

REGISTERED NUMBER: 00387583 (England and Wales)

WILLERBY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS 2 OCTOBER 2016 TO 30 SEPTEMBER 2017



Deloitte LLP
Leeds

WILLERBY LIMITED

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for the 52 weeks 2 October 2016 to 30 September 2017

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WILLERBY LIMITED
COMPANY INFORMATION
for the Period 2 October 2016 to 30 September 2017

| | |
|---------------------------|--|
| DIRECTORS: | Mrs S Allan Mr A Bateman Mr C K Beal Mr K M Bolton Mr P Munk Mr I P Shufflebotham Mr K Holland Mr B M Hague |
| SECRETARY: | Mrs S Allan |
| REGISTERED OFFICE: | Imperial House 1251 Hedon Road Hull East Yorkshire HU9 5NA |
| REGISTERED NUMBER: | 00387583 (England and Wales) |
| AUDITOR: | Deloitte LLP Leeds |
| BANKERS: | Lloyds Bank plc |
| SOLICITORS: | DLA Piper UK LLP |

WILLERBY LIMITED

STRATEGIC REPORT

for the 52 weeks 2 October 2016 to 30 September 2017

The Directors present their strategic report for Willerby Limited for the 52 weeks ended 30th September 2017.

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The period saw good progress following the introduction of new products and sales grew by 12.7% in a competitive environment.

All comparisons for 2016 are over a 52 week period. Turnover for the period was £165.9m (2016: £147.1m) and operating profit was £13.6m (2016: £7.2m). Profit before tax was £12.2m (2016: £5.9m). Profit has increased due to production efficiencies, an expansion of the lodges and other modular leisure buildings market and an upturn in the core market of holiday homes.

During the period the company incurred exceptional costs of £0.9m (2016: £0.3m) due to consultancy fees for strategic projects and professional fees relating to 2017 sale transaction and refinancing.

A dividend of £13.7p (2016: 9.8p) per share has been paid during the period.

The cash balance at the year-end was £8.7m (2016: £71.9m) as the group cash pooling structure was deconstructed following the June 2017 sale transaction.

The Directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The company regards R&D investment as key to continuing success in the medium to long term future. As a result, the company spent £2.0m (2016: £2.2m) in the period in research to target the introduction of new products.

BUSINESS STRATEGY

The company is part of WGL Topco Limited ("Group").

Over the last few years the Board have developed a strategy based on the introduction of new products that satisfy customer needs in the core market of holiday homes which includes both caravans and lodges.

The strategy aims to continue to grow market share in these areas by providing a complete sales and service solution for its customers. As a result, the company continues to invest in R&D and the introduction of high quality new products to satisfy customer demand.

The company has in place a suite of funding solutions to enable customers to actively demonstrate products on their show grounds and on holiday parks.

The company will continue to invest in its production facilities when appropriate to ensure that it is able to satisfy demand for a variety of complex and high quality products including the ability to manufacture products for new customers.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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 in WGL's 30 September 2017 Annual Report which does not form part of this report.

WILLERBY LIMITED

STRATEGIC REPORT

for the 52 weeks 2 October 2016 to 30 September 2017

GOING CONCERN

The company has a letter of support from the Group. As such, the Directors have considered the ability of the Group to provide this ongoing support in its entirety.

The Group 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 conditions may create uncertainty particularly over (a) the level of demand for the Group's products; (b) the exchange rate between sterling and Euro and thus the consequence for the cost of the Group's raw materials; and (c) the availability of bank finance in the long term future.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

The Directors have a reasonable expectation that the Company and the Group 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.

ON BEHALF OF THE BOARD:



.....
Mrs S Allan - Director

Date: 26/4/18.....

WILLERBY LIMITED

REPORT OF THE DIRECTORS **for the 52 weeks 2 October 2016 to 30 September 2017**

The Directors present their annual report with the financial statements of the company for the period 2 October 2016 to 30 September 2017.

The business review, KPIs, business strategy, principal risks and uncertainties and going concern are discussed in the strategic report on pages 2 and 3.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the manufacture and sale of holiday homes and leisure buildings in the UK, Ireland and the European Community.

DIVIDENDS

A dividend of £13.7p (2016: 9.8p) per share has been paid during the period.

