Wellington A Limited

Annual Report and Financial Statements
For the year ended 31 December 2021

Company No: 07865199

Wellington A Limited

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For the year ended 31 December 2021

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Wellington A Limited

Directors and Advisors
for the year ended 31 December 2021

Directors
Andrew Lawley (Chairman)
Hannah Colman
Giles Marshall
Mauro Moretti
Richard Newcombe

Secretary and registered office
Mark Reed
Lex House,
C/O Hunter Boot Ltd,
17 Connaught Place
London
W2 2ES

Company number
07865199

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One, 144 Morrison Street
Edinburgh
EH3 8EX

Solicitors
Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Wellington A Limited

Strategic Report
for the year ended 31 December 2021

The directors present their Strategic Report on the Company for the year ended 31 December 2021.

Principal activities
The Company's principal activity was to hold shares in its sole investment in Hunter Boot Limited ("Hunter"), and to provide certain agreed advisory services to Hunter. Furthermore, Hunter's principal activity is the worldwide sale and distribution of Hunter branded footwear, apparel and related accessories.

Results for the financial year
The Statement of Comprehensive Income is set out on page 12 and shows the loss for the year of £1.4m (2020: loss of £1.5m). The Company's balance sheet as detailed on page 13 shows a net surplus as of 31 December 2021 of £18.8m (2020 restated: £20.1m). The Company generated a net cash outflow of £nil in the year (2020: outflow of £1.1m).

Review of business and future developments
Wellington A Limited remained a holding company with 100% ownership of Hunter Boot Limited during the course of the year.

There are no further expected changes to the Company at this time.

Dividends
No dividend was paid during the year ended 31 December 2021 (2020: £nil).

Principal risks and uncertainties
The directors of the Company manage the risks of the business at the Company level. The Company has no significant direct exposure to price, credit, liquidity or interest rate risk. However, the Company is exposed to certain indirect financial risks that include but is not limited to changes in foreign exchange rates, customer credit risk and trading seasonality as a result of its investment in Hunter Boot Limited. The Company monitors its investment in Hunter with the view to seek to limit the adverse effects of these risks on the financial performance of the Company.

The Company's balance sheet at the year end is showing a net surplus of £18.8m (2020 restated: £20.1m). The cash flow projections for the Wellington Group, indicate there is sufficient funding and liquidity within the Group to support the Company to continue as a going concern. Further information is contained within the Directors' report as well as the going concern accounting policy in note 2.

KPIs
Given the straightforward nature of the business the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company's business.

By Order of the Board

Mark Reed
Secretary

13 October 2022

Directors' Report
for the year ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is to hold shares in its subsidiary and provide certain agreed advisory services to Hunter. As at the year end, the Company, held 100% of the shares in Hunter Boot Limited.

Results and allocation to shareholders

The total comprehensive loss for the year ended 31 December 2021 was £1.4m (2020: £1.3m) as shown on page 12.

Dividends

The Company did not pay any dividends for the year ended 31 December 2021 based on the recommendation of directors (2020: £nil).

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The Company operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The Company has no significant direct exposure to price, credit, liquidity or interest rate risk. (Further information on financial risks are contained in note 17; please refer to Principal Risks and Uncertainties within the Strategic Report for additional disclosures regarding director responsibilities).

Financial position

The Company's balance sheet as detailed on page 13 shows a net surplus as of 31 December 2021 of £18.8m (2020: £20.1m).

Going concern

The Company has a 100% controlling stake in Hunter Boot Limited and therefore the underlying trading of the subsidiary is relevant to the going concern status of the Wellington Group, and Company.

The cash flow projections in the Wellington Group, reflecting current trading performance and conditions and incorporating the impact of financing secured and management's strategic actions and plans, indicate there is sufficient funding and liquidity within the Group, inclusive of the financial support required for the Company, allowing the Directors to consider it appropriate to continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2021. Further information is contained within the going concern accounting policy in note 2.

Directors

The directors of the Company during the year and up to the date of signing unless otherwise stated were:

Andrew Lawley	*(Chairman)*
Mauro Moretti	
Hannah Colman	
Richard Newcombe	
Giles Marshall	*appointed on 1 January 2021*
Oliver Haarmann	*resigned on 1 January 2021*

Wellington A Limited

Directors' Report
for the year ended 31 December 2021

Company number
The Company's registered number is 07865199.

