
NEW ERA CAP COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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NEW ERA CAP COMPANY LIMITED

COMPANY INFORMATION

Directors	C Koch A Jones P Gils K R Wilson
Company secretary	A Jones
Registered number	04599312
Registered office	1st Floor East CBX 2 Midsummer Boulevard Milton Keynes Buckinghamshire MK9 2EA
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor 249 Silbury Boulevard Milton Keynes MK9 1NA

NEW ERA CAP COMPANY LIMITED

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NEW ERA CAP COMPANY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present the strategic report for the group for the year ended 31 December 2019.

Business review

The principal activity of the group during the period was that of the sale and distribution of headwear, apparel and accessories.

2019 saw further controlled growth for the group, with development experienced across all major elements of the business and geographical regions. Turnover increased from £81.4m in 2018 to £84.8m, representing growth of 4.1% (2018 – 8.0%).

UK turnover moved from £17,200,224 in 2018 to £17,913,056 in 2019, an increase of 4.1% (2018 - decrease of 0.4%). Turnover in the rest of the EU region was £60,506,304 (2018 - £59,949,130), representing an increase of 1.0% (2018 – 9.1%). Our business in the rest of the world outside the UK and EU grew from £4,297,962 to £6,381,542, an increase of 48.5% (2018 – 35.4%).

The group's continued efforts to build our brand in a sustainable and controlled manner helped to achieve stability in the gross margin at 57.6% (2018 - 57.2%).

Principal risks and uncertainties

The principal risks and uncertainties faced by the business comprise:

- General economic factors in the EMEA region, including potential risks of fluctuations in general economic growth for the major regions.
- Effects of the Covid 19 virus pandemic and the resulting lockdown of commercial activity throughout the region.
- Uncertainties due to the unpredictable outcomes of the exit of Great Britain from the EU.
- Effects of currency fluctuations on costs and revenues.

Financial key performance indicators

The key performance indicators which we consider to be relevant to the financial performance and strength of the group are as follows:

Turnover

The turnover of the group by geographical division was:

	2019	2018
	£	£
United Kingdom	17,913,056	17,200,224
Rest of Europe	60,506,304	59,949,130
Rest of the World	6,381,542	4,297,962
Total	£ 84,800,902	£ 81,447,316

NEW ERA CAP COMPANY LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Profit before Taxation

The profit before taxation was £1,666,843, compared with the prior year of £3,552,250. After taxation, but before dividends £1,287,856 has been added to reserves (2018 - £2,694,078).

The total reserves at the year end were £16,375,324 (2018 - £16,573,808).

Directors' statement of compliance with duty to promote the success of the Group

The group will continue to identify and address changes in the commercial landscape, with the aim of achieving further development and profitability of the business throughout the region.

The directors of the group consider that during the year ended 31 December 2019 they have acted in good faith to promote the success of the group for the benefit of its shareholders, having consideration and regard for the group's stakeholders and the requirements set out in s172 of the Companies Act 2006. In particular, the directors have considered and acted upon the following matters in the planning and execution of the group's business strategy:

Our People

The group recognises that our employees are fundamental to the success of the group through their involvement in the delivery of our business plan. We develop and manage our people to balance the fulfilment of their performance and career aspirations with operational requirements through training, goal-setting, provision of information on group planning and performance and promotion of work-life balance.

We engage with our employees throughout the business by regular business update staff meetings, through a formal structure of individual progress reviews and goal setting which is achieved through our management structure and departmental organisation. We encourage involvement in group schemes for health monitoring and exercise schemes.

Business Stakeholders

We recognise that the group's success is built upon the establishment of long-lasting, strong relationships with our vendors, customers and other partners. This is achieved by maintaining constant contact with these stakeholders at key levels in our respective businesses, avoiding complacency in our drive to provide innovative product and improve our processes and by the establishment of long-term contracts in applicable areas.

Community and Environment

The directors place great emphasis on planning our business to consider the environmental impact of our activities and to ensure the communities in which we operate continue to benefit from our presence as a responsible employer.

