

H YOUNG HOLDINGS PLC

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

Registered No: 194944



H YOUNG HOLDINGS PLC REPORT OF THE DIRECTORS

The Directors present the annual report and audited accounts for the year to 31 December 2008.

Principal Activity

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

Results and dividends

The turnover for the year was £143,404,000 (2007: £131,002,000). The profit after tax was £605,000 (2007: £4,020,000).

No dividends were declared in the current year (2007: £Nil) and the resultant profit for the year of £605,000 (2007: £4,020,000) has been added to reserves.

Review of the Business and Future Developments

Demand for the Group's products stayed strong throughout 2008. Group sales increased by 9% to £143,404,000 and sales in the Sports and Leisure segment of the business increased by in excess of 10%. However the rapid and significant weakening of the pound in the second half of the year had a material adverse impact on gross profits and therefore operating profitability. This was due to the sharply increased cost of goods imported and sold in the final months of the year. As a result, operating profits before goodwill amortisation fell to £3,549,000 (2007: £9,128,000). For 2009, the Group has managed the changed currency circumstances with a combination of increased forward currency purchasing, re-sourcing and, where appropriate, sales price increases. At the date of this report, these measures have been effective in restoring gross margins. Group sales continue to grow, which in challenging conditions is a testament to the strength of our brands, the quality of our products and our customer service. The Directors are approaching 2009 with some caution due to the prevailing economic environment but are satisfied with the Group's improved trading and financial position in the year to date.

The weakening of Sterling has also led to a substantial currency translation gain of £3,751,000 (2007: £454,000) in relation to the Group's Swiss subsidiary which is recorded in the Statement of Total Recognised Gains and Losses.

The Group's net assets increased in the year by 12% from £32,620,000 to £36,690,000.

Net cash outflow in 2008 was £8,271,000 compared to an inflow of £12,125,000 in 2007. Non recurring uses of cash in 2008 included early repayment in full of the NatWest mortgage loan of £3,901,000 and cash consideration paid for acquisitions of £2,004,000. In addition, 2008 saw a significant build up in stocks which contributed to working capital cash outflows of £5,231,000 in the year. Comparatively, cash generation in 2007 was exceptionally high. This was due to cash inflows from working capital movements of £7,588,000 arising from significantly higher creditor days at 31 December 2007 compared to the prior year.

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

Principal Risks and Uncertainties

The Group supplies customers which largely trade in the UK high street. The Group is therefore exposed to the risk of reductions in consumer demand.

The Group makes significant purchases in foreign currencies and is exposed to currency risk if the impact of adverse currency rate movements cannot be managed by changes in pricing. The Group actively manages currency exposure to reduce this risk. The Group hedged a significant proportion of 2009 currency requirements to cover the risk of a further depreciation in Sterling's value.

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

H YOUNG HOLDINGS PLC

REPORT OF THE DIRECTORS

continued

Fixed Assets

The market value of freehold land and buildings in the Group is not less than the book value indicated in these accounts.

Directors

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

J R A LaLone
A J McIvor
D Sämann
Dr R F Sämann

Mr A J McIvor retires by rotation and offers himself for re-election.

Donations

Charitable donations for the year amounted to £1,000 (2007: £4,000). No donations were made for political purposes in either year.

People Policies

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

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

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

Creditor Payment Policy

It is the Group's policy to agree payment terms with its suppliers, along with other terms and conditions, when it enters into binding purchase contracts and to abide by the agreed payment terms provided that the supplier has provided the goods or services in accordance with the terms and conditions of the contract. Group creditor days at 31 December 2008 were 81 (31 December 2007: 76). Creditor days overall reflect the credit periods actually given by our suppliers, many of which we deal with on letter of credit terms.

Auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

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

H YOUNG HOLDINGS PLC

REPORT OF THE DIRECTORS

continued

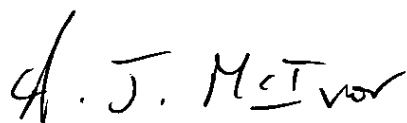
Statement of Directors' Responsibilities

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.



By Order of the Board
A J McIvor
Secretary

19 June 2009

INDEPENDENT AUDITORS' REPORT

to the Members of H Young Holdings PLC

We have audited the group and parent company financial statements (the "financial statements") of H Young Holdings PLC for the year ended 31 December 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities within the Report of the Directors.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

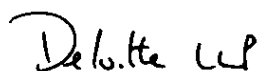
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 December 2008 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors
Reading, United Kingdom

19 June

2009

H YOUNG HOLDINGS PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year to 31 December 2008

	Notes	Ordinary activities £'000	Amorti- sation of goodwill £'000	Year to 31 December 2008 £'000	Ordinary activities £'000	Amorti- sation of goodwill £'000	Year to 31 December 2007 £'000
Turnover	2	143,404		143,404	131,002		131,002
Operating profit	3	3,549	(713)	2,836	9,128	(969)	8,159
Net finance charges	6			(1,476)			(1,880)
Profit on ordinary activities before taxation	3			1,360			6,279
Taxation on profit on ordinary activities	7			(755)			(2,259)
Profit on ordinary activities after taxation, retained for the year	20			605			4,020

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND
LOSSES**

for the year to 31 December 2008

	Notes	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Profit for the year		605	4,020
Currency translation difference on foreign currency net investments		3,751	454
Actuarial (loss)/gain recognised in the pension scheme	22	(397)	772
Deferred tax thereon	18	111	(232)
Total recognised gains for the year		4,070	5,014

A statement of historical gains and losses has not been prepared on the grounds of materiality.