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards. Under Company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as issued by the International Accounting Standards Board (IASB) have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Directors' confirmations
In the case of each director in office at the date the Directors' Report is approved:

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

Directors' indemnities
As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law, in respect of losses arising out of or in connection with the execution of their duties, powers or responsibilities as Directors of the Company. The indemnities do not apply in situations where the relevant Director has been guilty of fraud or wilful misconduct.

Strategic report
In accordance with section 414c (11) of the Companies Act and included within the Strategic Report is details of future developments.

Independent auditors
PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By Order of the Board

Mark Reed
Secretary
13 October 2022

Independent auditors' report to the members of Wellington A Limited

Report on the audit of the financial statements

Opinion

In our opinion, Wellington A Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- *Full scope audit of the company financial statements.*

Key audit matters

- Carrying value of investment in subsidiary

Materiality

- Overall materiality: £330,000 (2020: £330,000) based on 1% of total assets.
- Performance materiality: £247,500 (2020: £247,500).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Covid-19, which was a key audit matter last year, is no longer included because of the recovery made by the business following the pandemic. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investment in subsidiary The company has one 100% investment in a subsidiary company, Hunter Boot Limited (Hunter). The investment in subsidiaries balance was £33.3m at 31 December 2021. The carrying value of the investment is dependent on the underlying trading performance of Hunter. Management are required to consider whether any impairment indicators exists in relation to the investment valuation each financial year. In order to consider whether an impairment indicator exists, management review a number of key metrics such as EBITDA levels and sales volumes of the subsidiary entities experienced within the current period, as well as wider external factors that could impact an impairment in value. If an impairment indicator was identified, management are required to perform a full impairment test. Management identified an impairment trigger during the year due to the trading results of the subsidiary entities and therefore an impairment review was performed by management. Management have concluded that there is no impairment in value, and have included disclosures in the financial statements surrounding the key estimates involved in the impairment review. (See note 3 and 9b for further details).	We agreed with Management's assessment that there was an indicator of impairment in the current year. We have performed detailed audit procedures over Management's value in use impairment assessment, including: 1) Evaluated the integrity of the cash flow model used by management, including testing the mathematical accuracy of the model; 2) Evaluated assumptions over future growth rates by reference to current trading performance, historical performance of the group and external industry projection; 3) Evaluated inflation assumptions and future gross margins by reference to external projections and historical margin performance; 4) Assessed the discount rate used in the valuation model; and 5) Performed sensitivity analysis to evaluate the impact on the model of changes in key assumptions over future growth rates, inflation, gross margins and the discount rate. We found that management's impairment assessment supported the conclusion that there was no impairment in value. We also read the disclosures included in the financial statements and found that these were appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

A full scope audit was conducted on the financial statements of the Company. The primary function of the Company is that of a holding company and thus limited transactions are posted throughout the financial year. All material balances within each primary statement have been subject to detailed audit procedures.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£330,000 (2020: £330,000).
How we determined it	1% of total assets
Rationale for benchmark applied	Wellington A Limited is a holding company and the primary function is to hold the investment in its subsidiary, Hunter Boot Limited. The Company is not a trading company and therefore a total asset benchmark for materiality is considered most appropriate.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £247,500 (2020: £247,500) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £16,500 (2020: £16,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Review and assessment of previous forecasts and budgets against actual performance achieved to assess the historical accuracy of forecasts;
- Obtaining Management's cash flow forecasts through to December 2023 and tested the integrity of the forecast model, including the mathematical accuracy;
- Evaluating the key assumptions included in management's cash flow forecasts including future trading performance, costs, investments, financing and working capital assumptions;
- Assessing management's severe downside forecast case, including the consideration of the assumptions made, and considering our own independent downside case against management's base case model;
- Evaluating the overall headroom and financing position of the business in the context of management's base case forecasts and downside sensitivities, including the impact on any debt covenants and financing facilities;
- Comparing the performance to date in 2022 against the forecasts included in management's base case forecasts.
- Obtaining the letter of support received from Wellington B Limited confirming that Wellington B Limited will not require repayment of the loan due to Wellington B Limited until the Company has adequate means to pay for a period of at least 12 months from the date of signing the financial statements; and
- Evaluating the conclusions made by management in relation to going concern and reading the related disclosures within the financial statements to ensure that these are appropriate and consistent with our audit work.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and corporation tax, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of non standard journals and bias in assumptions related to accounting estimates. Audit procedures performed by the engagement team included:

- reviewing minutes of meetings of those charged with governance;
- challenging assumptions and judgements made by management, specifically in relation to the valuation of the investment in subsidiary;
- identifying and testing journal entries which may be indicative of fraud; and
- inquiries of management regarding compliance with tax regulations, testing of tax balances and disclosures included in the financial statements, and review of meeting minutes to identify known or suspected non-compliance with tax regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Matthew Hall

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
13 October 2022

Wellington A Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Notes	2021 £	2020 Restated £
Revenue		-	-
Administrative expenses		(15,211)	(53,813)
Operating loss	6	(15,211)	(53,813)
Finance costs	7, 18	(1,357,594)	(1,279,820)
Gain on disposal of investment	9a	-	2,795,074
Share of net loss for associate accounted for using the equity method	9a	-	(2,991,347)
Loss before income tax		(1,372,805)	(1,529,906)
Income tax expenses	8	-	-
Loss for the year		**(1,372,805)**	**(1,529,906)**
Other Comprehensive Income			
Share of other comprehensive profit for associate accounted for using the equity method	9a	-	196,273
Total Comprehensive Loss for the year		**(1,372,805)**	**(1,333,633)**

All activities derive from continuing operations.

Share of net loss and other comprehensive profit for associate accounted for using the equity method in 2020 relates to the period to 7 June 2020.

The prior year comparative amounts have been restated to correct an error in the presentation of debt and intercompany balances, and the calculation of the associated interest expense. See note 18 for further details.

BALANCE SHEET

As at 31 December 2021

	Notes	2021 £	2020 Restated £
Assets			
Non-current assets			
Investment in associate	9a	-	-
Investment in subsidiary	9b	33,337,194	33,333,333
		33,337,194	33,333,333
Current assets			
Trade and other receivables	10	69,972	93,620
Cash and cash equivalents		-	-
Total current assets		69,972	93,620
Total Assets		**33,407,166**	**33,426,953**
Equity and Liabilities			
Equity			
Share capital	13	25,600,002	25,600,000
Accumulated losses	18	(32,156,262)	(30,783,457)
Merger reseve	13	25,333,333	25,333,333
Total Equity		18,777,073	20,149,876
Liabilities			
Non-current liabilities			
Long-term loans	12, 18	3,952	13,243,939
Current liabilities			
Trade and other payables	11, 18	24,700	33,138
Current portion of long-term loans	12, 18	14,601,441	-
Total current liabilities		14,626,141	33,138
Total Liabilities		14,630,093	13,277,077
Total Equity and Liabilities		**33,407,166**	**33,426,953**

The prior year comparative amounts have been restated to correct an error in the presentation of debt and intercompany balances, and the calculation of the associated interest expense. See note 18 for further details.

The financial statements on pages 12-30 were approved by the Directors on 11 October 2022 and were signed on their behalf by:

Andrew Lawley
Director

13 October 2022

The notes on pages 16-30 are an integral part of these financial statements

Wellington A Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share Capital £	Accumulated losses Restated £	Merger Reserve £	Total Equity £
Balance at 1 January 2020	25,600,000	(29,449,824)	-	(3,849,824)
Loss for the year restated		(1,529,906)	-	(1,529,906)
Other comprehensive income				
Other comprehensive income	-	196,273	-	196,273
Total other comprehensive income	-	196,273	-	196,273
Total comprehensive loss	-	(1,333,633)	-	(1,333,633)
Acquisition of investment	-	-	25,333,333	25,333,333
Balance at 31 December 2020	**25,600,000**	**(30,783,457)**	**25,333,333**	**20,149,876**
Balance at 1 January 2021	25,600,000	(30,783,457)	25,333,333	20,149,876
Loss for the year	-	(1,372,805)	-	(1,372,805)
Other comprehensive expense				
Other comprehensive expense	-	-	-	-
Total other comprehensive loss	-	-	-	-
Total comprehensive loss	-	(1,372,805)	-	(1,372,805)
Contributions by and distributions to owners				
Issue of share capital	2	-	-	2
Total contributions by and distributions to owners	2	-	-	2
Balance at 31 December 2021	**25,600,002**	**(32,156,262)**	**25,333,333**	**18,777,073**

The prior year comparative amounts have been restated to correct an error in the presentation of debt and intercompany balances, and the calculation of the associated interest expense. See note 18 for further details.

