

**Registration No: 5779870**

**4imprint UK Holdings Limited**

**Annual Report and Accounts**

**2 January 2021**

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## **4imprint UK Holdings Limited Strategic Report**

The Directors submit their Strategic Report on the affairs of the Company, together with the audited financial statements for the 53 week period ended 2 January 2021 (2019: 52 week period).

### **Review of the business and principal activities**

The Company did not trade during the period but continued to derive income from its fixed asset investments. During the period the Company received dividend income from subsidiary undertakings of £6.01m (2019: £12.74m) and received interest income of £10.12m (2019: £10.12m).

The impact and uncertainty of the COVID-19 pandemic on the trading entities of 4imprint Group plc (the "Group") has led to an impairment review of the Company's investments being undertaken. This has resulted in an impairment loss of £0.88m (2019: £nil).

The results for the period are shown on page 7.

### **Dividends**

During the period the Company paid dividends of £5.95m (2019: £12.70m).

### **Key performance indicators**

As the Company is a non-trading company, the Directors believe that analysis using key performance indicators for the Company, other than the details shown in the income statement, is neither necessary nor appropriate for an understanding of the development, performance or position of the Company.

### **Principal risks and uncertainties**

The Company, through the businesses of its investments in subsidiary undertakings, may be affected by a number of risks, not all of which are within its control. The risks which may affect the businesses are as follows, but the list is not exhaustive and other factors may adversely affect the Company: macroeconomic conditions; markets & competition; currency exchange; climate change & environment; business facility disruption; disruption to the product supply chain or delivery service; disturbance in established marketing techniques; reliance on key personnel; failure or interruption of information technology systems and infrastructure; failure to adapt to new technological innovations; and cyber threats. The businesses seek to mitigate these risks by: monitoring economic and market conditions; delivering value to customers and gauging customer satisfaction and perception; ongoing investment and review of IT systems; sourcing low-carbon product options and undertaking actions to move towards becoming 'carbon neutral'; technical and physical controls in place to mitigate unauthorised access to customer data; rigorous selection process for suppliers; identification of alternate suppliers; and cost effective sourcing of goods and services utilising a range of suppliers. However, the COVID-19 pandemic has placed significant focus on certain risk areas. The effective response to these evolving risks has been crucial and continues to shape the risk agenda. The heightened risk areas identified, with associated commentary are:

- Macroeconomic conditions – uncertainty remains about the shape of the economic recovery and economic conditions are being closely monitored so that the businesses' product offerings may be adjusted to resonate with the current economic conditions.
- Business facility disruption – the businesses have successfully adapted to cope with office facility closures and national / local lockdowns with a robust 'work from home' capability for customer service and support functions.
- Disruption of supply – the businesses' 'drop-ship' trading model relies on suppliers to print and ship products to customers and disruption at a supplier could interrupt trading operations in the short-term. To mitigate this, relationships with key suppliers have become even closer in recent months.

On behalf of the Board:



David Seekings  
Director  
15 April 2021

## **4imprint UK Holdings Limited**

### **Directors' Report**

The Directors submit their annual report and the audited financial statements for the 53 weeks ended 2 January 2021.

4imprint UK Holdings Limited (registered number 5779870) is a private limited company incorporated in England and Wales and domiciled in the UK. Its registered office is 25 Southampton Buildings, London, WC2A 1AL.

#### **Principal activity**

The principal activity of the Company, which is a wholly owned subsidiary of 4imprint Group plc, is that of a holding company.

#### **Directors**

The Directors who held office during the year and up to the date of signing the financial statements are listed below:

David Seekings  
Emma Taylor

#### **Directors' interests**

David Seekings was a Director of the parent company and the ultimate holding company at the end of the period and his interests in the share capital of Group companies are disclosed in the Annual Report and Accounts of that company. Emma Taylor held 5,454 ordinary shares in 4imprint Group plc and had 792 SAYE options at year end. The SAYE options were granted on 25 September 2019 at an option price of £22.70 and are exercisable between 1 November 2022 and 1 May 2023.

During the period the Company maintained insurance to indemnify Directors against liability incurred in relation to its activities.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, 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.

The Directors are responsible for the maintenance and integrity of any corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

## **4imprint UK Holdings Limited**

### **Directors' Report continued**

#### **Going concern**

In making their assessment of going concern from the date of approval of these financial statements until 2 July 2022, the Directors have carefully considered the Company's prospects:

- The Company's business activities, together with management's current view of circumstances likely to affect its future development, performance and financial position.
- The financial position of the Group and Company, its principal risks and uncertainties (see page 1), its cash flows and net cash position and policies for managing financial risk.
- Recent detailed financial forecasts and analysis for the parent company and all its subsidiaries.