FUTURE DEVELOPMENTS

The company continues to aim to increase its market share in its core markets.

DIRECTORS

The directors during the period and subsequently under review were:

| | |
|----------------------|-----------------------|
| Mrs S Allan | |
| Mr A Bateman | |
| Mr C K Beal | |
| Mrs A D Bettac | - resigned 21/6/2017 |
| Mr K M Bolton | |
| Mr J E P Cooper | - resigned 14/6/2017 |
| Mr P Munk | - appointed 1/12/2016 |
| Mr B M Murphy | - resigned 14/6/2017 |
| Mr S P Nicholson | - resigned 1/3/2017 |
| Mr I P Shufflebotham | |
| Mr K Holland | |
| Mr B M Hague | |

The directors holding office at 30 September 2017 did not hold any beneficial interest in the issued share capital of the company at 2 October 2016 (or date of appointment if later) or 30 September 2017.

DIRECTORS' INDEMNITIES

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.

CHARITABLE DONATIONS

Donations to charitable organisations amounted to £806 (2016: £1,000).

EMPLOYEES

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the group. In addition, the Board takes account of employees' interests when making decisions, and the employees are informed of the group's performance on a regular basis. Suggestions from employees aimed at improving the group's performance are encouraged.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Subsequent Events

The Directors state there are no significant events to report.

WILLERBY LIMITED

REPORT OF THE DIRECTORS

for the 52 weeks 2 October 2016 to 30 September 2017

FINANCIAL RISK MANAGEMENT

Competitor risk

The company continues to operate in competitive markets. To reduce this risk the company undertakes market research to ensure that it develops appropriate products that satisfy the needs of customers. The company continues to invest in product development to ensure that it has products at various stages of the product life cycle.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debt. The risk is mitigated by appropriate credit control procedures.

Financial instruments

The company's financial risk management objectives and policies are operated by the Board. The principal financial risks faced by the Group relate to interest rates. In order to mitigate this risk, the Group operates interest rate management on an on-going basis.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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.

ON BEHALF OF THE BOARD:



.....
Mrs S Allan - Director

Date: 26/4/18.....

WILLERBY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
for the 52 weeks 2 October 2016 to 30 September 2017

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WILLERBY LIMITED

Opinion

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 a Report of the Auditor 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit 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 of Willerby Limited (the 'company') which comprise:

- the income statement;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
WILLERBY LIMITED

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page six, 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 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.

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors-responsibilities. 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.

Kate Darlison

Kate Darlison (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Leeds

Date: 13 May 2018

WILLERBY LIMITED**INCOME STATEMENT****for the 52 weeks 2 October 2016 to 30 September 2017**

| | Notes | PERIOD 2.10.16 TO 30.9.17 £'000 | PERIOD 4.10.15 TO 1.10.16 £'000 |
|--|-------|---|---|
| TURNOVER | 4 | 165,854 | 147,133 |
| Cost of sales | | <u>(131,861)</u> | <u>(127,906)</u> |
| GROSS PROFIT | | 33,993 | 19,227 |
| Administrative expenses (2017: including exceptional costs of £899,000, 2016: £179,000) | 7 | <u>(20,370)</u> | <u>(12,065)</u> |
| OPERATING PROFIT | 6 | 13,623 | 7,162 |
| Interest receivable and similar income | | <u>-</u> | <u>11</u> |
| | | 13,623 | 7,173 |
| Interest payable and similar expenses (2017: including exceptional costs £nil, 2016: £115,000) | 7/8 | <u>(1,406)</u> | <u>(1,257)</u> |
| PROFIT BEFORE TAXATION | | 12,217 | 5,916 |
| Tax on profit | 9 | <u>(2,089)</u> | <u>(1,168)</u> |
| PROFIT FOR THE FINANCIAL PERIOD | | <u>10,128</u> | <u>4,748</u> |

All results arise from continuing operations.

