

Registered No: 06302477

# **GHD Group Holdings Limited**

## **Annual Report and Financial Statements**

For the year ended 30 June 2020

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## **Annual report and financial statements for the year ended 30 June 2020**

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## **Directors and advisers**

### **Director**

M Hewett

### **Company secretary**

M Hewett

### **Registered office**

Bridgewater Place  
Water Lane  
Leeds  
United Kingdom  
LS11 5BZ

### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
Leeds  
United Kingdom

### **Bankers**

Barclays Bank plc  
P O Box 190  
2nd Floor, 1 Park Row  
Leeds  
United Kingdom  
LS1 5WU

## Strategic report

The Director presents his strategic report for the financial year ended 30 June 2020.

### Principal activities

The principal activity of the Company is an intermediate holding company.

### Review of business

The Company is an indirect subsidiary of Coty Inc.

The loss for the year is €78,000 (2019: €2,314,000), driven by foreign exchange movements. At the year end the company had net current liabilities of €306,873,000 (2019: €304,541,000) and net assets of €57,560,000 (2019: €57,639,000). All liabilities are due to fellow group companies.

Due to the nature of operations of the Company; the use of key performance indicators is not considered appropriate by the Director.

### Principal risks and uncertainties

As an investment holding company the Director does not believe that the company faces any significant risks and has no reason to believe that its material assets will not realise their full book value.

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

#### *Cash flow, credit and liquidity risk*

The Company's activities expose it primarily to the financial risks of changes in interest rates.

The Company's principal financial assets are intercompany loans.

The Company's exposure to credit risk is limited to counterparties within the group headed by Coty Inc. On 1 December 2020 all intercompany balances with Coty were settled via a capital contribution with Bondco.

### COVID-19

The virus has affected the economy and hair industry and in turn had an impact on the trading entities sat within the GHD Group. We are seeing strong recovery from this in FY21 and our online presence continuing to grow.

### Section 172(1) Statement

In accordance with the Companies Act 2007 ('The Act') the directors provide this statement describing how they have had regard to the matters set out in section 172 (1) of the Act, when performing their duty to promote the success of the company, under Section 172.

The Director always aims to act in the best interests of the Company, and to be fair and balanced in its approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More specific information is given in sub-paragraphs (a) to (f), which corresponds to the individual factors disclosed under Section 172 (1).

#### *a) Long term decision making*

Shareholder approval is needed for any significant decisions with long term implications to ensure alignment with the long term strategy of the group. Any decisions are then implemented with subsequent board oversight to ensure management act in accordance with the agreed strategy.

#### *b) Stakeholders: Employees*

Not applicable due to the company not having any employees.

#### *c) Stakeholders: Customers, Suppliers, Others*

As a holding company, GHD Group Holdings Limited does not have such stakeholders.

## Strategic report (continued)

*d) Reputation for high standards of business conduct*

The companies code of conduct is always accessible via our company intranet for our Director and is regularly updated, detailing our policies around corporate responsibility and ethical behaviour.

*e) Stakeholders: Community & Environment*

*No such stakeholders*

*f) Acting fairly between members of the companies*

The Company has a single shareholder and single ultimate controlling party. Their interests are taken into account by the directors to promote fairness in decision making

Approved by the Board of Directors and signed on its behalf:



**M Hewett**

Director

23<sup>rd</sup> February 2021

## Director's report

The Director presents his report and audited financial statements for the year ended 30 June 2020. GHD Group Holdings Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, unless stated otherwise, were as follows:

M Hewett

### Dividends

The Director does not propose a final dividend (2019: €nil).

### Going concern

The Company has made a loss in the year and maintains net current liabilities at 30<sup>th</sup> June 2020. Upon sale to KKR on 1<sup>st</sup> December, intercompany balances between ghd group entities and Coty were netted to leave an intercompany balance within GHD Bondco plc. This was subsequently settled by a capital contribution from Rimmel International, therefore at time of signing all parent company debt was settled.

### Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of these financial statements. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Director.

### Future developments

The Company will continue as a Holding Company for the foreseeable future.

