

**H. YOUNG HOLDINGS PLC**

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

**Registered No: 00194944**



## **H. YOUNG HOLDINGS PLC**

### **STRATEGIC REPORT**

The Directors present their Strategic Report for the H. Young Holdings PLC Group for the year ended 31 December 2020.

#### **Business closures**

As previously reported, we announced the closures of the Animal division of H Young (Operations) Limited and Tony Pryce Retail Limited during 2020. The results of these businesses are separately disclosed as discontinued operations in the profit and loss account. All estimated residual costs of closure at 31 December 2020 have been provided for in these accounts.

#### **Trading review**

The impact of Covid-19 and related government restrictions on our businesses has varied significantly. There was a material adverse impact on our retail businesses, Rohan and Animal, whose 78 retail stores were closed during the lockdown periods. Our wholesale automotive businesses posted improved profits compared to 2019 and benefitted from a customer base including online retailers and supermarkets that continued to trade throughout the year. Madison, our wholesale bicycle business, benefitted from a period of exceptional trading driven by substantially higher demand for bicycles and related parts and accessories. This was especially the case during the period of the first national lockdown. The increased profitability in the wholesale businesses more than compensated for the profit shortfalls in the retail businesses.

Group sales increased by 14% to £233,995,000 (2019: £205,376,000). Wholesale sales increased by 26% to £199,000,000 (2019: £157,836,000). Retail store and direct to consumer online sales fell by 26% to £34,995,000 (2019: £47,540,000) although this decline included the effect of Animal store closures. Both Rohan and Animal increased online sales but not sufficiently to make good sales lost in retail stores.

Note 3 to the accounts sets out the government reliefs received to compensate for the impacts of lockdown restrictions. 90% of the reliefs received related to the Rohan and Animal businesses and particularly to the furloughing of retail store staff. Both of these businesses incurred operating losses even after receipt of government reliefs.

Rohan Designs Limited received £1,000,000 in Covid-19 related insurance proceeds.

Group profit before tax increased to £24,163,000 (2019: £8,810,000).

Substantial cash was generated from operations during the year. This was due to trading and a material depletion of stock in the cycle business due to demand. Some of this reduction will only be temporary. Group net cash inflow was £45,258,000 (2019: £12,758,000).

Capital expenditure of £6,211,000 included the acquisition of a freehold warehouse and offices for Rohan which will replace its current rented premises.

Group net assets increased to £96,190,000 (2019: £76,961,000).

#### **Covid-19 impact in 2021**

The trading trends of 2020 are continuing into 2021. Rohan has been adversely impacted by the national lockdown which started in December 2020 and which led again to the closure of its retail stores. Its online business continues to grow but not sufficiently to offset retail store losses. These conditions will again put its operating profitability under severe pressure in 2021. The automotive businesses continue to trade more in line with normal historical trends and without obvious adverse effects caused by the Covid-19 restrictions. Madison continues to trade strongly but there is no expectation that it can achieve the one-off results recorded in 2020 and we expect it to return to more normal levels of profitability. The closure of the loss making Animal business will improve trading results and the financial position in 2021. Overall the Group continues to trade profitably in 2021 at the time of writing.

**Covid-19 impact in 2021** (continued)

Cash at 31 December 2020 was £99.5m and at 31 March 2021 was £83.5m after payment of a dividend of £20m in January 2021. Risks clearly exist for further future government restrictions or longer term changes in consumer behaviour but given our experience and results so far through 2021, the Directors believe that the assertions relating to going concern made in the Directors' Report and Note 1 to the accounts remain valid and that the Group has the financial resources to continue to trade for the foreseeable future.

**Post balance sheet events**

An interim dividend of £20m was paid in January 2021.

**Key Performance Indicators**

The key performance indicators in use across the Group relate to trends in sales growth, gross margins and operating profitability.

**Principal Risks and Uncertainties**

The Group supplies customers which largely trade on the UK high street and also operates a number of its own retail outlets. The Group is therefore exposed to the risk of reductions in consumer demand.

The Group makes significant purchases in foreign currencies (primarily the US Dollar and Japanese Yen) and is exposed to currency risk if the impact of adverse currency rate movements cannot be managed by changes in pricing. The Group actively manages currency exposure to reduce this risk. The Group has hedged a proportion of 2021 currency requirements to cover the risk of yet further depreciation in Sterling's value.

The Group has minimal imports from the EU. Sales to EU customers from the UK are less than 5% of total Group sales. We do not expect a significant impact on trading as a result of the final Brexit agreement.

The Group manages and distributes a number of brands on behalf of third parties and is exposed to the risk that these distribution agreements may cease due to circumstances beyond the Group's control. The Group devotes considerable time and resources to the professional management of these brands, the majority of which have been distributed by the Group for many years, in order to minimise this risk.

Specific risks related to the Covid-19 pandemic have been discussed in the section above.

**Future Developments**

The outlook for the UK businesses in the Group will always be affected by UK consumer demand and currency rates. The Group's customers are mainly either UK consumers or other retailers supplying largely UK consumers. The factors influencing consumer demand at the time of writing are well documented and the possibility of fluctuating currency rates introduces additional pricing challenges.

Current conditions on the UK high street are challenging and could worsen and this may have an impact on near term sales and operating profitability in the UK based business. The Swiss business supplies across Europe and, whilst also exposed to exchange rate fluctuations, continues to trade profitably.

**H. YOUNG HOLDINGS PLC**  
**STRATEGIC REPORT**  
Continued

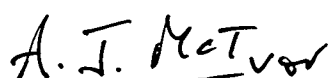
**Statement by the Directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006**

The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company and its Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2020.

The Company has a sole ultimate shareholder closely involved in the day to day management of the Group businesses and actively participating in all strategic decision making.

- In the long term, the Company aims to run sustainably profitable businesses with high levels of product quality and customer satisfaction. These businesses preferably own their brands but may distribute brands on behalf of third parties. In order to safeguard these long term aims, significant investment is required in key third party relationships and the maintenance of profitable owned brand equity and distinguishable intellectual property. All decision making at Board level is informed by the above priorities.
- We have many long serving employees throughout our Group businesses. It is our employees who fundamentally understand the day to day needs of our customers and suppliers. The Board engages with the senior management teams at all of the businesses, often on a daily basis, and visits the businesses frequently, usually at least monthly. Board members and senior management teams engage with employees at all levels, facilitated by the relative size of the individual businesses, relationships built up over many years and by the fact that many senior managers have been promoted within their organisations. As a result, there is a common awareness of goals, performance and plans.
- The Group has a great many business relationships with customers and suppliers. Customers may be trade customers or retail store or online consumers. There is a high frequency of key trade customer contact. Consumer feedback is obtained through instore or online reviews and from our customer service departments. There is a high frequency of key supplier contact which includes supplier visits, the agreement of suitably compliant supply contracts, quality control inspections during manufacture and factory audits. As a result, the businesses have fostered long standing and commercial relationships with our customers and across our markets and supply chains.
- Where relevant the Board takes account of the impact of the Group's operations on the community and environment. All of the management teams are keenly aware of customer feedback on the environment and aim to make products as sustainable and recyclable as possible, for example through compliance with ethical trading guidelines in the clothing industry, through retail schemes encouraging customers to recycle previous purchases or by using environmentally friendly and recyclable packaging.
- As the Board of Directors, our intention is to behave responsibly and ensure that management runs the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours. This is critical to the success of the businesses, for example where our increasingly discerning and well informed retail customers are concerned in matters such as data protection or sustainability.
- The Board always aims to act equitably and fairly towards stakeholders.

