Company Registration No. 01063450

# REGATTA LTD

## Annual Report and Financial Statements

## For the year ended 31 January 2020

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

## CONTENTS

## OFFICERS AND PROFESSIONAL ADVISERS

### DIRECTORS

J Black
K J Black
D Holt
G J Rickard
B M Yaffe (resigned 31 May 2020)

### SECRETARY

D Holt

### REGISTERED OFFICE

Risol House
Mercury Way
Urmston
Manchester
United Kingdom
M41 7RR

### AUDITOR

Ernst & Young LLP
Statutory Auditor
2 St. Peter's Square
Manchester
United Kingdom
M2 3EY

## STRATEGIC REPORT

The directors present their strategic report on the affairs of the Group and company, together with the directors' report and audited financial statements for the year ended 31 January 2020. In preparing this strategic report the directors have complied with s414C of the Companies Act 2006.

### PRINCIPAL ACTIVITIES

The Group and company are engaged in the import and distribution of outdoor and leisure clothing, footwear and related accessories. There have been no changes in the principal activities in the year under review and there are none anticipated in the forthcoming year.

### REVIEW OF BUSINESS AND FUTURE OUTLOOK

The Group delivered continued growth in sales during the financial year. Turnover increased by 4% to £206m.

The Group trades under two brands, Regatta Great Outdoors and Dare2b. Regatta is one of the largest outdoor brands in Europe. Dare2b is a well established mountain adventure brand. The clothing ranges are designed to perform as active outdoor products. The design teams continually work on combining style with function to ensure that each new range performs and appeals to both active and leisure consumers. The broad appeal of the brands underpins growth in markets in the UK, Europe and worldwide.

Whilst the nature of the weather will continue to be an important factor affecting results for the coming year, the board is confident that the business is well positioned to maintain steady growth.

The importance of responsible sourcing is regarded by the directors as key to sustainable growth of the Group. The Asian sourcing office is instrumental in ensuring that high standards are maintained throughout the supply chain. The Group works closely with its suppliers with the assistance of specialist independent technical auditors to ensure compliance with its standards.

On 29 March 2017 the United Kingdom invoked Article 50 of the Lisbon treaty of withdrawing from the European Union. Although there remain a number of uncertainties, the Group has prepared for a range of outcomes to minimise any impact on the business and has planned sufficiently for a potential no deal Brexit.

During the course of the year, the Group continued to progress a number of important long term projects to support the on-going growth of the business and to prepare for any changes that may emerge as a result of "Brexit". The Group has also met several milestones in relation to the ongoing project to upgrade the Group's core IT systems.

The directors are also considering the ongoing impact of COVID-19. Further details can be found in the COVID-19 section of this report.

### ENVIRONMENT

As the Group's manufacturing is outsourced, its UK activities are considered to be low risk. Nonetheless, it strives to minimise the environmental impact of these activities and to operate within recognised and accepted standards.

### RISKS AND UNCERTAINTIES

Sales are dependent upon the Group delivering successful product ranges and having sufficient stock to satisfy demand. By the nature of the business, the weather is an uncertainty which can significantly affect demand but the Group aims to mitigate its impact with a broad product offering.

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 is governed by the Group's policies approved by the board of directors. The company does not use derivative financial instruments for speculative purposes.

***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments after taking into account the current situation with COVID-19, the Group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk and going concern can be found in note 1 to the financial statements and in the COVID-19 section of this report.

***Cash flow risk***

Through both its overseas sourcing and its export sales, 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.

## STRATEGIC REPORT (continued)

*Credit risk*

The Group's principal financial assets are bank balances and cash, 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.

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.

**COVID-19**

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Board continues to monitor the impact of this event on future operating performance of the Group and will take the necessary measures to safeguard the Group's assets during this uncertain period.

During this challenging period the safety of our teams and our customers has remained the main priority of the Group. The business operating activities have been constantly reviewed to ensure they are kept in line with government and WHO advice to keep everyone as safe as possible.

After a period of 3 months closed following the lockdown rules imposed in the UK in April, our retail stores have re-opened. After an initial 2 week shutdown, the Group continued to operate the online business throughout the lockdown period through the safe working conditions put in place in our warehouses.

The supply chain has been reviewed on a regular basis and where necessary measures were put in place to ensure the Group retained to ability to meet the demand for product.

The directors have considered if any adjustments are required to the amounts reported in the financial statements. As at the balance sheet date the company is trading in line with expectation, there has been no significant business disruption and the directors are not aware of anything to indicate the need for an adjustment to the financial statements.

Further consideration of the impact on the group can be found in the Directors' report and in notes 1 and 23.

**SECTION 172(1) STATEMENT**

The directors of the Group act in good faith to promote the success of the company for the benefit of its members as a whole.

The Group is a family run business which has operated for over 40 years, and favours long-term strategies. The owners are focused on shareholder value in terms of long-term investment return (the value of the business).

Aside from the owners the directors consider the other key stakeholders of the company to be: our customers, team members, suppliers and landlords, and the communities we operate within.

The directors continuously evaluate new business opportunities and as part of this process consider the likely long-term consequences of any decision on all stakeholder groups.

Maintaining strong business relationships is a critical focus of the Group. The Group strives to ensure that they maintain a strong reputation within the market it operates within with regards to how it conducts its business operations. Customer feedback is important to ensuring the brand develops in line with the market requirements and the directors ensure that the structure within the sales force allows there to be strong communication channels. With regards to supplier relationships, our teams regularly meet with suppliers both in the UK and overseas to ensure that if any issues arise these can be resolved promptly.

The directors recognise the value of the Group's employees and have invested in an Employee Assistance Program to holistically support employees both in and out of the workplace. Staff development is a key priority for the group and management ensure that appropriate training schemes are offered to benefit both the employee, and the wider business needs. Further details on employee engagement can be found in the Directors' Report on page 5.

The directors deeply believe that honesty, courtesy and respect are critical in all decisions that are made, wherever that may be, with customers, colleagues and other key stakeholders including the workers in the factories we engage with. The Honesty Project focuses on creating a fantastic product which has been thoughtfully engineered for the great outdoors and in doing so will hopefully enhance the lives of those touched by our business in all communities. It has been a priority for our business for many years that we ensure workers in our partner factories are treated fairly, with good working conditions.