The report was approved by the board and signed on its behalf.



.....
A Jones
Director

Date:
06.05.2020

NEW ERA CAP COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £1,287,856 (2018 - £2,694,078).

The directors have declared and paid dividends for the year ending 31 December 2018 of £1,486,340 (2018 - £311,240).

Directors

The directors who served during the year were:

C Koch
A Jones
P Gils
K R Wilson

NEW ERA CAP COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Future developments

The group will continue to identify and address changes in the commercial landscape though the region, with the aim of achieving further development and profitability of the business throughout the region. We continue to recognise the importance of working closely with our customers to focus on building the success of our brand. The directors consider that the business is in a good position to continue its development in 2020 and beyond. The business will continue its planned activities in the following areas:

- Further development of existing and new territories in the EMEA region, and consolidation of our established markets.
- Continuing to identify key individuals, and developing our staff to fulfil their potential and support the business.

The market continues to be competitive and our profitability will continue to be dependent, to an extent, on conditions within the UK and European economies. The directors recognise the dramatic effects which will be felt in the region as a result of the Covid 19 pandemic situation and which will certainly cause a contraction in the commercial marketplace in which the group operates. The group will continue to plan and adapt its strategy to cope with these effects as far as possible and prepare to maximise opportunities in the post-pandemic period.

Engagement with suppliers, customers and others

Information relating to Companies Act 2006 requirements can be found within the various sections in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

The group has been impacted post year end as a result of COVID-19. Currently the extent of the financial impact is uncertain but the group is confident that with the combined support of its parent company and the various government schemes it will be able to minimise the financial impact during 2020 and is still therefore considered to be a going concern.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

NEW ERA CAP COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.



.....
A Jones
Director

Date:

06.05.2020

NEW ERA CAP COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ERA CAP COMPANY LIMITED

Opinion

We have audited the financial statements of New Era Cap Company Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 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. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 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.

NEW ERA CAP COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ERA CAP COMPANY LIMITED (CONTINUED)

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 this regard.

Opinion 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 Group 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 Group strategic report and the 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 Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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.

NEW ERA CAP COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW ERA CAP COMPANY LIMITED
(CONTINUED)**

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: 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 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 for our audit work, for this report, or for the opinions we have formed.

Hillier Hopkins LLP

Neal Carter ACA (Senior statutory auditor)
for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
249 Silbury Boulevard
Milton Keynes
MK9 1NA

22 May 2020

NEW ERA CAP COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	84,800,902	81,447,316
Cost of sales		(35,939,900)	(34,894,317)
Gross profit		48,861,002	46,552,999
Distribution costs		(478,213)	(568,577)
Administrative expenses		(46,716,205)	(42,430,777)
Operating profit	5	1,666,584	3,553,645
Interest receivable and similar income	9	2,043	662
Interest payable and expenses	10	(1,784)	(2,057)
Profit before taxation		1,666,843	3,552,250
Tax on profit	11	(378,987)	(858,172)
Profit for the financial year		1,287,856	2,694,078
Foreign exchange		73,968	62,166
Other comprehensive income for the year		73,968	62,166
Total comprehensive income for the year		1,361,824	2,756,244
Profit for the year attributable to:			
Owners of the parent Company		1,287,856	2,694,078
Total comprehensive income for the year attributable to:			
Owners of the parent Company		1,361,824	2,756,244


The notes on pages 16 to 33 form part of these financial statements.


