

Rohan®

FOR EVERY JOURNEY

Rohan Designs Limited

Annual Report and Financial Statements

for the 11 month period ended 31 December 2017

Registered in England & Wales, no: 1567549

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Rohan Designs Limited

Strategic Report

Business Review

The Directors present their Strategic Report for Rohan Designs Limited for the 11 month period ended 31 December 2017. The shorter accounting period results from a change to the Company's year end, bringing it into line with the year end of its parent company.

The strategic focus of delivering probability for future growth continued for the period, along with sustained emphasis on control and stability.

With customer advocacy being at the heart of what we deliver, we have continued to invest in staff and product expertise through our in house academy and specialised on-line training for our employees. We have invested in senior staff this year with new managers heading up our Marketing and Technical and Sourcing teams.

In a highly competitive market place we have continued to invest in marketing and ecommerce, along with capital investment in infrastructure in both our stores and technology. Whilst there are no current plans for closures or openings, we will continue to explore ways to improve the overall level of contribution made by our store portfolio as leases expire and opportunities arise.

It is our continued view that the economic environment will remain uncertain for the foreseeable future.

This Period's Performance (including key performance indicators)

Turnover for the period grew at an annualised 6% across the business helped by the opening of one new store. Online sales continue to grow at a faster pace than store sales.

We forecasted a fall in profit margins due to the impact of currency rates for the period. This was averted due to a higher proportion of sales of full priced items and we finished the year with margins ahead of budget but, as expected, a little behind the previous year.

Operating profit for the period was satisfactory with administration expenses in line with forecast and all costs controlled.

Principal Risks and Uncertainties

The Board believes that the UK retail marketplace remains fragile. Continued price deflation in the clothing sector driven by promotion and low price competitors is a very real issue and is expected to remain a focus for 2018.

The Company sells direct to consumers online and operates a number of outlets both directly and through franchise agreements. The Company is therefore exposed to the risk of reductions in consumer demand.

The Company makes significant purchases in foreign currencies (primarily the US Dollar) and is exposed to currency risk if the impact of adverse currency rate movements cannot be managed by changes in pricing. The Company actively manages currency exposure to reduce this risk. The Company has hedged a substantial proportion of 2018 currency requirements to cover the risk of yet further depreciation in Sterling's value.

Rohan Designs Limited

Strategic Report (continued)

Future Developments

The weak pound continues to put pressure on pricing on our imported goods, so our focus on profitability remains a key emphasis for 2018. Consumers are concerned about levels of disposable income and the potential of another interest rate increase. Therefore 2018 will be another year of uncertainty and one of maintaining costs and stability.

On behalf of the board

A.J. McIvor

Alan McIvor
Director
22 June 2018

Registered Office
Buckingham House, West Street
Newbury, Berkshire RG14 1BD

Rohan Designs Limited

Directors' Report

The Directors present their Annual Report and the audited financial statements for the 11 month period ended 31 December 2017.

The Company has changed its year-end to be co-terminous with that of its parent company. As a result, the results presented throughout these financial statements are for an 11 month period to 31 December 2017. The comparative figures are all reported for a 12 month period ended 28 January 2017.

Principal Activity

The Company designs and distributes performance clothing, shoes and accessories for active outdoor and travel use which are sold through a chain of owned and franchised retail outlets in the UK and direct to consumers through mail order and the internet.

Results and Dividends

The turnover for the period was £30,410,000 (Year to 28 January 2017: £31,356,000). The profit after tax was £2,149,000 (Year to 28 January 2017: £1,777,000). The Directors declared and paid an interim dividend of £516,000 (Year to 28 January 2017: £725,000). The Directors do not recommend the payment of a final dividend (Year to 28 January 2017: £Nil).

Financial Risk Management Objectives and Policies

Details of financial risk management objectives and policies can be found in the Strategic Report and form part of this report by cross-reference.