## STRATEGIC REPORT (continued)

### SECTION 172(1) STATEMENT (continued)

Since 2012, The Regatta Group has been a member of the Ethical Trading Initiative (ETI) where we joined as a foundation member. All corporate members of ETI agree to adopt the ETI Base Code of labour practice, which is based on the standards of the International Labour Organisation (ILO). Further information about the Honesty Project and The Ethical Trading Initiative are available on the company website. The Group also promotes the need to take care of the environment, both with regards to our products, and to how we manage our own behaviour towards waste product in our offices throughout the world.

Through regular board meetings the directors ensure that the owners are fully appraised of all developments with regards to matters impacting key stakeholders.

### KEY PERFORMANCE INDICATORS

Management consider the following financial KPIs to be relevant to their monitoring of the Group and review these on a regular basis against forecast:

| | **2020** | **2019** |
|---|---|---|
| | **£'000** | **£'000** |
| Turnover | 205,585 | 198,234 |
| Stock at year end | 58,770 | 60,760 |
| Tangible fixed assets at year end | 19,659 | 20,176 |

The directors are satisfied with the results for the year, given the challenging trading environment noted above. The benefit of recent investment is expected to produce increased turnover and profitability in future years.

### RESULTS

Profit after tax of £7,953,000 was transferred to reserves (2019: £17,080,000).

Approved by the Board and signed on its behalf by:

D Holt
Director

29 September 2020

# DIRECTORS' REPORT

The directors' present their annual report and audited financial statements on the affairs of the Group and company for the year ended 31 January 2020.

## MATTERS INCLUDED WITHIN STRATEGIC REPORT

In accordance with s414C (11) of the Companies Act 2006, included in the Strategic Report is information relating to the events occurring in the period and future developments which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulation 2008' to be contained in a director's Report.

## DIRECTORS

The directors who served during the year and to the date of this report are disclosed on page 1.

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

## BRANCHES OUTSIDE THE UK

The Group operates branches in Bangladesh, Czech Republic and Slovakia in addition to its overseas subsidiaries.

## DONATIONS

The Group made charitable donations of £673,829 during the year (2019: £836,333).

The Group made political donations during the year of £1,995, £25,000, £20,000 and £3,000 to the Labour Friends of Isreal, UK Conservative Party, Brit Isreal Trade Union Dialogue and UK Isreal Business respectively (2019: £2,000, £5,000 and £7,499 to Upwards, Conservative Friends of Israel and UK Conservative Party respectively).

## DIVIDENDS

Interim dividends of £3,665,177 (£20.47 per ordinary share) were paid prior to the year end (2019: £2,001,332 (£11.18 per ordinary share)). No final dividends have been declared in relation to the year ended 31 January 2020 (2019: £1,036,468 (£5.79 per ordinary share)).

## FINANCIAL INSTRUMENTS

Details of financial instruments are provided in note 20.

## GOING CONCERN

The directors are required to consider the availability of resources to meet the Group's and the company's liabilities for a period of at least twelve months from the date of approval of these financial statements. The directors have considered the going concern position of the Group, taking into account the uncertainty surrounding the current COVID-19 pandemic.

The Group has net current assets of £47.0 million and net assets of £70.3 million as of 31 January 2020. The Group has cash at bank and in hand of £1.3 million and unutilised borrowing facilities, that are jointly shared within the Group and with Risol Imports Limited, Craghoppers Limited and their subsidiary companies, of £53.4 million.

As part of this going concern review, the directors have analysed cashflow forecasts covering a period of greater than 12 months from the date of signing the financial statements across a range of scenarios. These scenarios cover a range of sensitivities including a reverse stress test, which demonstrates that the Group will continue to have sufficient headroom on existing facilities despite the ongoing uncertainty even before any mitigating actions are taken. The directors have therefore prepared the financial statements on a going concern basis.

Factors considered in reaching this conclusion include:

- Post year end trading conditions - The Group has been trading ahead of prior year in the post-lockdown period with a growing online presence.
- A second wave of the COVID 19 virus – Based on performance in the aftermath of the initial lockdown period the directors believe the Group has a degree of resilience would withstand a second wave as a result of the omni-channel structure. If retail stores were forced to close the group can compensate with online sales. Procedures at the Group's warehouse locations mean that these online orders can be fulfilled even at increased levels of demand and the group would not be reliant on government support.
- Incremental costs relating to colleague absence – To date, the Group has been able to keep the logistic teams safe having reviewed all procedures, equipped the warehouses with new hygiene facilities and changed staffing schedules to allow for social distancing and we will maintain a continued focus on this.
- Demand - Expected continued demand for our products given the restrictions on overseas travel and an increasing number of people taking part in UK outdoor activities.

## DIRECTORS' REPORT (continued)

### GOING CONCERN (continued)

- Product availability – The supply chain is being managed to ensure product availability remains at current levels.
- Government support – The group has taken advantage of retail grants and rate free periods post year end and continues to assess all schemes available and will participate where appropriate.

As a result of these forecasts performed and actions taken to mitigate the underlying risks, the directors have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

### POST BALANCE SHEET EVENTS

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Board has considered the impact of this event on future operating performance of the Group and the uncertainties that this event may create. This is considered a non-adjusting event by the directors. Refer to note 1 for further analysis.

The directors have evaluated the future profitability of the Group for a period of 16 months from the date of approval of the accounts. While the future profitability is difficult to assess given the uncertainty surrounding the COVID-19 pandemic a range of cashflow scenarios have been considered and the directors are satisfied there is sufficient headroom within existing facilities to continue to trade for this period.

### DISABLED EMPLOYEES

It is the Group policy that applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. Training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, briefings and listening groups. Financial information concerning the performance of the business is provided on a regular basis. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

### AUDITOR

The independent auditors, Ernst & Young LLP, were re-appointed by the board of directors during the financial year.

Each person 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 director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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.

**Re-appointment of auditors**

In accordance with s485 of the Companies Act 2006, a resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Approved by the Board and signed on its behalf by:

D Holt
Director

29 September 2020

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the Group and company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Group and company 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 Standards applicable to the UK and Republic of Ireland. Under company law the directors must not approve the Group and company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGATTA LTD

**Opinion**

We have audited the financial statements of Regatta Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 January 2020 which comprise the group Profit and Loss Account, the group Statement of Other Comprehensive Income, the group and parent company Balance Sheet, the group and parent Statement of Changes in Equity, group Statement of Cash Flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 January 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw attention to notes 1 and 23 of the consolidated financial statements which describe the economic consequences the group is experiencing as a result of COVID-19. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report set out on pages 2 to 7, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGATTA LTD (continued)

**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 directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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.

