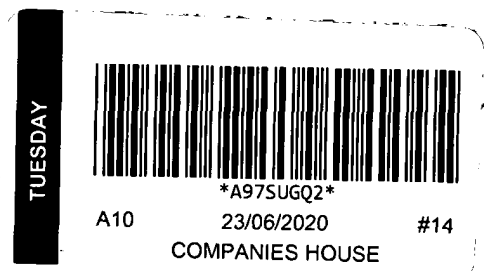


Registration number: 02641487

# Whipp & Bourne Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **Whipp & Bourne Limited**

### **Contents**

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 to 8
Income Statement	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 17

## **Whipp & Bourne Limited**

### **Company Information**

<b>Directors</b>	G E Barnes G D Morgan M J Richards
<b>Company secretary</b>	J C F Crawford
<b>Registered office</b>	11th Floor The Colmore Building 20 Colmore Circus Queensway Birmingham West Midlands B4 6AT
<b>Auditor</b>	Deloitte LLP London United Kingdom

## **Whipp & Bourne Limited**

### **Strategic Report for the Year Ended 31 December 2019**

The Directors present their Strategic Report for the year ended 31 December 2019.

#### **Principal activity**

The Company's principal activity is to act as a non-trading company. The Directors do not expect any change in this activity for the foreseeable future.

#### **Fair review of the business**

The retained profit for the year ended 31 December 2019 was £12,284,000 (year ended 31 December 2018: profit of £6,650,000).

On 17 December 2019, the Company paid a dividend of £1,538,167,000 to its Parent, Brush Properties Limited.

#### **Financial risk management**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### ***Principal risks***

##### **Credit risk**

The Company's principal financial assets are other receivables (including amounts owed by other Group undertakings).

The Company's credit risk is primarily attributable to its receivables owed by other Group undertakings. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an expected loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

##### **Liquidity risk**

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.

##### **Interest rate risk**

The Company's interest bearing assets and liabilities are based on LIBOR. This exposes the Company to interest rate risk of changes to LIBOR.

#### **Going concern**

The financial statements have been prepared on a going concern basis. The Company's forecasts show that the Company expects to be able to continue to operate for the next 12 months from the date of the approval of these financial statements. The Company is a subsidiary of Melrose Industries PLC, a global manufacturing and engineering group. The 2019 Annual Report of Melrose Industries PLC disclosed that the Group had headroom on its multi-currency committed revolving credit facility of £1,136 million, when applying the exchange rates at 31 December 2019. Headroom is largely unchanged through to the end of April 2020.

The Melrose Group has been impacted by events subsequent to the year end, specifically global implications from the COVID-19 pandemic and this is being managed. Whilst the implications do not directly affect the Company, they are impacting fellow subsidiaries.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Approved by the Board on 29 May 2020 and signed on its behalf by:

**Whipp & Bourne Limited**

**Strategic Report for the Year Ended 31 December 2019**

*M.J. Richards*

M J Richards  
Director

## Whipp & Bourne Limited

### Directors' Report for the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019. An indication of likely future developments in the business of the Company is included in the Strategic Report. Information on financial risk management and going concern are also included in the Strategic Report.

#### **Directors of the Company**

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

G E Barnes

G D Morgan

M J Richards

No Director had a beneficial interest in the share capital of the Company, except for the fact that each director held shares and/or options over shares in Melrose Industries PLC, the ultimate parent company and controlling party, and therefore had an indirect beneficial interest in the Company.

#### **Dividends**

The Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2019 (year ended 31 December 2018: £nil).

The Directors paid a dividend in the year of £1,538,167,000 (year ended 31 December 2018: £nil).

#### **Directors' liabilities**

The ultimate parent undertaking has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

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

Each Director has taken 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 auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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

Approved by the Board on 29 May 2020 and signed on its behalf by:



M J Richards  
Director

## **Whipp & Bourne Limited**

### **Directors' Responsibilities Statement**

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 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

## Whipp & Bourne Limited

### Independent Auditor's Report to the members of Whipp & Bourne Limited

#### Opinion on the financial statements

In our opinion the financial statements of Whipp & Bourne Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Whipp & Bourne Limited for the year ended 31 December 2018, set out on pages 8 to 16 which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including the Financial Reporting Standards 101 "Reduced Disclosure Framework" (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 Financial Reporting Council'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.



## **Whipp & Bourne Limited**

### **Independent Auditor's Report to the members of Whipp & Bourne Limited**

#### **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.

#### **Responsibilities of Directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## Whipp & Bourne Limited

### Independent Auditor's Report to the members of Whipp & Bourne Limited

#### Report on other legal and regulatory requirements

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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

In respect of the following matter under the Companies Act 2006 we are required to report, 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.

##### 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.



.....  
Lucy Openshaw ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor

London  
United Kingdom

29 May 2020

## Whipp & Bourne Limited

### Income Statement for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Operating profit/(loss)		-	-
Finance income	5	<u>12,284</u>	<u>6,650</u>
Profit before tax		12,284	6,650
Tax on profit	8	<u>-</u>	<u>-</u>
Profit for the year attributable to owners of the Company		<u><u>12,284</u></u>	<u><u>6,650</u></u>

The above results were derived from continuing operations.

The Company has no gains and losses other than the results for the financial year shown above and therefore no separate statement of comprehensive income has been presented.