Future Developments

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

Directors

The Directors of the Company during the period and at the date of this report were as follows:

Roger Cann (resigned 31 March 2017)

Mark Willison

Ian Palmer

Jacqueline Brandon

Dominic Langan

Alan McIvor

Dr. Ronald F. Sämann

Scott Longstaff (appointed 9 February 2018)

Rohan Designs Limited

Directors' Report (continued)

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources, for the reasons set out in Note 1 to the accounts, to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and accounts.

Employment of disabled persons

The Company's policy is to give full and fair consideration to any application for employment made by a disabled person, having regard to the applicant's particular aptitudes and abilities and to the essential requirements of the job in question. In the event of an employee being disabled during the year of his/her employment, the Company would seek to continue his/her employment and, if necessary, to provide appropriate training for a more suitable alternative job within the Company. The Company regards disabled persons as equally eligible with others for training, career development and promotion; subject only to such restrictions as the nature of any particular disablement may unavoidably impose.

Employee involvement

The awareness and involvement of employees in the Company's performance is prompted by consultation and by the provision of information on matters of concern through a variety of internal publications and meetings involving employees at all levels. The Company seeks to create an environment which encourages employees to express to management their ideas and opinions about the Company and its work.

Insurance of Directors

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

Auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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.

Rohan Designs Limited

Directors' Report (continued)

Auditor (continued)

Deloitte LLP have indicated their willingness to continue in office. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Directors' responsibilities statement

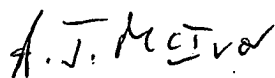
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Alan McIvor
Director
22 June 2018

Registered Office
Buckingham House, West Street
Newbury, Berkshire RG14 1BD

Rohan Designs Limited

Independent Auditor's Report

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rohan Designs Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the 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.

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.

Rohan Designs Limited

Independent Auditor's Report (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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Rohan Designs Limited

Independent Auditor's Report (continued)

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.

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.

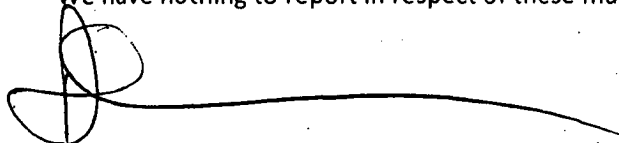
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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.



Darren Longley FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

22 June 2018

Rohan Designs Limited

Profit and loss account

For the 11 month period to 31 December 2017

	Note	11 months to 31 December 2017	12 months to 28 January 2017
		£000's	£000's
Turnover	2	30,410	31,356
Cost of sales		(10,792)	(10,846)
Gross Profit		19,618	20,510
Distribution costs		(14,423)	(14,710)
Administrative expenses		(2,271)	(3,330)
Operating profit	4	2,924	2,470
Net interest payable	3	(252)	(213)
Profit before taxation		2,672	2,257
Taxation on profit	7	(523)	(480)
Profit after taxation, retained for the financial period		2,149	1,777

A statement of comprehensive income has not been prepared as the only recognised income in the current period and preceding year is shown in the above profit and loss account.

Turnover and operating profits are attributable to continuing operations.

Rohan Designs Limited

Balance Sheet

At 31 December 2017

	Note	31 December 2017 £000's	28 January 2017 £000's
Fixed Assets			
Tangible Assets	8	894	757
Current Assets			
Stocks	9	5,928	6,064
Debtors	10	2,218	2,602
Cash at bank and in hand		6,280	4,885
		<u>14,426</u>	<u>13,551</u>
Creditors: Amounts falling due within one year	11	<u>(7,321)</u>	<u>(7,912)</u>
Net Current Assets		<u>7,105</u>	<u>5,639</u>
Total assets less current liabilities		7,999	6,396
Provisions for liabilities	12	<u>(954)</u>	<u>(984)</u>
Net Assets		<u><u>7,045</u></u>	<u><u>5,412</u></u>
Capital & Reserves			
Called up share capital	13	50	50
Share premium reserve		49	49
Revaluation reserve		213	217
Profit and loss reserve		6,733	5,096
Total Equity		<u><u>7,045</u></u>	<u><u>5,412</u></u>