The notes on pages 8 to 24 form part of these accounts

H YOUNG HOLDINGS PLC

BALANCE SHEETS

at 31 December 2008

	Notes	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Fixed assets					
Intangible assets	9	4,839	3,300	–	–
Tangible assets	10	23,984	23,630	215	308
Investments	11	–	–	24,796	24,446
		28,823	26,930	25,011	24,754
Current assets					
Stocks	12	34,767	25,191	–	–
Debtors	13	27,919	25,796	4,504	386
Cash at bank and in hand		2,873	10,153	–	564
		65,559	61,140	4,504	950
Creditors – Amounts falling due within one year	14	(55,835)	(50,392)	(10,207)	(6,504)
Net current assets/(liabilities)		9,724	10,748	(5,703)	(5,554)
Total assets less current liabilities		38,547	37,678	19,308	19,200
Creditors – Amounts falling due after more than one year	14	(134)	(3,498)	(134)	(197)
Provisions for liabilities and charges	17	(445)	(489)	–	–
Net assets excluding pension liability		37,968	33,691	19,174	19,003
Pension liability	22	(1,278)	(1,071)	–	–
Net assets including pension liability		36,690	32,620	19,174	19,003
Capital and reserves					
Called up share capital	19	6,628	6,628	6,628	6,628
Share premium account	20	6,221	6,221	6,221	6,221
Revaluation reserve	20	726	738	–	–
Other reserves	20	9,046	9,046	5,910	5,910
Profit and loss account	20	14,069	9,987	415	244
Total shareholders' funds	20	36,690	32,620	19,174	19,003

A. J. McIvor

AJ McIvor
Director

Approved by the Directors on 19 June 2009

The notes on pages 8 to 24 form part of these accounts

H YOUNG HOLDINGS PLC
CONSOLIDATED CASH FLOW STATEMENT
for the year to 31 December 2008

	Notes	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Cash inflow from operating activities	23	1,328	19,212
Returns on investments and servicing of finance			
Interest paid on bank loans and overdrafts		(73)	(301)
Interest element of hire purchase rental payments		(21)	(33)
Loan note redemption premiums		(1,354)	(1,485)
Other interest		–	(19)
Net cash outflow from returns on investments and servicing of finance		(1,448)	(1,838)
Taxation			
UK corporation tax paid		(1,339)	(1,916)
Foreign tax paid		(108)	(7)
Net cash outflow from taxation		(1,447)	(1,923)
Capital expenditure			
Purchase of tangible fixed assets		(1,655)	(3,475)
Sale of tangible fixed assets		3	18
Net cash outflow from capital expenditure		(1,652)	(3,457)
Acquisitions			
Purchase of subsidiary undertaking	27	(350)	–
Net cash acquired with subsidiaries		–	673
Other acquisitions	27	(1,654)	–
Net cash (outflow)/inflow from acquisitions		(2,004)	673
Financing			
Loan note issues		22,016	14,200
Loan note redemptions		(21,100)	(12,850)
Mortgage loan repaid		(3,901)	(600)
Other loans repaid		–	(1,142)
Capital element of hire purchase rental payments		(63)	(150)
Net cash outflow from financing		(3,048)	(542)
(Decrease)/increase in cash	23	(8,271)	12,125

The mortgage loan of £3,901,000 was repaid in full in the year, in advance of planned maturity.

The notes on pages 8 to 24 form part of these accounts

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

1. Accounting policies

(a) *Convention*

The accounts have been prepared under the historical cost convention modified to incorporate the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies are described below. They have all been applied consistently throughout the year and the preceding year.

(b) *Going concern*

The Group meets its day to day working capital requirements through overdraft and letter of credit facilities with National Westminster Bank PLC and HSBC Bank plc. The Group's banking facilities are reviewed annually.

Longer term funding is provided by the Group's ultimate parent undertaking.

Based on written commitments already in place and after making relevant enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate financial resources to continue operations for the foreseeable future. The going concern basis therefore continues to be adopted in preparing these accounts.

(c) *Basis of consolidation*

The Group accounts consolidate the accounts of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of are included from or to the date of acquisition or disposal respectively.

Business acquisitions are accounted for using acquisition accounting principles.