Wellington A Limited

CASH FLOW STATEMENT

for the year ended 31 December 2021

	Notes	2021 £	2020 Restated £
Cash flows (used in)/ generated from operating activities			
Loss before income tax		(1,372,805)	(1,529,906)
Adjustments for:			
Finance costs	7	1,357,594	1,279,820
Share of loss for associate accounted for using the equity method	9a	-	2,991,347
Gain on disposal of investment	9a	-	(2,795,074)
		(15,211)	(53,813)
Changes in working capital:			
Decrease/ (increase) in trade and other receivables	10	23,649	(4,585)
Decrease in trade and other payables	11	(8,438)	(14,223)
Cash used in operations		-	(72,621)
Interest paid	7	-	(156)
Net cash used in operating activities		-	(72,777)
Cash flows used in financing activities			
Repayment of long-term loans	12	-	(1,013,305)
Cash used in financing activities		-	(1,013,305)
Net decrease in cash and cash equivalents		-	(1,086,082)
Cash and Cash equivalents at beginning of year		-	1,086,082
Cash and Cash equivalents at end of year		-	-

The notes on pages 16-30 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Wellington A Limited (the "Company") is a private Company limited by shares and incorporated within England and Wales, United Kingdom. The address of the registered office is Lex House C/O Hunter Boot Ltd, 17 Connaught Place, London, W2 2ES14, company number 07865199.

2. Basis of Preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost convention. The historical financial information is presented in pounds sterling ("£") except when otherwise indicated.

The Company has taken advantage of the disclosure exemption from preparing consolidated financial statements, under Section 400 of the Companies Act 2006. The financial statements present information about the Company as an individual entity and not about its group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied across the Company and to all the years presented, unless otherwise stated.

Going concern

This historical financial information relating to the Company has been prepared on the going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of approval of these financial statements, for the reasons outlined below.

The Company's balance sheet as detailed on page 13 shows a net surplus as of 31 December 2021 of £18.8m (2020: £20.1m).

The Company holds a 100% controlling stake in Hunter Boot Limited and therefore as a holding entity the underlying trading of the subsidiary is relevant to the going concern status of the Company and the Wellington Group (Wellington B Limited, Wellington A Limited and the Hunter Group collectively as 'Group') as a whole.

There has been a strong business recovery and turnaround for the Group following impact of the global pandemic in 2020, with increased demand and a more strategic and optimal business structure resulting in significantly improved business performance. Sales levels were achieved in line with Pre Covid 2019 levels on a more efficient operating cost base. However, severe supply chain challenges experienced during 2021 in relation to International Freight and Brexit, contributed to the Group being loss making in the year. These challenges and the investment required to overcome, combined with rising inflationary pressures and uncertainty in global demand due to the War in Ukraine and cost of living and energy price challenges, continues to put cashflow pressure on the group.

Having benefited from the strategic review undertaken following new ownership in 2020, with a reduced fixed operating cost base, including a smaller property portfolio reducing exposure to rising energy costs, management continue to take actions to minimise risks against the economic uncertainty. Sales pricing has been adjusted to support profit margins. The supply chain investment has allowed for improved agility, with improved capacity and earlier delivery planning, helping compensate for external reliability issues and inbound freight agreements have been secured on more favourable terms. In addition, the Group has

NOTES TO THE FINANCIAL STATEMENTS

2. Basis of Preparation (continued)

Going concern (continued)

opened a new Distribution Centre in the Netherlands, to optimise delivery in the EU market on a more cost effective basis.

The new Distribution Centre aligns to the expanding global presence of the brand, with significant APAC growth, in particular in the China and Japan regions, helping to diversify specific market risk.

The actions taken have allowed the group to be more robust and better strategically placed in light of the external market challenges.

The Group has also extended the current credit facilities to secure it's long term funding position. On 4 October 2022, a renewal to 31 December 2026, on the committed revolving credit facility agreement with Wells Fargo Bank, National Association, London Branch and Wells Fargo Capital Finance Corporation Canada, was secured at an increased £30m committed facility level.

On 4 October 2022 the long term loan notes held by other Group entities were also extended on consistent terms, with the term period now expiring on 31 January 2027 (previously 30 June 2024). The loan notes held by the Company were not extended and as such, a letter of support has been signed by Wellington B Limited to confirm they will not seek repayment for a minimum of twelve months post signing of these accounts, unless the Company is financially able to make this repayment.