The notes form part of these financial statements

WILLERBY LIMITED

OTHER COMPREHENSIVE INCOME
for the 52 weeks 2 October 2016 to 30 September 2017

| | Notes | PERIOD 2.10.16 TO 30.9.17 £'000 | PERIOD 4.10.15 TO 1.10.16 £'000 |
|---|-------|---|---|
| PROFIT FOR THE PERIOD | | 10,128 | 4,748 |
| OTHER COMPREHENSIVE INCOME | | | |
| Remeasurement of net defined benefit liability | | 258 | (291) |
| Income tax relating to other comprehensive income | | <u>(44)</u> | <u>37</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | <u>10,342</u> | <u>4,494</u> |

The notes form part of these financial statements

WILLERBY LIMITED (REGISTERED NUMBER: 00387583)

BALANCE SHEET
30 September 2017

| | Notes | 2017 £'000 | 2016 £'000 |
|--|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Fixed asset investment | 11 | - | - |
| Tangible assets | 12 | 4,471 | 3,965 |
| PENSION ASSET/(LIABILITY) | 19 | 396 | (691) |
| CURRENT ASSETS | | | |
| Stocks | 13 | 11,625 | 13,056 |
| Debtors due within one year | 14 | 23,383 | 15,687 |
| Cash at bank | | 8,668 | 71,969 |
| | | 43,676 | 100,712 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | (32,591) | (28,494) |
| NET CURRENT ASSETS | | <u>11,085</u> | <u>72,218</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 15,952 | 75,492 |
| PROVISIONS FOR LIABILITIES | 16 | (140) | (73) |
| NET ASSETS | | <u>15,812</u> | <u>75,419</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 5,100 | 5,100 |
| Retained earnings | 18 | 10,712 | 70,319 |
| SHAREHOLDERS' FUNDS | | <u>15,812</u> | <u>75,419</u> |

The financial statements were approved by the Board of Directors on 26/4/18 and were signed on its behalf by:


.....
Mrs S Allan - Director

WILLERBY LIMITED

STATEMENT OF CHANGES IN EQUITY
for the 52 weeks 2 October 2016 to 30 September 2017

| | Called up share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|--|--|-----------------------------------|
| Balance at 4 October 2015 | 5,100 | 66,325 | 71,425 |
| Changes in equity | | | |
| Dividends (see note 10) | - | (500) | (500) |
| Total comprehensive income | - | 4,748 | 4,748 |
| Remeasurement of net defined benefits liability | - | (291) | (291) |
| Tax relating to components of other comprehensive income | - | 37 | 37 |
| | <u>5,100</u> | <u>70,319</u> | <u>75,419</u> |
| Balance at 1 October 2016 | | | |
| Changes in equity | | | |
| Dividends (see note 10) | - | (69,949) | (69,949) |
| Total comprehensive income | - | 10,128 | 10,128 |
| Remeasurement of net defined benefits liability | - | 258 | 258 |
| Tax relating to components of other comprehensive income | - | (44) | (44) |
| | <u>5,100</u> | <u>10,712</u> | <u>15,812</u> |
| Balance at 30 September 2017 | | | |

The notes form part of these financial statements

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the 52 weeks 2 October 2016 to 30 September 2017**

1. STATUTORY INFORMATION

Willerby 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 year and to the preceding year.

a. General information and basis of accounting

Willerby Limited is a company incorporated in the United Kingdom under the Companies Act. 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 pages 2 to 3.

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.

Willerby Limited 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 financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

b. Accounting period

The company's accounting reference date is 30 September. Financial statements are made up to a 52 or 53 week period on a Saturday adjacent to 30 September each year. These financial statements are for a 52 week period ended 30 September 2017. The comparative figures are for a 52 week period ended 1 October 2016.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Per the terms and conditions of sale, the risks and rewards transfer at the later date of required by date or production date.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the 52 weeks 2 October 2016 to 30 September 2017**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|---------------------|-------------------|
| Plant and equipment | 10%-33% per annum |
| Motor vehicles | 25%-33% per annum |

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

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 Group'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.

Deferred tax

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group 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.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

2. ACCOUNTING POLICIES - continued

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

Employee benefits

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the 52 weeks 2 October 2016 to 30 September 2017**

2. ACCOUNTING POLICIES - continued

Going concern

The company has a letter of support from the Group. As such, the Directors have considered the ability of the Group to provide this ongoing support in its entirety.

The medium/long term nature of the loans within the group has ensured that the group funding structure is appropriate for the long term.