Ernst & Young LLP

Victoria Venning (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
Date:

30 September 2020

## GROUP PROFIT AND LOSS ACCOUNT
## For the year ended 31 January 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **TURNOVER** | 2 | 205,585 | 198,234 |
| Cost of sales | | (159,224) | (151,565) |
| **GROSS PROFIT** | | 46,361 | 46,669 |
| Administrative expenses | | (33,952) | (32,361) |
| **OPERATING PROFIT** | | 12,409 | 14,308 |
| Interest receivable and similar income | 4 | 275 | 126 |
| Interest payable and similar charges | 4 | (443) | (282) |
| **PROFIT FROM OPERATING ACTIVITIES** | | 12,241 | 14,152 |
| Net fair value movement on unrealised forward currency contracts | 20 | (1,885) | 6,206 |
| **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | 3 | 10,356 | 20,358 |
| Tax on profit on ordinary activities | 6 | (2,403) | (3,278) |
| **PROFIT FOR THE FINANCIAL YEAR** | | 7,953 | 17,080 |

All activities arose from continuing operations.

## GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME
**For the year ended 31 January 2020**

| | 2020<br>£'000 | 2019<br>£'000 |
|---|---|---|
| Profit for the financial year | 7,953 | 17,080 |
| Currency translation difference on foreign currency net investments | - | - |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 7,953 | 17,080 |

## GROUP BALANCE SHEET
### As at 31 January 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible fixed assets | 8 | 4,186 | 1,151 |
| Tangible assets | 9 | 19,659 | 20,176 |
| | | 23,845 | 21,327 |
| **CURRENT ASSETS** | | | |
| Stocks | 11 | 58,770 | 60,760 |
| Debtors | | | |
| - due within one year | 12 | 35,240 | 30,601 |
| - due after one year | 12 | 266 | - |
| Cash at bank and in hand | | 1,305 | 2,599 |
| | | 95,581 | 93,960 |
| **CREDITORS:** Amounts falling due within one year | 13 | (48,523) | (46,842) |
| **NET CURRENT ASSETS** | | 47,058 | 47,118 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 70,903 | 68,445 |
| **CREDITORS:** Amounts falling due after more than one year | 14 | (608) | (2,438) |
| **NET ASSETS** | | 70,295 | 66,007 |
| **CAPITAL AND RESERVES** | | | |
| Called-up share capital | 16 | 179 | 179 |
| Revaluation reserve | | 750 | 750 |
| Currency translation reserve | | 113 | 113 |
| Profit and loss account | | 69,253 | 64,965 |
| **SHAREHOLDERS' FUNDS** | | 70,295 | 66,007 |

The notes on pages 17 to 36 form an integral part of these consolidated financial statements.

The consolidated financial statements of Regatta Ltd, registered number 01063450, were approved by the Board of Directors and authorised for issue on 29 September 2020.

D Holt
Director

# COMPANY BALANCE SHEET

## As at 31 January 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible fixed assets | 8 | 3,143 | - |
| Tangible fixed assets | 9 | 16,201 | 16,528 |
| Investments | 10 | 1,502 | 1,297 |
| | | 20,846 | 17,825 |
| **CURRENT ASSETS** | | | |
| Stocks | 11 | 54,765 | 57,240 |
| Debtors | | | |
| - due within one year | 12 | 32,785 | 28,691 |
| - due after one year | 12 | 6,619 | 6,490 |
| Cash at bank and in hand | | 97 | 263 |
| | | 94,266 | 92,684 |
| **CREDITORS:** Amounts falling due within one year | 13 | (47,013) | (43,489) |
| **NET CURRENT ASSETS** | | 47,253 | 49,195 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 68,099 | 67,020 |
| **CREDITORS:** Amounts falling due after more than one year | 14 | (592) | (2,438) |
| **NET ASSETS** | | 67,507 | 64,582 |
| **CAPITAL AND RESERVES** | | | |
| Called-up share capital | 16 | 179 | 179 |
| Revaluation reserve | | 750 | 750 |
| Profit and loss account | | 66,578 | 63,653 |
| **SHAREHOLDER'S FUNDS** | | 67,507 | 64,582 |

The notes on pages 17 to 36 form an integral part of these financial statements.

The profit of the company for the financial year is £6,590,000 (2019: £13,172,000).

The financial statements of Regatta Ltd, registered number 01063450, were approved by the Board of Directors and authorised for issue on 29 September 2020.

D Holt
Director

# GROUP STATEMENT OF CHANGES IN EQUITY

## For the year ended 31 January 2020

| | Called-up share capital £'000 | Revaluation reserve £'000 | Currency translation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|---|
| **At 1 February 2018** | 179 | - | 113 | 50,923 | 51,215 |
| Profit for the financial year | - | - | - | 17,080 | 17,080 |
| **Total comprehensive income** | - | - | - | 17,080 | 17,080 |
| Property revaluation | - | 750 | - | - | 750 |
| Dividends (note 7) | - | - | - | (3,038) | (3,038) |
| **At 31 January 2019** | 179 | 750 | 113 | 64,965 | 66,007 |
| Profit for the financial year | - | - | - | 7,953 | 7,953 |
| **Total comprehensive income** | - | - | - | 7,953 | 7,953 |
| Dividends (note 7) | - | - | - | (3,665) | (3,665) |
| **At 31 January 2020** | 179 | 750 | 113 | 69,253 | 70,295 |

# COMPANY STATEMENT OF CHANGES IN EQUITY
## For the year ended 31 January 2020

| | Called-up share capital £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|
| **At 1 February 2018** | 179 | - | 53,519 | 53,698 |
| Profit for the financial year | - | - | 13,172 | 13,172 |
| **Total comprehensive income** | - | - | 13,172 | 13,172 |
| Property revaluation | - | 750 | - | 750 |
| Dividends (note 7) | - | - | (3,038) | (3,038) |
| **At 31 January 2019** | 179 | 750 | 63,653 | 64,582 |
| Profit for the financial year | - | - | 6,590 | 6,590 |
| **Total comprehensive income** | - | - | 6,590 | 6,590 |
| Dividends (note 7) | - | - | (3,665) | (3,665) |
| **At 31 January 2020** | 179 | 750 | 66,578 | 67,507 |