The cash flow projections are the sole responsibility of the Directors based upon their present plans, expectations and intentions. In this context, the Directors have prepared and assessed cash flow projections, for the Group for a period extending through to December 2023, which reflect current trading performance and conditions, and incorporate the impact of financing secured and management's strategic actions.

Due to the inherent level of uncertainty over future financial performance and cash flows, as well as the importance of the key assumptions underpinning the Group's projections, sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections. These sensitivities seek to model the impact of severe but plausible downside risks to the achievement of the financial projections. The basis of these assessments indicate there remains sufficient liquidity in the business. In addition, the Directors are confident that additional options are available, including cost deferral, new cost reduction strategies and working capital management to further mitigate risk. The Directors are therefore satisfied that the Group is able to meet its liabilities as and when they fall due for the foreseeable future and for a minimum period of twelve months from the date of approval of these financial statements.

As such the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements for the year to 31 December 2021.

New standards, amendments and interpretations

No new standards, amendments, or interpretations, effective for the first time for the financial year beginning on or after 1 January 2021 have had a material impact on the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2021 and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Critical Accounting Judgement and Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the financial information. There has been no change made in the calculation or assumptions used in determining these estimates during the 2021 year.

Investment in subsidiary (estimate)

The investment in subsidiary is tested for impairment where there is an indication of impairment at the balance sheet date. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. Following a review, no impairment was noted at the year end.

4. Accounting Policies

Investment in associated undertakings (prior year)

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income after eliminating the Company's share of the income/expense incurred in transactions with the Investee. The Company's share of the post-acquisition profits or losses of the investee is calculated after adjusting for the Company's share of the amortisation on the value of customer contracts acquired as part of the acquisition of Hunter. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. The assessment of carrying value for an investment in associated undertakings requires significant judgement and is based on the facts and circumstances of each investment. The Company accounts for investments in associates in its company financial statements using the equity method. As there is only one investment, there is no difference between its economic interest accounts and Company financial statements. As such only one total comprehensive income statement and balance sheet is shown.

Investments

Investments in subsidiaries are valued at cost less provision for impairment. Directors consider whether there is any indicator of impairment at balance sheet date. If there is, then an impairment test is undertaken by reference to recoverable amount, being the greater of fair value less cost to sell and value in use. Where recoverable amount is lower than carrying value, the investment is written down to the recoverable amount, with impairment charge recorded in the income statement.

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends received or receivable from associates were recognised as a reduction in the carrying amount of the investment.

Expenses

Expenses incurred have been recognised on an accrual basis.

4. **Accounting Policies (continued)**

Cash and cash equivalents

Cash and cash equivalents consists of cash in hand with financial institutions and liquid investments with maturities of three months or less. At 31 December 2021, the Company's cash and cash equivalents were £nil (2020: £nil).

Long-term loans

Long-term loans are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit/ (loss) over the period of the loans using the effective interest method.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit/ (loss).

Income taxes

Tax is provided at the amounts expected to be paid applying tax rates that have been enacted or substantively enacted by the balance sheet date.

Full provision for deferred tax is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, using appropriate tax rates. The Company does not discount these balances.

Deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. No deferred tax liability is provided in respect of any future remittance of earnings of foreign subsidiaries or associates where no commitment has been made to remit such earnings.

Merger Reserve

A reserve account which has arisen in circumstances where merger relief (under section 612 of the Companies Act 2006) or group reconstruction relief is obtained.

Segment reporting

Given the principal activities of the Company, there are no segments to report. The Board of directors, which has been identified as the chief operating decision maker, reviews the assets as presented on the balance sheet.

4. Employees and Directors

The key management personnel of the Company are the directors and their remuneration is shown in the table below.

	2021	2020
	£	£
Directors' emoluments	-	5,712

The total amount payable to the highest paid director in respect of emoluments was £nil (2020: £5,712).

In the current period all Directors were remunerated for their services to the Hunter group by other group companies and none of their remuneration was considered to relate to their services to the Company.

6. Operating Loss

The operating loss for the Company is stated after charging:

	2021	2020
	£	£
Legal and other professional fees	2,382	36,637
Auditors' remuneration		
-audit services	8,225	8,225
-tax compliance	4,604	8,951
	12,829	17,176

7. Finance costs

	2021	2020 Restated
	£	£
Interest on Loan Notes	1,357,594	1,279,664
Bank interest	-	156
	1,357,594	1,279,820

Refer to note 18 for further details on the prior year restatement.