For acquisitions meeting the requirements of sections 131 and 133 Companies Act 1985, the Company does not account for any premium on shares issued as acquisition consideration and records the cost of investment in the Company balance sheet at the nominal value of the shares issued. When preparing consolidated accounts, the share issues are recorded at fair value and the excess of the fair value over the nominal value of shares issued is credited to a Merger reserve.

(d) *Fixed assets, depreciation and amortisation*

- (i) A general policy of revaluation of fixed assets has not been adopted and the book amounts of fixed assets, except for an element of historical revaluation in respect of freehold properties as set out in Note 10, have been retained.
- (ii) Where freehold properties were historically revalued the resultant valuation is included in the balance sheet unless the surplus or deficit is immaterial. No depreciation is provided on freehold land but, since 1995, depreciation of 2% per annum has been provided on freehold buildings. Any impairment in the value of such properties is charged to the revaluation reserve or profit and loss account as appropriate. A transfer is made from revaluation reserve to the profit and loss reserve each year to cover the element of depreciation charge which relates to revalued assets.
- (iii) The cost of leasehold properties is amortised over the length of the leases on a straight line basis.
- (iv) The cost of plant and equipment is fully written off by equal instalments over its estimated useful life at rates ranging from 5% to 50% per annum.
- (v) The cost of motor vehicles is written off to residual value in equal instalments at a rate of 33 $\frac{1}{3}$ % per annum.
- (vi) The interest costs incurred on the financing of acquisitions or construction of freehold land and buildings are capitalised up until the date that those buildings become operational and thereafter are depreciated over the life of the relevant buildings.
- (vii) Trademarks are recorded at cost and amortised in equal instalments over their estimated useful lives, not exceeding five years.

(e) *Turnover*

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

(f) *Deferred taxation*

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

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

(g) *Leased assets*

Assets held under hire purchase contracts are capitalised and depreciated over their estimated useful lives. The related obligations are included within creditors. Interest payable is charged to the profit and loss account in proportion to outstanding obligations. Operating lease rentals are charged to the profit and loss account in equal amounts over the term of the lease.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

1. Accounting policies (continued)

(h) **Stocks**

Stocks are valued at the lower of cost and estimated net realisable value where cost is the purchase price on a weighted average cost basis. Goods in transit from suppliers are included in stocks where risk in the goods has passed to the Group under the shipment terms negotiated. The corresponding liability is included within trade creditors.

(i) **Foreign currency**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date or, if hedged forward, at the rate of exchange under the related forward currency contract. Differences arising on translation are dealt with in the profit and loss account.

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

Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the Consolidated Statement of Total Recognised Gains and Losses.

(j) **Goodwill**

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

(k) **Pensions**

The Group operates one defined benefit scheme in the United Kingdom. The scheme is administered by trustees and is independent of the Group finances. Triennial valuations are performed by qualified independent actuaries and the results updated each year for the purposes of the FRS 17 valuation. Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the redemption yield on AA rated corporate bonds. Contributions are paid to the schemes in accordance with actuarial recommendations.

The current service cost is charged to operating profit so as to reflect the increase in the present value of the scheme liabilities expected to arise from employee service over the current period. The interest cost on the scheme's liabilities is included in finance charges. Actuarial losses and gains are recognised in the Statement of Total Recognised Gains and Losses. The pension scheme's deficits or surpluses are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

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

(l) **Derivative financial instruments**

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange rates. Forward foreign currency contracts are accounted for as hedges, with year end currency trade debtors and creditors translated into Sterling at hedged rates.

(m) **Fixed asset investments**

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

(n) **Loan Notes**

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

(o) **Current tax**

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

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

2. Segmental reporting

Group turnover by destination:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
United Kingdom	127,123	117,911
Rest of Europe	15,456	11,787
Rest of World	825	1,304
	143,404	131,002

The turnover can be further analysed by business segment:

Division	Business	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Animal, Madison, Leeda	Sports and Leisure	110,760	100,593
Young Electronics Group	Electronic components distribution	11,893	13,723
Saxon, Wunder-Baum AG (2007, 9 months)	Automotive aftermarket	20,751	16,686
		143,404	131,002

Group turnover by origin:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
United Kingdom	134,277	125,691
Rest of Europe – Wunder-Baum AG	9,127	5,311
	143,404	131,002

Profit before tax by geographical segment:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
United Kingdom	116	5,984
Rest of Europe – Wunder-Baum AG	1,244	295
	1,360	6,279

Net assets by geographical segment:

	31 December 2008 £'000	31 December 2007 £'000
United Kingdom	23,961	24,946
Rest of Europe – Wunder-Baum AG	12,729	7,674
	36,690	32,620

It is the opinion of the Directors that the provision of further information relating to profit before tax and net assets by business segment, generally required to be disclosed by Statement of Standard Accounting Practice 25 "Segmental Reporting", would be seriously prejudicial to the commercial interests of the Group and accordingly this information has not been given, consistent with applicable exemptions available in that Standard.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