Authorised for issue by the Board of Directors and signed on its behalf by:



A J McIvor  
Director and Company Secretary

9 June 2021

## **H. YOUNG HOLDINGS PLC**

### **REPORT OF THE DIRECTORS**

The Directors present the annual report and audited accounts for the year to 31 December 2020.

#### **Principal Activity**

The Company's principal activity is operating as the management holding company of a trading group.

The Group's principal activity is that of importing, marketing and distributing branded products. There have not been any significant changes in the Group's principal activity in the year under review.

#### **Results and Dividends**

The turnover for the year was £233,995,000 (2019: £205,376,000). The profit after tax was £19,384,000 (2019: £6,472,000).

Dividends of £Nil were declared and paid in the current year (2019: £30,000,000).

#### **Financial Risk Management Objectives and Policies**

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives to manage commercial currency risk is governed by the Group's policies approved by the Board of Directors. The Group does not use derivative financial instruments for speculative purposes.

##### Cash Flow Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange forward contracts to hedge these exposures.

##### Credit Risk

The Group's principal financial assets are bank balances and cash and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### Liquidity Risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of cash balances, long-term and short-term debt finance.

Further details regarding liquidity risk can be found in Note 1 on accounting policies in the accounts.

#### **Future Developments**

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

#### **Going Concern**

The Directors have a reasonable expectation, for reasons set out in Note 1 to the accounts, that the Company and the Group have adequate financial resources to continue operations for the foreseeable future. The Directors continue to adopt the going concern basis in preparing the accounts.

## H. YOUNG HOLDINGS PLC REPORT OF THE DIRECTORS

Continued

### Directors

The following Directors have held office during the year and to the date of this report:

A J McIvor  
D Sämann  
Dr. R F Sämann

### Employee Consultation

The Group recognises the importance of good communications and relations with employees. There are suitable procedures in place for the consideration of training, career development and promotion for employees. The management of each business is encouraged to adopt such employee consultation as is appropriate.

The Group's policy is to provide equal recruitment and other opportunities for all employees, regardless of sex, religion, colour or race.

It is the Group's policy to give full consideration to the employment of disabled persons whenever their aptitudes and abilities allow. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Further information regarding employee engagement is set out in the Section 172(1) Statement in the Strategic Report and forms part of this report by cross-reference.

### Engagement with suppliers, customers and others

Information regarding business relationships is set out in the Section 172(1) Statement in the Strategic Report and forms part of this report by cross-reference.

### Environmental Reporting

Reported greenhouse gas emissions correspond with our financial year and are as follows:

	Year to 31 December 2020	
	Tonnes CO <sub>2</sub> Equivalent	KwH ('000) Equivalent
Electricity (Scope 2)	583	2,503
Natural Gas (Scope 1)	535	2,625
Transport Fuel (Scope 1)	157	661
	1,275	5,789

These figures are produced from third party billing information and converted using emissions factors from latest UK government conversion factor guidance. The figures cover UK operations only. The total energy consumed corresponds to an intensity ratio in terms of CO<sub>2</sub> Equivalent per £1m of UK generated sales of 5.9 tonnes. The Group continually monitors energy efficiencies in its facilities and implements energy saving measures wherever possible including those recommended by ESOS audits.

**H. YOUNG HOLDINGS PLC**  
**REPORT OF THE DIRECTORS**  
Continued

**Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

**Directors' Responsibilities Statement**

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

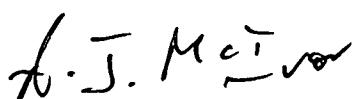
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website

Authorised for issue by the Board of Directors and signed on its behalf by:



A J McIvor  
Director and Company Secretary

9 June 2021

## **H. YOUNG HOLDINGS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H YOUNG HOLDINGS PLC**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of H Young Holdings PLC (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 27.

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 Financial Reporting Council's (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.

##### **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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.



## H. YOUNG HOLDINGS PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H YOUNG HOLDINGS PLC

Continued

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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

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

#### **Extent to which the audit was considered 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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, FRS 102 compliance, company law, tax legislation and Covid-19 furlough schemes; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included National living wage, Data protection, Health and Safety laws and regulations, employment laws and regulations, Brexit and the UK bribery act.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

**H. YOUNG HOLDINGS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF H YOUNG HOLDINGS PLC**  
Continued

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

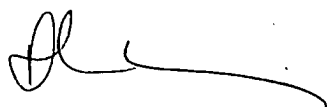
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**Use of our report**

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



Darren Longley FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

10/6/2021

**H. YOUNG HOLDINGS PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year to 31 December 2020

	Notes	Continuing operations £'000	Discontinued operations £'000	Year to 31 December 2020 £'000	Continuing operations £'000	Discontinued operations £'000	Year to 31 December 2019 £'000
<b>Turnover</b>	2	220,200	13,795	233,995	185,762	19,614	205,376
<b>Cost of sales</b>		(143,843)	(8,355)	(152,198)	(121,266)	(10,854)	(132,120)
<b>Gross profit</b>		76,357	5,440	81,797	64,496	8,760	73,256
Distribution costs		(37,911)	(8,008)	(45,919)	(38,653)	(9,872)	(48,525)
Administration costs		(9,940)	(2,199)	(12,139)	(10,959)	(2,710)	(13,669)
Other income	3	2,187	531	2,718	-	-	-
Insurance proceeds	3	1,000	-	1,000	-	-	-
<b>Operating profit/(loss)</b>		31,693	(4,236)	27,457	14,884	(3,822)	11,062
Loss on closure of operations	3	-	(484)	(484)	-	-	-
Share of results of associated undertaking		275	-	275	248	-	248
<b>Profit/(loss) before finance charges</b>		31,968	(4,720)	27,248	15,132	(3,822)	11,310
Finance charges (net)	6	(3,085)	-	(3,085)	(2,500)	-	(2,500)
<b>Profit/(loss) before taxation</b>	3	28,883	(4,720)	24,163	12,632	(3,822)	8,810
Taxation on profit/(loss)	7	(5,649)	870	(4,779)	(2,998)	660	(2,338)
<b>Profit/(loss) for the financial year</b>		23,234	(3,850)	19,384	9,634	(3,162)	6,472

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year to 31 December 2020

	Notes	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
<b>Profit for the financial year</b>			
Group		19,164	6,275
Associate	12	220	197
		19,384	6,472
Currency translation difference on foreign currency net investments		785	(221)
Actuarial (loss)/gain recognised in the pension scheme	22	(1,160)	864
Tax relating to items of other comprehensive income		220	(164)
<b>Total comprehensive income for the year</b>		19,229	6,951