NEW ERA CAP COMPANY LIMITED
REGISTERED NUMBER: 04599312

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	1,437,324	1,559,152
		<u>1,437,324</u>	<u>1,559,152</u>
Current assets			
Stocks	15	9,339,809	8,740,494
Debtors: amounts falling due within one year	16	16,163,696	14,377,211
Cash at bank and in hand	17	2,068,986	2,588,742
		<u>27,572,491</u>	<u>25,706,447</u>
Creditors: amounts falling due within one year	18	(12,620,013)	(10,638,384)
Net current assets		<u>14,952,478</u>	<u>15,068,063</u>
Total assets less current liabilities		<u>16,389,802</u>	<u>16,627,215</u>
Provisions for liabilities			
Deferred taxation	20	(14,478)	(53,407)
Net assets		<u><u>16,375,324</u></u>	<u><u>16,573,808</u></u>
Capital and reserves			
Called up share capital	21	2,000	2,000
Foreign exchange reserve	22	67,445	(6,523)
Profit and loss account	22	16,305,879	16,578,331
Equity attributable to owners of the parent Company		<u>16,375,324</u>	<u>16,573,808</u>
		<u><u>16,375,324</u></u>	<u><u>16,573,808</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
A Jones
Director


.....
K R Wilson
Director


Date:
06.05.2020

NEW ERA CAP COMPANY LIMITED
REGISTERED NUMBER: 04599312


COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	1,158,627	1,273,172
Investments	14	59,454	59,454
		<u>1,218,081</u>	<u>1,332,626</u>
Current assets			
Stocks	15	9,285,487	8,707,203
Debtors: amounts falling due within one year	16	15,977,879	14,149,992
Cash at bank and in hand	17	1,815,832	1,861,724
		<u>27,079,198</u>	<u>24,718,919</u>
Creditors: amounts falling due within one year	18	(13,097,790)	(10,575,917)
Net current assets		<u>13,981,408</u>	<u>14,143,002</u>
Total assets less current liabilities		<u>15,199,489</u>	<u>15,475,628</u>
Provisions for liabilities			
Deferred taxation	20	(14,478)	(53,407)
Net assets		<u>15,185,011</u>	<u>15,422,221</u>
Capital and reserves			
Called up share capital	21	2,000	2,000
Profit and loss account	22	15,183,011	15,420,221
		<u>15,185,011</u>	<u>15,422,221</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Jones
 Director



K R Wilson
 Director

Date:
 06.05.2020

NEW ERA CAP COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2018	2,000	(68,689)	14,257,659	14,190,970
Comprehensive income for the year				
Profit for the year	-	-	2,694,078	2,694,078
Currency translation differences	-	-	(62,166)	(62,166)
Movement of foreign exchange	-	62,166	-	62,166
Total comprehensive income for the year	-	62,166	2,631,912	2,694,078
Dividends: Equity capital	-	-	(311,240)	(311,240)
Total transactions with owners	-	-	(311,240)	(311,240)
At 1 January 2019	2,000	(6,523)	16,578,331	16,573,808
Comprehensive income for the year				
Profit for the year	-	-	1,287,856	1,287,856
Currency translation differences	-	-	(73,968)	(73,968)
Movement of foreign exchange	-	73,968	-	73,968
Total comprehensive income for the year	-	73,968	1,213,888	1,287,856
Dividends: Equity capital	-	-	(1,486,340)	(1,486,340)
Total transactions with owners	-	-	(1,486,340)	(1,486,340)
At 31 December 2019	2,000	67,445	16,305,879	16,375,324

The notes on pages 16 to 33 form part of these financial statements.

NEW ERA CAP COMPANY LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	2,000	13,085,630	13,087,630
Profit for the year	-	2,645,831	2,645,831
	-	2,645,831	2,645,831
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity capital	-	(311,240)	(311,240)
At 1 January 2019	2,000	15,420,221	15,422,221
Profit for the year	-	1,249,130	1,249,130
	-	1,249,130	1,249,130
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,486,340)	(1,486,340)
At 31 December 2019	2,000	15,183,011	15,185,011

The notes on pages 16 to 33 form part of these financial statements.