# GROUP CASH FLOW STATEMENT
## For the year ended 31 January 2020

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **Net cash from operating activities** | 17 | 16,021 | 7,817 |
| Taxation paid | | (2,945) | (3,212) |
| **Net cash generated from operating activities** | | 13,076 | 4,605 |
| **Net cash generated from investing activities** | | | |
| Proceeds from sale of tangible assets | | 479 | 130 |
| Purchase of intangible assets | | (2,799) | - |
| Purchase of tangible assets | | (2,827) | (3,688) |
| Interest paid | | - | (2) |
| **Net cash used in investing activities** | | (5,147) | (3,560) |
| **Cash flows from financing activities** | | | |
| Dividends paid | | (4,702) | (2,001) |
| Interest received | | 275 | 126 |
| Interest paid | | (443) | (280) |
| Directors loan paid | | (1,886) | (1,338) |
| **Net cash used in financing activities** | | (6,756) | (3,493) |
| **Net increase / (decrease) in cash and cash equivalents** | | 1,173 | (2,448) |
| **Cash and cash equivalents at beginning of year** | | (11,734) | (9,286) |
| Effect of foreign exchange rate changes | | - | - |
| **Cash and cash equivalents at end of year** | | (10,561) | (11,734) |

## Reconciliation to cash at bank and in hand:

| | At 1 February 2019 £'000 | Cash flows £'000 | At 31 January 2020 £'000 |
|---|---|---|---|
| Cash at bank and in hand | 2,599 | (1,294) | 1,305 |
| Cash equivalents e.g. bank overdraft | (14,333) | 2,467 | (11,866) |
| Cash and cash equivalents | (11,734) | 1,173 | (10,561) |

# NOTES TO THE FINANCIAL STATEMENTS
## For the year ended 31 January 2020

### 1. ACCOUNTING POLICIES

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

***General information and basis of accounting***

Regatta Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act, and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The Group and individual financial statements of Regatta Ltd were authorised for issue by the Board of Directors on 29 September 2020. The Group and parent company financial statements have been prepared under the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value.

The Group and parent company financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The Group and parent company have applied FRS 102 as issued in March 2018, which reflects the amendments made as part of the Triennial Review 2017. The Triennial Review amendments have had no material impact on the financial statements of the Group or the parent company.

The functional currency of Regatta Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. All amounts included within these financial statements are presented in pounds sterling and rounded to the nearest £'000 unless otherwise stated.

The Group has taken advantage of the exemption afforded by FRS 102.33.1A not to disclose transactions between wholly owned members of the group.

The parent company has taken advantage of the section 408 exemption not to present its individual profit and loss account as it has prepared group accounts.

The parent company is a qualifying entity as defined by FRS 102 and has taken advantage of the following exemptions available to qualifying entities which are relevant to its financial statements:
- the requirement to prepare a cash flow statement;
- the requirement to disclose information about key management personnel compensation; and
- the disclosure requirements of Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) in respect of financial instruments of the parent (as equivalent disclosures are included in respect of the consolidated financial statements).

***Going concern***

The directors are required to consider the availability of resources to meet the Group's and the company's liabilities for a period of at least twelve months from the date of approval of these financial statements. The directors have considered the going concern position of the Group, taking into account the uncertainty surrounding the current COVID-19 pandemic.

The Group has net current assets of £47.0 million and net assets of £70.3 million as of 31 January 2020. The Group has cash at bank and in hand of £1.3 million and unutilised borrowing facilities, that are jointly shared within the Group and with Risol Imports Limited, Craghoppers Limited and their subsidiary companies, of £53.4 million.

As part of this going concern review, the directors have analysed cashflow forecasts covering a period of greater than 12 months from the date of signing the financial statements across a range of scenarios. These scenarios cover a range of sensitivities including a reverse stress test, which demonstrates that the Group will continue to have sufficient headroom on existing facilities despite the ongoing uncertainty even before any mitigating actions are taken. The directors have therefore prepared the financial statements on a going concern basis.

Factors considered in reaching this conclusion include:
- Post year end trading conditions - The Group has been trading ahead of prior year in the post-lockdown period with a growing online presence.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
# For the year ended 31 January 2020

## 1. ACCOUNTING POLICIES (continued)

***Going concern (continued)***

- A second wave of the COVID 19 virus – Based on performance in the aftermath of the initial lockdown period the directors believe the group has a degree of resilience would withstand a second wave as a result of the omni-channel structure. If retail stores were forced to close the group can compensate with online sales. Procedures at the group's warehouse locations mean that these online orders can be fulfilled even at increased levels of demand and the group would not be reliant on government support.
- Incremental costs relating to colleague absence – To date, the Group has been able to keep the logistic teams safe having reviewed all procedures, equipped the warehouses with new hygiene facilities and changed staffing schedules to allow for social distancing and we will maintain a continued focus on this.
- Demand - Expected continued demand for our products given the restrictions on overseas travel and an increasing number of people taking part in UK outdoor activities.
- Product availability – The supply chain is being managed to ensure product availability remains at current levels.
- Government support – The group has taken advantage of retail grants and rate free periods post year end and continues to assess all schemes available and will participate where appropriate.

As a result of these forecasts performed and actions taken to mitigate the underlying risks, the directors have a reasonable expectation that the Group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these consolidated financial statements.

***Basis of consolidation***

The Group financial statements consolidate the financial statements of Regatta Ltd and its subsidiary undertakings, drawn up to 31 January each year. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

In the parent company financial statements investments in subsidiaries are accounted for at costs less impairment.

***Intangible fixed assets***

*Goodwill*

Goodwill arising on acquisitions of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities, is capitalised and written off on a straight line basis over its useful economic life. The directors have always regarded 10 years as a reasonable estimate for the useful life of goodwill.

*Software*

Software assets are stated at cost, net of depreciation and provision for impairment. Amortisation is not charged on assets under construction. At the point that the software asset is brought into use amortisation will be provided at rates calculated to write off the cost of each asset over its expected useful life.

The assets are reviewed for impairment on an annual basis.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

1. **ACCOUNTING POLICIES (continued)**

***Tangible fixed assets***

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|---|---|
| Computer equipment | 20% to 33% per annum straight line |
| Plant and machinery | 10% to 50% per annum straight line |
| Motor vehicles | 25% to 45% per annum on written down value |

The freehold land and buildings are not depreciated but revalued every three years. The resulting gain or loss on revaluation is taken to reserves.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost comprises the price of goods, duty, shipping and other expenditure associated with transporting goods to the company premises. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Cost is calculated on a weighted average cost basis and provision is made for obsolete, slow-moving or defective items where appropriate.

***Foreign currencies***

*Company*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

*Group*

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date.