The financial statements were approved by the Board of Directors on 22 June 2018 and were signed on its behalf by:

A. J. McIvor

Alan McIvor, Director

Registered in England & Wales, No. 1567549

Rohan Designs Limited

Statement of Changes in Equity

	Called-up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 February 2016	50	49	221	4,040	4,360
Profit for the year	-	-	-	1,777	1,777
Transfer of depreciation on revalued freehold property	-	-	(4)	4	-
Total comprehensive income	-	-	(4)	1,781	1,777
Dividends – equity shares	-	-	-	(725)	(725)
At 28 January 2017	50	49	217	5,096	5,412
Profit for the period	-	-	-	2,149	2,149
Transfer of depreciation on revalued freehold property	-	-	(4)	4	-
Total comprehensive income	-	-	(4)	2,153	2,149
Dividends – equity shares	-	-	-	(516)	(516)
At 31 December 2017	50	49	213	6,733	7,045

Rohan Designs Limited

Notes to the Financial Statements

1. Accounting Policies

Company Information

Rohan Designs Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

Registered address: Buckingham House, West Street, Newbury, Berkshire, RG14 1BD, England

Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below and the revaluation of freehold property.

The functional currency of Rohan Designs Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company, a private company limited by shares, is included in the consolidated financial statements of H. Young Holdings PLC, which are publicly available (note 17). The Company therefore meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, and remuneration of key management personnel.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and Strategic Report respectively. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance indicate that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Fixed assets and Depreciation

Freehold property is included in the balance sheet at valuation.

Other fixed assets are stated at cost net of accumulated depreciation and any provision for impairment. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered.

Rohan Designs Limited

Notes to the Financial Statements

1. Accounting Policies (continued)

Fixed assets and Depreciation (continued)

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition and installation.

Depreciation is calculated to write down the cost less estimated residual value of tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Freehold Property	50 years
Leasehold Property	Over the life of the lease
Fixtures and equipment	5 to 15 years
Computer equipment	3 years

Turnover

Turnover is the amount derived from the provision of goods falling within the Company's ordinary activities after deduction of returns, trade and settlement discounts, volume rebates and value added tax. Turnover comes from sale of items through high street retail, on-line and mail order.

Sales of goods are recognised when the risks and rewards of ownership have been transferred to the customer.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Rohan Designs Limited

Notes to the Financial Statements

1. Accounting Policies (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is the value at which goods are purchased, including where appropriate, import duties and associated costs. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Rohan Designs Limited

Notes to the Financial Statements

1. Accounting Policies (continued)

Provisions for liabilities (continued)

(i) Dilapidations

When the Company has made a decision to no longer trade from a leased property, either on the termination of a lease or due to exercising a break clause, or where a landlord has the option to exercise a break clause, then a review is carried out to determine whether a dilapidations liability will arise. If a liability is likely to arise then a provision is made.

Foreign Currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Derivative financial instruments

The Company uses derivatives financial instruments to reduce exposure to exchange rate movements. The Company does not hold or issue derivatives financial instruments for speculative purposes.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

Rohan Designs Limited

Notes to the Financial Statements

1. Accounting Policies (continued)

Judgements and key sources of estimation uncertainty

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

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Turnover

All turnover arose from the sale of goods in the United Kingdom, except for sales of £837,000 to the USA (year to 31 January 2017: £682,000).

3. Net interest payable

	11 months to 31 December 2017 £000s	12 months to 28 January 2017 £000s
Interest payable on trade finance facility and other bank borrowings	50	52
Foreign exchange derivative loss	202	161
	<u>252</u>	<u>213</u>

Rohan Designs Limited

Notes to the Financial Statements

4. Operating profit

	11 months to 31 December 2017 £000s	12 months to 28 January 2017 £000s
Operating profit is stated after charging:		
Auditor's remuneration		
- for audit of the financial statements	28	23
Depreciation of owned tangible fixed assets (see note 8)	212	200
Hire of plant and machinery - operating leases	5	5
Land and Buildings - operating leases	1,788	1,375
	<u>2,033</u>	<u>1,603</u>