3. Profit on ordinary activities before taxation

Operating profit is arrived at as follows:

	Ordinary activities £'000	Amorti- sation of goodwill £'000	Year to 31 December 2008 £'000	Ordinary activities £'000	Amorti- sation of goodwill £'000	Year to 31 December 2007 £'000
Turnover	143,404		143,404	131,002		131,002
Cost of sales	(96,009)		(96,009)	(81,795)		(81,795)
Gross profit	47,395		47,395	49,207		49,207
Distribution costs	(25,986)		(25,986)	(24,865)		(24,865)
Administration costs	(17,860)	(713)	(18,573)	(15,214)	(969)	(16,183)
Operating profit	3,549	(713)	2,836	9,128	(969)	8,159

Profit on ordinary activities before taxation is arrived at after charging/(crediting):

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Depreciation		
- owned assets	3,180	2,605
- leased assets	64	146
Amortisation of goodwill	713	969
Amortisation of trademarks	18	-
Operating lease rentals		
- land and buildings	2,479	2,470
- plant and machinery	558	528
Auditor's remuneration	86	85
Profit on disposal of fixed assets	(3)	(2)

Fees paid to the auditors for non-audit services amounted to £41,000 (2007: £49,800).

4. Employees

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

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Wages and salaries	16,534	15,114
Social security costs	1,718	1,541
Other pension costs (Note 22)	312	260
	18,564	16,915
The average number of employees was:	Number	Number
Production	28	28
Distribution	463	447
Administration	249	223
	740	698

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

5. Directors

Emoluments of Directors of the Company were as follows:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Aggregate emoluments	222	181
Aggregate contributions to money purchase pension schemes	10	9
	232	190

Only one director received remuneration in each year. Pension entitlement benefits accrued to no Directors (2007: no Directors) under defined benefit arrangements.

6. Net finance charges

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Bank loans and overdrafts - net	73	301
Hire purchase agreements	21	33
Redemption premiums in respect of loan notes (Note 16)	1,285	1,425
Other loans	-	19
Net cost of funding pension liability (Note 22)	97	102
	1,476	1,880

7. Taxation on profit on ordinary activities

Taxation charge on profit for the year:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Current taxation		
United Kingdom corporation tax	572	2,224
Adjustments in respect of prior years	(61)	-
Foreign tax	233	97
	744	2,321
Deferred taxation		
Origination and reversal of timing differences	(22)	89
Adjustments in respect of prior years	33	(151)
	755	2,259

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

7. Taxation on profit on ordinary activities (continued)

Factors affecting the tax charge for the year:

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Profit on ordinary activities before taxation	1,360	6,279
Tax at 28.5% (2007: 30%) on profit on ordinary activities:	387	1,884
Effects of:		
Amortisation of goodwill not deductible for tax purposes	167	284
Expenses not deductible for tax purposes	391	307
Depreciation in excess of/(less than) capital allowances	135	(26)
Short term timing differences	(63)	(64)
Lower tax rates on overseas earnings	(212)	(64)
Adjustments in respect of prior years	(61)	-
Current tax charge	744	2,321

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

The Company has not presented its own profit and loss account as permitted by section 230 of the Companies Act 1985. The results of the Group include a profit dealt with in the accounts of the Company of £171,000 (year to 31 December 2007: £106,000).

9. Intangible fixed assets

	Trademarks £'000	Goodwill £'000	Total £'000
Group			
Cost or valuation at			
1 January 2008	-	7,117	7,117
Acquisitions (Note 27)	350	1,920	2,270
Eliminations	-	(1,335)	(1,335)
At 31 December 2008	350	7,702	8,052
Amortisation			
At 1 January 2008	-	3,817	3,817
Charge for the year	18	713	731
Eliminations	-	(1,335)	(1,335)
At 31 December 2008	18	3,195	3,213
Net book value at 31 December 2008	332	4,507	4,839
Net book value at 31 December 2007	-	3,300	3,300

Goodwill is amortised over periods varying between 5 and 10 years.

Amortisation periods represent the Directors' estimates of the useful economic life of goodwill.

Goodwill which becomes fully amortised in the year is eliminated from cost and accumulated amortisation.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

Continued

10. Tangible fixed assets

	Freehold land and buildings £'000	Short leasehold properties £'000	Plant vehicles & equipment £'000	Total £'000
Group				
Cost or valuation at 1 January 2008	18,280	3,790	12,453	34,523
Additions	–	390	1,293	1,683
Disposals	(5)	(251)	(423)	(679)
Exchange adjustments	1,961	–	438	2,399
At 31 December 2008	20,236	3,929	13,761	37,926
Depreciation at 1 January 2008	1,603	1,387	7,903	10,893
Charge for the year	319	957	1,968	3,244
Disposals	(5)	(251)	(365)	(621)
Exchange adjustments	48	–	378	426
At 31 December 2008	1,965	2,093	9,884	13,942
Net book value				
31 December 2008	18,271	1,836	3,877	23,984
31 December 2007	16,677	2,403	4,550	23,630

Properties are stated at cost with the exception of the original Saxon Industries freehold land and buildings valued in April 1998 on an open market existing use basis by Playle & Co, Commercial Surveyors, at £1,730,000. The historic cost of the original Saxon freehold land and buildings is £947,000 and the historic net book value is £777,000. The revalued gross and net book value are £1,842,000 and £1,500,000 respectively.