# H. YOUNG HOLDINGS PLC

## BALANCE SHEETS

at 31 December 2020

	Notes	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
<b>Fixed assets</b>					
Intangible assets	10	10,245	11,615	–	–
Tangible assets	11	28,665	24,809	94	122
Investments	12	445	427	82,204	83,239
		<b>39,355</b>	<b>36,851</b>	<b>82,298</b>	<b>83,361</b>
<b>Current assets</b>					
Stocks	13	43,749	67,529	–	–
Debtors	14	32,496	25,625	3,111	10,510
Cash at bank and in hand		99,522	54,086	28,687	14,891
		<b>175,767</b>	<b>147,240</b>	<b>31,798</b>	<b>25,401</b>
<b>Creditors – Amounts falling due within one year</b>	15	<b>(62,683)</b>	<b>(48,232)</b>	<b>(20,097)</b>	<b>(18,258)</b>
<b>Net current assets</b>		<b>113,084</b>	<b>99,008</b>	<b>11,701</b>	<b>7,143</b>
<b>Total assets less current liabilities</b>		<b>152,439</b>	<b>135,859</b>	<b>93,999</b>	<b>90,504</b>
<b>Creditors – Amounts falling due after more than one year</b>	16	<b>(52,939)</b>	<b>(55,183)</b>	<b>(26,342)</b>	<b>(26,704)</b>
<b>Provisions for liabilities</b>	18	<b>(3,310)</b>	<b>(3,715)</b>	<b>(123)</b>	<b>(118)</b>
<b>Net assets</b>		<b>96,190</b>	<b>76,961</b>	<b>67,534</b>	<b>63,682</b>
<b>Capital and reserves</b>					
Called up share capital	20	7,758	7,758	7,758	7,758
Share premium account	20	26,955	26,955	26,955	26,955
Revaluation reserve	20	582	594	–	–
Merger reserve	20	9,046	9,046	5,910	5,910
Profit and loss reserve	20	51,849	32,608	26,911	23,059
<b>Shareholders' funds</b>		<b>96,190</b>	<b>76,961</b>	<b>67,534</b>	<b>63,682</b>

The profit for the financial year dealt with in the accounts of the parent company was £3,852,000 (2019: £22,998,000)

The financial statements were approved and authorised for issue by the Board on 9 June 2021 and signed on its behalf by:

*A. J. McIvor*

A J McIvor  
Director

Company Number: 00194944

**H. YOUNG HOLDINGS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year to 31 December 2020

**Equity attributable to equity shareholders of the Company**

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss reserve £'000	Total £'000
<b>At 1 January 2019</b>	<b>7,226</b>	<b>15,250</b>	<b>606</b>	<b>9,046</b>	<b>55,645</b>	<b>87,773</b>
Profit for the financial year	-	-	-	-	6,472	6,472
Currency translation difference on foreign currency net investments	-	-	-	-	(221)	(221)
Actuarial gain recognised in the pension scheme	-	-	-	-	864	864
Tax relating to items of other comprehensive income	-	-	-	-	(164)	(164)
Transfer	-	-	(12)	-	12	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>6,963</b>	<b>6,951</b>
Issue of share capital	532	11,705	-	-	-	12,237
Dividends – equity shares	-	-	-	-	(30,000)	(30,000)
<b>At 31 December 2019</b>	<b>7,758</b>	<b>26,955</b>	<b>594</b>	<b>9,046</b>	<b>32,608</b>	<b>76,961</b>
Profit for the financial year	-	-	-	-	19,384	19,384
Currency translation difference on foreign currency net investments	-	-	-	-	785	785
Actuarial loss recognised in the pension scheme	-	-	-	-	(1,160)	(1,160)
Tax relating to items of other comprehensive income	-	-	-	-	220	220
Transfer	-	-	(12)	-	12	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>-</b>	<b>19,241</b>	<b>19,229</b>
<b>At 31 December 2020</b>	<b>7,758</b>	<b>26,955</b>	<b>582</b>	<b>9,046</b>	<b>51,849</b>	<b>96,190</b>

**H. YOUNG HOLDINGS PLC**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the year to 31 December 2020

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Profit and loss reserve £'000	Total £'000
<b>At 1 January 2019</b>	<b>7,226</b>	<b>15,250</b>	<b>5,910</b>	<b>30,061</b>	<b>58,447</b>
Profit for the financial year	-	-	-	22,998	22,998
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,998</b>	<b>22,998</b>
Issue of share capital	532	11,705	-	-	12,237
Dividends – equity shares	-	-	-	(30,000)	(30,000)
<b>At 31 December 2019</b>	<b>7,758</b>	<b>26,955</b>	<b>5,910</b>	<b>23,059</b>	<b>63,682</b>
Profit for the financial year	-	-	-	3,852	3,852
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,852</b>	<b>3,852</b>
<b>At 31 December 2020</b>	<b>7,758</b>	<b>26,955</b>	<b>5,910</b>	<b>26,911</b>	<b>67,534</b>

**H. YOUNG HOLDINGS PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year to 31 December 2020

	Notes	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
<b>Net cash flows from operating activities</b>	23	<b>51,253</b>	<b>13,164</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(6,211)	(1,401)
Sale of tangible fixed assets		45	2
<b>Net cash flows from investing activities</b>		<b>(6,166)</b>	<b>(1,399)</b>
<b>Cash flows from financing activities</b>			
Bank interest received		30	148
Other interest paid		(1)	-
Loan note redemptions		(12,250)	(17,893)
Loan note redemption premiums		(3,222)	(878)
Loan note issues		15,409	36,534
(Reduction)/increase in trade finance facility		(1,066)	620
Other loans received		1,038	-
Equity dividends		-	(30,000)
Dividends from associate		233	225
Issue of share capital		-	12,237
<b>Net cash flows from financing activities</b>		<b>171</b>	<b>993</b>
<b>Net increase in cash and cash equivalents</b>		<b>45,258</b>	<b>12,758</b>
Cash at bank at beginning of year		54,086	41,389
Effect of foreign exchange rate changes		178	(61)
<b>Cash at bank at end of year</b>		<b>99,522</b>	<b>54,086</b>

## H. YOUNG HOLDINGS PLC

### NOTES TO THE ACCOUNTS

#### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **(a) General information and basis of accounting**

H. Young Holdings Plc is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The registered office is located at Buckingham House, West Street, Newbury, Berkshire, RG14 1BD, United Kingdom. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 5.

The accounts have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates. Foreign operations are included in accordance with the policies set out below.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments and remuneration of key personnel.

##### **(b) Going concern**

The Group has letter of credit, trade finance and foreign exchange facilities with HSBC Bank plc. The Group's banking facilities are reviewed annually.

Long term funding is provided by the Group's ultimate parent undertaking in the form of loan notes. The loan notes are committed for various fixed periods of time and there are no circumstances in which these may be called for repayment earlier than their due date as disclosed within these accounts.

As set out in detail in the Strategic Report, the Directors have taken into account the trading conditions caused by Covid-19. Covid-19 has impacted the trade of a number of subsidiaries of the business across the year.

Following a review of projections and forecasts the Directors have no reason to believe that a material uncertainty exists which may cast significant doubt on the ability of the Company and the Group to continue in existence for the foreseeable future, despite the current uncertain economic climate. The Directors have also considered sensitivities in respect of potential downside scenarios that cover a period of 24 months from the date of these accounts. In these scenarios, the Group has more than sufficient headroom in its available resources. For this reason, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the accounts.

##### **(c) Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business acquisitions are accounted for using acquisition accounting principles.