At the date of this report, there exists uncertainty regarding the ongoing impact of COVID-19 and the economic consequences, both within the U.K. and overseas. The duration and geographical extent of any possible future lockdowns or future government policies are unknown. After considering this and the factors above, the Directors have obtained a letter of support from the parent company, 4imprint Group plc, covering the period from the date these financial statements were approved until at least 2 July 2022. The Directors have made enquiries of the directors of the parent company about the parent company's ability to provide support and reviewed the full year results announcement of the Group and parent company for the period ended 2 January 2021, released on 16 March 2021, which showed that the Group had cash and cash equivalents of \$39.8m.

Based on the assessment outlined above, the Directors have reasonable expectations that the Company will have adequate resources to continue to operate from the date these financial statements were approved until at least 2 July 2022. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Matters disclosed elsewhere within the financial statements**

Required disclosures in relation to the Company's key performance indicators, business review and principal risks and uncertainties have been included within the Company's Strategic Report on page 1 of these financial statements.

A note of post balance sheet events is included in Note 12 of the Notes to the Financial Statements.

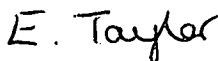
#### **Disclosure of information to the auditor**

So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and all steps have been taken to ensure that each Director is aware of any relevant information and to establish that the Company's auditor is aware of that information.

#### **Independent auditors**

Ernst & Young LLP is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

By order of the Board:



Emma Taylor  
Company Secretary  
15 April 2021

# **Independent auditor's report to the members of 4imprint UK Holdings Limited**

## **Opinion**

We have audited the financial statements of 4imprint UK Holdings Limited for the 53 week period ended 2 January 2021 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders' Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 2 January 2021 and of its profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Other information**

The other information comprises the information included in the annual report set out on pages 1 to 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the members of 4imprint UK Holdings Limited (continued)**

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

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 material misstatements in the strategic report or directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities set out on page 2, 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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK GAAP, Companies Act 2006, the Companies (Miscellaneous Reporting) Regulation 2018) and the relevant tax compliance regulations in the jurisdictions in which the Company operates, notably in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee, environmental and bribery and corruption practices;
- We understood how 4imprint UK Holdings Limited is complying with those frameworks by making enquiries of Board members and management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We also considered management remuneration which may create an incentive for management to manipulate profit. We considered the possibility of fraud through management override and, in response, we incorporated data analytics across manual journal entries into our audit approach. Where unusual results or anomalies were identified through our data analytics, we performed additional audit procedures to address each identified risk. These procedures included testing transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from material fraud or error;

## **Independent auditor's report to the members of 4imprint UK Holdings Limited (continued)**

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)***

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing on details of journals meeting our defined risk criteria based on our understanding of the business, enquiries of the Company Secretary and management, enquiries of the existence of whistleblowing events during the year; and
- We did not identify any instances of non-compliance with laws and regulations that, in our opinion, could have an impact on the financial statements that would be more than inconsequential.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Voogd (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham  
15 April 2021

**4imprint UK Holdings Limited**  
**Income Statement**  
**For the 53 weeks ended 2 January 2021**

	Note	2020 53 weeks £'000	2019 52 weeks £'000
Impairment loss on investments	5	(876)	-
Income from fixed asset investments		6,012	12,739
Interest receivable from Group undertakings		10,116	10,116
Interest payable to Group undertakings		<u>(10,152)</u>	<u>(10,152)</u>
<b>Profit before tax</b>	1	<b>5,100</b>	<b>12,703</b>
Taxation	3	<u>-</u>	<u>-</u>
<b>Profit for the period</b>		<b><u>5,100</u></b>	<b><u>12,703</u></b>

The Company has no other comprehensive income/expense, therefore no separate statement of comprehensive income has been presented.

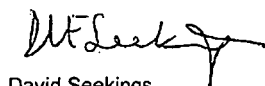
The results all relate to continuing activities.