Included within the total cost of freehold land and buildings at 31 December 2008 is capitalised interest of £191,000 (2007: £191,000). The normal rate for the Group's bank interest was applied to the capitalisation.

Plant, vehicles and equipment includes assets held under hire purchase contracts at cost of £278,000 (2007: £408,000) and accumulated depreciation of £109,000 (2007: £146,000).

The book value of freehold land included in the above figures at 31 December 2008, which is not depreciated, was £5,759,000 (2007: £5,115,000).

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

Continued

10. Tangible fixed assets (continued)

	Short leasehold properties £'000	Plant vehicles & equipment £'000	Total £'000
Company			
Cost or valuation	120	455	575
At 1 January 2008			
Additions	—	47	47
Disposals	(84)	(165)	(249)
At 31 December 2008	36	337	373
Depreciation			
At 1 January 2008	104	163	267
Charge for the year	8	76	84
Disposals	(84)	(109)	(193)
At 31 December 2008	28	130	158
Net book value			
31 December 2008	8	207	215
31 December 2007	16	292	308

Plant, vehicles and equipment of the Company includes assets held under hire purchase contracts at cost of £278,000 (2007: £408,000) and accumulated depreciation of £109,000 (2007: £146,000).

11. Investments

	Shares in Group £'000 undertakings
Company	
At 1 January 2008	24,446
Acquisition of share capital of Mantra Brands Limited (Note 27)	350
At 31 December 2008	24,796

The Company has interests at 31 December 2008 in the following subsidiary undertakings which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Country of incorporation and operation	Principal activity	Holding	%
H. Young (Operations) Limited	Great Britain	Distributor	524,150 Ordinary Shares of £1 each	100
Wunder-Baum AG	Switzerland	Manufacture and distribution of automotive air fresheners	200 Ordinary Shares of 1,000 Swiss Francs each	100

The Company wholly owns the shares and voting rights in all of its subsidiaries.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

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12. Stocks

	31 December 2008 £'000	Group 31 December 2007 £'000
Goods held for resale	30,245	21,619
Goods in transit from suppliers	4,522	3,572
	34,767	25,191

13. Debtors

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Trade debtors	24,042	22,116	-	62
Other debtors	1,775	1,439	383	232
Amounts owed by Group undertakings	-	-	4,070	-
Deferred taxation asset (Note 18)	239	216	-	-
Prepayments and accrued income	1,863	2,025	51	92
	27,919	25,796	4,504	386

14. Creditors

Creditors - Amounts falling due within one year:

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Bank overdrafts (secured)	-	-	8,845	-
Bank loans (secured) (Note 15)	-	600	-	-
Subordinated unsecured loan notes (Note 16)	20,506	19,659	-	-
Trade creditors	29,041	22,395	240	49
Corporation tax	1,152	1,692	60	26
Other taxation and social security	758	1,206	405	400
Hire purchase obligations	45	75	45	75
Amounts owed to Group undertakings	-	-	-	4,952
Other creditors	1,446	2,168	-	-
Accruals and deferred income	2,621	2,597	612	1,002
Deferred consideration (Note 27)	266	-	-	-
	55,835	50,392	10,207	6,504

The bank overdrafts are secured by mortgage debentures to National Westminster Bank PLC and fixed and floating charges to HSBC Bank plc given by the Company and H. Young (Operations) Limited and are repayable on demand. Bank overdrafts of the Company are subject to set off arrangements with the cash balances of H. Young (Operations) Limited. No bank has a charge over the overseas assets of Wunder-Baum AG.

Creditors - Amounts falling due after more than one year:

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Bank loans (secured) (Note 15)	-	3,301	-	-
Hire purchase obligations	134	197	134	197
	134	3,498	134	197

All hire purchase obligations are repayable within five years and are secured on the assets to which they relate.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

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15. Bank loans

Bank loans comprise and are repayable as follows:

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Mortgage loan	-	3,901	-	-
Total bank indebtedness	-	3,901	-	-
Falling due in less than one year	-	(600)	-	-
Falling due after more than one year	-	3,301	-	-
This amount is repayable as follows:				
Between 1 and 2 years	-	600	-	-
Between 2 and 5 years	-	1,800	-	-
In 5 years or more	-	901	-	-
	-	3,301	-	-

The mortgage loan was repaid in full in March 2008, in advance of planned maturity.

