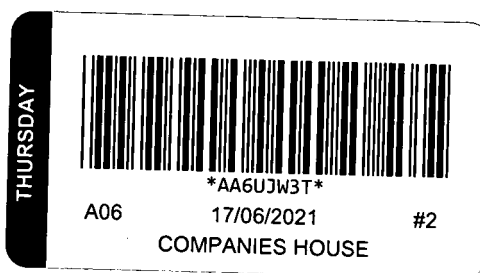


REGISTERED NUMBER: 10808314 (England and Wales)

WGL HOLDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 3 OCTOBER 2020



WGL HOLDCO LIMITED

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for the 53 weeks ended 3 October 2020

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WGL HOLDCO LIMITED

COMPANY INFORMATION
for the 53 weeks ended 3 October 2020

DIRECTORS: Mrs S Allan
Mr P Munk

REGISTERED OFFICE: Imperial House
1251 Hedon Road
Hull
East Yorkshire
HU9 5NA

REGISTERED NUMBER: 10808314 (England and Wales)

AUDITOR: Deloitte LLP
1 City Square
Leeds
LS1 2AL

BANKERS: Lloyds Bank plc

SOLICITORS: DLA Piper UK LLP

WGL HOLDCO LIMITED
STRATEGIC REPORT
for the 53 weeks ended 3 October 2020

The Directors present the Strategic Report for the 53 weeks ended 3 October 2020.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The Company acted as an intermediate holding company throughout the period.

The Company has made a loss of £6,320,000 (2019: loss of £5,726,000) mainly due to interest costs. Net liabilities of the Company are £17,782,000 (2019: £11,463,000) due to the loss for the period.

Due to the Company operating as an intermediate holding company, the Directors consider the KPIs at a Group level. (See WGL Topco Limited for details).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is part of the WGL Topco Limited Group (the "Group"). As part of the going concern assessment the Directors have received a letter of support from WGL Topco Limited.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group. Accordingly, the principal risks and uncertainties of WGL Topco Limited, which include those of the Company, are discussed on page 2 of the Group's 2020 Annual Report which does not form part of this report.

FUTURE DEVELOPMENTS

The Directors foresee the Company will continue to operate as an intermediate holding company for the foreseeable future.

GOING CONCERN

The Company has a letter of support from WGL Topco Limited as it is part of the Group shared banking facility. As such, the Directors have considered the ability of the Group to provide this ongoing support in its entirety.

The Group is in a net liabilities position of £10.6m (2019: £1.2m), it meets its day to day working capital requirements through a facilities loan due for renewal on 30 June 2023 and a working capital facility which is due for renewal on 30 June 2022.

The current economic uncertainty driven by the COVID pandemic has created particular challenges in the period over (a) the level of demand for the Group's products; (b) the ability of the Group to maintain continuity of supply of raw materials; (c) the ability to operate the production facility in a COVID secure environment; and consequently, the Group's ability to meet its operational commitments and banking covenants.

Following the imposition of the initial lockdown by the Government, the Group took advantage of the various initiatives to support businesses whilst production operations were suspended (e.g. Coronavirus job retention scheme and PAYE/VAT payment deferral – see WGL Topco Ltd for details). The factory was reconfigured to operate in a COVID secure manner by observing appropriate social distancing and safe working practices. Manufacturing operations recommenced at the beginning of June 2020.

The Group has produced a range of cash forecasts and projections to assess its trading and operational performance. This is underpinned by a very strong order book, robust manufacturing processes and a strong supply chain and indicates that the Group will be able to operate within the level of its current facility for at least the following 12-month period.

The Directors have modelled a range of reasonably possible worst-case scenarios to assess the ability of the Company and the Group to continue in operational existence in the event these occur. The Directors believe that this provides sufficient evidence to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

WGL HOLDCO LIMITED

STRATEGIC REPORT
for the 53 weeks ended 3 October 2020

DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The Directors fulfil their duty to promote the success of the Group by ensuring that there is a strong governance structure and process running through all aspects of the Group's operations.

The Group Strategy was considered by the Board in conjunction with the Group's executive management team. Full consideration was given to the Group's capital and funding structure and its resilience to existing and emerging risks.