5. Remuneration of Directors

	11 months to 31 December 2017 £000s	12 months to 28 January 2017 £000s
Directors' emoluments:		
Remuneration	305	632
Pension contributions	31	33
Fees paid to 3rd parties for Directors' services	-	15
	<u>336</u>	<u>680</u>

The emoluments, including pension contributions of £10,000 (Year to 28 January 2017: £9,000) of the highest paid Director were £95,000 (Year to 28 January 2017: £149,000). Retirement benefits are accruing to 4 Directors (Year to 28 January 2017: 4) under money purchase pension schemes. Included within remuneration is an amount of £Nil (Year to 28 January 2017: £15,000) in relation to fees paid to non-executive Directors. An exceptional bonus of £188,000 was included in Directors' remuneration for the year ended 28 January 2017.

Rohan Designs Limited

Notes to the Financial Statements

6. Staff Costs (including Directors)

	11 months to 31 December 2017 No.	12 months to 28 January 2017 No.
Average number of employees		
Sales	268	262
Administration	29	26
	<u>297</u>	<u>288</u>
	11 months to 31 December 2017 £000s	12 months to 28 January 2017 £000s
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	4,434	5,415
Social security costs	320	333
Other pension costs (note 16)	68	74
	<u>4,822</u>	<u>5,822</u>

An exceptional bonus to all staff, including Directors, of £800,000 was included within aggregate payroll costs in the year to 28 January 2017.

Rohan Designs Limited

Notes to the Financial Statements

7. Tax on Profit

	11 months to 31 December 2017 £000s	12 months to 28 January 2017 £000s
Corporation Tax		
UK Corporation tax on profit for the period	553	488
Deferred tax credit	(30)	(8)
	<u>523</u>	<u>480</u>
 Profit before taxation	 <u>2,672</u>	 <u>2,257</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.25% (Year to 28 January 2017: 20%)	514	451
Expenses not deductible for tax purposes	41	37
Movement in deferred taxation	(30)	(8)
Prior year adjustments – corporation tax	(2)	-
	<u>523</u>	<u>480</u>

The standard rate of tax applied to reported profit is 19.25% (Year to 28 January 2017: 20%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015 reducing the UK corporation tax to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020. The subsequent enactment of Finance Act 2016 reduced the UK corporation tax rate further to 17% effective 1 April 2020.

Deferred tax balances comprised:

	Provided		Unprovided	
	31 December 2017 £000s	28 January 2017 £000s	31 December 2017 £000s	28 January 2017 £000s
Differences between capital allowance and depreciation	7	(22)	-	-
Short term timing differences	(40)	(41)	-	-
Capital gains on revaluation of freehold property	(45)	(45)	-	-
	<u>(78)</u>	<u>(108)</u>	<u>-</u>	<u>-</u>

Rohan Designs Limited

Notes to the Financial Statements

8. Tangible fixed assets

	Freehold & Leasehold Property	IT Systems & Equipment	Fixtures, Fittings & Equipment	Total
	£000s	£000s	£000s	£000s
Cost or valuation				
At beginning of period	547	326	1,276	2,149
Additions	-	23	326	349
At end of period	547	349	1,602	2,498
Depreciation				
At beginning of period	264	294	834	1,392
Provided in period	13	20	179	212
At end of period	277	314	1,013	1,604
Net book values				
At end of period	270	35	589	894
At beginning of period	283	32	442	757

Freehold property was independently valued on an open market basis by Peill & Co on 31 March 2015, at the value of £250,000. The valuation was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors.