NEW ERA CAP COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,287,856	2,694,078
Adjustments for:		
Depreciation of tangible assets	519,535	583,938
Loss on disposal of tangible assets	-	20,953
Interest paid	1,784	2,057
Interest received	(2,043)	(662)
Taxation charge	378,987	858,172
(Increase)/decrease in stocks	(599,315)	449,735
(Increase) in debtors	(3,450,308)	(1,649,346)
Decrease/(increase) in amounts owed by groups	1,926,300	(1,938,758)
Increase/(decrease) in creditors	1,036,956	(979,442)
Increase/(decrease) in amounts owed to groups	968,058	(125,757)
Corporation tax (paid)	(687,312)	(1,191,617)
Net cash generated from operating activities	1,380,498	(1,276,649)
Cash flows from investing activities		
Purchase of tangible fixed assets	(414,173)	(358,812)
Sale of tangible fixed assets	-	215
Interest received	2,043	662
Net cash from investing activities	(412,130)	(357,935)
Cash flows from financing activities		
Dividends paid	(1,486,340)	(311,240)
Interest paid	(1,784)	(2,057)
Net cash used in financing activities	(1,488,124)	(313,297)
Net (decrease) in cash and cash equivalents	(519,756)	(1,947,881)
Cash and cash equivalents at beginning of year	2,588,742	4,536,623
Cash and cash equivalents at the end of year	2,068,986	2,588,742
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,068,986	2,588,742

The notes on pages 16 to 33 form part of these financial statements.

NEW ERA CAP COMPANY LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	2,588,742	(519,756)	2,068,986
	<u>2,588,742</u>	<u>(519,756)</u>	<u>2,068,986</u>

The notes on pages 16 to 33 form part of these financial statements.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

New Era Cap Company Limited is a company incorporated in the England & Wales.

The company's registered office is 1st Floor East, CBX 2 Midsummer Boulevard, Milton Keynes, Bucks, MK9 2EA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.10 Debt Factoring

The company takes advantage of a debt factoring arrangement to control cash flow. The arrangement is with recourse and as such disclosure is on a separation of assets and liabilities whereby the amounts passed over to be factored are disclosed in debtors and the amounts drawn down on those debts are disclosed within creditors.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold land and buildings	-	10%	straight line
Plant and machinery	-	33%	straight line
Motor vehicles	-	33%	straight line
Fixtures, fittings and equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

4. Turnover

The whole of the turnover is attributable to the principal business activity.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	17,913,056	17,200,224
Rest of Europe	60,506,304	59,949,130
Rest of the world	6,381,542	4,297,962
	<u>84,800,902</u>	<u>81,447,316</u>

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	519,535	583,938
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	53,415	49,460
Exchange differences	855,309	(153,330)
Other operating lease rentals	1,888,020	2,068,569
Defined contribution pension cost	246,034	226,967
	<u>53,415</u>	<u>49,460</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	44,000	42,725
All other services	9,415	6,735
	<u>53,415</u>	<u>49,460</u>

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	7,760,054	7,659,873	6,889,266	6,740,562
Social security costs	1,081,976	1,054,911	1,081,976	1,054,911
Cost of defined contribution scheme	246,034	226,967	246,034	226,967
	<u>9,088,064</u>	<u>8,941,751</u>	<u>8,217,276</u>	<u>8,022,440</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Administration	57	56	57	56
Sales and Marketing	117	123	90	89
	<u>174</u>	<u>179</u>	<u>147</u>	<u>145</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	904,766	794,805
Company contributions to defined contribution pension schemes	9,016	51,691
	<u>913,782</u>	<u>846,496</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £629,520 (2018 - £529,857).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,706 (2018 - £34,937).

The directors, who have the authority and reasonability for planning, directing and controlling the activities of the Group, are considered to be the key management.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>2,043</u>	<u>662</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	<u>1,784</u>	<u>2,057</u>

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	417,419	913,881
Adjustments in respect of previous periods	497	(11,842)
Total current tax	<u>417,916</u>	<u>902,039</u>
Deferred tax		
Origination and reversal of timing differences	(38,929)	(43,867)
Total deferred tax	<u>(38,929)</u>	<u>(43,867)</u>
Taxation on profit on ordinary activities	<u>378,987</u>	<u>858,172</u>

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,666,843</u>	<u>3,552,250</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	316,700	674,928
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	38,314	182,759
Capital allowances for year in excess of depreciation	(11,658)	7,048
Adjustments to tax charge in respect of prior periods	497	(11,842)
Other timing differences leading to an increase (decrease) in taxation	35,134	5,279
Total tax charge for the year	<u>378,987</u>	<u>858,172</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

The company has capital losses of £577,869 (2018 - £577,869) to offset against future capital profits, but due to the uncertainty of when this will arise, the asset of £104,016 (2018 - £109,795) has not been provided for.