The Group's strategy and business model are underpinned by the work performed by employees and all members of the Board regularly engage with them to ensure their engagement and alignment with the activities of the Group. The Board is kept informed of all relevant issues by means of a number of written reports against agreed KPIs.

In particular, during the year the Board have implemented the following to further promote the success of the Group;

- i) biweekly staff newsletter and YouTube message from the CEO to improve staff engagement
- ii) the continued promotion and support of staff activities to support a range of local and national charities
- iii) implementation of a mental health awareness and assistance programme for all staff
- iv) best practice knowledge sharing across the supply chain and with customers that began during the initial lockdown has become embedded business practice
- v) installation of a biomass boiler to reduce waste and using this to heat the site and offices rather than relying on fossil fuel

The Board of Directors consider that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in S172(1)(a-f) of the Act) in the decisions they have taken during the year ended 3 October 2020. In making this statement the Directors considered the longer-term consideration of stakeholders and the environment and have taken into account the following:

- the likely consequences of any decisions in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



.....
Mrs S Allan - Director

Date: 29 January 2021

WGL HOLDCO LIMITED

REPORT OF THE DIRECTORS
for the 53 weeks ended 3 October 2020

The Directors present their report with the audited financial statements of the Company for the 53 weeks ended 3 October 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was that of intermediate holding company.

FUTURE DEVELOPMENTS

These are discussed in the Strategic Report (see page 2).

DIRECTORS

The Directors shown below held office during the whole of the period from 29 September 2019 to the date of this report.

Mrs S Allan
Mr P Munk

The Directors holding office at 3 October 2020 did not hold any beneficial interest in the issued share capital of the Company at 3 October 2020 or 28 September 2019. No emoluments were paid in relation to qualifying services by the Company.

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

DIVIDENDS

No dividend was paid or proposed during the period from 29 September 2019 to the date of this report (2019: £nil).

FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are operated by the Board. The principal financial risks faced by the Company relate to interest rates. In order to mitigate this risk, interest rate management is considered on an on-going basis. The current interest rate risk is expected to be low in the short term.

GREENHOUSE GAS EMISSIONS AND CARBON REPORTING

The Company is part of the WGL Topco Ltd Group, as such its greenhouse gas emissions are reported on a consolidated basis (see WGL Topco Limited for details).

GOING CONCERN

This is discussed in the Strategic Report (see Page 2).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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 auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITOR

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



.....
Mrs S Allan - Director

Date: 29 January 2021

WGL HOLDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the 53 weeks ended 3 October 2020

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of WGL Holdco Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 03rd October 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 14.

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

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED**

3. Summary of our audit approach

Key audit matters	<p>The key audit matter we identified in the current year was:</p> <ul style="list-style-type: none"> • <i>Recoverability of Debtors from subsidiary undertakings</i> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"> ⚠ Newly identified ⬆ Increased level of risk ↔ Similar level of risk ⬇ Decreased level of risk
Materiality	The materiality that we used in the current year was £518,000 which was determined on the basis of <i>net liabilities of £17,282k at 3%</i> .
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	<p>The key audit matter in the prior year was the valuation of Investments and the intercompany balances</p> <p>Valuation of Investments is no longer a key audit matter given there is a reduced impairment risk as a result of their being sufficient headroom between the carrying value and recoverable amount of the investment.</p> <p>In the year ended 3rd October 2020 a new key audit matter is the recoverability of debtors from subsidiary undertakings. This is due to its role as a holding company and there being a significant level of judgement involved in determining the recoverability of these debtors.</p>


4. Conclusions relating to going concern

<p>We are required by ISAs (UK) to report in respect of the following matters where:</p> <ul style="list-style-type: none"> • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. 	<p>We have nothing to report in respect of these matters.</p>
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED**

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recoverability of debtors from Subsidiary undertakings 

Key audit matter description	Debtors from Subsidiary undertakings are stated in the balance sheet at £48,980k after provisions of £nil. These balances were the same in prior year. The WGL Topco Group is structured such that there is one trading entity, Willerby Ltd. Therefore performance of the group and recoverability of any intercompany debtor is driven by the performance of the trading entity. There is a significant level of judgement involved in determining the recoverability of these debtors from subsidiary undertakings, based on the financial position and future prospects of the Group as a whole. The Group structure takes into consideration a range of factors such as the trading performance and the expected revenue and operating profit growth. Further details are included within the strategic report on pages 2 to 3.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls related to the valuation and recoverability of debtors from group undertakings. We challenged the directors' judgements regarding the appropriateness of the carrying value through obtaining a copy of the latest audited financial information and our understanding of the future trading performance of the subsidiaries and by assessing the ability of the subsidiaries to repay these amounts. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts and also reviewed their 12 month future forecast to assess the future performance of the group as a whole.
Key observations	Based on the work performed we concluded that debtors from subsidiary undertakings are appropriately stated.