**4imprint UK Holdings Limited**  
**Balance Sheet**  
**At 2 January 2021**

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Investments	5	<u>146,317</u>	<u>147,193</u>
<b>Current assets</b>			
Trade and other receivables	6	<u>-</u>	<u>2</u>
<b>Current liabilities</b>			
Amounts due to Group undertakings		<u>-</u>	<u>(29)</u>
<b>Net current liabilities</b>		<u>-</u>	<u>(27)</u>
<b>Non-current liabilities</b>			
Loans from Group undertakings	7	<u>(125,915)</u>	<u>(125,915)</u>
<b>Net assets</b>		<u>20,402</u>	<u>21,251</u>
<b>Capital and reserves</b>			
Share capital	8	500	500
Profit and loss account		<u>19,902</u>	<u>20,751</u>
<b>Total shareholders' equity</b>		<u>20,402</u>	<u>21,251</u>

The financial statements on pages 7 to 15 were approved by the Board of Directors and were signed on its behalf by:



David Seekings  
Director  
15 April 2021

**4imprint UK Holdings Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the 53 weeks ended 2 January 2021**

	Share capital £'000	Profit and loss £'000	Total equity £'000
Balance at 30 December 2018	500	20,751	21,251
Profit for the period	-	12,703	12,703
<i>Total comprehensive income for the period</i>	-	12,703	12,703
<b>Transactions with Shareholders</b>			
Dividend paid (note 4)	-	(12,703)	(12,703)
Balance at 28 December 2019	500	20,751	21,251
Profit for the period	-	5,100	5,100
<i>Total comprehensive income for the period</i>	-	5,100	5,100
<b>Transactions with Shareholders</b>			
Dividend paid (note 4)	-	(5,949)	(5,949)
<b>Balance at 2 January 2021</b>	<b>500</b>	<b>19,902</b>	<b>20,402</b>

# **4imprint UK Holdings Limited**

## **Notes to the Financial Statements**

### **For the 53 weeks ended 2 January 2021**

#### **General information**

4imprint UK Holdings Limited (registered number 5779870) is a private limited company registered in England and Wales and domiciled in the UK. Its registered address is 25 Southampton Buildings, London, WC2A 1AL. The financial statements are prepared in the Company's functional currency, Sterling, and presented in pounds thousands.

#### **Basis of accounting**

These financial statements are prepared in accordance with FRS 101, under the historical cost convention and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

As permitted by FRS 101, the Company has taken advantage of disclosure exemptions available in that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, and related party transactions.

#### **Use of assumptions and estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### **Going concern**

In making their assessment of going concern from the date of approval of these financial statements until 2 July 2022, the Directors have carefully considered the Company's prospects:

- The Company's business activities, together with management's current view of circumstances likely to affect its future development, performance and financial position.
- The financial position of the Group and Company, its principal risks and uncertainties (see page 1), its cash flows and net cash position and policies for managing financial risk.
- Recent detailed financial forecasts and analysis for the parent company and all its subsidiaries.

At the date of this report, there exists uncertainty regarding the ongoing impact of COVID-19 and the economic consequences, both within the U.K. and overseas. The duration and geographical extent of any possible future lockdown or future government policies are unknown. After considering this and the factors above, the Directors have obtained a letter of support from the parent company, 4imprint Group plc, covering the period from the date these financial statements were approved until at least 2 July 2022. The Directors have made enquiries of the directors of the parent company about the parent company's ability to provide support and reviewed the full year results announcement of the Group and parent company for the period ended 2 January 2021, released on 16 March 2021, which showed that the Group had cash and cash equivalents of \$39.8m.

Based on the assessment outlined above, the Directors have reasonable expectations that the Company will have adequate resources to continue to operate from the date these financial statements were approved until at least 2 July 2022. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Accounting policies**

The principal accounting policies are set out below. New accounting standards effective for the first time during this financial period have not had any impact upon the policies, disclosures or financial information in these financial statements.

#### **Investments**

Investments held as non-current assets are stated at cost. Where, in the opinion of the Directors, an impairment of the investment has arisen, provisions are made in accordance with IAS 36 'Impairments of Assets'.

#### **Foreign currency**

Transactions in currencies other than the functional currency of the Company are recorded at the exchange rate prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Translation differences on monetary items are taken to the income statement.

**4imprint UK Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 2 January 2021**

**Accounting policies (continued)**

**Financial assets**

The Company's financial assets, comprising investments in preference shares and trade and other receivables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of financial assets is established based on the expected credit loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets are discounted when the time value of money is considered material.

**Financial liabilities**

The Company's financial liabilities comprise only loans, and trade and other creditors, and are treated as financial liabilities at amortised cost.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Trade and other payables are discounted when the time value of money is considered material.

