

Whittan Midco Limited

Annual report and financial statements

Registered number 9389068

For the year ended 31 March 2017



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Strategic Report

The directors present their strategic report for the year ended 31 March 2017.

Principal activities

Whittan Midco Limited was formed to act as an intermediate holding company within the Whittan Group of companies.

Business review

The loss for the year is £392,000 (2016: £581,000).

Going concern

Whilst the Company balance sheet shows net liabilities of £673,000 at 31 March 2017, the directors believe that the going concern basis for the preparation of these accounts remains appropriate since the Company is able to draw upon funds from trading subsidiaries as necessary.

The Company's parent undertaking has given a letter of support to enable the Company to meet its liabilities as they fall due for at least the next twelve months.

Risks and uncertainties

Management have assessed the key risks and uncertainties impacting the Company. These are discussed in note 16 to the financial statements.

By order of the board



G Small
Director

Link House
Halesfield 6
Telford
Shropshire
TF7 4LN

6 March 2018

Directors' Report

Registered number 9389068

The directors present their report for the year ended 31 March 2017.

Directors

The directors who held office during the year and up to the date of signing of these financial statements were:

A Baxter (resigned 7 November 2017)

A Butler (resigned 15 September 2016)

R Ellis (appointed 2 October 2017)

A Frahm

U P Johnson

E Lazarus

G Small (appointed 2 October 2017)

I Smith (resigned 5 October 2017)

J Templeman (appointed 2 October 2017)

The services of A Frahm, U P Johnson, and E Lazarus are provided by Bregal Capital LLP. No part of their remuneration is specifically attributed to services to Whittan Midco Limited.

Dividends

An interim dividend of £Nil per ordinary share (2016: £Nil), totalling £Nil (2016: £Nil) was paid during the year.

Change in accounting reference date

The Company has changed its accounting reference date from 31 March to 30 March. For reporting purposes, in accordance with Companies Act 2016 Section 390, the Company has selected to keep its financial year end as 31 March.

Post balance sheet events

On 7 April 2017, Whittan Bidco Limited declared a dividend payable to the Company of £4,500,000.

On 7 April 2017 the Company declared a final dividend for the year ended 31 March 2017 of £2,500,000.

Political and charitable contributions

The Company made no political or charitable contributions during the year (2016: £Nil).

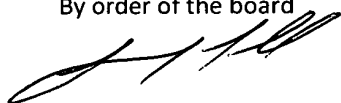
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



G Small

Director

Link House
Halesfield 6
Telford
Shropshire
TF7 4LN
6 March 2018

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Whittan Midco Limited

We have audited the financial statements of Whittan Midco Limited for the year ended 31 March 2017 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified any material misstatements in those reports; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Whittan Midco Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Greg Watts (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

6 March 2018

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2017

	<i>Note</i>	2017 £000	2016 £000
Interest receivable and similar income	3	4,795	4,460
Interest payable and similar expenses	4	(5,417)	(4,565)
Loss before taxation		(622)	(105)
Taxation	5	230	(476)
Loss for the financial year		(392)	(581)

All amounts are wholly derived from continuing operations.

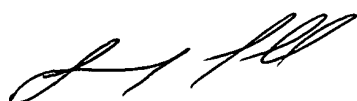
There was no other comprehensive income or expense.

Balance Sheet

at 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	6	255	255
Debtors: including £50,041,000 (2016: £44,534,000) due after more than one year	7	50,468	45,007
Creditors: amounts falling due within one year	8	(3,461)	(2,735)
Net current assets		47,007	42,272
Total assets less current liabilities		47,262	42,527
Creditors: amounts falling due after more than one year	9	(47,935)	(42,808)
Net liabilities		(673)	(281)
Capital and reserves			
Called up share capital	12	99	99
Share premium		205	205
Profit and loss reserve		(977)	(585)
Shareholder's deficit		(673)	(281)

These financial statements were approved by the board of directors on 6 March 2018 and were signed on its behalf by:



G Small
Director

Company registered number: 9389068

Statement of Changes in Equity
for the year ended 31 March 2017

	Called up share capital £000	Share premium £000	Profit and loss reserve £000	Total £000
At 1 April 2015	99	205	(4)	300
Total comprehensive loss for the period	-	-	(581)	(581)
At 31 March 2016	99	205	(585)	(281)
At 1 April 2016	99	205	(585)	(281)
Total comprehensive loss for the year	-	-	(392)	(392)
At 31 March 2017	99	205	(977)	(673)

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Whittan Midco Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Whittan Group Limited, includes the results of the Company in its financial statements. The consolidated financial statements of Whittan Group Limited are prepared in accordance with International Financial Reporting Standards.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Whittan Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Change in accounting reference date

The Company has changed its accounting reference date from 31 March to 30 March. For reporting purposes, in accordance with Companies Act 2016 Section 390, the Company has selected to keep its financial year end as 31 March. These financial statements are prepared with a financial year end as at 31 March 2017 and comparatives as at the 31 March 2016.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Whilst the Company balance sheet shows net liabilities of £673,000 at 31 March 2017, the directors believe that the going concern basis for the preparation of these accounts remains appropriate since the Company is able to draw upon funds from trading subsidiaries as necessary.