***Foreign currencies (continued)***

Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

***Taxation***

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 1. ACCOUNTING POLICIES (continued)

*Taxation (continued)*

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

*Pension costs*

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

*Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

*Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

*Cost of sales*

Selling costs are an integral part of the Group's business and are therefore included in cost of sales.

*Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

*Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

1. **ACCOUNTING POLICIES (continued)**

***Financial assets and liabilities (continued)***

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

***Investments***

In the company balance sheet, investments (including investments in associates) are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

***Derivative financial instruments***

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. 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.

***Fair value measurement***

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

1. **ACCOUNTING POLICIES (continued)**

***Dividends***

Revenue is recognised when the Group's right to receive payment is established.

***Impairment of non-financial assets***

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

***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.

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.

The critical judgements made in the process of applying the Group's accounting policies are detailed below:

***Recognition of deferred tax assets***

Assumptions have been made in relation to the recognition of deferred tax assets.

***Provision against product guarantees***

Products within the group are sold with a product guarantee that cover periods varying from 12-36 months. The directors have applied judgements in considering whether provision for such guarantees is required.

***Provision against slow-moving, obsolete or irrecoverable stock***

Stock is reviewed on an ongoing basis and a provision made where the directors are of the opinion that raw materials may be irrecoverable. As at the year end the directors have no material concerns over the recoverability of the Group's stock. There are both specific and general stock provisions in place across the Group.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 2. SEGMENT INFORMATION

The analysis of turnover by geographical market, operating segment and category required by paragraph 68 of Schedule 1 to the Large and Medium-sized Companies and Groups (Financial statements and Reports) Regulations which accompany the Companies Act 2006 have not been provided as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the Group.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

| Group | 2020<br>£'000 | 2019<br>£'000 |
|---|---|---|
| Operating lease rentals – land and buildings | 5,806 | 5,579 |
| Operating lease rentals – other | 530 | 441 |
| Auditor's remuneration | | |
| - fees payable to the company's auditor for the audit of the company's annual financial statements | 32 | 32 |
| - fees payable to the company's auditor for the audit of the parent company's annual financial statements | 34 | 34 |
| - fees payable for the audit of foreign subsidiaries | 25 | 25 |
| Loss on disposal of fixed assets | 16 | 40 |
| Depreciation – owned assets | 2,369 | 3,694 |
| Depreciation - revaluation | - | (720) |
| Amortisation of goodwill | 108 | 106 |
| Forex losses | 157 | 325 |
| Fair value loss / (gain) on unrealised forward currency contracts | 1,885 | (6,206) |

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

**Group**

| | 2020<br>£'000 | 2019<br>£'000 |
|---|---|---|
| Interest receivable and similar income | 275 | 126 |
| Interest payable and similar charges | (443) | (282) |
| **Net finance cost** | (168) | (156) |

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 5. STAFF NUMBERS AND COSTS

Staff costs, including directors, comprise:

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Wages and salaries | 30,635 | 28,521 | 20,232 | 18,500 |
| Social security costs | 3,245 | 3,154 | 1,753 | 1,592 |
| Other pension costs | 1,283 | 1,037 | 1,183 | 936 |
| | 35,163 | 32,712 | 23,168 | 21,028 |

The average monthly number of employees (including directors) was:

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | Number | Number | Number | Number |
| Office, management and sales | 945 | 886 | 345 | 324 |
| Warehouse | 267 | 302 | 297 | 302 |
| | 1,212 | 1,188 | 642 | 626 |

**Directors' remuneration**

**Group and Company**

Remuneration was paid in respect of directors as follows:

| | 2020 | 2019 |
|---|---|---|
| | £'000 | £'000 |
| Aggregate remuneration in respect of qualifying services | 1,139 | 1,067 |
| Company contributions to money purchase pension schemes | 10 | 10 |
| | 1,149 | 1,077 |

During the year the Group paid £9,985 (2019: £9,995) into a self-administered pension scheme for the benefit of one director (2019: one).

**Highest paid director**

The above amounts for remuneration include the following in respect of the highest paid director:

| | 2020 | 2019 |
|---|---|---|
| | £'000 | £'000 |
| Aggregate remuneration in respect of qualifying services | 364 | 355 |
| Company contributions to money purchase pension schemes | 10 | 10 |
| | 374 | 365 |

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

**Group**

The tax charge comprises:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **UK Corporation tax** | | |
| Current period | 1,665 | 2,288 |
| Adjustments in respect of prior years | 16 | (2) |
| | 1,681 | 2,286 |
| **Foreign tax** | | |
| Current period | 671 | 694 |
| | 2,352 | 2,980 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | (184) | 370 |
| Adjustment in respect of prior periods | - | (7) |
| Impact of change in tax rates | (10) | (65) |
| Tax in foreign jurisdictions | 245 | - |
| **Total deferred tax charge (see note 15)** | 51 | 298 |
| **Total tax on profit on ordinary activities** | 2,403 | 3,278 |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Profit on ordinary activities before tax** | 10,356 | 20,358 |
| Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%) | 1,968 | 3,868 |
| *Effects of:* | | |
| Expenses not deductible for tax purposes | 61 | 6 |
| Fixed asset timing differences | - | (399) |
| Effect of tax rates in foreign jurisdictions | 368 | (123) |
| Adjustment in respect of previous periods | 16 | (9) |
| Adjustment in respect of change in opening and closing tax rates | (10) | (65) |
| **Total tax charge for year** | 2,403 | 3,278 |

A reduction in the UK tax rate to 17% from 1 April 2020 was announced and substantively enacted in September 2016. Deferred tax has been calculated using this rate based on this being the most up to date legislation available at the balance sheet date. Subsequently, within the budget 2020 announcement in March 2020, the government announced that the corporation tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

There is no expiry date on timing differences, unused tax losses or tax credits.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 7. DIVIDENDS

| Group and Company | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Interim dividends for the year ended 31 January 2020 of £20.47 per ordinary and deferred ordinary share (2019: £11.18) | 3,665 | 2,001 |
| Proposed final dividend for the year ended 31 January 2020 of £nil per ordinary and deferred ordinary share (2019: £5.79) | - | 1,037 |
| Total dividend | 3,665 | 3,038 |