12. Dividends

	2019 £	2018 £
Ordinary Shares	<u>1,486,340</u>	<u>311,240</u>

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Tangible fixed assets

Group

	Long term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	2,186,329	39,224	1,356,335	3,581,888
Additions	399,180	-	14,993	414,173
Disposals	(1,790)	(6,457)	(163,796)	(172,043)
Exchange adjustments	(16,013)	-	(10,797)	(26,810)
At 31 December 2019	2,567,706	32,767	1,196,735	3,797,208
Depreciation				
At 1 January 2019	992,640	29,220	1,000,876	2,022,736
Charge for the year on owned assets	354,708	5,275	159,552	519,535
Disposals	(1,790)	(6,457)	(163,796)	(172,043)
Exchange adjustments	(1,856)	-	(8,488)	(10,344)
At 31 December 2019	1,343,702	28,038	988,144	2,359,884
Net book value				
At 31 December 2019	1,224,004	4,729	208,591	1,437,324
At 31 December 2018	1,193,689	10,004	355,459	1,559,152

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Tangible fixed assets (continued)

Tangible fixed assets

Company

	Long Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	1,908,209	39,224	1,168,804	3,116,237
Additions	310,365	-	7,500	317,865
Disposals	(1,790)	(6,457)	(163,796)	(172,043)
At 31 December 2019	2,216,784	32,767	1,012,508	3,262,059
Depreciation				
At 1 January 2019	960,409	29,220	853,436	1,843,065
Charge for the year on owned assets	282,177	5,275	144,958	432,410
Disposals	(1,790)	(6,457)	(163,796)	(172,043)
At 31 December 2019	1,240,796	28,038	834,598	2,103,432
Net book value				
At 31 December 2019	975,988	4,729	177,910	1,158,627
At 31 December 2018	947,800	10,004	315,368	1,273,172

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	59,454
At 31 December 2019	<u>59,454</u>
Net book value	
At 31 December 2019	<u>59,454</u>
At 31 December 2018	<u>59,454</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
New Era Cap GmbH	Germany	Ordinary	100%
New Era Cap B.V	Netherlands	Ordinary	100%

15. Stocks

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Finished goods and goods for resale	9,339,809	8,740,494	9,285,487	8,707,203
	<u>9,339,809</u>	<u>8,740,494</u>	<u>9,285,487</u>	<u>8,707,203</u>

Stock recognised in cost of sales during the year as an expense was £34,835,374 (2018 - £31,696,479).

The carrying value of stocks are stated net of impairment losses totalling £1,820,557 (2018 - £1,743,046). Impairment losses totalling £77,511 (2018 - £-56,843) were recognised in profit and loss.

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	10,868,037	8,498,114	10,821,237	8,411,133
Amounts owed by group undertakings	1,061,278	2,987,578	1,053,554	2,987,578
Other debtors	3,607,010	2,472,983	3,490,338	2,365,482
Prepayments and accrued income	627,371	418,536	612,750	385,799
	<u>16,163,696</u>	<u>14,377,211</u>	<u>15,977,879</u>	<u>14,149,992</u>

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>2,068,986</u>	<u>2,588,742</u>	<u>1,815,832</u>	<u>1,861,724</u>

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,173,295	3,387,196	1,172,028	3,385,178
Amounts owed to group undertakings	1,669,837	701,779	2,344,298	773,929
Corporation tax	111,581	118,501	-	-
Other taxation and social security	210,859	361,739	210,511	361,739
Other creditors	509,962	556,683	500,173	547,056
Accruals and deferred income	8,944,479	5,512,484	8,870,780	5,508,015
	<u>12,620,013</u>	<u>10,638,382</u>	<u>13,097,790</u>	<u>10,575,917</u>

A fixed and floating charge was placed over all the property and assets of the company but this was fully satisfied and released on 4th October 2018.