The Group 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 conditions may create uncertainty particularly over (a) the level of demand for the Group's products; (b) the exchange rate between sterling and Euro and thus the consequence for the cost of the Group's raw materials; and (c) the availability of bank finance in the long term future.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

The directors have a reasonable expectation that the company and the Group 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.

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 Company after deducting all of its liabilities.

(i) Financial assets and 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.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the 52 weeks 2 October 2016 to 30 September 2017**

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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 following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

A cut off adjustment is made by management at the period end in relation to customers who have not signed up to the standard terms and conditions and therefore sales are recognised on despatch.

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification, the directors are satisfied that the adjustment is reflective of the substance of the transaction and are correct to be recognised on despatch rather than at the later of required by date or production date as noted in the usual revenue recognition policy above.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
– continued

Key source of estimation uncertainty
- Cost of stock held as finished goods

In line with FRS102 Section 13 Inventories the cost of stock held as finished goods is based on a standard cost card model for raw materials and a systemic allocation of fixed production overheads. The Directors have reviewed the valuation of finished goods at the year end and note no impairment noted.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

| | PERIOD | PERIOD |
|----------------|-----------------------|-----------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| United Kingdom | 162,592 | 142,841 |
| Export | <u>3,262</u> | <u>4,292</u> |
| | <u>165,854</u> | <u>147,133</u> |

5. EMPLOYEES AND DIRECTORS

| | PERIOD | PERIOD |
|-----------------------|----------------------|----------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Wages and salaries | 28,924 | 25,495 |
| Social security costs | 2,714 | 2,437 |
| Other pension costs | <u>664</u> | <u>605</u> |
| | <u>32,302</u> | <u>28,537</u> |

The average monthly number of employees including directors during the period was as follows:

| | PERIOD | PERIOD |
|------------------------------------|---------------------|-------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| Manufacture | 833 | 763 |
| Sales, distribution and management | <u>174</u> | <u>162</u> |
| | <u>1,007</u> | <u>925</u> |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

5. EMPLOYEES AND DIRECTORS - continued

| | PERIOD | PERIOD |
|----------------------------------|---------------------|-------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Directors' remuneration | | |
| Aggregate emoluments | 1,278 | 279 |
| Aggregate pension contribution | <u>44</u> | <u>5</u> |
| | <u>1,322</u> | <u>284</u> |
| Highest paid director | | |
| Aggregate emoluments | 176 | 59 |
| Aggregate pension contribution | <u>6</u> | <u>2</u> |
| | <u>182</u> | <u>61</u> |

None of the directors are active members of a defined pension benefit scheme. All 8 directors paid during the year are members of a defined pension contribution scheme (2016: 10).

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | PERIOD | PERIOD |
|---|-----------------------|----------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Other operating leases | 2,301 | 2,306 |
| Depreciation - owned assets | 912 | 730 |
| Profit on disposal of fixed assets | (17) | (57) |
| Research and development | 1,984 | 2,224 |
| Auditors' remuneration | 27 | 28 |
| Auditors' remuneration for non audit work | 6 | 23 |
| Cost of stock recognised as an expense | <u>105,010</u> | <u>92,283</u> |

7. EXCEPTIONAL ITEMS

| | PERIOD | PERIOD |
|-------------------|-------------------|-------------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Exceptional items | <u>899</u> | <u>294</u> |

For the period ended 30 September 2017, costs which the directors deem exceptional items are in relation to one off strategic consultancy fees totalling £646,000 and one off costs in relation to the change of ownership totalling £253,000.

For the period ended 1 October 2016, the exceptional items were primarily due to a management restructure totalling £179,000 and the refinancing in the period totalling £115,000.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

8. INTEREST PAYABLE AND SIMILAR EXPENSES

| | PERIOD | PERIOD |
|--|----------------|----------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Bank interest | 10 | 1,124 |
| Other interest paid | 1,396 | - |
| Exceptional refinancing costs (see note 7) | - | 115 |
| Net finance charge on pension scheme | - | 18 |
| | <u>1,406</u> | <u>1,257</u> |