16. Subordinated zero coupon unsecured loan notes

Redemption date	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Within one year	20,506	19,659	-	-

During the year, loan notes to the value of £22,016,000 (2007: £14,200,000) were issued by H. Young (Operations) Limited, the principal subsidiary company, to Rinaldo Rinaldini Limited, the ultimate parent undertaking of the Group, for cash. Redemptions of loan notes in the year, which were all made in cash, totalled £21,100,000 (2007: £12,850,000).

Loan notes are subordinated to all amounts due to National Westminster Bank PLC and HSBC PLC and are unsecured. The loan notes bear zero coupon. The amounts disclosed as payable at 31 December 2008 include the relevant redemption premiums accrued to that date.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

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17. Provisions for liabilities and charges

	Group 31 December 2008 £'000	Group 31 December 2007 £'000
Property provisions	445	489

Property provisions comprise amounts in respect of rentals on vacant properties and dilapidations. Provisions for rentals on vacant properties are based on estimated residual rent obligations, net of anticipated income. Dilapidation provisions are based on external advice received.

The movement in property provisions during the year can be analysed as follows:

	Property Provisions £'000
At 1 January 2008	489
Utilised	(44)
At 31 December 2008	445

The maturity profile of these provisions is forecast to be as follows:

	31 December 2008 £'000	31 December 2007 £'000
Less than one year	369	380
1-2 years	31	31
2-5 years	45	78
	445	489

18. Deferred taxation

Movement on the deferred taxation account:

	Group 31 December 2008 £'000	Group 31 December 2007 £'000
Asset at 1 January	675	896
Acquisitions	–	(48)
Exchange adjustments	(39)	(3)
(Charge)/credit to profit and loss account	(11)	62
Total recognised gains and losses – FRS 17	111	(232)
Asset at 31 December	736	675
Included in		
Deferred tax asset in Note 13 (Debtors)	239	216
Deferred tax asset in Note 22 (Pension scheme liabilities)	497	459
	736	675

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

	31 December 2008		31 December 2007	
	Provided £'000	Maximum potential liability £'000	Provided £'000	Maximum potential liability £'000
Group				
Depreciation less than capital allowances	130	–	78	–
Other short-term timing differences	109	–	138	–
Surplus on revaluation of fixed assets	–	(255)	–	(273)
Capital gains rolled over	–	(219)	–	(235)
Pension scheme liabilities	497	–	459	–
	736	(474)	675	(508)

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

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18. Deferred taxation (continued)

	31 December 2008 Provided £'000	Maximum potential liability £'000	31 December 2007 Provided £'000	Maximum potential liability £'000
Company				
Capital gains rolled over	–	(219)	–	(235)
	–	(219)	–	(235)

A potential deferred tax asset of £101,000 (2007: £109,000) arising in the Company has not been recognised.

Deferred tax liabilities in respect of surpluses on fixed asset revaluations and rolled over capital gains are not provided as there are no plans, actual or prospective, to dispose of the related assets.

19. Called up share capital

	31 December 2008 £'000	31 December 2007 £'000
Authorised 30,000,000 (2007: 30,000,000) Ordinary shares of 25p each	7,500	7,500
Allotted and fully paid 26,512,013 (2007: 26,512,013) Ordinary shares of 25p each	6,628	6,628

20. Reconciliation of movements in reserves and shareholders' funds

	Share capital £'000	Share premium account £'000	Revalua- tion reserve £'000	Merger reserve £'000	Profit and loss account £'000	31 December 2008 Total share- holders' funds £'000	31 December 2007 Total share- holders' funds £'000
Group							
At 1 January	6,628	6,221	738	9,046	9,987	32,620	17,606
Share issues						–	10,000
Profit for the financial year					605	605	4,020
Currency translation difference on foreign currency net investments					3,751	3,751	454
Actuarial (loss)/gain					(397)	(397)	772
Deferred tax thereon					111	111	(232)
Transfer			(12)		12	–	–
At 31 December	6,628	6,221	726	9,046	14,069	36,690	32,620

The cumulative amount of pre-FRS 10 goodwill written off to reserves by the Group at 31 December 2008 was £11,767,000 (2007: £11,767,000).

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000	31 December 2008 Total share- holders' funds £'000	31 December 2007 Total share- holders' funds £'000
Company						
At 1 January	6,628	6,221	5,910	244	19,003	17,943
Share issues (Note 19)						954
Profit for the financial year				171	171	106
At 31 December	6,628	6,221	5,910	415	19,174	19,003

H YOUNG HOLDINGS PLC

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21. Operating leases

Operating lease commitments for the next financial year at 31 December 2008 are £2,770,000 (2007: £2,999,000) of which £24,750 (2007: £24,750) is provided in the balance sheet in respect of vacant properties.