6. Our application of materiality

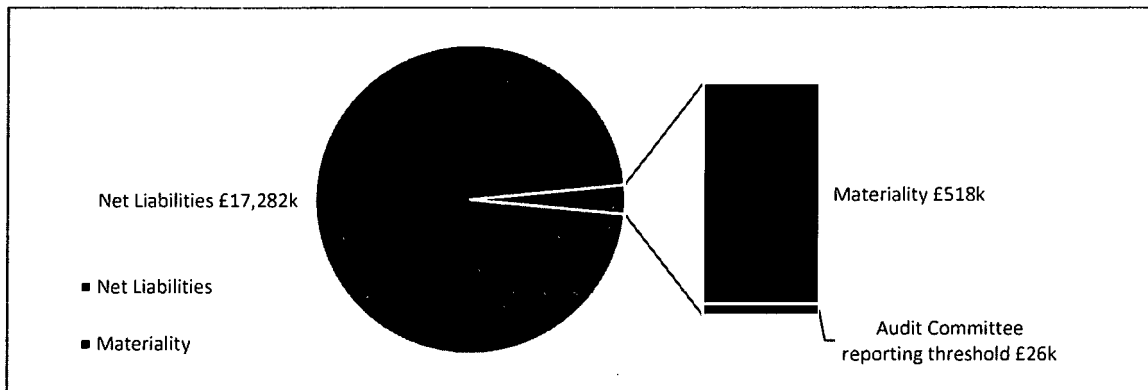
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£518,000 (2019: £343,000)
Basis for determining materiality	3% of net liabilities (2019: 3% of net liabilities)
Rationale for the benchmark applied	We determined materiality based on total liabilities as this is the key metric used by management, investors, analysts and lenders, with shareholder value being driven by total assets value movements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 70%). In determining performance materiality, we considered the following factors:

- a. *the quality of the control environment and whether we were able to rely on controls,*
- b. *significant control deficiencies,*
- c. *the nature, volume and size of misstatements (corrected and/or uncorrected) in the previous audit,*
- d. *high turnover of management or key accounting personnel,*
- e. *factors resulting in higher fraud risk or engagement risk;*
- f. *factors resulting in a disproportionate number of significant and higher risks of material misstatement;*
- g. *prior period adjustments, or*
- h. *prior period errors found in the current year*

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £25,000 (2019: £17,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED**

8. Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

11. Opinions on other matters prescribed by the Companies Act 2006

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WGL MIDCO LIMITED

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

12.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

13. 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.

Kate Darlison

Kate Darlison FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK
29 January 2021

WGL HOLDCO LIMITED
INCOME STATEMENT
for the 53 weeks ended 3 October 2020

		PERIOD	PERIOD
		29.9.19	30.9.18
		TO	TO
		3.10.20	28.9.19
	Notes	£'000	£'000
Administrative expenses		<u>(172)</u>	<u>(178)</u>
OPERATING LOSS	4	(172)	(178)
Interest payable and similar expenses	5	<u>(6,147)</u>	<u>(5,548)</u>
LOSS BEFORE TAXATION		(6,320)	(5,726)
Tax on loss	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(6,320)</u>	<u>(5,726)</u>

All amounts relate to continuing operations

There is no other comprehensive income for the current or prior period other than those stated
Therefore, no separate statement of comprehensive income has been presented.

