now spent to maximise omnichannel profitability. The appointment of a new PR agency for Super Facialist has seen a positive impact on brand impressions across digital and traditional press. The brand has appointed Charlotte Connoley as its residential skincare expert and brand ambassador, who has already delivered substantial coverage by providing educational content (i.e. video demonstrations). This will also be used for the new website, which will significantly improve the overall brand experience and drive brand consideration across channels.

## **2. Brand Reach**

Within the constraints of retailer range cycles, we have made some good progress in securing new distribution domestically and internationally.

- **UK & International**

In the UK, we launched the new Super Facialist Clear Skin range onto Amazon in early H1 and Boots have confirmed that they will be launching the range and The Solution Salicylic Body Gel into 271 stores in June 23. Skinny Tan launched in Sainsbury in September and launched in Waitrose in February. From January 23 we have listed all the Skinny Tan NPD into Boots; rolled out the Tan & Tone Wonder Serum collection into Superdrug and have extended our distribution of the brand in Boots and Asda.

The Solution launched into 100 new stores in Lily Drogerie in Serbia and in January the brand will launch into 160 dm stores in Croatia, as well as a roll out into Bosnia in March 23. Dirty Works launched in Guatemala in December and launched into Ecuador in February. Watsons have confirmed that the brand will be launching in over 200 stores in Thailand and Vietnam in June 23.

- **D2C**

The focus for spring 2023 is to further improve customer acquisition, improve customer retention (through better loyalty mechanics and more targeted emails using automation). Our UK CRM database has grown to 340k. An omnichannel brand awareness campaign will start pre-peak season across all primarily social channels (skewed towards younger audiences), as well as influencer & PR initiatives. In addition, Skinny Tan's website will feature upgraded technology and incorporate new brand assets. By the Spring Super Facialist will have its own D2C site which will strengthen its omnichannel brand experience.

In 2024 we will launch The Solution D2C site to coincide with the Menopause range launch.

## **3. ESG**

Our 2020 sustainability pledge states that all brands are 100% recyclable, reusable and use bio-sourced plastic and packaging by 2025, we are currently at 76%. Any brand relaunch or any new product development must incorporate PCR and the sustainability of all raw materials are checked and verified. We now have 14 brands that are Animal Test-free, which has been certified by PETA.

### **Outlook**

Despite the challenging headwinds, we believe we are beginning to see the benefits of the team's hard work over the past eighteen months, in particular with regards to new distribution gains. Our attention will remain on delivering our strategy and returning the Group to profitability.

## Group Statement of Comprehensive Income

		Period ended 31 Dec 2022 (unaudited) £'000	Period ended 31 Dec 2021 (unaudited) £'000	Year ended 30 June 2022 (audited) £'000
	Notes			
<b>Revenue</b>	2	<b>10,629</b>	7,354	14,296
Cost of sales		<b>(6,493)</b>	(4,964)	(9,506)
<b>Gross profit</b>		<b>4,136</b>	2,390	4,790
Commercial and administrative costs		<b>(5,526)</b>	(3,347)	(6,880)
<b>Operating loss before exceptional items</b>		<b>(1,390)</b>	(957)	(2,090)
Exceptional items		<b>(366)</b>	-	(1,850)
<b>Operating loss</b>		<b>(1,756)</b>	(957)	(3,940)
Finance income		<b>21</b>	1	20
Finance costs	3	<b>(42)</b>	(99)	(196)
<b>Loss before taxation</b>		<b>(1,777)</b>	(1,055)	(4,116)
Taxation		<b>91</b>	(250)	(130)
<b>Loss after taxation</b>		<b>(1,686)</b>	(1,305)	(4,246)
<b>Other comprehensive income/(loss) for the period:</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurement of defined benefit liability		<b>655</b>	122	5,143
<b>Other comprehensive income/(loss) for the period</b>		<b>655</b>	122	5,143
<b>Total comprehensive (loss)/income for the period</b>		<b>(1,031)</b>	(1,183)	897
<b>(Loss)/profit attributable to:</b>				
Equity shareholders		<b>(1,718)</b>	(1,334)	(4,322)
Non-controlling interests		<b>32</b>	29	76
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity shareholders		<b>(1,063)</b>	(1,212)	821
Non-controlling interests		<b>32</b>	29	76
<b>(Loss)/earnings per share</b>				
	4			
- basic		<b>(6.1)p</b>	(7.7)p	(23.9)p
- diluted		<b>(6.1)p</b>	(7.7)p	(23.9)p