For acquisitions meeting the requirements of section 615 Companies Act 2006, the Company does not account for any premium on shares issued as acquisition consideration and records the cost of investment in the Company balance sheet at the nominal value of the shares issued. When preparing consolidated accounts, the share issues are recorded at fair value and the excess of the fair value over the nominal value of shares issued is credited to a Merger reserve.

##### **(d) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at the cost of transaction (including any relevant associated costs) except for items classified at fair value through profit and loss, specifically derivative financial instruments as set out in the relevant accounting policy below.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements in place. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### **(e) Fixed assets, depreciation and amortisation**

- (i) A general policy of revaluation of fixed assets has not been adopted and the book amounts of fixed assets, except for an element of historical revaluation in respect of freehold properties as set out in Note 11, have been retained.
- (ii) Where freehold properties were historically revalued the resultant valuation is included in the balance sheet unless the surplus or deficit is immaterial. No depreciation is provided on freehold land but, since 1995, depreciation of 2% per annum has been provided on freehold buildings. Any impairment in the value of such properties is charged to the revaluation reserve or profit and loss account as appropriate. A transfer is made from revaluation reserve to the profit and loss reserve each year to cover the element of depreciation charge which relates to revalued assets.
- (iii) The cost of leasehold properties is amortised over the length of the leases on a straight line basis.



# H. YOUNG HOLDINGS PLC

## NOTES TO THE ACCOUNTS

Continued

### 1. Accounting policies (continued)

#### (e) *Fixed assets, depreciation and amortisation (continued)*

- (iv) The cost of plant and equipment is fully written off by equal instalments over its estimated useful life at rates ranging from 20% to 50% per annum.
- (v) The cost of motor vehicles is written off to residual value in equal instalments at a rate of 33 ⅓% per annum.
- (vi) The interest costs incurred on the financing of acquisitions or construction of freehold land and buildings are capitalised up until the date that those buildings become operational and thereafter are depreciated over the life of the relevant buildings.
- (vii) Trademarks are recorded at cost and amortised in equal instalments over their estimated useful lives, not exceeding five years. Provision is made for any impairment.

#### (f) *Turnover*

Turnover is the amount derived from the provision of goods falling within the Group's ordinary activities after deduction of returns, trade and settlement discounts, volume rebates and value added tax.

Sales of goods are recognised when the risks and rewards of ownership have been transferred to the customer. This occurs either on the sale of goods in store or on despatch from warehouse for wholesale or internet transactions.

Dividend and insurance income is recognised when the right to receive payment is established.

#### (g) *Deferred taxation*

Deferred taxation is provided in full on material timing differences at the rate of taxation anticipated to apply when these differences crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised where it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities which are recognised in the balance sheet have not been discounted.

#### (h) *Leased assets*

Operating lease rentals are charged to the profit and loss account in equal amounts over the term of the lease.

#### (i) *Stocks*

Stocks are valued at the lower of cost and estimated net realisable value where cost is the purchase price on a weighted average cost basis and net realisable value is based on estimated selling price less costs expected to be incurred in disposal. Goods in transit from suppliers are included in stocks where risk in the goods has passed to the Group under the shipment terms negotiated. The corresponding liability is included within trade creditors. Provision is made for obsolete, slow-moving or defective items where appropriate. The net movement in stock provisions is disclosed as an impairment expense in Note 3.

#### (j) *Foreign currency*

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date.

The results and cash flows of overseas operations are translated at the average rates of exchange during the year and the balance sheets at the rate ruling at the balance sheet date.

Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the consolidated statement of comprehensive income.

Other exchange differences are recognised in profit or loss in the period in which they arise.

#### (k) *Goodwill*

Goodwill is defined as the excess of the cost of businesses acquired over the fair value of their net assets. Goodwill arising on acquisitions on or after 1 October 1998 is capitalised as an intangible fixed asset and amortised in equal annual instalments over its estimated useful economic life. Provision is made for any impairment. Goodwill amortisation is charged within administrative expenses. Goodwill arising on acquisitions prior to 1 October 1998 was eliminated against reserves as a matter of accounting policy. This past goodwill has not been re-instated. Any goodwill eliminated against reserves at the time a business is purchased is included in the calculation of the profit or loss on disposal or closure of that business.

#### (l) *Pensions*

The Group operates one defined benefit scheme in the United Kingdom. The scheme is administered by trustees and is independent of the Group finances. Triennial valuations are performed by qualified independent actuaries and the results updated each year for the purposes of the FRS 102 valuation. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the redemption yield on AA rated corporate bonds. Contributions are paid to the schemes in accordance with actuarial recommendations.

The current service cost is charged to operating profit so as to reflect the increase in the present value of the scheme liabilities expected to arise from employee service over the current period. The interest cost on the scheme's liabilities is included in finance charges. Actuarial losses and gains are recognised in the consolidated statement of comprehensive income. The pension scheme's deficits are recognised in full and included within provisions for liabilities.

## H. YOUNG HOLDINGS PLC

### NOTES TO THE ACCOUNTS

Continued

#### 1. Accounting policies (continued)

**(l) Pensions (continued)**

For defined contribution pension arrangements the amounts charged to the profit and loss account are the contributions payable in the year.

**(m) Fixed asset investments**

Investments in subsidiary undertakings and other investments are stated at cost with provision being made where appropriate to recognise a permanent impairment in value.

**(n) Loan notes**

Loan notes issued to the Company's ultimate parent undertaking are included at their issue amount, plus provisions for redemption premiums. Redemption premiums are charged to the profit and loss account on a straight line basis, reflecting the basis of accretion set out in the relevant agreements.

**(o) Current tax**

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**(p) Associates**

In the Group financial statements investments in associates are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of associates' profits less losses while the Group's share of the net assets of the associates is shown in the consolidated balance sheet. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. If losses exceed the carrying amount of an investment, the Group's share of those losses is no longer recognised within the Group's share of associate's profits less losses. Provision is then made separately within Group operating profit to the extent that the Group has contractual obligations to fund the associates.

**(q) Derivative financial instruments**

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk. The Group does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit and loss depends on the nature of the hedge relationship.

**(r) Hedge accounting**

The Group designates certain derivatives as hedging instruments, specifically forward foreign exchange contracts used to hedge supplier payments which are firm commitments or highly probably forecast transactions. Any fair value gain or loss is recognised in profit or loss within Finance Charges (Note 6).

**(s) Dilapidations**

When the Group has made a decision to no longer trade from a leased property, either on the termination of a lease or due to exercising a break clause, a review is carried out to determine whether a dilapidations liability will arise. If a liability is likely to arise then appropriate amounts are recognised within provisions.

**(t) Impairment of assets**

Assets are assessed for indication of impairment at each balance sheet date.

Impairment testing is intended to estimate the recoverable amount of an asset and recognise an impairment loss whenever the carrying amount of an asset exceeds the recoverable amount. The recoverable amount of an asset is the higher of (i) its fair value less costs to sell and (ii) its value in use.

"Value in use" is measured by estimating the present value of future cash flows from cash generating units which utilise the assets in question. In the case of goodwill, the relevant cash flows are those earned by the business to which it attaches. In the case of other assets, the cash generating unit is the smallest group of assets to which discrete cash flows can be allocated, for example a retail store.

When the calculations show that an impairment to below carrying value has occurred, then an impairment loss is recognised in the profit and loss account by writing down the assets to the calculated recoverable amount.