8. Income tax credit

The tax assessed on the loss on ordinary activities for the year is different (2020: different) from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021	2020 Restated
	£	£
Loss before income tax	(1,372,805)	(1,529,906)
Loss before income tax at the effective rate of corporation tax in the UK of 19% (2020: 19.00%)	(260,910)	(291,439)
Effect of:		
Expenses not deductible for tax purposes	258,684	281,185
Deferred tax not recognised	76,500	33,518
Rate changes	(74,274)	(23,264)
Taxation on loss	-	-

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. As no deferred tax is recognised in the UK this had no impact on the recognised deferred tax asset of the Company. Deferred tax not recognised in the current year relates to accelerated capital allowances, tax losses and temporary differences not deemed recoverable.

On 23 September 2022, it was announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 December 2021.

9. (a) Investment in associate

	2020
	£
Investment in associate, carrying value - beginning of year	8,000,000
Share of net loss for associate	(2,991,347)
Share of other comprehensive profit for associate	196,273
Gain on disposal of investment	2,795,074
Acquisition of 100% ownership	(8,000,000)
Investment in associate, carrying value - end of year	-

The Company sold its investment in its associate during 2020 and accordingly there are no current year balances in respect of associates. The disclosures provided below relate to the prior period up to the date of disposal of the company's investment in associates.

On 8 June 2020, the Company obtained 100% ownership of Hunter (2019: 23.9%) and as a result the investment has been accounted for as an investment in subsidiary (note 9b) as at the year end, 31 December 2020. Hunter was incorporated in Scotland and its registered address is Westcott House, 4 Ferrymuir, South Queensferry, EH30 9QZ. The share of net loss and other comprehensive profit for associate accounted for using the equity method in 2020 therefore relates to the period to 7 June 2020.

9. **(a) Investment in associate (continued)**

Hunter is a leading designer, producer, and wholesaler of boots, footwear and accessories primarily under the "Hunter" brand name.

There is no quoted price available for Hunter.

The tables below provide summarised financial information for Hunter, from a Wellington A Limited investment perspective, and not the Company's share of those amounts.

Summarised Profit of Associate

	Results to 7 June 2020 £'000
Revenue	19,257
Cost of Sales	(10,173)
Other income	-
Gross Profit	**9,084**
Distribution costs	(4,727)
Administrative Expenses	(16,498)
Operating loss	(12,141)
Finance income	3
Finance costs	(346)
Loss before income tax	(12,484)
Income tax expense	(209)
Loss for the year	(12,693)

Administrative expenses include £0.2m intangible asset amortisation that is not recognised in the Hunter Group Standalone financial statements.

Summarised Total Comprehensive Income of Associate

	Results to 7 June 2020 £'000
Loss for the year	(12,693)
Other comprehensive loss	820
Total Comprehensive Loss	(11,873)

9. (a) Investment in associate (continued)

Summarised Assets and Liabilities of Associate

	07 June 2020 £'000
Assets	
Non-current assets	
Property, plant and equipment	12,366
Intangible assets	5,654
Deferred tax asset	2,150
Total non-current assets	20,170
Current assets	
Inventories	38,894
Trade and other receivables	6,648
Cash and cash equivalents	1,331
Total current assets	46,873
Total Assets	**67,043**

	07 June 2020 £'000
Liabilities	
Non-current liabilities	
Lease liabilities	10,496
Total non-current liabilities	10,496
Current liabilities	
Trade and other payables	22,011
Provisions for liabilities and other charges	335
Lease liabilities	3,683
Income tax payable	248
Total current liabilities	26,277
Total Liabilities	**36,773**

The balance sheet includes £4.3m of customer contract intangible assets not recognised in the Hunter Group standalone financial statements as they arose as part of the original acquisition of Hunter by both the Company and Wellington B Limited.