	Land and buildings		Other	Other	Total	Total
	31	31	31	31	31	31
	December	December	December	December	December	December
	2008	2007	2008	2007	2008	2007
	£'000	£'000	£'000	£'000	£'000	£'000
On leases expiring within 1 year	131	–	166	100	297	100
On leases expiring within 2 to 5 years	472	869	339	348	811	1,217
On leases expiring after 5 years	1,662	1,682	–	–	1,662	1,682
	2,265	2,551	505	448	2,770	2,999

22. Pension scheme liabilities

The Group operates one funded pension scheme which provides benefits based on final pensionable pay and a number of additional schemes providing benefits based on defined contributions from the Group and the employees concerned.

From 1 November 2005, the final salary pension scheme was closed to all members and became paid up. The H Young final salary scheme is a multi-employer scheme. It is not possible to separately identify the assets and liabilities within the overall H Young final salary scheme which relate to the Company and therefore no pension scheme liability is included on the Company's balance sheet.

During the year, the Group contributed approximately £25,000 per month to the scheme to address the scheme's funding deficit in line with the actuary's recommendations.

The most recently completed actuarial valuation of the final salary scheme was as at 1 November 2007.

The FRS 17 current service cost charged in the year in respect of the final salary pension scheme was £52,000 (2007: £35,000).

The costs of the defined contribution schemes are charged to the profit and loss account and totalled £217,000 for the year to 31 December 2008 (2007: £176,000).

In addition the Group contributes to other pension schemes of certain employees. These costs are charged as incurred and in the year to 31 December 2008 totalled £43,000 (2007: £49,000).

FRS 17 disclosures at 31 December 2008

The Group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 1 November 2007 and updated to 31 December 2008 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

Employer contributions are currently payable at the rate of £25,351 per month, increasing by 3% on 1 November each year.

Present values of scheme liabilities, fair value of assets and pension liability

	Year to 31 December 2008	Year to 31 December 2007	Year to 31 December 2006
Fair value of scheme assets	3,312	4,354	4,081
Present value of scheme liabilities	(5,087)	(5,884)	(6,534)
Pension liability to be recognised	(1,775)	(1,530)	(2,453)
Deferred tax thereon	497	459	736
Net pension liability	(1,278)	(1,071)	(1,717)

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

22. Pension scheme liabilities (continued)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Scheme liabilities at start of year	5,884	6,534
Current service cost	52	35
Interest cost	334	334
Actuarial gain	(757)	(763)
Benefits paid, death in service insurance premiums and expenses	(426)	(256)
Scheme liabilities at end of year	5,087	5,884

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

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Fair value of scheme assets at start of year	4,354	4,081
Expected return on scheme assets	237	232
Actuarial (losses)/gains	(1,154)	9
Contributions by employer	301	288
Benefits paid, death in service insurance premiums and expenses	(426)	(256)
Fair value of scheme assets at end of year	3,312	4,354

The actual loss on the scheme assets over the year ending 31 December 2008 was £917,000 (2007: gain of £241,000).

Total expense recognised in the profit and loss account

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Current service cost	52	35
Interest cost	334	334
Expected return on scheme assets	(237)	(232)
Past service cost	-	-
Total expense recognised in the profit and loss account	149	137

Statement of Total Recognised Gains and Losses

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Actual less expected return on scheme assets	(1,154)	9
Experience gains and losses arising on scheme liabilities	(238)	52
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	995	711
Total amount recognised in the Statement of Total Recognised Gains and Losses	(397)	772

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses since adoption of FRS17 is £778,000.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

22. Pension scheme liabilities (continued)

Assets

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000	Year to 31 December 2006 £'000
Equities	2,112	2,922	2,999
Bonds	1,058	1,021	992
Other (property, cash, etc.)	142	411	90
Total assets	3,312	4,354	4,081

None of the fair values of the assets shown above include any of the Company's own financial instruments or any property occupied by, or other assets used by, the Company.

Assumptions

	Year to 31 December 2008 % per pa	Year to 31 December 2007 % pa	Year to 31 December 2006 % pa
Inflation	3.10%	3.50%	3.30%
Rate of discount	6.40%	5.80%	5.20%
Expected return on scheme assets at start of year	5.40%	5.70%	4.60%
Allowance for pension in payment increases of RPI of 5% pa if less	3.00%	3.40%	3.20%
Allowance for revaluation of deferred pensions of RPI of 5% pa if less	3.10%	3.50%	3.30%
Allowance for commutation of pension for cash at retirement	None	None	None

The mortality assumptions adopted at 31 December 2008 imply the following life expectancies:

Male retiring at age 65 in 2008	22.0 years
Female retiring at age 65 in 2008	24.8 years
Male retiring at age 65 in 2028	23.1 years
Female retiring at age 65 in 2028	25.9 years

Expected long term rates of return

The long term expected return on bonds and cash is determined by reference to UK long dated government bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

5 year historical record

	2008 £'000	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Fair value of scheme assets	3,312	4,354	4,081	3,468	2,991
Present value of scheme liabilities	(5,087)	(5,884)	(6,534)	(6,313)	(5,362)
Deficit in scheme before tax	(1,775)	(1,530)	(2,453)	(2,845)	(2,371)
Experience adjustment on scheme assets	(1,154)	9	257	344	67
Experience adjustment on scheme liabilities	(238)	52	(147)	83	8

The best estimate of contributions to be paid by the employer to the scheme for the year beginning 1 January 2009 2008 is £305,733.