### 8. INTANGIBLE FIXED ASSETS

| Group | Goodwill £'000 | Software Assets Under Construction £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 February 2019 | 1,549 | - | 1,549 |
| Transfers in | - | 344 | 344 |
| Additions | - | 2,799 | 2,799 |
| At 31 January 2020 | 1,549 | 3,143 | 4,692 |
| **Amortisation** | | | |
| At 1 February 2019 | 398 | - | 398 |
| Charge for the year | 108 | - | 108 |
| At 31 January 2020 | 506 | - | 506 |
| **Net book value** | | | |
| At 31 January 2020 | 1,043 | 3,143 | 4,186 |
| At 31 January 2019 | 1,151 | - | 1,151 |

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 8. INTANGIBLE FIXED ASSETS (continued)

| Company | Software Assets Under Construction £'000 |
|---|---|
| **Cost** | |
| At 1 February 2019 | - |
| Transfers in | 344 |
| Additions | 2,799 |
| At 31 January 2020 | 3,143 |
| **Net book value** | |
| At 31 January 2020 | 3,143 |
| At 31 January 2019 | - |

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 9. TANGIBLE FIXED ASSETS

| Group | Assets under construction £'000 | Freehold land and buildings £'000 | Computer equipment £'000 | Plant and machinery £'000 | Motor vehicles £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 February 2019 | 344 | 11,670 | 5,530 | 21,805 | 1,347 | 40,696 |
| Exchange adjustments | - | (5) | (22) | (218) | (28) | (273) |
| Transfer out | (344) | - | - | - | - | (344) |
| Additions | - | - | 339 | 2,289 | 199 | 2,827 |
| Disposals | - | - | (3) | (514) | (207) | (724) |
| At 31 January 2020 | - | 11,665 | 5,844 | 23,362 | 1,311 | 42,182 |
| **Depreciation** | | | | | | |
| At 1 February 2019 | - | - | 4,640 | 15,028 | 852 | 20,520 |
| Exchange adjustments | - | - | (17) | (103) | (17) | (137) |
| Charge for the year | - | - | 601 | 1,648 | 120 | 2,369 |
| Disposals | - | - | (3) | (69) | (157) | (229) |
| At 31 January 2020 | - | - | 5,221 | 16,504 | 798 | 22,523 |
| **Net book value** | | | | | | |
| At 31 January 2020 | - | 11,665 | 623 | 6,858 | 513 | 19,659 |
| At 31 January 2019 | 344 | 11,670 | 890 | 6,777 | 495 | 20,176 |

| Company | Assets under construction £'000 | Freehold land and buildings £'000 | Computer equipment £'000 | Plant and machinery £'000 | Motor vehicles £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 February 2019 | 344 | 11,550 | 4,951 | 15,576 | 581 | 33,002 |
| Transfer out | (344) | - | - | - | - | (344) |
| Additions | - | - | 225 | 1,476 | 35 | 1,736 |
| Disposals | - | - | (3) | (110) | (170) | (283) |
| At 31 January 2020 | - | 11,550 | 5,173 | 16,942 | 446 | 34,111 |
| **Depreciation** | | | | | | |
| At 1 February 2019 | - | - | 4,235 | 11,848 | 391 | 16,474 |
| Charge for the year | - | - | 510 | 1,065 | 72 | 1,647 |
| Disposals | - | - | (3) | (69) | (139) | (211) |
| At 31 January 2020 | - | - | 4,742 | 12,844 | 324 | 17,910 |
| **Net book value** | | | | | | |
| At 31 January 2020 | - | 11,550 | 431 | 4,098 | 122 | 16,201 |
| At 31 January 2019 | 344 | 11,550 | 716 | 3,728 | 190 | 16,528 |

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 10. FIXED ASSET INVESTMENTS

**Company**

| | £'000 |
|---|---|
| At 1 February 2019 | 1,297 |
| Increase during the year | 205 |
| At 31 January 2020 | 1,502 |

During the year the investment in Regatta Outdoors (Xiamen) Company Ltd was increased by £205,000.

The parent company and the Group have investments in the following subsidiary undertakings:

| Subsidiary undertaking | Incorporation Address | % voting rights | Principal activity |
|---|---|---|---|
| Dare2b Retail Limited | Risol House, Mercury Way, Urmston, Manchester, UK, M41 7RR | 100 | Dormant |
| Regatta Concessions | Risol House, Mercury Way, Urmston, Manchester, UK, M41 7RR | 100 | Dormant |
| Regatta GmbH | Reichenberger Strasse 1,D-84130, Dingolfing, Germany | 100 | Outdoor clothing |
| Mountain Sports Outlet GmbH | Reichenberger Strasse 1,D-84130, Dingolfing, Germany | 100 | Outdoor clothing |
| Mountain Shop GmbH & Co KG* | Schattbucher St. 21, 88279, Amtzell, Germany | 100 | Outdoor clothing |
| Regatta France Eurl | 47 Bis Rue des Vinaigriers, Paris, France, 75010 | 100 | Outdoor clothing |
| Regatta Great Outdoors Spain S.L. | Carr. de Fuencarral, 44, 28108 Alcobendas, Madrid, Spain | 100 | Outdoor clothing |
| Regatta Israel Limited | 10 Plaut St, Science Park, Rehovot 7670620, Israel | 100 | Outdoor clothing |
| Regatta Italia Srl | Via Bassanese, 61/1, Montebelluna (TV), Italy | 100 | Outdoor clothing |
| Regatta Great Outdoors LLC | Suite 219, 55 Main Street, New Market, New Hampshire, USA, 03857 | 100 | Outdoor clothing |
| Regatta-Polska Sp. z.o.o. | ul. Częstochowska 5, 32-085 Modlnica, Poland | 100 | Outdoor clothing |
| Regatta Sweden AB | Djupdalsvägen 10 192 51 Sollentuna, Sweden | 100 | Outdoor clothing |
| Regatta Netherlands BV | Plesmanstraat 1, LEUSDEN 3833 LA, Netherlands | 100 | Outdoor clothing |
| Regatta Outdoors (Xiamen) Company Ltd | Zone A, 5th Floor, Xin Yu Building, No 17 East Jouju Road, Heshan Street, Xiamen, China | 100 | Outdoor clothing |
| Regatta Great Outdoors Ireland Limited | Unit 15, 24 & 25 Westside Centre, Model Farm Road, Cork, Ireland | 100 | Outdoor clothing |

**Investment held indirectly through Mountain Sports Outlet GmbH*

All subsidiary undertakings have been included in the consolidation with results up to 31 January 2020. The statutory year end for Mountain Shop GmbH, Mountain Sports Outlet GmbH, Regatta GmbH and Regatta Great Outdoors Spain S.L. is 31st December 2019.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 11. STOCKS

| | Group 2020 £'000 | Group 2019 £'000 | Company 2020 £'000 | Company 2019 £'000 |
|---|---|---|---|---|
| Finished goods and goods for resale | 58,770 | 60,760 | 54,765 | 57,240 |