## Group Statement of Financial Position

	Notes	As at 31 Dec 2022 (unaudited) £'000	As at 31 Dec 2021 (unaudited) £'000	As at 30 June 2022 (audited) £'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment including right-of-use assets		61	68	53
Intangible assets		18,327	10,161	18,870
Deferred tax assets		483	2,299	730
<b>Total non-current assets</b>		<b>18,871</b>	<b>12,528</b>	<b>19,653</b>
<b>Current assets</b>				
Inventories		6,921	2,655	7,375
Trade and other receivables		5,833	5,080	5,099
Cash and cash equivalents		8,062	17,284	11,347
Current tax receivable		-	432	-
<b>Total current assets</b>		<b>20,816</b>	<b>25,451</b>	<b>23,821</b>
<b>Total assets</b>		<b>39,687</b>	<b>37,979</b>	<b>43,474</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		5,164	4,786	6,844
Current tax payable		9	-	9
<b>Total current liabilities</b>		<b>5,173</b>	<b>4,786</b>	<b>6,853</b>
<b>Non-current liabilities</b>				
Post-retirement benefit obligations	6	1,452	9,195	2,439
Deferred tax liabilities		2,309	1,459	2,428
<b>Total non-current liabilities</b>		<b>3,761</b>	<b>10,654</b>	<b>4,867</b>
<b>Total liabilities</b>		<b>8,934</b>	<b>15,440</b>	<b>11,720</b>
<b>Net assets</b>		<b>30,753</b>	<b>22,539</b>	<b>31,754</b>
<b>EQUITY</b>				
Share capital		1,397	862	1,397
Share premium		11,987	11,987	11,987
Merger reserve		6,588	-	6,588
Pension remeasurement reserve		(2,004)	(7,680)	(2,659)
Retained earnings		12,525	17,189	14,213
<b>Total equity</b>		<b>30,493</b>	<b>22,358</b>	<b>31,526</b>
Non-controlling interest		260	181	228
<b>Total equity</b>		<b>30,753</b>	<b>22,539</b>	<b>31,754</b>

## Group Statement of Changes in Equity

Group	Share capital £'000	Share premium £'000	Merger reserve £'000	Pension remeasurement reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
<b>Balance as at 30 June 2022</b>	<b>1,397</b>	<b>11,987</b>	<b>6,588</b>	<b>(2,659)</b>	<b>14,213</b>	<b>228</b>	<b>31,754</b>
Non-controlling interest	-	-	-	-	-	32	32
Share-based payments	-	-	-	-	30	-	30
Transactions with owners	-	-	-	-	30	32	62
Profit for the period	-	-	-	-	(1,718)	-	(1,718)
<i>Other comprehensive income:</i>							
Remeasurement of defined benefit liability	-	-	-	655	-	-	655
Total comprehensive income for the period	-	-	-	655	(1,718)	-	(1,063)
<b>Balance as at 31 December 2022</b>	<b>1,397</b>	<b>11,987</b>	<b>6,588</b>	<b>(2,004)</b>	<b>12,525</b>	<b>260</b>	<b>30,753</b>

Group	Share capital £'000	Share premium £'000	Merger reserve £'000	Pension remeasurement reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
<b>Balance as at 30 June 2021</b>	<b>862</b>	<b>11,987</b>	<b>-</b>	<b>(7,802)</b>	<b>18,496</b>	<b>152</b>	<b>23,695</b>
Non-controlling interest	-	-	-	-	-	29	29
Share-based payments	-	-	-	-	27	-	27
Transactions with owners	-	-	-	-	27	29	56
Profit for the period	-	-	-	-	(1,334)	-	(1,334)
<i>Other comprehensive income:</i>							
Remeasurement of defined benefit liability	-	-	-	122	-	-	122
Total comprehensive income for the period	-	-	-	122	(1,334)	-	(1,212)
<b>Balance as at 31 December 2021</b>	<b>862</b>	<b>11,987</b>	<b>-</b>	<b>(7,680)</b>	<b>17,189</b>	<b>181</b>	<b>22,539</b>