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

| | PERIOD | PERIOD |
|--|----------------|----------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Current tax: | | |
| UK corporation tax | 2,010 | 1,139 |
| Adjustment in respect of prior periods | <u>(61)</u> | <u>4</u> |
| Total current tax | 1,949 | 1,143 |
| Deferred tax | <u>140</u> | <u>25</u> |
| Tax on profit | <u>2,089</u> | <u>1,168</u> |

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is the same as the standard rate of corporation tax in the UK.

| | PERIOD | PERIOD |
|---|-------------------|----------------|
| | 2.10.16 | 4.10.15 |
| | TO | TO |
| | 30.9.17 | 1.10.16 |
| | £'000 | £'000 |
| Profit before tax | <u>12,217</u> | <u>5,916</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19.5% (2016 – 20.0%) | 2,382 | 1,183 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 33 | 22 |
| Income not taxable for tax purposes | | (11) |
| Adjustments to tax charge in respect of previous periods | (61) | 5 |
| Movement in respect of pensions | 40 | - |
| Group relief claim free of charge | (305) | (18) |
| Tax rate changes | <u> </u> | <u>(13)</u> |
| Total tax charge | <u>2,089</u> | <u>1,168</u> |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

9. TAXATION - continued

The standard rate of tax applied to reported profit on ordinary activities is 19.5%. The applicable tax rate has changed following the substantive enactment of the Finance Act 2015.

The Finance (No 2) Act provides for further reductions in the corporation tax rate to 19%, effective from 1 April 2017, and to 18% effective from 1 April 2020. It was substantively enacted on 26 October 2015 and has therefore been reflected in the calculation of the tax balances in these financial statements.

The UK Government announced in March 2016 that it intends to enact an additional reduction of the main rate of corporation tax, reducing to 17% with effect from 1 April 2020. As this legislation was not substantively enacted by 30 April 2017, the impact of the anticipated rate change is not reflected in the tax provisions reported in these financial statements.

10. DIVIDENDS

| | PERIOD 2.10.16 TO 30.9.17 £'000 | PERIOD 4.10.15 TO 1.10.16 £'000 |
|------------------------------|---|---|
| Ordinary shares of 1.00 each | | |
| Final (9.8p per share) | - | 500 |
| Interim (£13.7 per share) | <u>69,949</u> | <u>-</u> |
| | <u>69,949</u> | <u>500</u> |

11. FIXED ASSET INVESTMENTS

| | Fixed asset investments £ |
|-----------------------|------------------------------------|
| COST | |
| At 2 October 2016 | - |
| Addition | <u>1</u> |
| At 30 September 2017 | <u>1</u> |
| NET BOOK VALUE | |
| At 30 September 2017 | <u>1</u> |
| At 1 October 2016 | - |

Addition during the year includes share capital of £1 invested in Willerby Retirement Benefit Scheme Trustee Company Limited.

The company is registered in the United Kingdom. The subsidiary company, which is incorporated in the United Kingdom, and the percentage shareholding at the balance sheet are as follows:

| United Kingdom | Principal activity | No of ordinary shares | % Ordinary Shares |
|---|--------------------|--------------------------|----------------------|
| Willerby Retirement Benefit Scheme Trustee Company Limited | Pension funding | 1 | 100 |

The registered office for Willerby Retirement Benefit Scheme Trustee Company Limited is Imperial House, 1251 Hedon Road, Hull, East Yorkshire, HU9 5NA.

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

12. TANGIBLE FIXED ASSETS

| | Plant and machinery £'000 | Motor vehicles £'000 | Totals £'000 |
|------------------------|--|-------------------------------------|-------------------------|
| COST | | | |
| At 2 October 2016 | 15,589 | 236 | 15,825 |
| Additions | 1,426 | - | 1,426 |
| Disposals | <u>(15)</u> | <u>(52)</u> | <u>(67)</u> |
| At 30 September 2017 | <u>17,000</u> | <u>184</u> | <u>17,184</u> |
| DEPRECIATION | | | |
| At 2 October 2016 | 11,624 | 236 | 11,860 |
| Charge for period | 912 | - | 912 |
| Eliminated on disposal | <u>(7)</u> | <u>(52)</u> | <u>(59)</u> |
| At 30 September 2017 | <u>12,529</u> | <u>184</u> | <u>12,713</u> |
| NET BOOK VALUE | | | |
| At 30 September 2017 | <u>4,471</u> | <u>-</u> | <u>4,471</u> |
| At 1 October 2016 | <u>3,965</u> | <u>-</u> | <u>3,965</u> |