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 12. DEBTORS

| | Group 2020 £'000 | Group 2019 £'000 | Company 2020 £'000 | Company 2019 £'000 |
|---|---|---|---|---|
| Trade debtors | 22,594 | 22,579 | 19,924 | 18,944 |
| Amounts owed by group undertakings | 1,782 | 526 | 4,833 | 4,827 |
| Amounts owed by related parties | 50 | 494 | 52 | 484 |
| Other taxation and social security | 4,826 | 442 | 4,465 | - |
| Other debtors | 376 | 58 | 64 | 52 |
| Derivative financial assets (see note 20) | - | 2,151 | - | 2,151 |
| Prepayments and accrued income | 4,192 | 3,367 | 2,621 | 1,829 |
| Corporation tax | 779 | 292 | 645 | - |
| Deferred tax asset (see note 15) | 641 | 692 | 181 | 404 |
| | 35,240 | 30,601 | 32,785 | 28,691 |
| *Amounts falling due after more than one year:* | | | | |
| Derivative financial assets (see note 20) | 266 | - | 266 | - |
| Amounts owed by group undertakings | - | - | 6,353 | 6,490 |
| | 266 | - | 6,619 | 6,490 |

Trading balances owed by related parties falling due within one year are interest free, unsecured and repayable on demand.

Loan balances owed by group undertakings are subject to interest between 0% and 12.5%, unsecured and repayable on fixed terms between 3 and 11 months following the financial year end.

Amounts owed by group undertakings falling due after more than one year are subject to interest at 5% and unsecured. Previously this balance was due to be repayable on 31 December 2020, but an extension to the payment terms is currently under negotiation and the directors will not be seeking repayment of this balance within 12 months of the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank overdraft | 11,866 | 14,333 | 11,866 | 14,322 |
| Trade creditors | 12,296 | 14,163 | 10,409 | 12,609 |
| Amounts owed to related parties | 358 | 146 | 221 | - |
| Amounts owed to group undertakings | - | 628 | 5,110 | 3,206 |
| Deferred tax liability (see note 15) | - | - | - | 214 |
| Corporation tax | 403 | 549 | - | 361 |
| Other taxation and social security costs | 4,912 | 2,435 | 4,262 | 1,757 |
| Other creditors | 1,461 | 284 | 1,014 | 47 |
| Provisions | 15 | 31 | 15 | 15 |
| Accruals and deferred income | 17,212 | 14,273 | 14,116 | 10,958 |
| | 48,523 | 46,842 | 47,013 | 43,489 |

Amounts owed to related parties and group undertakings are interest free, unsecured and payable on demand.

Accruals and deferred income includes a balance of £nil in respect of dividends payable to shareholders (2019: £1,037,000).

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Other creditors | 109 | 109 | 109 | 109 |
| Amounts owed to related parties | 245 | 245 | 245 | 245 |
| Directors loans | - | 1,886 | - | 1,886 |
| Provisions | 254 | 198 | 238 | 198 |
| | 608 | 2,438 | 592 | 2,438 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| **Payables due within 2 to 5 years** | | | | |
| Other creditors | 109 | 109 | 109 | 109 |
| Amounts owed to related parties | 245 | 245 | 245 | 245 |
| Directors loans | - | 1,886 | - | 1,886 |
| | 354 | 2,240 | 354 | 2,240 |

Other creditors are repayable within 5 years, unsecured and not subject to any interest.

Amounts owed to related parties are repayable within 5 years, unsecured and subject to interest at a rate of 3.25% per annum.

The directors' loans that were repayable on 21 March 2021 were settled early and repaid in full during the year.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 15. DEFERRED TAXATION

| | £'000 |
|---|---|
| **Group** | |
| At 1 February 2019 | 692 |
| Charge to profit and loss account (note 6) | (51) |
| At 31 January 2020 | 641 |

Deferred tax assets are provided as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Group** | | |
| Depreciation in excess of capital allowances | 588 | 404 |
| Other timing differences | 53 | 288 |
| | 641 | 692 |

A deferred tax asset has been recognised to the extent that the directors consider the balance to be recoverable through future taxable profits. The directors consider the deferred tax asset to be recoverable over 1-5 years. The company and Group have no un-provided deferred tax assets or liabilities.

| | £'000 |
|---|---|
| **Company** | |
| At 1 February 2019 | 190 |
| Charge to profit and loss account | (9) |
| At 31 January 2020 | 181 |

Deferred tax assets are provided as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Company** | | |
| Depreciation in excess of capital allowances | 180 | 404 |
| Other timing differences | 1 | (214) |
| | 181 | 190 |

### 16. CALLED-UP SHARE CAPITAL AND RESERVES

| **Company and Group** | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Allotted, called-up and fully paid** | | |
| 179,010 ordinary shares of £1 each | 179 | 179 |

The rights of the shares are as documented in the Articles of Association that can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments. The currency revaluation reserve illustrates the impact of translating the Group's foreign subsidiaries into Sterling. The revaluation reserve is a non-distributable reserve arising due to the revaluation of the land and buildings within the Group to market value.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

## 17. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Profit for the financial year** | 7,953 | 17,080 |
| Adjustments for: | | |
| Tax on profit on ordinary activities | 2,403 | 3,278 |
| Net interest expense | 168 | 149 |
| FX Contracts movement | 1,885 | (6,206) |
| **Operating profit** | 12,409 | 14,301 |
| Loss on sale of fixed assets | 16 | 40 |
| Depreciation | 2,369 | 3,694 |
| Depreciation: valuation | - | (720) |
| Amortisation of goodwill | 108 | 106 |
| Decrease / (increase) in stocks | 1,990 | (13,574) |
| (Increase) / decrease in debtors | (6,394) | 1,853 |
| Increase in creditors | 5,523 | 2,117 |
| **Cash flow from operating activities** | 16,021 | 7,817 |

## 18. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account. The result for the financial year dealt with in the financial statements of the company is a profit of £6,590,000 (2019: £13,172,000).