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Transactions and calculations for which the ultimate tax determination is uncertain may arise during the ordinary course of business. Should an uncertain tax position arise, where a risk of an additional tax liability has been identified and it is considered probable that the Company will be required to settle that tax, a tax provision is recognised. This is assessed on a case-by case basis.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**4imprint UK Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 2 January 2021**

**1 Profit before tax**

The fees for the audit of the Company for 2020 and 2019 were borne by the parent company and are not recharged.

**2 Directors and employees**

The emoluments, employer's defined contribution scheme pension contributions and share option costs of David Seekings, who is also a director of the ultimate parent company, were borne by another Group company in 2020 and 2019 without recharge. These are disclosed in full in the Annual Report and Accounts of 4imprint Group plc. Emma Taylor received no emoluments in respect of her services to the Company in 2020 (2019: nil). The Directors consider their services related to the Company are inconsequential compared to the total amount of time they spend on other activities in the Group and, as such, no apportionment of their remuneration to the Company has been made. The Company has no employees (2019: nil).

**3 Taxation**

	2020 £'000	2019 £'000
UK Corporation tax at 19.00% (2019: 19.00%)	-	-
Deferred taxation – current year	-	-
	-	-

The tax assessed for the period is different to the standard rate of corporation tax in the UK as explained below:

	2020 £'000	2019 £'000
Profit before tax	5,100	12,703
Profit before tax multiplied by the standard rate in the UK (19.00%), (2019: 19.00%)	969	2,414
Effects of:		
Non-taxable income	(2,898)	(4,342)
Group relief surrendered for no charge	1,929	1,928
Total tax for the period	-	-

Deferred tax assets relating to losses carried forward of £0.97m (2019: £0.97m) have not been recognised. These losses may be available for offset against future profits in this company.

**4 Dividends**

		2020 £'000	2019 £'000
Interim dividends paid in the year were:	Amount per share:		
First	£11.8925 (2019: £17.94967)	5,946	8,975
Second	£0.00678 (2019: £7.4565)	3	3,728
		5,949	12,703

**5 Investments**

	£'000
Shares in subsidiary undertakings	147,193
At 28 December 2019	(876)
Impairment	146,317
At 2 January 2021	146,317

**4imprint UK Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 2 January 2021**

**5 Investments (continued)**

**Subsidiary Companies**

The subsidiaries as at 2 January 2021, which were wholly owned, were:

<b>Name of Company</b>	<b>Country of Incorporation and Operation</b>	<b>Business</b>	<b>Class of capital (all 100% owned)</b>
4imprint Direct Limited	England	Promotional Products	Ordinary
4imprint, Inc. *	USA	Promotional Products	Ordinary
4imprint USA Limited	England	Holding Company	Ordinary and preference
4imprint US Group Inc.*	USA	Holding Company	Ordinary and preference
4imprint North America Limited*	England	Holding Company	Ordinary
Cavendish Place Newco No.1 Limited	England	Dormant	Ordinary

\* Held indirectly

The preference shares held in 4imprint USA Limited attract a cumulative preference dividend at a rate of 8.034% p.a. and are redeemable on 7 September 2022. The book value of these preference shares of £125,915,000 is supported by the net assets of 4imprint USA Limited. Accordingly, there is no expected credit loss to recognise in accordance with IFRS 9.

Cavendish Place Newco No. 1 Limited is exempt from audit. There are no requirements in the USA for either of the US subsidiaries to be audited.

The registered address of all subsidiaries registered in England is 25 Southampton Buildings, London WC2A 1AL. The registered address of 4imprint, Inc. is 101 Commerce Street, Oshkosh, WI 54901, USA and for 4imprint US Group Inc. is 103 Foulk Road, Suite 202, Wilmington DE 19803, USA.

**Impairment review**

**Investments in Ordinary Shares**

IAS 36 'Impairment of Assets' requires an assessment at each reporting date of whether there is any indication that an asset may be impaired. COVID-19 is considered a potential indicator of impairment for the current year because of the material adverse effect it has had on the trading companies of the Group, 4imprint Direct Limited and 4imprint, Inc. Accordingly, an impairment review has been undertaken for the investments in the ordinary share capital of the Company's subsidiary undertakings.