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Financial instruments

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>15,536,325</u>	<u><i>13,958,675</i></u>	<u>15,365,129</u>	<u><i>13,764,193</i></u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>12,297,573</u>	<u><i>10,148,513</i></u>	<u>12,887,279</u>	<u><i>10,214,177</i></u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, amounts owed to group undertakings and accruals.

20. Deferred taxation

Group

	2019 £	<i>2018 £</i>
At beginning of year	53,407	<i>97,274</i>
Charged to the profit or loss	(38,929)	<i>(43,867)</i>
At end of year	<u>14,478</u>	<u><i>53,407</i></u>

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Deferred taxation (continued)

Company

	2019 £	2018 £
At beginning of year	53,407	97,274
Charged to the profit or loss	(38,929)	(43,867)
At end of year	14,478	53,407

The provision for deferred taxation is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	14,478	53,407	14,478	53,407

21. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2,000 (2018 - 2,000) Ordinary shares shares of £1 each	2,000	2,000

22. Reserves

Foreign exchange reserve

This reserve relates to the retranslated share capital and reserves balances at the year end date and prior periods.

Profit & loss account

The profit and loss reserve includes all current and prior retained period profits and losses.

23. Contingent liabilities

During the year the company and the other subsidiaries within the group have entered into an agreement to guarantee the borrowings of New Era Cap Co. Inc. The guarantee, pledge and security is unconditional and on a joint and several basis for any liabilities to Kayne Senior Credit II Loanco, LLC against all group assets in any company, whether present and after-acquired personal property and rights.

NEW ERA CAP COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £246,034 (2018 - £226,967). Contributions totalling £37,064 (2018 - £62,153) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	1,202,220	1,450,721	1,098,765	1,324,059
Later than 1 year and not later than 5 years	3,703,337	4,307,706	3,515,640	3,925,461
Later than 5 years	317,074	983,578	317,074	983,578
	<u>5,222,631</u>	<u>6,742,005</u>	<u>4,931,479</u>	<u>6,233,098</u>

26. Related party transactions

During the year, New Era Cap Company Co. Inc was charged a total of £649,206 (2018 - £674,140) in respect of goods and recharged expenses by New Era Cap Company Limited. New Era Cap Company Limited was recharged £20,563,172 (2018 - £18,550,466) for recharged expenses. At the year end, included within creditors New Era Cap Co. Inc was owed by New Era Cap Company Limited £780, 532 (2018 - debtor of £1,877,893).

During the year, New Era Cap Company Limited paid expenses on behalf of New Era Cap SL for a total of £1,270,305 (2018 - £1,283,325). At the year end nothing was owed to/from New Era Cap SL. New Era Cap SL is owned by CKCK LLC.

During the year, New Era Cap Company Limited paid expenses on behalf of New Era Cap SAS for a total of £162,773 (2018 - £222,104). At the year end, included within debtors, New Era Cap Company Limited was owed £1,051,538 (2018 - £1,107,669) from New Era Cap SAS. New Era Cap SAS is owned by CKCK LLC.

During the year, New Era Cap Company Limited was charged a total of £1,424,718 (2018 - £1,513,979) in respect of commission fees from New Era Cap Srl. At the year end, included within creditors, New Era Cap Company Limited owed New Era Cap Srl £889,305 (2018 - £701,779). New Era Cap Srl is owned by CKCK LLC.

C Koch is a director and controlling shareholder of CKCK LLC and a director and shareholder of New Era Cap Co. Inc., a company registered in the United States.

NEW ERA CAP COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

27. Post balance sheet events

The group has been impacted post year end as a result of COVID-19. Currently the extent of the financial impact is uncertain but the group is confident that with the combined support of its parent company and the various government schemes it will be able to minimise the financial impact during 2020 and is still therefore considered to be a going concern.

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company is CKCK LLC, a company registered in the United States.

CKCK LLC is controlled by C Koch.