## 19. FINANCIAL COMMITMENTS

**Lease commitments**

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

| **Group** | 2020 Land and buildings £'000 | 2019 Land and buildings £'000 | 2020 Other £'000 | 2019 Other £'000 |
|---|---|---|---|---|
| Operating leases which expire: | | | | |
| - within one year | 5,158 | 4,745 | 392 | 401 |
| - within one to two years | 4,877 | 4,621 | 372 | 350 |
| - within two to five years | 13,371 | 12,420 | 328 | 594 |
| - in more than five years | 8,596 | 11,124 | - | 13 |
| | 32,002 | 32,910 | 1,092 | 1,358 |

| **Company** | 2020 Land and buildings £'000 | 2019 Land and buildings £'000 | 2020 Other £'000 | 2019 Other £'000 |
|---|---|---|---|---|
| Operating leases which expire: | | | | |
| - within one year | 2,407 | 2,292 | 392 | 401 |
| - within one to two years | 2,501 | 2,366 | 372 | 350 |
| - within two to five years | 7,452 | 7,162 | 328 | 594 |
| - in more than five years | 4,028 | 6,320 | - | 13 |
| | 16,388 | 18,140 | 1,092 | 1,358 |

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 19. FINANCIAL COMMITMENTS (continued)

**Contingent liabilities**

The company is party to bank facilities provided to the companies within the group and other related party companies. This facility was renewed in December 2018 and runs to July 2022. There is an unlimited multilateral guarantee in place as security across these entities. There is also a fixed charge over the freehold land and buildings of the Group associated with this facility.

### 20. DERIVATIVE FINANCIAL INSTRUMENTS

| Group and Company | Due within one year | | Due after one year | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| **Derivatives that are measured at fair value through profit or loss:** | | | | |
| **Financial assets at fair value:** | | | | |
| Forward foreign currency contracts | - | 2,124 | 266 | 27 |

Fair value profits on derivative financial assets and liabilities measured at fair value through profit and loss were £1,885,000 (2019: £6,206,000 losses).

**Forward foreign currency contracts**

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

| | Notional value | | Fair value | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Buy | | | | |
| Less than 3 months | 15,935 | 15,635 | (257) | 738 |
| Between 3 and 6 months | 28,046 | 29,858 | (1,256) | 278 |
| Greater than 6 months | 30,453 | 48,930 | (1,290) | 351 |
| | 74,434 | 94,423 | (2,803) | 1,367 |
| Sell | | | | |
| Less than 3 months | 14,094 | 16,094 | 509 | 481 |
| Between 3 and 6 months | 14,189 | 13,026 | 396 | 47 |
| Greater than 6 months | 47,178 | 40,811 | 2,164 | 256 |
| | 75,461 | 69,931 | 3,069 | 784 |
| **Total** | | | **266** | **2,151** |

The Group has entered into contracts to purchase goods from suppliers in Asia and to convert receipts from sales in Europe.

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

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 21. RETIREMENT BENEFIT SCHEMES

**Defined contribution scheme**

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The total cost charged to profit and loss £1,283,000 (2019: £1,037,000) represents contributions payable to the scheme by the company at rates specified in the rules of the plan. As at 31 January 2020, contributions £166,052 (2019: £160,050) due in respect of the current reporting period had not been paid over to the schemes.

### 22. RELATED PARTY TRANSACTIONS

During the year, donations of £264,000 (2019: £509,000) were made to The Benson Black Memorial Charitable Trust, a charitable organisation related by way of common directors and trustees.

During the year, donations of £185,000 (2019: £285,000) were made to The Regatta Foundation, a charitable organisation related by way of common directors and trustees.

During the year, interest was incurred of £8,000 (2019: £8,000) on a loan from Regatta FURBS, an entity connected by common ownership and control. The outstanding balance at the end of the year is £245,000 (2019: £245,000).

The Group is related to a number of other companies by way of common ownership and control. Net transactions with these companies during the year were as shown below:

| **Group** | **Transaction** | **2020 £'000** | **2019 £'000** |
|---|---|---|---|
| Craghoppers Limited | Sales, purchases and management fees | 3,330 | 1,658 |
| Craghoppers LLC | Management fee expenses | (123) | 2 |
| Hawkshead Outdoor Limited | Sales and management fees | 3,575 | 3,308 |

Balances outstanding at year end in respect of related parties were as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2020 £'000** | **2019 £'000** | **2020 £'000** | **2019 £'000** |
| **Debtors** | | | | |
| Craghoppers Limited | - | 214 | - | 204 |
| Hawkshead Outdoor Limited | 50 | 280 | 50 | 280 |
| Craghoppers LLC | - | - | 2 | - |
| **Creditors** | | | | |
| Craghoppers Limited | 240 | 126 | 221 | - |
| Craghoppers LLC | 118 | 20 | - | - |

The Group and the company have taken advantage of the exemption in FRS 102 Section 33 'Related Party Disclosures' not to disclose transactions with other wholly owned Group companies within the Group headed by Risol Imports Limited.

The directors consider these debtors to be recoverable and no provision has been made.

# NOTES TO THE FINANCIAL STATEMENTS (continued)
## For the year ended 31 January 2020

### 22. RELATED PARTY TRANSACTIONS (continued)

**Directors' transactions**

**Directors' remuneration**

The total Group remuneration for directors for the year totalled £1,149,000 (2019: £1,077,000), being remuneration disclosed in note 5.

**Loans to directors**

An interest bearing loan, repayable on 21 March 2021 made by the directors was repaid in full during the year. The amount of the liability to the Group at the beginning of the year was £1,886,000 the maximum during the year was £1,886,000 and at the end of the year was £nil. This balance is included within Creditors (note 14).

### 23. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation ('WHO') declared COVID-19 as a pandemic, affecting multiple countries including the UK. The Board has considered the impact of this event on future operating performance of the Group and the uncertainties that this event may create.

The directors have evaluated the future profitability of the Group for a period of 16 months from the date of approval of the accounts. While the future profitability is difficult to assess given the uncertainty surrounding the COVID-19 pandemic a range of cashflow scenarios have been considered and the directors are satisfied there is sufficient headroom within existing facilities to continue to trade for this period. As a result of this analysis the directors have concluded that the COVID-19 pandemic is a non-adjusting event.

### 24. ULTIMATE CONTROLLING PARTY

The directors regard Risol Imports Limited, a company incorporated in England and Wales, as the ultimate parent company. The ultimate controlling party of Risol Imports Limited is K J Black (director).

The largest and smallest group of which Regatta Limited is a member and for which group financial statements are drawn up is that headed by Risol Imports Limited, whose principal place of business is at Risol House, Mercury Way, Urmston, Manchester, M41 7RR.