H YOUNG HOLDINGS PLC

NOTES TO THE ACCOUNTS

continued

23. Notes to Consolidated Cash Flow Statement

Reconciliation of operating profit to net cash inflow from operating activities

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
Operating profit	2,836	8,159
Depreciation and amortisation	3,975	3,720
(Increase)/decrease in stocks	(8,910)	1,107
Increase in debtors	(1,532)	(640)
Increase in creditors and provisions	5,211	7,121
Profit on disposal of fixed assets	(3)	(2)
Difference between pension charge and cash contributions	(249)	(253)
Net cash inflow from operating activities	1,328	19,212

Reconciliation of net cash flow movement to movement in net debt

	Year to 31 December 2008 £'000	Year to 31 December 2007 £'000
(Decrease)/increase in cash in the year	(8,271)	12,125
Net loan note redemptions	438	135
Bank loans repaid early	3,901	600
Other loans repaid	—	1,142
Capital element of hire purchase repayments	63	150
(Increase)/decrease in net debt resulting from cash flows	(3,869)	14,152
Reduction/(inception) of hire purchase obligations	30	(75)
Redemption premiums accrued on loan notes	(1,285)	(1,425)
Other loans arising on acquisition	—	(1,157)
Exchange adjustments	991	216
(Increase)/decrease in net debt in the year	(4,133)	11,711
Net debt at 1 January	(13,679)	(25,390)
Net debt at 31 December	(17,812)	(13,679)

Analysis of net debt

	At 1 January 2008 £'000	Cash flows £'000	Non-cash movements £'000	At 31 December 2008 £'000
Cash	10,153	(8,271)	991	2,873
Bank loans	(3,901)	3,901	—	—
Loan notes	(19,659)	438	(1,285)	(20,506)
Hire purchase obligations	(272)	63	30	(179)
	(13,679)	(3,869)	(264)	(17,812)

Analysis of cash balances

	2008 £'000	2007 £'000
Cash	2,873	10,153
Change in year	(7,280)	12,326

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NOTES TO THE ACCOUNTS

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24. Derivatives not included at fair value

	Group 31 December 2008 £'000	Group 31 December 2007 £'000	Company 31 December 2008 £'000	Company 31 December 2007 £'000
Forward foreign exchange contracts				
Principal amount	28,391	—	28,391	—
Fair value	975	—	975	—

The Group uses these derivatives to hedge its exposures to changes in foreign currency exchange rates arising from foreign currency purchases.

25. Parent undertakings

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

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

26. Related party transactions

During the year, the Group issued loan notes totalling £22,016,000 (2007: £14,200,000) for cash to its ultimate parent undertaking, Rinaldo Rinaldini Limited, to finance operations. Loan Notes totalling £21,100,000 (2007: £12,850,000) were redeemed in the same period. Amounts due to Rinaldo Rinaldini Limited at 31 December 2008 comprised loan notes of £20,506,000 (2007: £19,659,000).

The Company has taken advantage of the exemption granted by paragraph 3 (c) of FRS 8 "Related Party Disclosures" not to disclose transactions with other Lakefield Holdings Limited group companies which are related parties.

27. Acquisitions

On 30 June 2008, the Company's subsidiary, H. Young (Operations) Limited, acquired the business of Sakura Autoparts Limited for a cash consideration of £1,266,000, of which £266,000 was deferred and paid on 28 February 2009. The goodwill arising on this acquisition was £1,266,000 as no separable net assets were acquired.

On 31 October 2008, H. Young (Operations) Limited acquired the business of Saracen Bikes Limited for a cash consideration of £654,000. The goodwill arising on this acquisition was £654,000 as no separable net assets were acquired.

On the same date, the Company acquired the entire issued share capital of Mantra Brands Limited for a cash consideration of £350,000.

Mantra Brands Limited - Summary of net assets acquired and related consideration

	Book amount prior to acquisition £'000	Fair value adjustment £'000	Fair value to Group at acquisition £'000
Intangible fixed assets acquired- trademarks	—	350	350
Satisfied by:			
Cash			350

Mantra owns the trademarks related to the Saracen bike brand. The fair value adjustment revalues the trademarks to their estimated market value at acquisition. Mantra had no other assets or liabilities at acquisition.

The results of the acquired businesses are immaterial to the Group in 2008. Combined sales from the acquisitions in the year were £1,603,000. Post acquisition profits cannot be determined as the operations were merged into existing operations of the Group.

On the grounds of materiality, no separate disclosure of these acquisitions is made in the Group profit and loss account or cash flow statement.