On 21 October 2019 Coty Inc announced that it was looking to explore strategic alternatives for its Professional Beauty business and associated hair brands, including a divesture, which includes ghd (Lion/Gloria Midco Limited and its subsidiaries). In May 2020, it was announced that KKR would be buying a 60% stake in Coty's Professional Beauty Division, with Coty Inc retaining the remaining 40%.

### Financial risk management objectives and policies

The Company's financial risk management objectives and policies have been disclosed in the Strategic report (page 3).

### Subsequent events

After year-end it was agreed that KKR would take over as parent of GHD on 1<sup>st</sup> December 2020.

## Director's report (continued)

### Disclosure of information to auditors

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 director has taken all the steps that he ought to have taken as a director in order to make himself 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.

Deloitte LLP have been deemed-re-appointed under section 487 of the 2006 Act.

### Statement of Director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102<sup>3<sup>rd</sup> February 2021</sup> Framework.

Under company law the Director 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 profit or loss of the company 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 Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Approved by the Board of Directors and signed on its behalf:



**M Hewett**  
Director

23<sup>rd</sup> February 2021

## **Independent auditor's report to the members of GHD Group Holdings Limited**

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

#### **Opinion**

In our opinion the financial statements of GHD Group Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.



## **Independent auditor's report to the members of GHD Group Holdings Limited (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **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 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 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.

## **Independent auditor's report to the members of GHD Group Holdings Limited (continued)**

### **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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Mark Lewis ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

24 February 2021

## Income statement

		2020 €000	2019 €000
	<i>Note</i>		
Foreign exchange		(79)	-
<b>(Loss)/Result before taxation</b>		(79)	-
Tax on (loss) / result	3	-	2,314
<b>(Loss)/Result for the financial year</b>		<u>(79)</u>	<u>2,314</u>

The notes on pages 13 to 18 are an integral part of these financial statements.

There are no other items of comprehensive income and therefore no separate statement of comprehensive income has been presented.

There is no material difference between the result before taxation and the profit for the financial year stated above and their historical cost equivalents.

All amounts above relate to continuing activities.

**Balance sheet**

as at 30 June 2020

	Note	2020 €000	2019 €000
<b>Fixed assets</b>			
Investments	4	362,180	362,180
<b>Current assets</b>			
Debtors	5	2,253	2,332
		2,253	2,332
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	6	(306,873)	(306,873)
<b>Net current liabilities</b>		(306,873)	(304,541)
<b>Total assets less current liabilities</b>		57,560	57,639
<b>Net assets</b>		57,560	57,639
<b>Called up share capital</b>	7	856	856
Share premium account	8	455	455
Capital redemption reserve	9	217	217
Foreign exchange reserve	10	322	322
Profit and loss account		55,710	55,789
<b>Total shareholders' funds</b>		57,560	57,639

The notes on pages 13 to 18 are an integral part of these financial statements.

The financial statements on pages 10 to 18 were approved and authorised for issue by the Board of Directors on and signed on its behalf by:


**M Hewett**

Director

23<sup>rd</sup> February 2021

## Statement of changes in equity

For the year ended 30 June 2020

	<i>Called-up share capital</i> €'000	<i>Share premium</i> €'000	<i>Capital redemption reserve</i> €'000	<i>Profit and loss account</i> €'000	<i>Foreign exchange reserve</i> €'000	<i>Total</i> €'000
Balance as at 1 July 2018	856	455	217	53,475	322	55,325
Profit for the financial year	-	-	-	2,314	-	2,314
Total comprehensive income for the year	-	-	-	2,314	-	2,314
Balance as at 30 June 2019	856	455	217	55,789	322	57,639

	<i>Called-up share capital</i> €'000	<i>Share premium</i> €'000	<i>Capital redemption reserve</i> €'000	<i>Profit and loss account</i> €'000	<i>Foreign exchange reserve</i> €'000	<i>Total</i> €'000
Balance as at 1 July 2019	856	455	217	55,789	322	57,639
Loss for the financial year	-	-	-	(79)	-	(79)
<b>Total comprehensive expense for the year</b>	-	-	-	<b>(79)</b>	-	<b>(79)</b>
<b>Balance as at 30 June 2020</b>	<b>856</b>	<b>455</b>	<b>217</b>	<b>55,710</b>	<b>322</b>	<b>57,560</b>

The notes on pages 13 to 18 are an integral part of these financial statements.