Management has estimated the recoverable amount of these investments from value in use (VIU) calculations at the level of the cash-generating units (CGU's) to which the investments belong. Two CGU's have been identified, a UK CGU (to which 4imprint Direct Limited belongs), and a US CGU (to which 4imprint USA Limited belongs). These CGU's are the primary source of cash flows to the Company in the form of finance income and dividends. There is no investment carrying value in respect of the ordinary shares held in Cavendish Place Newco No.1 Limited.

The key assumptions for the VIU calculations are operating cash flow forecasts, long-term growth and pre-tax discount rates. Operating cash flow forecasts are derived from the most recent financial budget and forecast approved by the Group's Board of Directors covering a three-year period and are consistent with the forecasts used in the going concern and viability assessments of the Group and Company. These forecasts include assumptions around revenue and operating margins and reflect external economic factors, including the impact of COVID-19. A long-term growth rate of 3.7% has been used for the US CGU and 2.9% for the UK CGU, based upon external research data for the respective promotional products markets. Pre-tax discount rates of 12.1% for the US CGU and 10.0% for the UK CGU have been determined, based upon the calculation of a weighted average cost of capital using the capital asset pricing model.

**4imprint UK Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 2 January 2021**

**5 Investments (continued)**

For the investment in 4imprint Direct Limited, the recoverable amount calculated for the UK CGU of £844,000 is less than the carrying value of £1,720,000. Accordingly, an impairment loss of £876,000 has been recognised in profit and loss.

Sensitivities of +/- 1% to the key inputs into the VIU calculation for the UK CGU, considered to be the pre-tax discount and growth rates, were also calculated to understand the impact to the recoverable amount of reasonable changes to these assumptions. The impact on the VIU of these changes is as follows:

Input	Assumption	Sensitivity		Impact on VIU (£'000)	
Pre-tax discount rate	10.00%	+1.00%	-1.00%	(293)	394
Growth rate	2.90%	+1.00%	-1.00%	362	(273)

The recoverable amount calculated for the investment in 4imprint USA Limited exceeded the carrying value of £19,558,000, and therefore no impairment loss is required. Significant levels of headroom existed, even under the plausible but severe downside cash flow scenario determined for the Group viability assessment (see Viability statement in the 2020 4imprint Group plc Annual Report and Accounts).

**Consolidated Financial Statements**

The Company is exempt under Section 400 of the Companies Act 2006 from preparing consolidated financial statements on the grounds that the results of the Company and its subsidiaries are incorporated in the consolidated financial statements of the ultimate parent company, 4imprint Group plc.

**6 Trade and other receivables**

	2020 £'000	2019 £'000
Amounts due from Group undertakings	-	2

**7 Loans from Group undertakings**

The amounts due to group undertakings of £125.92m (2019: £125.92m) are interest bearing at market rates of interest between 8.0% and 8.2% and are repayable on 7 September 2022.

**8 Share capital**

	2020 £'000	2019 £'000
Allotted, issued and fully paid:		
500,000 (2019: 500,000) Ordinary shares of £1 each	500	500

**9 Commitments and contingent liabilities**

The Company had no commitments or contingent liabilities at the period end (2019: £nil).

**10 Related party transactions**

The Company has taken advantage of the exemption included in FRS 101 in relation to transactions with entities that are part of the 4imprint Group plc group of companies. The Company has no other related party transactions.

**11 Parent company and the ultimate holding company**

The parent company and the ultimate holding company is 4imprint Group plc, a company incorporated in England. Copies of the Group financial statements can be obtained from its registered office at 25 Southampton Buildings, London, WC2A 1AL.

4imprint Group plc is the largest and smallest group undertaking for which consolidated financial statements are prepared, that include the results of the Company.

**4imprint UK Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**For the 53 weeks ended 2 January 2021**

**12 Post balance sheet events**

The COVID-19 pandemic continues to impact the results of the Company's subsidiaries.

Given the uncertainty surrounding the extent and timing of the economic recovery, it is difficult to accurately determine the full impact of the downturn. An impairment loss of £876,000 has been recognised in the year against the carrying value of the Company's investment in 4imprint Direct Limited based upon forecasts for the Group (see note 5 for further information). Trading of 4imprint Direct Limited for 2021 to date is in-line with forecasts but is sensitive to potential further restrictions in the UK.

The impairment review of the Company's ordinary and preference share investments in 4imprint USA Limited determined that significant levels of headroom existed between the recoverable amount calculated and the carrying value, even under the plausible but severe downside cash flow scenario determined for the Group viability assessment. As such, whilst the subsidiary continues to be impacted by the pandemic, there is no indication that impairments will be required.