9. (a) Investment in associate (continued)

Reconciliation to carrying amounts

	07 June 2020 £'000
Opening net assets 1 January	42,143
Loss for the period	(12,693)
Other comprehensive income	820
Closing net assets	30,270
Company's share in %	24%
Company's share in £	7,265
Acquisition of 100% ownership	(7,265)
Carrying amount	-

9. (b) Investment

	2021 £	2020 £
Beginning of the period	33,333,333	-
Additions	3,861	33,333,333
End of the period	33,337,194	33,333,333

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid. The Company had the following subsidiaries at 31 December 2021:

9. (b) Investment (continued)

Subsidiary undertakings	Country of incorporation	Registered address	Nature of business	Proportion of ordinary shares directly held by the parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
Hunter Boot Limited	United Kingdom	Westcott House, 4 Ferrymuir, South Queensferry EH30 9QZ	Sale of Hunter branded footwear, outerwear and accessories	100	100	-
Hunter of Scotland Limited*	USA	57 West 57th Street New York, NY 10019	Non-trading parent company to Hunter Boot USA LLC	-	100	-
Hunter Boot USA LLC*	USA	57 West 57th Street New York, NY 10019	Sale of Hunter branded footwear, outerwear and accessories	-	100	-
Hunter Boot (Canada) Inc*	Canada	Miller Thomson LLP, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1	Sale of Hunter branded footwear, outerwear and accessories	-	100	-
Hunter Boot (HK) Limited*	Hong Kong	31/F Tower Two Time Square 1 Matheson St Causeway Bay Hong Kong	Parent company to Hunter Boot Business Consultancy (Shenzhen) Company Limited	-	100	-
Hunter Boot Business Consultancy (Shenzhen) Company Limited*	China	1402, Taiping Finance Tower, 6001 Yitian Road, Futian District	Sourcing and quality control	-	100	-
Hunter Boot Netherlands B.V.*	Netherlands	Herikerbergweg 88 1101CM Amsterdam The Netherlands	Sale of Hunter branded footwear, outerwear and accessories	-	100	-
Hunter Japan Co. Limited*	Japan	Round Cross Shibuya 2F, 2-11-6 Shibuya, Shibuya-Ku, Tokyo	Sale of Hunter branded footwear, outerwear and accessories	-	85.1	14.9

*Indirect shareholding.

An impairment review of the investment value held at 31 December 2021 has been undertaken and no impairment has been considered necessary. The Directors believe the carrying value of the investment held is supported by their underlying assets.

10. Trade and other receivables

	2021	2020
	£	£
Other debtors	-	4,853
Amounts owed by group undertakings	62,102	88,767
VAT receivable	7,870	-
	69,972	93,620

There are no assets which are considered past due or impaired. Amounts owed by group undertakings are considered repayable on demand. A review of the expected credit loss has been performed and there is no expected material impact.

11. Trade and other payables

	2021	2020 Restated
	£	£
Trade payables	500	5,245
Accrued expenses	13,533	17,226
Amounts owed to group undertakings	10,667	10,667
	24,700	33,138

Refer to note 18 for further details on the prior year restatement.

12. Long-term loans

	2021		
	Current	Non-current	Total
	£	£	£
Issued Loan Notes	13,900,693	3,859	13,904,552
Interest payable on issued loan notes	700,748	93	700,841
	14,601,441	3,952	14,605,393

	2020 Restated		
	Current	Non-current	Total
	£	£	£
Issued Loan Notes	-	12,533,155	12,533,155
Interest payable on issued loan notes	-	710,784	710,784
	-	13,243,939	13,243,939

On 8 June 2020 £12.5m of the Loan Notes issued by the Company were acquired by Wellington B Limited. In exchange for the transaction, £12.5m loan notes were owing to Wellington B Limited. The Loan Notes carry *interest at 10% per annum compounded semi annually with a maturity date of 31 December 2022.* The loan notes are listed on The International Stock Exchange.

A letter of support has been provided by Wellington B Limited confirming that Wellington B Limited will not require repayment of this liability until the Company has adequate means to pay.

On 20 October 2021, a further £3.9k of Loan Notes were issued by the Company owing to Wellington B Limited. The new Loan Notes carry interest at 12% per annum compounded quarterly with a maturity date of 20 October 2031. .

The only balance sheet liability for which cash flows are classified as financing activities is the loan with Hunter Newco S.à.r.l. The net cash outflow in 2020 of £1,013,305 relates to the repayment of the Loan Notes.

The fair value of the Loan Notes approximates the carrying value in the balance sheet.

Further disclosure about the Company's liquidity risk management is provided in Note 17 "Financial Risk Management". Refer to note 18 for further details on the prior year restatement.

13. Share capital

The Company has 25,600,002 (2020: 25,600,000) ordinary shares at £1 without premium called up and fully paid, in issue.