Group	Share capital £'000	Share premium £'000	Merger reserve £'000	Pension remeasurement reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
<b>Balance as at 30 June 2021</b>	<b>862</b>	<b>11,987</b>	<b>-</b>	<b>(7,802)</b>	<b>18,496</b>	<b>152</b>	<b>23,695</b>
Issue of new shares	535	-	-	-	-	-	535
Non-controlling interest	-	-	-	-	-	76	76
Share-based payments	-	-	-	-	39	-	39
Transactions with owners	535	-	6,588	-	39	76	7,238
Loss for the year	-	-	-	-	(4,322)	-	(4,322)
<i>Other comprehensive income:</i>							
Remeasurement of defined benefit liability	-	-	-	5,143	-	-	5,143
Total comprehensive income for the year	-	-	-	5,143	(4,322)	-	821
<b>Balance as at 30 June 2022</b>	<b>1,397</b>	<b>11,987</b>	<b>6,588</b>	<b>(2,659)</b>	<b>14,213</b>	<b>228</b>	<b>31,754</b>

## Group Cash Flow Statement

	Period ended 31 Dec 2022 (unaudited) £'000	Period ended 31 Dec 2021 (unaudited) £'000	Year ended 30 June 2022 (audited) £'000
<b>Cash flow from operating activities</b>			
(Loss)/profit after taxation	(1,686)	(1,305)	(4,246)
Depreciation	7	13	29
Amortisation	574	187	388
Impairment of intangible assets and PPE		-	936
Tax charge	(91)	250	130
Finance income	(21)	(1)	(20)
Finance cost	42	99	196
Decrease/(increase) in inventories	454	(356)	(3,084)
(Increase)/decrease in trade and other receivables	(734)	(1,429)	101
(Decrease)/increase in trade and other payables	(1,681)	2,185	641
Share-based payment expense	30	27	39
Contributions to defined benefit plan	(159)	(1,159)	(1,318)
<b>Cash (utilised in)/generated from operations</b>	<b>(3,265)</b>	<b>(1,489)</b>	<b>(6,208)</b>
Finance expense paid	3	(1)	-
Taxation received		-	432
<b>Net cash flow from operating activities</b>	<b>(3,262)</b>	<b>(1,490)</b>	<b>(5,776)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(13)	(14)	(15)
Purchase of intangibles	(31)	(231)	(237)
Cash consideration paid for acquisitions	-	-	(1,965)
Cash acquired on acquisition	-	-	1,510
<b>Net cash flow from investing activities</b>	<b>(44)</b>	<b>(245)</b>	<b>(707)</b>
<b>Cash flow from financing activities</b>			
Finance income received	21	1	20
Repayment of loans	-	-	(1,208)
<b>Net cash flow from financing activities</b>	<b>21</b>	<b>1</b>	<b>(1,188)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,285)</b>	<b>(1,734)</b>	<b>(7,671)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>11,347</b>	<b>19,018</b>	<b>19,018</b>
<b>Cash and cash equivalents at end of period</b>	<b>8,062</b>	<b>17,284</b>	<b>11,347</b>



## Notes to the Interim financial statements

### Note 1 Basis of preparation

The Group has prepared its interim results for the six-month period ended 31 December 2022 in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the UK and also in accordance with the recognition and measurement principles of IFRS issued by the International Accounting Standards Board.

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

These interim financial statements do not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. The unaudited interim financial statements were approved by the Board of Directors on 20 March 2023.

The consolidated financial statements are prepared under the historical cost convention. The accounting policies used in the interim financial statements are consistent with IFRS and those which will be adopted in the preparation of the Group's Annual Report and Financial Statements for the year ended 30 June 2023.

The statutory accounts for the year ended 30 June 2022, which were prepared under IFRS, have been filed with the Registrar of Companies. These statutory accounts carried an unqualified Auditors Report and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The Group has not changed any of its accounting policies in the six months to 31 December 2022.

### Note 2 Segmental analysis

The reportable segments of the Group were aggregated as follows:

- Brands – we leverage our skilled resources to develop and market a growing portfolio of Brand Architekts Group owned and managed brands. These include those organically developed plus the acquisitions of the portfolio of brands included in the Brand Architekts acquisition (in 2016) and the Fish brand acquired during 2018.
- InnovaDerma Brands – This segment includes those brands acquired as part of the InnovaDerma business combination. The results of InnovaDerma brands are currently reported separately from other brands to the directors.
- Eliminations and central costs - other group-wide activities and expenses, including defined benefit pension costs, share-based payment expenses/(credits), amortisation of acquisition-related intangibles, interest, taxation and eliminations of inter-segment items, are presented within "Eliminations and central costs".