13. STOCKS

| | 2017 £'000 | 2016 £'000 |
|------------------|-----------------------|-----------------------|
| Raw materials | 3,512 | 3,225 |
| Work-in-progress | 1,288 | 1,181 |
| Finished goods | <u>6,825</u> | <u>8,650</u> |
| | <u>11,625</u> | <u>13,056</u> |

There is no material difference between the balance sheet value of stocks and their replacement cost.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £'000 | 2016 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Trade debtors | 21,138 | 14,149 |
| Amounts owed by group undertakings | 819 | - |
| Other debtors | 1,042 | 1,183 |
| Deferred tax asset | - | 117 |
| Prepayments | <u>384</u> | <u>238</u> |
| | <u>23,383</u> | <u>15,687</u> |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2016 |
|------------------------------------|----------------------|----------------------|
| | £'000 | £'000 |
| Trade creditors | 26,630 | 23,322 |
| Amounts owed to group undertakings | 62 | - |
| Tax | 1,108 | 1,139 |
| Social security and other taxes | 622 | 628 |
| Other creditors | 799 | 835 |
| Accruals | <u>3,370</u> | <u>2,570</u> |
| | <u><u>32,591</u></u> | <u><u>28,494</u></u> |

Amounts due to Group Undertakings are loans repayable on demand and are interest free.

16. PROVISIONS FOR LIABILITIES

| | 2017 | 2016 |
|--|-------------------|--------------------|
| | £'000 | £'000 |
| Deferred tax | | |
| At beginning of period | (44) | (32) |
| Adjustment in respect of prior years | - | 1 |
| Charged to the profit and loss account | 140 | 24 |
| Charge/(credit) to other comprehensive income | <u>44</u> | <u>(37)</u> |
| | <u><u>140</u></u> | <u><u>(44)</u></u> |
| | 2017 | 2016 |
| | £'000 | £'000 |
| Deferred tax liabilities comprise: | | |
| Accelerated capital allowances | 73 | 73 |
| Deferred tax arising in relation to retirement benefit obligations | <u>67</u> | <u>(117)</u> |
| | <u><u>140</u></u> | <u><u>(44)</u></u> |

Total deferred tax liability is presented on the face of the balance sheet totalling £140,000 (2016: £73,000). A deferred tax liability has been recognised on the retirement benefit obligations totalling £67,000 (2016: Deferred tax asset £117,000) The total amount is shown in the table above.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2017 | 2016 |
|-----------|----------|----------------|---------------------|---------------------|
| | | | £'000 | £'000 |
| 5,100,000 | Ordinary | £1.00 | <u><u>5,100</u></u> | <u><u>5,100</u></u> |

18. RESERVES

| | Retained earnings |
|---|--------------------------|
| | £'000 |
| At 2 October 2016 | 70,319 |
| Profit for the period | 10,128 |
| Dividends | <u>(69,949)</u> |
| Remeasurement of net defined benefits liability | <u>214</u> |
| At 30 September 2017 | <u><u>10,712</u></u> |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the 52 weeks 2 October 2016 to 30 September 2017**

19. EMPLOYEE BENEFIT OBLIGATIONS

Defined contribution schemes

The company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately from the assets of the company in independently administered funds. The total expense charged to profit or loss in the 52 week period ended 30 September 2017 was £ 657,000 (2016: £605,000).

Defined benefit schemes

Two pension schemes are operated by the company. The defined benefit scheme has been closed to new entrants since 26 September 1997. There is now no active membership of the scheme and benefits were calculated against basic remuneration and not total earnings. It was established under an irrevocable Deed of Trust for the employees. The scheme is managed by Trustees accountable to the pension scheme members.

The pension costs relating to this scheme are assessed every three years in accordance with the advice of a qualified actuary using the projected unit method. The most recent valuation at 27 September 2017 indicates that, on the basis of service to date and current salaries, the schemes' assets were sufficient to meet liabilities.

The company operates a defined benefits scheme, the Willerby Holiday Homes Ltd Retirement Benefits Scheme. A full valuation was undertaken as at 27 September 2013 and has been updated to 30 September 2017 by a qualified independent Actuary.