Where subsequent reviews determine that impairment losses on assets other than goodwill have reversed, then any previously booked impairment losses are reversed. Impairment of goodwill is never reversed.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**1. Accounting policies (continued)**

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. In the year there were no material judgements.

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

**Key source of estimation uncertainty – impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £10,245,000 and a sensitivity analysis of the impairment calculation is set out in Note 10.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**2. Turnover**

Group turnover by origin:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
United Kingdom	215,444	186,571
Rest of Europe	18,551	18,805
	<b>233,995</b>	<b>205,376</b>

Group turnover by destination:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
United Kingdom	200,485	173,758
Rest of Europe	32,846	29,910
Rest of World	664	1,708
	<b>233,995</b>	<b>205,376</b>

The turnover can be further analysed by business segment:

<b>Business</b>	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Sports and Leisure	195,542	168,112
Inter-segment sales	(39)	(1)
Sports and Leisure – third party sales	195,503	168,111
Automotive aftermarket	41,800	40,376
Inter-segment sales	(3,308)	(3,111)
Automotive aftermarket – third party sales	38,492	37,265
	<b>233,995</b>	<b>205,376</b>

<b>Channel</b>	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Wholesale	199,000	157,836
Retail, online	34,995	47,540
	<b>233,995</b>	<b>205,376</b>

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**3. Profit before taxation**

Profit before taxation is stated after charging/(crediting):

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Cost of stock recognised in cost of sales	147,162	126,787
Net movement in stock impairment expense included in cost of sales	(505)	452
Depreciation	2,093	2,235
Amortisation of goodwill	1,337	1,336
Amortisation of trademarks	33	26
Operating lease rentals		
- land and buildings	4,150	4,507
- plant and machinery	545	526
Auditor's remuneration – audit of the financial statements	188	161
Loss on disposal of fixed assets	445	82
Insurance proceeds	1,000	-

The amortisation of goodwill and trademarks is included within administrative expenses.

Fees paid to the auditor for non-audit services amounted to £Nil (2019: £9,000).

Insurance proceeds relate to claims made under the business interruption policy of Rohan Designs Limited for losses directly caused by store closures, as a result of Covid-19.

**Other income**

Other income comprised Covid-19 related furlough income and other reliefs received, all of which have been accounted for on a cash received basis. Most of the reliefs received related to the Rohan and Animal retail store businesses.

Of these amounts, £75,000 was received from the Swiss authorities and the balance in the United Kingdom.

	Year to 31 December 2020 £'000
Job Retention Support Schemes	1,935
Retail store grants	783
	<b>2,718</b>

In addition to these amounts £1,242,000 of business rates relief in respect of retail stores is accounted for within distribution costs (2019: £Nil).

**Loss on closure of operations**

Provision has been made for all expected future costs of discontinued operations at 31 December 2020 with a net impact on the profit and loss account as follows:

	Year to 31 December 2020 £'000
Establishment costs	906
Payroll and other costs	381
Loss on sale of freehold property	374
Release of excess dilapidations provision	(1,177)
	<b>484</b>

The sale of the freehold property was completed in January 2021.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**4. Staff numbers and costs**

The costs incurred in respect of employees (including Directors) were:

	Group Year to 31 December 2020 £'000	Group Year to 31 December 2019 £'000	Company Year to 31 December 2020 £'000	Company Year to 31 December 2019 £'000
Wages and salaries	21,376	21,614	696	585
Social security costs	1,980	1,926	84	73
Other pension costs (Note 22)	575	611	18	20
	<b>23,931</b>	<b>24,151</b>	<b>798</b>	<b>678</b>

All amounts are stated without deducting furlough income.

The average number of employees was:	Number	Number	Number	Number
Production	23	23	-	-
Distribution	576	713	-	-
Administration	215	216	9	10
	<b>814</b>	<b>952</b>	<b>9</b>	<b>10</b>

**5. Directors**

Emoluments of Directors of the Company were as follows:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Aggregate emoluments	370	284
Aggregate contributions to money purchase pension schemes	10	10
	<b>380</b>	<b>294</b>

Only one Director received remuneration in each year. No pension entitlement benefits accrued to any Director under defined benefit arrangements in either year.

**6. Finance charges (net)**

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Bank interest received	(30)	(144)
Redemption premiums in respect of loan notes	2,280	1,731
Net cost of funding pension liability (Note 22)	6	44
Interest on other loans	45	39
Interest on tax	1	-
Fair value losses on derivative financial instruments (Note 24)	783	830
	<b>3,085</b>	<b>2,500</b>
Group	3,085	2,496
Associate	-	4
	<b>3,085</b>	<b>2,500</b>

The charges in respect of the associate relate to interest on bank loans and overdrafts.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**7. Taxation on profit**

Taxation charge on profit for the year:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Current taxation		
United Kingdom corporation tax	-	919
Adjustments in respect of prior years	(156)	(35)
Swiss corporation tax	904	909
	<b>4,396</b>	<b>1,793</b>
Deferred taxation (Note 19)		
Origination and reversal of timing differences	186	127
Adjustments in respect of prior years	142	371
	<b>328</b>	<b>498</b>
Share of associate's tax	55	47
<b>Total taxation on profit</b>	<b>4,779</b>	<b>2,338</b>

Factors affecting the tax charge for the year:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Profit before taxation	24,163	8,810
Tax at 19% (2019: 19%) on Group profit:	4,591	1,674
Effects of:		
Amortisation of goodwill not deductible for tax purposes	254	254
Expenses not deductible for tax purposes	281	254
Depreciation (less than)/in excess of capital allowances	(97)	(1)
Short term timing differences	(100)	(122)
Lower tax rates on overseas earnings	(322)	(184)
Movement in deferred taxation	186	127
Adjustments in respect of prior years	(14)	336
<b>Total tax charge</b>	<b>4,779</b>	<b>2,338</b>

The tax rate applied to the reported profit was the standard rate of corporation tax in the UK of 19%. (2019: 19%).

**8. Profit for the year attributable to H. Young Holdings PLC**

The Company has not presented its own profit and loss account or statement of comprehensive income as permitted by section 408 of the Companies Act 2006. The results of the Group include a profit dealt within the accounts of the Company of £3,852,000 (year to 31 December 2019: £22,998,000) which includes dividends received of £5,059,000 (2019: £23,164,000).

**9. Dividends**

Amounts recognised as distributions to equity holders in the year:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Interim dividend of nil pence (2019: 103.8 pence) per Ordinary share	-	30,000

## H. YOUNG HOLDINGS PLC NOTES TO THE ACCOUNTS

Continued

### 10. Intangible fixed assets

	Trademarks £'000	Goodwill £'000	Total £'000
<b>Group</b>			
Cost			
At 1 January 2020	100	16,036	16,136
Eliminations	(100)	-	(100)
<b>At 31 December 2020</b>	<b>-</b>	<b>16,036</b>	<b>16,036</b>
Amortisation			
At 1 January 2020	67	4,454	4,521
Charge for the year	33	1,337	1,370
Eliminations	(100)	-	(100)
<b>At 31 December 2020</b>	<b>-</b>	<b>5,791</b>	<b>5,791</b>
<b>Net book value at 31 December 2020</b>	<b>-</b>	<b>10,245</b>	<b>10,245</b>
Net book value at 31 December 2019	33	11,582	11,615

Current goodwill is being amortised over 12 years. Amortisation periods represent the Directors' estimates of the useful economic life of goodwill. Intangible assets which become fully amortised in the year are eliminated from cost and accumulated amortisation.