IFRS 15 requires the disaggregation of revenue into categories that depict how the nature, timing, amount and uncertainty of revenue and cash flows are affected by economic factors. The directors have considered how the Group's revenue might be disaggregated in order to meet the requirements of IFRS 15 and have concluded that the activity and geographical segmentation disclosures set out below represent the most appropriate categories of disaggregation.

#### (a) Principal measures of profit and loss – Income Statement segmental information:

	Period ended 31 December 2022				Period ended 31 December 2021		
	Brand Architekt Brands	Innova Derma Brands	Eliminations and central costs	Total	Brands	Eliminations and central costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK revenue	6,087	2,316	-	8,403	5,845	-	5,845
International revenue	1,595	631	-	2,226	1,509	-	1,509

Revenue – external	7,682	2,947	-	10,629	7,354	-	7,354
Revenue – internal	-	126	(126)	-	-	-	-
<b>Total revenue</b>	<b>7,682</b>	<b>3,051</b>	<b>(126)</b>	<b>10,629</b>	<b>7,354</b>	<b>-</b>	<b>7,354</b>
<b>Underlying operating (loss)/profit</b>	<b>117</b>	<b>(361)</b>	<b>(603)</b>	<b>(847)</b>	<b>(208)</b>	<b>(602)</b>	<b>(810)</b>
Charge for share-based payments	(9)	-	(21)	(30)	(6)	(21)	(27)
Amortisation of acquisition-related intangibles	-	-	(514)	(514)	-	(120)	(120)
Exceptional items	(139)	(138)	(88)	(365)	-	-	-
Net borrowing costs	-	-	(21)	(21)	-	(98)	(98)
<b>(Loss)/profit before taxation</b>	<b>(31)</b>	<b>(499)</b>	<b>(21)</b>	<b>(1,777)</b>	<b>(214)</b>	<b>(841)</b>	<b>(1,055)</b>
Tax (charge)/credit	-	8	83	91	-	(250)	(250)
<b>(Loss)/profit for the period</b>	<b>(31)</b>	<b>(491)</b>	<b>(1,164)</b>	<b>(1,686)</b>	<b>(214)</b>	<b>(1,091)</b>	<b>(1,305)</b>

**(b) Other Income Statement segmental information:**

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

**Period ended 31 December 2022**

	<b>Brands £'000</b>	<b>Central costs £'000</b>	<b>Total £'000</b>
Depreciation	7	-	7
Amortisation	-	574	574

**Period ended 31 December 2021**

	<b>Brands £'000</b>	<b>Central costs £'000</b>	<b>Total £'000</b>
Depreciation	13	-	13
Amortisation	-	187	187

**(c) Principal measures of assets and liabilities:**

The Groups assets and liabilities are managed centrally by the CODM and consequently there is no reconciliation between the Group's assets per the Statement of Financial Position and the segment assets.

**(d) Additional entity-wide disclosures:**

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

<b>Geographical segments</b>	<b>Period ended 31 Dec 2022 (unaudited) £'000</b>	<b>Period ended 31 Dec 2021 (unaudited) £'000</b>	<b>Year ended 30 June 2022 (audited) £'000</b>
UK	8,131	5,845	11,651
European Union countries	564	603	982
Rest of the World	1,934	906	1,663
	<b>10,629</b>	<b>7,354</b>	<b>14,296</b>

In the period ended 31 December 2022, the Group had three customers that exceeded 10% of total revenues, being 13.5%, 11.3% and 11.2% respectively. In the period ended 31 December 2021, the Group had three customers that exceeded 10% of revenues, being 16.8%, 13.0% and 10.2% respectively.

**Note 3 Finance costs**

	<b>Period ended 31 Dec 2022 (unaudited) £'000</b>	<b>Period ended 31 Dec 2021 (unaudited) £'000</b>	<b>Year ended 30 June 2022 (audited) £'000</b>
Bank loans and overdrafts	(3)	1	-
Pension plan notional finance charge	45	98	196
	<b>42</b>	<b>99</b>	<b>196</b>

**Note 4 Earnings per share**

	<b>Period ended 31 Dec 2022 (unaudited)</b>	<b>Period ended 31 Dec 2021 (unaudited)</b>	<b>Year ended 30 June 2022 (audited)</b>
<b>Basic and diluted</b>			
(Loss)/profit attributable to equity shareholders (£'000)	<b>(1,718)</b>	(1,334)	(4,322)
Basic weighted average number of ordinary shares in issue during the period	<b>27,943,180</b>	17,230,702	18,111,180
Diluted number of shares	<b>28,032,180</b>	17,319,702	18,200,180
Basic (loss)/earnings per share	<b>(6.1)p</b>	(7.7)p	(23.9)p
Diluted (loss)/earnings per share	<b>(6.1)p</b>	(7.7)p	(23.9)p

Basic earnings/(loss) per share has been calculated by dividing the profit/(loss) for each financial period by the weighted average number of ordinary shares in issue in the period.