The merger reserve was created in 2020 when the parent company, Wellington B Limited, transferred its full investment in the Hunter group to the Company as an equity contribution.

14. Dividends

No dividend was paid in 2021 (2020: £nil).

15. Related Party Transactions

As part of the refinancing exercise on 8 June 2020, the Company obtained 100% of the share capital of Hunter Boot Limited following the transfer from Wellington B Limited, who in turn obtained 100% of the share capital in the Company. This resulted in an increase of £25.3m to the investment value held in Hunter Boot Limited in the prior year and the subsequent creation of the merger reserve for £25.3m.

As at the 31 December 2021, a balance of £62,102 (2020: £88,767) was owed by Hunter Boot Limited to the Company. A balance of £14,616,060 (2020: £13,254,606) was owed by the Company to Wellington B Limited as at 31 December 2021.

During the year interest charged on loan notes issued to Wellington B Limited amounted to £1,357,594 (2020: £710,784). Refer to note 12 for an explanation of loan balances due.

16. Ultimate Controlling Party

The Company's immediate parent company is Wellington B Limited. At 31 December 2021, the smallest group of undertakings for which group financial statements are prepared, and of which the Company is a member, was Wellington B Limited. The consolidated financial statements of Wellington B Limited are publicly available from Companies House and the registered office is Lex House, C/O Hunter Boot Ltd, 17 Connaught Place, London, W2 2ES. The ultimate controlling party of the Company is Pall Mall Legacy SCSp, a fund advised by Three Hills Capital Partners LLP.

17. Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and capital risk management.

Credit risk

Credit risk is the risk that the Company may suffer financial loss through default by customers or financial institutions. The Company has no significant concentrations of credit risk as amounts receivable are owed by related undertakings. Cash transactions are limited to a high credit quality financial institution, Barclays PLC.

The maximum exposure to credit risk at the balance sheet date was as follows: other receivables £69,972 (2020: £93,620), cash and cash equivalents £nil (2020: £nil).

17. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its cash position on a regular basis through the use of regularly updated cash flow forecasts, and believes that it has sufficient and appropriate net funds and facilities available.

Capital risk management

Capital risk is the risk that the Company will not have access to cash at any given time. The capital structure of the Company consists of working capital, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to sustain future growth in order to optimise returns to its shareholders. The Company's level of capital is monitored to ensure that this can be achieved and to ensure that the Company will continue to operate as a going concern (note 2).

Maturity profile of liabilities

	Less than 6 months £	6 - 12 months £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £	Total undiscounted cash flows £	Carrying amount £
At 31 December 2021							
Trade and other payables	24,700	-	-	-	-	24,700	24,700
Long-term loans	-	15,325,513	-	-	12,599	15,338,112	15,338,112
	24,700	15,325,513	-	-	12,599	15,362,812	15,362,812
At 31 December 2020 (restated)							
Trade and other payables	33,138	-	-	-	-	33,138	33,138
Long-term loans	-	-	15,325,513	-	-	15,325,513	15,325,513
	33,138	-	15,325,513	-	-	15,358,651	15,358,651

18. Prior Year Adjustment

During 2021, the Company identified that £12.5m of the amounts due to Wellington B Limited that were recognised in the prior year as current liabilities, should have been recognised as loan notes and interest charged accordingly. As a consequence, liabilities and interest charged were understated in the prior year. The errors have been corrected by restating each of the affected financial statement line items for the prior year. The following tables summarise the impacts on the Company's financial statements.

Statement of Comprehensive Income
For the year ended 31 December 2020

	Impact of correction of error		
	As previously reported	**Adjustments**	**As restated**
	£	**£**	**£**
Finance costs	(569,036)	(710,784)	(1,279,820)
Loss before income tax	(819,122)	(710,784)	(1,529,906)

Balance Sheet
As at 31 December 2020

	Impact of correction of error		
	As previously reported	**Adjustments**	**As restated**
	£	**£**	**£**
Accumulated losses	(30,072,673)	(710,784)	(30,783,457)
Total Equity	20,860,660	(710,784)	20,149,876
Long-term loans	-	13,243,939	13,243,939
Trade and other payables	12,566,293	(12,533,155)	33,138
Total Equity & Liabilities	33,426,953	-	33,426,953

There is no impact on the total operating, investing or financing cash flows for the year ended 31 December 2020.