All of the goodwill at the balance sheet date relates to Rohan Group Limited.

Value in use calculations for assessing goodwill impairment use a pre-tax discount rate of 7.37% applied to cash flows. Cash flows are based on management projections for 2021 and 2022 and assume a long term growth rate of 1% in cash flows thereafter in perpetuity. Cash flows for 2021 are Covid impaired and include lockdown periods for retail stores but forecasts for 2022 assume a return to more normal trading with stores open. Discount rates would need to increase to 13% or cash flows in perpetuity reduce by 50% before any goodwill impairment is indicated

### 11. Tangible fixed assets

	Freehold land and buildings £'000	Short leasehold properties £'000	Plant vehicles & equipment £'000	Total £'000
<b>Group</b>				
Cost or valuation				
At 1 January 2020	28,271	4,360	21,923	54,554
Additions	5,270	72	869	6,211
Disposals	(750)	(2,751)	(4,046)	(7,547)
Exchange adjustments	621	-	274	895
<b>At 31 December 2020</b>	<b>33,412</b>	<b>1,681</b>	<b>19,020</b>	<b>54,113</b>
Depreciation				
At 1 January 2020	6,430	4,134	19,181	29,745
Charge for the year	534	101	1,458	2,093
Disposals	(100)	(2,649)	(4,033)	(6,782)
Exchange adjustments	138	-	254	392
<b>At 31 December 2020</b>	<b>7,002</b>	<b>1,586</b>	<b>16,860</b>	<b>25,448</b>
<b>Net book value at 31 December 2020</b>	<b>26,410</b>	<b>95</b>	<b>2,160</b>	<b>28,665</b>
Net book value at 31 December 2019	21,841	226	2,742	24,809

Properties are stated at cost with the exception of the original Saxon division freehold land and buildings valued in April 1988 on an open market existing use basis by Playle & Co. Commercial Surveyors, at £1,730,000. The historic cost of the original Saxon freehold land and buildings is £947,000 and the historic net book value is £631,000. The revalued gross and net book values are £1,842,000 and £1,207,000 respectively.



**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
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**11. Tangible fixed assets (continued)**

Included within the total cost of freehold land and buildings at 31 December 2020 is capitalised interest of £191,000 (2019: £191,000).

The net book value of freehold land included in the above figures at 31 December 2020, which is not depreciated, was £9,309,000 (2019: £7,195,000). The book value of freehold land owned in Switzerland fluctuates due to exchange rate movements.

	Plant vehicles & equipment £'000
<b>Company</b>	
Cost at 1 January 2020	150
Additions	4
Disposals	(7)
<b>At 31 December 2020</b>	<b>147</b>
<b>Depreciation</b>	
At 1 January 2020	28
Charge for the year	32
Disposals	(7)
<b>At 31 December 2020</b>	<b>53</b>
<b>Net book value at 31 December 2020</b>	<b>94</b>
Net book value at 31 December 2019	122

**12. Fixed asset investments**

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Subsidiary undertakings	-	-	82,204	83,239
Associate	445	427	-	-
	<b>445</b>	<b>427</b>	<b>82,204</b>	<b>83,239</b>

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**12. Fixed asset investments (continued)**

The Company has interests at 31 December 2020 in the following subsidiary undertakings and associate which principally affected the profits or net assets of the Group and are all included in the consolidation:

	Country of incorporation and operation	Principal activity	Holding	%
H Young (Operations) Limited	Great Britain	Distributor	838,884 Ordinary Shares of £1 each	100
Wunder-Baum AG	Switzerland	Manufacture and distribution of automotive air fresheners	200 Ordinary Shares of 1,000 Swiss Francs each	100 +
Rohan Group Limited	Great Britain	Retailer	5,064,404 Ordinary Shares of £1 each	100 ++
Tony Pryce Retail Limited	Great Britain	Retailer	50,000 Ordinary Shares of £1 each	100
Flagship Enterprise Limited (Associate)	Switzerland	Manufacture and distribution of automotive air fresheners	200 Ordinary Shares of 1,000 Swiss Francs each	50

+ Holding company for Wunder-Baum Limited (dormant) which is 100% owned

++ Holding company for Rohan Designs Limited (trading) and Keldisk Limited (dormant), both 100% owned by Rohan Group Limited

The following companies are all 100% owned dormant subsidiaries of H. Young Holdings PLC, unless otherwise stated:

Animal Limited	Leeda Limited	Ridgeback Limited
Animalsports Limited	Leeda Tackle Limited	Saxon Industries Limited
Brandwarehouse.co.uk Limited	Little Trees Europe Limited	Sportline Limited
Browrich Limited	Madison Cycles Limited	Sterling Components Limited
Crofton Optical Group Limited	Madison Group Limited	Stoplock Limited
East Anglian Rod Co. Limited	Metro Products (Accessories & Leisure) Limited	Tackle Sales Limited
ECC Electronics (UK) Limited	Michael Selcott Designs Limited	Taylor & Johnson Limited
H Steade & Sons Limited	Midland Angling Products Limited	Toolzoo.co.uk. Limited
H. Young (Europe) Limited	Moncrieff Agencies Limited	TPL Marketing Limited
Hawaii Five-O (UK) Limited	Ocean to Earth Limited	W A Crofton Limited
Hawaii Five-O Limited	Pincott Limited	Wychwood Tackle Limited
Hecht Pfeiffer Limited	Puttocks Optical Co. Limited	Yippee Limited*
K Blyth (Optics) Limited	Raycroft Limited	Youngsports Limited
Lakefield Operations Limited		
Lakefield Productions Limited		

\* held via H Young (Operations) Limited

All UK registered dormant companies are exempt from the requirement to prepare audited accounts as permitted by section 480, Companies Act 2006.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**12. Fixed asset investments (continued)**

The registered office of every business is the same as the Company's (see Note 1 (a)) except for:

Wunder-Baum AG, Emdwiesenstrasse 29, 8240 Thayngen, Switzerland.

Flagship Enterprise Limited, Via Passeggiata 7, 6883 Novazzano, Switzerland.