The Company's parent undertaking has given a letter of support to enable the Company to meet its liabilities as they fall due for at least the next twelve months.

Consolidated financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Notes (continued)

1 Accounting policies (continued)

Related party transactions

As the Company is a wholly owned subsidiary of Whittan Group Limited, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, debtors, loans and borrowings and creditors.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments

Investments are shown at cost less impairment.

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Auditor's remuneration

Auditor's remuneration of £6,000 (2016: £6,000) in respect of the company is paid for by a fellow subsidiary of Whittan Group Limited.

Notes (continued)

2 Employees and directors

The Company had no employees during the current and prior year, other than directors. The directors did not receive any remuneration specific for their services as directors of the company (2016: £Nil).

Emoluments received in subsidiary companies for their services to subsidiaries are set out below:

	2017 £000	2016 £000
Directors' emoluments (including benefits in kind)	602	715
Company contributions to money purchase pension schemes	54	77
	<hr/>	<hr/>
	656	792
	<hr/>	<hr/>

The emoluments of the highest paid director were £237,752 (2016: £203,634). Company pension contributions were made for this director of £21,943 (2016: £23,777).

Retirement benefits are accruing to three directors (2016: three) under money purchase schemes.

The services of A Frahm, U P Johnson and E Lazarus are provided by Bregal Capital LLP. No part of their remuneration is specifically attributed to services to Whittan Group Limited.

3 Interest receivable and similar income

	2017 £000	2016 £000
Interest income from group undertakings	4,795	4,460
	<hr/>	<hr/>

4 Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable to related party undertakings	5,127	4,431
Interest payable to group undertakings	290	134
	<hr/>	<hr/>
	5,417	4,565
	<hr/>	<hr/>

Notes (continued)

5 Taxation

a) Analysis of taxation in year recognised in the Profit and Loss Account

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current taxation on loss for the year	(589)	(865)
Adjustments in respect of prior years	865	-
	<hr/>	<hr/>
	276	(865)
<i>Total deferred tax</i>		
Origination of timing differences	459	441
Adjustments in respect of prior years	(435)	-
Effect of change in tax rate	(70)	(52)
	<hr/>	<hr/>
	(46)	389
	<hr/>	<hr/>
Total taxation	230	(476)

b) Reconciliation of effective tax rate

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 20% (2016: 20%). The actual taxation for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	2017 £000	2016 £000
Loss before taxation	(622)	(105)
	<hr/>	<hr/>
Taxation calculated at UK standard rate of corporation tax of 20% (2016: 20%)	124	21
<i>Factors affecting taxation for the period:</i>		
Movement in unrecognised deferred tax	269	-
Expenses not deductible	(523)	(445)
Adjustments in respect of prior years	430	-
Effect of change in tax rate	(70)	(52)
	<hr/>	<hr/>
Total taxation	230	(476)

c) Factors that may affect future taxation

The UK corporation tax expense within these financial statements has been provided for at the rate of 20% (2016: 20%). On 14 July 2015 the Government enacted the reduction in the main rate of Corporation Tax to 19% (effective 1 April 2017) and on 15 September 2016 the Government enacted the reduction in the main rate of Corporation Tax to 17% (effective 1 April 2020).

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date and accordingly deferred tax has been recognised within these financial statements at 17%.

Notes (continued)

6 Investments

**Investments in
subsidiary
undertakings
£000**

Cost and net book value

At 31 March 2017 and 31 March 2016

255

The Company holds 100% of the ordinary share capital and 100% of the preference shares of Whittan Bidco Limited, incorporated in England and Wales. Its principal activity is that of a holding company.

The active subsidiaries in which the Group and Company have an effective interest are as follows:

Subsidiary undertaking	Country of Incorporation	Principal activity	Address
Whittan Bidco Limited*	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Intermediate Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Apex Linvar Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Apex Space Solutions Limited	UK	Design, manufacture and sale of storage equipment	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Masondixie Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Lion Steel Equipment Limited	UK	Design, manufacture and sale of storage equipment	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan DDB Co Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Acquisition Co Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Investments Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Storage Systems Limited	UK	Management services	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Overseas Limited	UK	Holding company	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Industrial Limited	UK	Design, manufacture and sale of storage equipment	Link House, Halesfield 6, Telford, Shropshire, TF7 4LN
Whittan Spain	Spain	Holding company	Bidebarrieta 1, A 48215 Iurreta, Vizcaya, Spain
Polypal Storage Systems SA	Spain	Design, manufacture and sale of storage equipment	Bidebarrieta 1, A 48215 Iurreta, Vizcaya, Spain
Polypal Belgium SA	Belgium	Sale of storage equipment	Hendrik van Veldekesingel 150 B, 3500 Hasselt, Belgium
Polypal Germany GmbH	Germany	Sale of storage equipment	Hessenring 89.D, 61348 Bad Homburg, Germany
Whittan Netherlands BV	The Netherlands	Holding company	Bosstrat 107a, 6071PX Swalmen Reubenberg, The Netherlands
Whittan Industrial Netherlands BV	The Netherlands	Holding company	Bosstrat 107a, 6071PX Swalmen Reubenberg, The Netherlands
Polypal Netherlands BV	The Netherlands	Sale of storage equipment	Bosstrat 107a, 6071PX Swalmen Reubenberg, The Netherlands
Whittan France SAS	France	Holding company	ZI des Radars, 12 rue Jean-Jacques Rousseau, 91350 Grigny, France
Polypal France SNC	France	Sale of storage equipment	ZI des Radars, 12 rue Jean-Jacques Rousseau, 91350 Grigny, France