## Notes to the financial statements

For the year ended 30 June 2020

### 1. Accounting policies and critical accounting estimates/judgements

The principal activity of the Company is an investment holding company. The company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. Company accounts are prepared and the company is exempt from preparing consolidated accounts. The address of the company's registered office is shown on page 2.

The financial statements are presented in Euros and all values are rounded to the nearest thousand Euros (€'000) except when otherwise indicated. All of the Company's assets and liabilities are denominated in Euros. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis, under the historical cost convention.

#### Adoption of new and revised accounting standards

In the current year, the Company has applied IFRS 16 Lease Accounting and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2019.

The application of IFRS 16 has had no impact on the classification and measurement of the Company's financial liabilities.

#### Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. Note 11 gives details of the company's parent and from where its consolidated financial statements may be obtained.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- IFRS 7 Financial Instrument: Disclosures
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

### 1. Accounting policies and critical accounting estimates/judgements (continued)

#### Going concern

The Company has made a loss in the year and maintains net current liabilities at 30<sup>th</sup> June 2020. Upon sale to KKR on 1<sup>st</sup> December 2020, intercompany balances between ghd group entities and Coty were netted to leave an intercompany balance within GHD Bondco plc. This was subsequently settled by a capital contribution from Rimmel International, therefore at time of signing all parent company debt was settled.

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### Investments

Investments are accounted for at cost less any provision for impairment. The Director assesses all investments for any indication of impairment on an annual basis.

### Current and deferred taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax with following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the Director considers that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### Interest bearing loans and interest

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting year and reduced by payments made in respect of the debts in the year.

### Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value.

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

In the application of the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### 1. Accounting policies and critical accounting estimates/judgements (continued)

#### Critical accounting judgements and key sources of estimation uncertainty (continued)

period, or in the period of the revision and future periods if the revision affects both current and future periods.

The only areas of estimate considered by management within these financial statements relates to the recoverability of investments. The Company considers these balances to be supported by the assets within each representative business and therefore there has been no impairment to these balances.

There are no critical judgements made which would materially impact the financial statements.

### 2. Operating profit

The director did not receive any emoluments in respect of their services to the Company in the current year (2019: €nil). These are borne by another group company. The director deems it inappropriate to directly allocate any of their remuneration to this company as the cost would be incidental.

The Company does not have any employees (2019: none).

The cost of the audit of the company financial statements for the year is €3,000 (2019 €3,000). The cost is borne by another group company. No non-audit services were received by the company in the year.

### 3. Tax on Result

#### (a) Factors affecting the current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 €000	2019 €000
Result before taxation	(79)	-
Result multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(15)	-
<i>Effects of:</i>		
Prior year adjustments	-	(2,314)
Group Relief surrendered for nil consideration	15	-
Current tax credit on result	-	(2,314)

There is no tax payable or receivable balance at 30 June 2020 (2019: €nil).



## Notes to the financial statements (continued)

For the year ended 30 June 2020

### 4. Investments

*Investments in subsidiaries*

€000

Cost and net book value at 30 June 2019 and 30 June 2020

362,180

The Company owns directly or indirectly the called up equity share capital of the following companies:

*\* Direct holding*

Name of company	Proportion held	Address of Registered Office
<b>Holding Companies</b>		
GHD Holdings Limited *	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
GHD Group Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Group (Holdings) Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Group Limited*	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
The principal activity of the holding companies is as investment holding companies.		
<b>Hair Care Product Distributors</b>		
Jemella Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Australia Pty Limited	100%	3/490 Adelaide Street Brisbane QLD 4000 AUSTRALIA
Good Hair Day South Africa (Proprietary) Limited	100%	Unit 1 Chestnut Grove, 122 Brackenhill Road, Waterfall 3652 SOUTH AFRICA
Jemella New Zealand Limited	100%	BDO Spicers, Level 8, 120 Albert Street, Auckland NEW ZEALAND
GHD France SARL	100%	18 Chemin des Cuers, Le Campus 69570 Dardilly FRANCE
GHD Deutschland GmbH	100%	Leuschnerstr. 43 70176 Stuttgart GERMANY
ghd Hong Kong Limited	100%	9/F Somptueux Central, 52-54 Wellington St, Central HONG KONG
GHD Spain SL	100%	C/ Santa Lucia, s/n – Building Nescania, Arroyo de la Miel, Benalmadena Malaga SPAIN
GHD Italia S.r.l.	100%	Sede in Piazza M.Ficino N.78 50063 Figline E Incisa Valdarno ITALY
Revolver Distribution Pty Limited	100%	3/490 Adelaide Street Brisbane QLD 4000, AUSTRALIA

The principal activity of all trading entities above is the distribution of electrical hair care products.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or future trade.