## Note 5 Notes to Cash Flow Statement

### (a) Reconciliation of cash and cash equivalents to movement in net cash:

	Period ended 31 Dec 2022 (unaudited) £'000	Period ended 31 Dec 2021 (unaudited) £'000	Year ended 30 June 2022 (audited) £'000
Decrease in cash and cash equivalents in the period	(3,285)	(1,734)	(9,181)
Net cash outflow from decrease in borrowings	-	-	1,208
Change in net cash resulting from cash flows	(3,285)	(1,734)	(7,973)
Net cash acquired on business combinations	-	-	302
Net cash at the beginning of the period	11,347	19,018	19,018
<b>Net cash at the end of the period</b>	<b>8,062</b>	<b>17,284</b>	<b>11,347</b>

### (b) Analysis of net cash:

	Closing 30 June 2022 £'000	Cash flow £'000	Closing 31 Dec 2022 £'000
Cash at bank and in hand	11,347	(3,285)	<b>8,062</b>

## Note 6 IAS 19 'Employee Benefits'

### Expected future cash flows to and from the Group's defined benefit pension scheme:

The Scheme is closed to new members and to further accruals of benefits. It is subject to the scheme funding requirements outlined in UK legislation. The last scheme funding valuation of the Plan was at 5 April 2020 and revealed a deficit of £21,125,000. The deficit reduction payments were based on the actuarial deficit including an allowance for the impact of changes in financial market conditions up to 31 March 2021, which was £15,100,000. The next triennial valuation of the Plan will take place on 5 April 2023.

The deficit reduction payment will be £318,000 per annum for three years to 2024, as well as an additional one-off payment of £1m in 2021, followed by £791,000 per annum for a further 13 years to 2037.

In addition, the Company has agreed to meet the cost of administrative expenses and Pension Protection Fund insurance premiums for the Scheme. Anticipated payments by the Company in respect of plan administrative expenses and the Pension Protection Fund premium in the year ending 30 June 2023 are expected to be of a similar order of magnitude to payments in 2022.

Payments made by the Company to the Scheme and in respect of Scheme liabilities were:

	Period ended 31 Dec 2022 £'000	Period ended 31 Dec 2021 £'000	Year ended 30 June 2022 £'000
Deficit recovery payments	159	1,159	1,318
Scheme administrative expenses	67	63	118
Pension Protection Fund premium	113	112	112
<b>Total</b>	<b>339</b>	<b>1,334</b>	<b>1,548</b>

The amounts expensed in the Group Statement of Comprehensive Income were:

	Period ended 31 Dec 2022 £'000	Period ended 31 Dec 2021 £'000	Year ended 30 June 2022 £'000
<b>In operating profit:</b>			
Plan administrative expenses	67	53	118
Pension Protection Fund premium	54	63	112
	121	116	230
<b>In finance costs:</b>			
Unwinding of notional discount factor	45	98	196
<b>Total</b>	<b>166</b>	<b>214</b>	<b>426</b>

#### IAS 19 Employee benefits:

IAS 19 requires a separate valuation of the Scheme on a different basis to the funding valuation referred to above. The key assumptions used were:

	At 31 December 2022	At 31 December 2021	At 30 June 2022
Discount rate	4.65%	1.95%	3.85%
Inflation assumption (RPI)	3.30%	3.30%	3.10%
Inflation assumption (CPI)	2.90%	2.90%	2.75%

The amounts recognised in the Group Statement of Financial Position were:

	At 31 December 2022 £'000	At 31 December 2021 £'000	At 30 June 2022 £'000
Present value of funded obligations	(23,321)	(37,102)	(26,147)
Fair value of scheme assets	21,869	27,907	23,708
<b>Deficit</b>	<b>(1,452)</b>	<b>(9,195)</b>	<b>(2,439)</b>

#### Note 7 Announcement of results

The Interim Report is available to members of the public at the Company's Registered Office at 8 Waldegrave Road, Teddington, TW11 8GT and on the Company's website.