* owned directly by the Company

For all of the above subsidiary undertakings the holding of each class of shares is 100%.

Notes (continued)

7 Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings*	50,041	44,534
Deferred tax asset (note 11)	427	473
	<u>50,468</u>	<u>45,007</u>

*Amounts owed by group undertakings are due after more than one year.

8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	2,784	1,782
Amounts owed to group undertakings in respect of group relief	677	953
	<u>3,461</u>	<u>2,735</u>

Amounts owed to group undertakings are repayable on demand and interest is payable at 12%. The directors have received confirmation from the Company's parent undertaking that it will ensure that the Company can meet its liabilities as they fall due over the next twelve months.

9 Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
Loans from related parties (note 13)	47,927	42,800
Redeemable preference shares (note 12)	8	8
	<u>47,935</u>	<u>42,808</u>

Interest is payable on all amounts owed at an annual rate of 12%. The loans from related parties, held in the form of Channel Island listed debt, are repayable on 25 February 2026.

Notes (continued)

10 Interest bearing loans and borrowings

Maturity analysis of borrowings:

	2017 £000	2016 £000
Borrowings can be analysed as falling due:		
In one year or less, or on demand	2,784	1,782
Between one and two years	-	-
Between two and five years	-	-
More than five years	47,935	42,808
	<u>50,719</u>	<u>44,590</u>

11 Deferred tax asset

	2017 £000	2016 £000
At beginning of period	473	84
Origination of timing differences	459	441
Adjustments in respect of prior years	(435)	-
Effect of change in tax rates	(70)	(52)
	<u>427</u>	<u>473</u>
At end of year	427	473

The elements of the deferred taxation balance are:

	2017 £000	2016 £000
Short term timing differences	427	473
	<u>427</u>	<u>473</u>
Deferred tax asset (note 7)	427	473

12 Called up share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
98,784 Ordinary shares of £1 each	99	99
7,500 Redeemable LIBOR preference shares of £1 each (classified as a liability)	8	8
	<u>107</u>	<u>107</u>

The redeemable LIBOR preference shares have a nominal value of £1 each and may be redeemed at any time by the company with the consent of the shareholders subject to the restrictions imposed by company law. An annual dividend is payable in arrears on the LIBOR preference shares at the rate of LIBOR as a percentage of the nominal value.

Notes (continued)

13 Related party transactions and controlling party

The ultimate controlling party, The Bregal Fund III LP, provided loans to the Company on 25 February 2015. The funding introduced was £37,503,000 and bears interest at 12%.

On 23 June 2015, the Company repaid £2,917,000 (inclusive of accrued interest) of the loans.

On 22 January 2016, the Company received additional loans of £3,364,000.

The cumulative interest accrued on these loans at 31 March 2017 was £9,977,000 (2016:£4,431,000), resulting in an amount owed to related party undertakings of £47,927,000 at 31 March 2016 (2016: £42,800,000).

There are no additional related party transactions involving the Company other than the loans owed to and by group undertakings, disclosed in note 7 and 8 to the financial statements.

14 Post balance sheet events

On 7 April 2017, Whittan Bidco Limited declared a dividend payable to the Company of £4,500,000.

On 7 April 2017 the Company declared a final dividend for the year ended 31 March 2017 of £2,500,000.

15 Ultimate parent company and parent company of larger group

The immediate parent company is Whittan Group Limited, incorporated in England and Wales.

The ultimate parent company is Mandalay Holdings Jersey Limited, which is a company incorporated in Jersey.

The largest group in which Whittan Midco Limited is a member and consolidated financial statements are produced is Whittan Group Limited, incorporated in England and Wales. The consolidated financial statements are available to the public and can be obtained from Link House, Halesfield 6, Telford, Shropshire, TF7 4LN.

16 Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Recognition of deferred tax assets and liabilities

The actual tax on the Company's profits is determined according to complex laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Company considers the estimates, assumptions and judgements to be reasonable but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements. Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Assumptions used in impairment testing for investments

The value of the Company's investments are reviewed on an annual basis based on expected future cash flows generated by them. The risk is that the underlying performance of these investments may not be as expected and the cash flows may not be sufficient to justify the carrying value of the investments.