Wunder-Baum Limited, 6<sup>th</sup> Floor, South Bank House, Barrow Street, Dublin 4, Ireland

**Subsidiary undertakings**

	Shares in subsidiary undertakings £'000			
<b>Company</b>				
At 1 January	83,239			
Write off of investment in Animal Limited	(1,035)			
<b>At 31 December 2020</b>	<b>82,204</b>			
<b>Associate</b>	<b>Group 31 December 2020 £'000</b>	<b>Group 31 December 2019 £'000</b>	<b>Company 31 December 2020 £'000</b>	<b>Company 31 December 2019 £'000</b>
Share of net assets/cost				
At 1 January	427	473	-	-
Share of retained profit for the year	220	197	-	-
Dividends paid	(233)	(225)	-	-
Currency translation difference on foreign currency net investment	31	(18)	-	-
<b>At 31 December</b>	<b>445</b>	<b>427</b>	<b>-</b>	<b>-</b>

**13. Stocks**

	<b>Group 31 December 2020 £'000</b>	<b>Group 31 December 2019 £'000</b>
Goods held for resale	31,694	55,794
Goods in transit from suppliers	12,055	11,735
	<b>43,749</b>	<b>67,529</b>

**14. Debtors**

	<b>Group 31 December 2020 £'000</b>	<b>Group 31 December 2019 £'000</b>	<b>Company 31 December 2020 £'000</b>	<b>Company 31 December 2019 £'000</b>
Trade debtors	25,672	20,200	17	5
Other debtors	1,510	2,110	456	641
Amounts owed by Group undertakings	-	-	2,503	9,758
Corporation tax recoverable	-	-	-	26
Prepayments and accrued income	5,314	3,315	135	80
	<b>32,496</b>	<b>25,625</b>	<b>3,111</b>	<b>10,510</b>

Amounts owed by Group undertakings are not subject to any specified repayment or interest terms.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**15. Creditors - Amounts falling due within one year**

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Subordinated unsecured loan notes (Note 17)	19,870	15,408	10,163	8,757
Trade finance facility	740	1,806	—	—
Other loans	3,757	2,519	—	—
Trade creditors	23,237	19,684	102	235
Corporation tax	2,708	502	—	—
Other taxation and social security	2,340	1,797	322	339
Amounts owed to Group undertakings	—	—	7,788	7,795
Other creditors	1,348	1,376	—	—
Accruals and deferred income	7,250	4,490	444	736
Net derivative financial liabilities (Note 24)	1,433	650	1,278	396
	<b>62,683</b>	<b>48,232</b>	<b>20,097</b>	<b>18,258</b>

Other loans comprise amounts payable by Wunder-Baum AG. These loans are denominated in US Dollars and Swiss Francs, are repayable on demand and bear interest at 2.25%.

Letter of credit, foreign exchange and trade finance facilities are secured by mortgage debentures and fixed and floating charges in favour of HSBC Bank plc given by the Company, H Young (Operations) Limited and Rohan Group Limited. Bank overdrafts of the Company are subject to set off arrangements with the cash balances of H Young (Operations) Limited, but there is no net overdraft facility in the Group. No bank has a charge over the overseas assets of Wunder-Baum AG or Flagship Enterprise Limited.

Amounts owed to Group undertakings are not subject to any specified repayment or interest terms

**16. Creditors - Amounts falling due after more than one year**

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Subordinated unsecured loan notes (Note 17)	52,939	55,183	26,342	26,704

**17. Subordinated zero coupon unsecured loan notes**

Redemption date	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Within one year	19,870	15,408	10,163	8,757
Between 1 and 2 years	10,278	19,342	—	9,935
Between 2 and 5 years	42,661	35,841	26,342	16,769
	<b>72,809</b>	<b>70,591</b>	<b>36,505</b>	<b>35,461</b>

During the year, loan notes to the value of £15,409,000 (2019: £36,534,000) were issued by the Group to Rinaldo Rinaldini Limited, the ultimate parent undertaking of the Group, for cash. Redemptions of loan notes by the Group in the year, which were all made in cash, totalled £15,472,000 (2019: £18,771,000).

Loan notes are subordinated to all amounts due to HSBC Bank plc and are unsecured. The loan notes bear zero coupon. The amounts disclosed as payable at 31 December 2020 include the relevant redemption premiums accrued to that date.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**18. Provisions for liabilities**

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Dilapidations liabilities	1,830	2,971	–	–
Deferred taxation (Note 19)	336	207	123	118
Pension liability (Note 22)	1,144	537	–	–
	<b>3,310</b>	<b>3,715</b>	<b>123</b>	<b>118</b>

Movement in dilapidations liabilities:

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
At 1 January	2,971	3,213	–	–
(Credit)/charge to profit and loss account	(872)	61	–	–
Utilised	(269)	(303)	–	–
<b>At 31 December</b>	<b>1,830</b>	<b>2,971</b>	<b>–</b>	<b>–</b>

The majority of dilapidations expenditure is expected to be paid within 1 year.

**19. Deferred taxation**

Movement on the deferred taxation account:

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
(Liability)/asset at 1 January	(207)	450	(118)	(115)
Exchange adjustments	(21)	5	–	–
(Charge)/credit to profit and loss account	(328)	(498)	(5)	(3)
Total taken to other comprehensive income	220	(164)	–	–
<b>Liability at 31 December</b>	<b>(336)</b>	<b>(207)</b>	<b>(123)</b>	<b>(118)</b>

Deferred taxation (liabilities)/assets at 31 December comprised:

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
Depreciation (more)/less than capital allowances	(414)	(74)	6	11
Other short-term timing differences	74	68	–	–
Surplus on revaluation of fixed assets	(174)	(174)	–	–
Capital gains rolled over	(39)	(129)	(129)	(129)
Pension scheme liabilities	217	102	–	–
	<b>(336)</b>	<b>(207)</b>	<b>(123)</b>	<b>(118)</b>

All deferred taxation is computed at a rate of 19% (2019: 19%). Deferred tax rates are based on the expected corporation tax rate for the following financial year.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**20. Called up share capital and reserves**

	31 December 2020 £'000	31 December 2019 £'000
Authorised		
35,000,000 (2019: 30,000,000) Ordinary shares of 25p each	8,750	8,750
Allotted and fully paid		
31,032,114 (2019: 28,904,676) Ordinary shares of 25p each	7,758	7,758

The Group's and Company's other reserves are as follows:

The Share Premium account contains the premium arising on issue of equity shares, net of issue expenses.

The Revaluation reserve represents the cumulative impact on equity of the historic revaluation of one of the Group's freehold properties.

The Merger reserve represents the excess of the fair value of shares over their nominal value in respect of acquisitions meeting the requirements of section 615 Companies Act 2006 (Merger Relief).

The Profit and Loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

**21. Operating leases**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	Other	Total	Total
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Payable within 1 year	2,129	3,829	360	396	2,489	4,225
Payable within 2 to 5 years	3,052	3,304	407	474	3,459	3,778
Payable after 5 years	534	379	-	-	534	379
	5,715	7,512	767	870	6,482	8,382

**22. Retirement benefit schemes**

**Pension scheme liabilities**

The Group operates one funded pension scheme which provides benefits based on final pensionable pay and a number of additional schemes providing benefits based on defined contributions from the Group and the employees concerned. From 1 November 2005, the final salary pension scheme was closed to all members and became paid up. The H Young final salary scheme is a multi-employer scheme. It is not possible to separately identify the assets and liabilities within the overall H Young final salary scheme which relate to the Company and therefore no pension scheme liability is included on the Company's balance sheet.

The most recently completed actuarial valuation of the final salary scheme was as at 31 October 2019.

The current service cost charged in the year in respect of the final salary pension scheme was £Nil (2019: £Nil).

The cost of benefit changes (GMP equalisation) charged in respect of the final salary scheme for the year was £8,000 (2019: £Nil).

The costs of the defined contribution schemes charged in the year totalled £563,000 (2019: £608,000).

In addition the Group contributes to other pension schemes of certain employees. These costs are charges as incurred and in the year to 31 December 2020 totalled £4,000 (2019: £3,000).

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
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**22. Retirement benefit schemes**

**Pension scheme liabilities**

**Defined benefit scheme disclosure**

The Group operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 October 2019 and updated to 31 December 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The most recent actuarial valuation showed a deficit of £660,000 as at 31 October 2019.