The Directors have considered its value at 31 December 2017 and concluded that its net book value of £270,000 represents a fair reflection of its market value at that time. If the freehold property had not been revalued it would have been carried at the following amounts

	31 December 2017 £000s	28 January 2017 £000s
Cost	50	50
Accumulated depreciation	(21)	(20)
	29	30

Rohan Designs Limited

Notes to the Financial Statements

9. Stocks

	31 December 2017 £000s	28 January 2017 £000s
Goods in transit	1,516	2,037
Finished goods for resale	4,495	4,121
Stock provision	(83)	(94)
	<u>5,928</u>	<u>6,064</u>

10. Debtors

	31 December 2017 £000s	28 January 2017 £000s
Trade debtors	12	86
Bad debt provision	-	(17)
Advance payments to suppliers	1,306	1,251
Amounts due from Group companies	-	516
Prepayments and accrued income	900	762
Derivative financial asset	-	4
	<u>2,218</u>	<u>2,602</u>

11. Creditors - amounts falling due within one year

	31 December 2017 £000s	28 January 2017 £000s
Trade finance facility	2,649	2,439
Trade creditors	2,816	3,647
Amounts due to Group companies	7	-
Corporation Tax	255	190
Social security and other taxes	644	785
Accruals and deferred income	752	851
Derivative financial liability	198	-
	<u>7,321</u>	<u>7,912</u>

Rohan Designs Limited

Notes to the Financial Statements

12. Provisions for Liabilities

	31 December 2017 £000s	28 January 2017 £000s
Dilapidations		
At beginning of period	876	805
Amount utilised	-	(1)
Provided/(released) in period	-	72
At end of period	876	876
	31 December 2017 £000s	28 January 2017 £000s
Deferred taxation		
At beginning of period	108	116
Movement (see note 7)	(30)	(8)
At end of period	78	108
	31 December 2017 £000s	28 January 2017 £000s
Total Provisions for Liabilities		
At beginning of period	984	921
Amount utilised	-	(9)
(Released)/provided in period	(30)	72
At end of period	954	984

Rohan Designs Limited

Notes to the Financial Statements

13. Share Capital

	31 December 2017	28 January 2017
	£000s	£000s
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	50	50

A dividend of £516,000 (£10.32 per share) was paid during the period (Year to 28 January 2017: £725,000 (£14.50 per share)).

14. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium reserve – includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve – relates to the revaluation of the freehold property.

Profit and loss reserve – includes all current and prior period retained profits and losses.

15. Financial Commitments

a) Lease Commitments

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

	31 December 2017		28 January 2017	
	Land and Buildings £000s	Other £000s	Land and Buildings £000s	Other £000s
Within one year	1,960	13	1,802	34
Between two and five years	5,241	10	5,905	24
Over five years	2,376	-	3,139	-
	<u>9,577</u>	<u>23</u>	<u>10,846</u>	<u>58</u>

Rohan Designs Limited

Notes to the Financial Statements

15. Financial Commitments (continued)

b) Forward foreign exchange contracts

The Company has entered into purchase contracts for goods and services to be received in subsequent accounting periods. The Company is aware that this leads to foreign exchange risk and to mitigate the risk has entered into forward foreign exchange contracts. At the period end the Company held unexercised foreign exchange contracts with value of £8,304,000 (Year to 28 January 2017: £4,442,000). The market value of these contracts was £8,106,000 (Year to 28 January 2017 £4,446,000).

16. Pension Scheme

The Company operates defined contribution pension schemes for Directors and certain employees. The pension cost charge for the period represents contributions payable by the Company to the funds and amounted to £68,000 (Year to 28 January 2017: £74,000).

The assets of the schemes are held separately from those of the Company in independently administered funds.

17. Immediate and Ultimate controlling parties

The Company's immediate holding company is Rohan Group Limited. The registered address is Buckingham House, West Street, Newbury, Berkshire, RG14 1BD.

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

The largest Group in which the results of the Company are consolidated is that headed by Lakefield Holdings Limited, a company incorporated in England and Wales. The smallest Group in which they are consolidated is headed by H. Young Holdings PLC, also incorporated in England and Wales. Both sets of consolidated accounts can be obtained from the Company Secretary, Buckingham House, West Street, Newbury, Berkshire, RG14 1BD.

18. Related party transactions

Related party transactions with other companies within the H. Young Holdings PLC Group are not disclosed as the Company is a 100% owned subsidiary of H. Young Holdings PLC.