WGL HOLDCO LIMITED (REGISTERED NUMBER: 10808314)

BALANCE SHEET
3 October 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	8	944	944
CURRENT ASSETS			
Debtors	9	48,980	48,980
CREDITORS			
Amounts falling due within one year	10	<u>(1,706)</u>	<u>(1,650)</u>
NET CURRENT ASSETS		<u>47,273</u>	<u>47,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		48,218	48,274
CREDITORS			
Amounts falling due after more than one year	11	<u>(66,000)</u>	<u>(59,737)</u>
NET LIABILITIES		<u>(17,282)</u>	<u>(11,463)</u>
CAPITAL AND RESERVES			
Called up share capital	12	944	944
Retained earnings		<u>(18,727)</u>	<u>(12,407)</u>
SHAREHOLDERS' DEFICIT		<u>(17,282)</u>	<u>(11,463)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 29 January 2021 and were signed on its behalf by:



.....
Mrs S Allan - Director

The notes form part of these financial statements

WGL HOLDCO LIMITED

STATEMENT OF CHANGES IN EQUITY
for the 52 weeks ended 28 September 2019

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 30 September 2018	944	(6,681)	(5,737)
Changes in equity			
Loss for the period	-	(5,726)	(5,726)
Total comprehensive expense	-	(5,726)	(5,726)
Balance at 29 September 2018	<u>944</u>	<u>(12,407)</u>	<u>(11,463)</u>
Changes in equity			
Loss for the period	-	(6,320)	(6,320)
Total comprehensive expense	-	(6,320)	(6,320)
Balance at 28 September 2019	<u>944</u>	<u>(18,727)</u>	<u>(17,282)</u>

The notes form part of these financial statements

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the 53 weeks ended 3 October 2020

1. **STATUTORY INFORMATION**

WGL Holdco Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period.

a. General information and basis of accounting

The Company is a private company, limited by shares which is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

b. Accounting period

The Company's accounting reference date is 30 September. Financial statements are made up to for the period ending on a Saturday adjacent to 30 September each year. These financial statements are for a 53 week period ended 3 October 2020. The comparative figures are for the period ended 28 September 2019.

c. Consolidation

The Company is exempt from preparing consolidated financial statements for its Group on the basis that it itself is a subsidiary undertaking and its ultimate parent, WGL Topco Limited, prepares consolidated financial statements that are publicly available.

d. Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost, less any provision for impairment.

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

2. **ACCOUNTING POLICIES - continued**

e. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

f. Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

2. **ACCOUNTING POLICIES - continued**

f. Taxation - continued

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Interest receivable and other income

Interest receivable is recognised as income in the period in which it arises.

h. Interest payable and similar costs

Interest payable is incurred on third party loans charged at market rates and accrued as an expense in the period in which it is incurred.

i. Going concern

The Company has a letter of support from the WGL Topco Limited Group as it is part of the Group shared banking facility. As such, the Directors have considered the ability of the Group to provide this ongoing support in its entirety.

The Group's business activities, together with the factors likely to affect its future development, performance and position including the impact of COVID-19 are set out in the Strategic Report of WGL Topco Limited (see page 3).

The Group has produced a range of cash forecasts and projections to assess its trading and operational performance. This is underpinned by a very strong order book, robust manufacturing processes and a strong supply chain and indicates that the Group will be able to operate within the level of its current facility.

The Directors have modelled a range of reasonable worst-case scenarios to assess the ability of the Company and the Group to continue in operational existence in the event these occur. The Directors believe that this provides sufficient evidence to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Directors have therefore concluded that it is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The Directors do not consider there to be any critical judgements in applying the Company's accounting policies.

Key source of estimation uncertainty - valuation of fixed asset investments and recoverability of inter company debtors

The Company's investments have been reviewed for impairment within the period and the recoverability of inter company debtors has been assessed. The Directors continue to believe that the carrying value of these investments and inter company debtors is supported by their underlying net assets or value in use. The key assumptions used in the model to reach this assessment are future performance expectations of the group and discount rate. Management continuously monitor this performance and assess for any impairment indicators, none of which have been noted currently. See note 9 and note 10.

4. OPERATING LOSS

The operating loss is stated after charging:

	PERIOD	PERIOD
	29.9.19	30.9.18
	TO	TO
	3.10.20	28.9.19
	£'000	£'000
Auditor's remuneration for the audit of the Company's financial statements	<u>7</u>	<u>7</u>
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	PERIOD	PERIOD
	29.9.19	30.9.18
	TO	TO
	3.10.20	28.9.19
	£'000	£'000
Interest payable	<u>6,147</u>	<u>5,548</u>

6. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the period ended 3 October 2020 or for the period ended 28 September 2019.