Employer contributions of £34,126 per month continued to be paid from 31 October 2019 up to and including November 2020 when a final additional payment of £225,883 was made to eliminate the deficit in accordance with actuarial calculations. Employer contributions to the plan ceased at that date. The funding shortfall calculated in the last full actuarial valuation at 31 October 2019 has therefore been eliminated.

In the FRS 102 update to the scheme valuation at 31 December 2020 a deficit of £1,144,000 has been calculated by the actuary. There is a difference in the discount rate assumptions used in the actuarial valuation (approximately 2.4%) compared to that mandated by FRS 102 (1.4%) which substantially explains the difference between the two valuation results. A 0.25% reduction in the discount rate increases scheme liabilities by approximately £300,000.

<b>Assumptions</b>	<b>Year to 31 December 2020 % pa</b>	<b>Year to 31 December 2019 % pa</b>	<b>Year to 31 December 2018 % pa</b>
Rate of discount	1.40%	2.00%	2.80%
Inflation (RPI)	3.00%	3.00%	3.50%
Inflation (CPI)	2.20%	2.20%	2.50%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.20%	2.20%	2.50%
Allowance for pension in payment increases of RPI or 5% p.a. if less	2.90%	2.90%	3.30%
Allowance for pension in payment increases of RPI or 2.5% if less	2.00%	2.00%	2.20%
Allowance for commutation of pension for cash at retirement	20% of Post A Day	20% of Post A Day	20% of Post A Day

**Mortality Assumptions**

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The mortality assumptions adopted at 31 December 2020 imply the following life expectancies:

Male retiring at age 65 in 2020	22.5 years
Female retiring at age 65 in 2020	24.2 years
Male retiring at age 65 in 2040	23.8 years
Female retiring at age 65 in 2040	25.7 years

# H. YOUNG HOLDINGS PLC

## NOTES TO THE ACCOUNTS

Continued

### 22. Retirement benefit schemes (continued)

Amounts recognised in the profit and loss account	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Current service cost	-	-
Net interest cost	6	44
Plan introductions, changes, curtailments and settlements	-	-
Cost of benefit changes	8	-
Amounts recognised in the profit and loss account	14	44
Amounts recognised in other comprehensive income		
	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Return on plan assets	(448)	1,208
Experience gains and losses arising on the plan liabilities	207	355
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities	(919)	(699)
Total amount recognised in other comprehensive income	(1,160)	864

The amount included in provisions for liabilities in the balance sheet arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000	Year to 31 December 2018 £'000
Fair value of scheme assets	7,126	7,517	8,182
Present value of defined benefit obligations	(8,270)	(8,054)	(9,939)
Pension liability to be recognised (Note 18)	(1,144)	(537)	(1,757)

#### Reconciliation of opening and closing balances of the fair value of scheme assets

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Fair value of scheme assets at start of year	7,517	8,182
Expected return on scheme assets	149	200
Actuarial (loss)/gain	(448)	1,208
Contributions by employer	567	400
Benefits paid, death in service insurance premiums and expenses	(659)	(2,473)
Fair value of scheme assets at end of year	7,126	7,517

#### Reconciliation of opening and closing balances of the present value of defined benefit obligations

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Defined benefit obligation at start of year	8,054	9,939
Current service cost	-	-
Interest cost	155	244
Actuarial loss/(gain)	712	344
Benefits paid	(659)	(2,473)
Cost of benefit changes	8	-
Defined benefit obligation at end of year	8,270	8,054



**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**22. Retirement benefit schemes (continued)**

The analysis of the fair value of scheme assets at the balance sheet date was as follows:

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Equity instruments	4,926	
Debt instruments	1,081	1,016
Fixed Interest Gilts	1,113	1,053
Other	6	132
<b>Total assets</b>	<b>7,126</b>	<b>7,517</b>

**23. Notes to Consolidated Cash Flow Statement**

**Reconciliation of operating profit to net cash inflow from operating activities**

	Year to 31 December 2020 £'000	Year to 31 December 2019 £'000
Operating profit	27,457	11,062
Loss on closure of operations	(484)	-
Depreciation and amortisation	3,463	3,597
Decrease in stocks	23,940	3,636
(Increase)/decrease in debtors	(6,426)	2,384
Increase/(decrease) in creditors and provisions	5,624	(4,336)
Loss on disposal of fixed assets	445	82
Difference between pension charge and cash contributions	(559)	(400)
UK corporation tax paid	(1,463)	(1,663)
Foreign tax paid	(744)	(1,198)
<b>Net cash inflow from operating activities</b>	<b>51,253</b>	<b>13,164</b>

**24. Derivative financial instruments**

	Group 31 December 2020 £'000	Group 31 December 2019 £'000	Company 31 December 2020 £'000	Company 31 December 2019 £'000
<b>Liabilities</b>				
Forward foreign currency contracts	(1,433)	(650)	(1,278)	(396)

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

**H. YOUNG HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**  
Continued

**24. Derivative financial instruments (continued)**

The following table details the forward foreign currency contracts outstanding as at the year-end:

**Outstanding contracts - 2020**

		Average contractual exchange rate	Group Notional value £'000	Group 31 December 2020 Fair value £'000	Average contractual exchange rate	Company Notional value £'000	Company 31 December 2020 Fair value £'000
US Dollar	Liability	1.32	40,151	(1,433)	1.32	37,577	(1,278)
<b>Total - net</b>			<b>40,151</b>	<b>(1,433)</b>		<b>37,577</b>	<b>(1,278)</b>

All fair value adjustments arising in the year have been recognised through profit and loss (Note 6).

**Outstanding contracts - 2019**

		Average contractual exchange rate	Group Notional value £'000	Group 31 December 2019 Fair value £'000	Average contractual exchange rate	Company Notional value £'000	Company 31 December 2019 Fair value £'000
US Dollar	Liability	1.27	20,116	(777)	1.28	13,714	(523)
US Dollar	Asset	1.34	1,488	19	1.34	1,488	19
Japanese Yen	Asset	146	5,131	108	146	5,131	108
<b>Total - net</b>			<b>26,735</b>	<b>(650)</b>		<b>20,333</b>	<b>(396)</b>

The Group has entered into forward foreign currency contracts to hedge the exchange rate risk arising from anticipated future purchases. All hedges mature in the following financial year unless otherwise stated.

**25. Parent undertakings**

In the opinion of the Directors, the ultimate parent undertaking and controlling party is Rinaldo Rinaldini Limited, a company incorporated in Bermuda.

The only larger Group in which the accounts of the Company are consolidated is that headed by Lakefield Holdings Limited, a company incorporated in England and Wales whose accounts are available from the Company Secretary, Buckingham House, West Street, Newbury, Berkshire, RG14 1BD, the registered office of that Company.

**26. Related party transactions**

During the year, the Group issued loan notes totalling £15,409,000 (2019: £36,534,000) for cash to its ultimate parent undertaking, Rinaldo Rinaldini Limited, to finance operations. Loan notes totalling £15,472,000 (2019: £18,771,000) were redeemed in the same period. Amounts due to Rinaldo Rinaldini Limited at 31 December 2020 comprised loan notes of £72,809,000 (2019: £70,591,000).

**27. Post Balance Sheet Events**

An interim dividend of £20m was paid in January 2021.