The assets of the Scheme are held in a Pension Reserve with profits insurance contract with Scottish Provident.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

| | 2017 | 2016 |
|---------------|--------------|-------------|
| Discount rate | 2.60% | 2.20% |
| RPI inflation | 3.10% | 3.10% |
| CPI inflation | 2.10% | 2.10% |

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

| Valuation at | 2017 | 2016 |
|-----------------------|--------------|--------------|
| | years | years |
| Retiring today: | | |
| Males | 22.1 | 22.2 |
| Females | 23.9 | 24.3 |
| Retiring in 20 years: | | |
| Males | 23.5 | 24.0 |
| Females | 25.4 | 26.2 |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

| | Defined benefit pension plans | |
|---|--|-----------------|
| | 2017 | 2016 |
| | £'000 | £'000 |
| Recognised in other comprehensive income | | |
| Total cost relating to defined benefit scheme | <u>269</u> | <u>(291)</u> |
| Net interest cost | <u>(11)</u> | <u>(18)</u> |

The amount included in the balance sheet from the Group's obligation in respect of its defined benefit retirement benefit schemes is as follows:

| | 2017 | 2016 |
|--|----------------|------------------|
| | £'000 | £'000 |
| Present value of defined benefit obligations | 5,464 | 4,664 |
| Fair value of scheme assets | (5,068) | (5,355) |
| Surplus/ (Deficit) in the scheme | <u>396</u> | <u>(691)</u> |

Changes in the present value of the defined benefit obligation are as follows:

| | Defined benefit pension plans | |
|------------------------------------|--|--------------|
| | 2017 | 2016 |
| | £'000 | £'000 |
| Opening defined benefit obligation | 5,355 | 4,824 |
| Interest cost | 115 | 171 |
| Actuarial (gains)/ losses | (148) | 739 |
| Benefits paid | (254) | (379) |
| | <u>5,068</u> | <u>5,355</u> |

Changes in the fair value of scheme assets are as follows:

| | Defined benefit pension plans | |
|-------------------------------------|--|--------------|
| | 2017 | 2016 |
| | £'000 | £'000 |
| Opening fair value of scheme assets | 4,664 | 4,258 |
| Interest income | 104 | 153 |
| Contributions by employer | 829 | 184 |
| Actuarial gains | 121 | 448 |
| Benefits paid | (254) | (379) |
| | <u>5,464</u> | <u>4,664</u> |

The major categories of scheme assets as amounts of total scheme assets are as follows:

| | Defined benefit pension plans | |
|----------------------|--|--------------|
| | 2017 | 2016 |
| | £'000 | £'000 |
| Equities instruments | 731 | 840 |
| Debt instruments | 971 | 740 |
| Cash | 812 | 49 |
| Annuities | 2,950 | 3,035 |
| | <u>5,464</u> | <u>4,664</u> |

WILLERBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the 52 weeks 2 October 2016 to 30 September 2017

19. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

| | Defined benefit pension plans | |
|--|--|-----------------------|
| | 2017 £'000 | 2016 £'000 |
| Current service cost | - | - |
| Net interest from net defined benefit asset/liability | <u>115</u> | <u>171</u> |
| | <u>115</u> | <u>171</u> |
| Actual return on plan assets | <u>121</u> | <u>448</u> |

20. FINANCIAL COMMITMENTS

Capital commitment

Capital expenditure for the company for which contracts had been placed but for which no provision had been made at 30 September 2017 amounted to £nil (2016: £nil).

Operating lease commitment

The total future minimum lease payments under non-cancellable leases are as follows:

| | 2017 £'000 | 2016 £'000 |
|--|-----------------------|-----------------------|
| Total commitment under operating leases which expire: | | |
| Within one year | <u>2,301</u> | <u>2,306</u> |
| Between one and five years | <u>9,002</u> | <u>4,612</u> |
| | <u>11,303</u> | <u>6,918</u> |

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 '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.

22. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Burndene Investments Limited, a company incorporated in Scotland.

The company's ultimate parent company and ultimate controlling party is WGL Topco Limited. Its registered address is 28 Esplanade St Helier Jersey, JE2 3QA.