The notes form part of these financial statements

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher (2019: higher) than the standard rate of corporation tax in the UK for the period ended 3 October 2020 of 19% (2019: 19%). The difference is explained below:

	PERIOD 29.9.19 TO 3.10.20 £'000	PERIOD 30.9.18. TO 28.9.19 £'000
Loss before tax	<u>(6,320)</u>	<u>(5,726)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,201)	(1,088)
Effects of:		
Interest disallowed	971	773
Group relief surrendered	1	3
Deferred tax not provided	<u>229</u>	<u>312</u>
Total tax charge	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020 and the change was substantively enacted on 17 March 2020.

Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements. At 3 October 2020 there were deferred tax assets of £533,000 not recognised (2019: £375,000)

7. **EMPLOYEES AND DIRECTORS**

The Directors who held office in the current and prior period were remunerated through another Group Company, WGL Bidco Limited, and no part of these emoluments has been borne by the Company. It is not deemed to be practical to split the salary costs to the Company. The Company employed no staff for the period ended 3 October 2020 or for the preceding period.

8. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000
COST	
At 28 September 2019 and 3 October 2020	<u>944</u>
NET BOOK VALUE	
At 3 October 2020	<u>944</u>
At 28 September 2019	<u>944</u>

The notes form part of these financial statements

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

8. FIXED ASSET INVESTMENTS - continued

United Kingdom	Principal activity	No of ordinary shares	% Ordinary Shares
WGL Midco Limited +	Intermediate holding company	944,378	100
WGL Bidco Limited *	Intermediate holding company	944,378	100
Willerby Group Limited *	Intermediate holding company	3,758,857	100
Burdene Investments Limited *	Intermediate holding company	84,834,618	100
Willerby Limited *	Caravan holiday home manufacturing	5,100,000	100
Willerby Stocking Plan Limited *	Export of caravans for demonstration purposes	993,546	100
Willerby Group Properties Limited * (formerly Bankside Properties Limited)	Property company	6,316,481	100
Willerby Retirement Benefit Scheme Trustee Company Limited *	Pension Funding	1	100

+ held directly by WGL Holdco Ltd

* shareholding held via an intermediary subsidiary

The registered office for all fixed asset investments is Imperial House, 1251 Hedon Road, Hull, East Yorkshire, HU9 5NA, with the exception of Burdene Investments Limited whose registered address is 4th Floor, 115 George Street, Edinburgh, EH2 4JN.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	<u>48,980</u>	<u>48,980</u>

Amounts owed by group undertakings are unsecured interest free loans recoverable on demand.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	1,696	1,637
Accruals	<u>11</u>	<u>13</u>
	<u>1,706</u>	<u>1,650</u>

Amounts due to group undertakings are unsecured interest free loans repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£'000	£'000
Loan notes	47,916	47,755
Loan - Interest on Eurobond	<u>18,084</u>	<u>11,982</u>
	<u>66,000</u>	<u>59,737</u>

The notes form part of these financial statements

WGL HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 53 weeks ended 3 October 2020

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

	2020	2019
	£'000	£'000
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Loan notes	47,916	47,755
Loan - Interest on Eurobond	<u>18,084</u>	<u>11,982</u>
	<u>66,000</u>	<u>59,737</u>

The amounts shown in the balance sheet for the loan notes are shown net of remaining unamortised issued costs amounting to £1,084,000 which are being amortised to the income statement over the remaining term of the loan notes. The loan notes are unsecured and carry a fixed 10% coupon. They were issued in one tranche totalling £49,000,000 on 15 June 2017.

Interest accrues daily on the loan notes but remains unpaid; hence no element of the loan note interest has been presented as due in less than one year.

The loan notes are repayable, in full, on 15 June 2027.

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£'000	£'000
944,378	Ordinary	1.00	<u>944</u>	<u>944</u>

13. **RELATED PARTY DISCLOSURES**

The Company has taken advantage of exemption, under the terms of FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

14. **ULTIMATE CONTROLLING PARTY**

The Company's ultimate parent company and ultimate controlling party is WGL Topco Limited. Its registered address is 28 Esplanade St Helier Jersey, JE4 2QP. The largest and smallest group of which this Company's results are consolidated is WGL Topco Limited.