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### 5. Debtors

	2020 €000	2019 €000
Amounts owed by subsidiary undertakings	2,253	2,332

Amounts owed by other ghd group undertakings are unsecured, repayable on demand and do not carry interest (2019: 0%).

### 6. Creditors: amounts falling due within one year

	2020 €000	2019 €000
Amounts owed to parent undertakings	251,522	251,522
Amounts owed to subsidiary undertakings	55,351	55,351
	306,873	306,873

Amounts owed to other ghd group undertakings are unsecured, repayable on demand and do not carry interest (2019: 0%).

### 7. Called up share capital

<i>Authorised, allotted and fully paid</i>	<i>No.</i>	2020 £000	<i>No.</i>	2019 £000
A ordinary shares of £1 each	364,783	499	364,783	499
C1 ordinary shares of £1 each	232,004	330	232,004	330
C2 ordinary shares of £1 each	19,214	27	19,214	27
C3 ordinary shares of £1 each	1	-	1	-
E ordinary shares of £1 each	1	-	1	-
		856		856

The classes of ordinary shares rank pari passu in all respects.

### 8. Share premium account

	2020 €000	2019 €000
Premium issued on shares	455	455

The share premium relates to the premiums on shares issued net of costs.

## Notes to the financial statements (continued)

For the year ended 30 June 2020

### 9. Capital redemption reserve

€000

At 30 June 2019 and 30 June 2020

217

The capital redemption reserve was created on 4 May 2012 due to the reorganisation and designation of the A Ordinary shares and the B ordinary shares that are no longer in issue.

### 10. Foreign exchange reserve

The Company changed its functional currency and presentation currency from GBP to EUR on 1 July 2017. For this the Company required a foreign exchange reserve.

Due to the balance sheet being translated at different exchange rates, a foreign exchange reserve for €322,000 was required.

### 11. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Lion/Gloria Bidco Limited, a company incorporated in the United Kingdom.

The Company's financial statements are consolidated into Coty Inc's, a company incorporated in the United States of America. This is the largest and smallest Group to consolidate these financial statements.

A copy of these financial statements can be requested from the registered address of Coty being Investor Relations, 350 Fifth Ave, New York, NY 10118.

During the fiscal years ended 30 June 2020, 2018 and 2017, Cottage, a wholly-owned subsidiary of JAB Cosmetics B.V. ("JABC"), and JABC acquired 10.8 million, 14.9 million and 2.6 million shares, respectively, of Coty's Class A Common Stock in the open market. Coty did not receive any proceeds from these stock purchases conducted by Cottage or JABC.

On 30 April 2019, Cottage completed a tender offer transaction, acquiring 150.0 million of outstanding a shares of Coty at a price of \$11.65 per share and as a result, became Coty's largest stockholder.

Immediately after completion of this tender offer transaction, Cottage indirectly controlled approximately 60% of Coty's Class A shares and Coty became a majority-owned subsidiary of Cottage. Both Cottage and the shares of Coty held by JABC are indirectly controlled by Lucreca SE, Agneaten SE and JAB Holdings B.V..

As a result, Cottage is the ultimate controlling party of GHD Group Holdings Limited. Cottage is located at Oosterdoksstraat 80 Amsterdam, 1011 DK Netherlands.

In May 2020 it was announced that KKR would be purchasing a 60% stake in Coty's Professional Beauty Division, with Coty Inc retaining a 40% share with takeover occurring 1<sup>st</sup> December 2020.

### 12. Subsequent events

Subsequent to year end KKR purchased a 60% stake in Coty's Professional Beauty Division, with Coty Inc retaining a 40% share. The sale completed on 1st December 2020.