**Whipp & Bourne Limited**

**(Registration number: 02641487)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £ 000	2018 £ 000
<b>Current assets</b>			
Trade and other receivables	9	<u>1,000</u>	<u>1,526,883</u>
<b>Equity</b>			
Share capital	10	-	-
Retained earnings		<u>1,000</u>	<u>1,526,883</u>
Equity attributable to owners of the Company		<u>1,000</u>	<u>1,526,883</u>

Approved by the Board on 29 May 2020 and signed on its behalf by:



.....  
M J Richards  
Director

## Whipp & Bourne Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	<b>Retained Earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2018	<u>1,520,233</u>	<u>1,520,233</u>
Profit for the year	<u>6,650</u>	<u>6,650</u>
Total comprehensive income	<u>6,650</u>	<u>6,650</u>
At 31 December 2018	<u>1,526,883</u>	<u>1,526,883</u>
	<b>Retained Earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2019	<u>1,526,883</u>	<u>1,526,883</u>
Profit for the year	<u>12,284</u>	<u>12,284</u>
Total comprehensive income	<u>12,284</u>	<u>12,284</u>
Dividends	<u>(1,538,167)</u>	<u>(1,538,167)</u>
At 31 December 2019	<u>1,000</u>	<u>1,000</u>

## Whipp & Bourne Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 1 General information

The Company is a private company limited by share capital incorporated in The United Kingdom under the Companies Act 2006 and is registered in England and Wales. The nature of the Company's operations and its principal activity are set out in the Strategic Report.

The address of its registered office is:

11th Floor  
The Colmore Building  
20 Colmore Circus Queensway  
Birmingham  
West Midlands  
B4 6AT

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

##### Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

##### Summary of disclosure exemptions

As permitted by FRS 101 and where relevant, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Melrose Industries PLC, which are available to the public and can be obtained from 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.

## Whipp & Bourne Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 2 Accounting policies (continued)

##### Going concern

The financial statements have been prepared on a going concern basis. The Company's forecasts show that the Company expects to be able to continue to operate for the next 12 months from the date of approval of these financial statements. The Company is a subsidiary of Melrose Industries PLC, a global manufacturing and engineering group. The 2019 Annual Report of Melrose Industries PLC disclosed that the Group had headroom on its multi-currency committed revolving credit facility of £1,136 million, when applying the exchange rates at 31 December 2019. Headroom is largely unchanged through to the end of April 2020.

The Melrose Group has been impacted by events subsequent to the year end, specifically global implications from the COVID-19 pandemic and this is being managed. Whilst the implications do not directly affect the Company, they are impacting fellow subsidiaries.

Analysis that supports the Company's going concern assessment over the next 12 months included consideration of the Group covenants associated with its banking facilities, and in particular the leverage covenant being formally waived during 2020. As the Group recovers from the global uncertainties of the COVID-19 pandemic, visibility over trading conditions remains difficult. Outside the 12 month going concern period the leverage covenant is currently due to be tested again on 30 June 2021 and if there are any required changes to covenants they will be considered depending on trading performance.

##### Finance income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### Tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company's liability for current tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

## Whipp & Bourne Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 2 Accounting policies (continued)

##### Financial assets and liabilities

###### *Classification*

All financial assets are classified as either those which are measured at fair value, through profit or loss, or Other Comprehensive Income, and those measured at amortised cost.

###### *Financial assets recognition and measurement*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the income statement.

###### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit and loss.

###### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

###### Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

###### *Impairment of financial assets*

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each balance sheet date. For trade and other receivables the simplified approach permitted under IFRS 9 is applied. The simplified approach requires that at the point of initial recognition the expected credit loss across the life of the receivable must be recognised. As these balances do not contain a significant financing element, the simplified approach relating to expected lifetime losses is applicable under IFRS 9. Cash and cash equivalents are also subject to impairment requirements.



## Whipp & Bourne Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, 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.

The Directors have not identified any critical accounting judgements or key sources of estimation uncertainty.

#### 4 Auditor's remuneration

The fees payable to the Company's auditor for the audit of the financial statements of £1,000 (year ended 31 December 2018: £1,000) were borne by a fellow Group undertaking.

#### 5 Finance income

	2019 £ 000	2018 £ 000
Interest on loans to Group undertakings	<u>12,284</u>	<u>6,650</u>

#### 6 Particulars of employees

The Company did not have any employees in the current year or the prior year.

#### 7 Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (year ended 31 December 2018: £nil). The Directors of the Company who served during the year were also Directors of a number of the companies within the Melrose Group and as such remuneration of Directors is borne by a fellow company.

## Whipp & Bourne Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 8 Income tax

Tax charged/(credited) in the income statement

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Total current income tax	<u>-</u>	<u>-</u>
Tax charge/(credit) in the income statement	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018: lower than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	<u>12,284</u>	<u>6,650</u>
Corporation tax at standard rate	2,334	1,264
Group relief	<u>(2,334)</u>	<u>(1,264)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

#### 9 Trade and other debtors

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed by Group undertakings	<u>1,000</u>	<u>1,526,883</u>

#### 10 Share capital

Authorised, issued and fully paid shares

	<b>2019</b>		<b>2018</b>	
	<b>Number</b>	<b>£ 000</b>	<b>Number</b>	<b>£ 000</b>
Ordinary shares of £1 each	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>

#### 11 Dividends

Dividends paid

Amounts recognised as distributions to equity holders:

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Dividends paid	<u>1,538,167</u>	<u>-</u>

## **Whipp & Bourne Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **12 Controlling party**

The Company's immediate parent company is Brush Properties Limited, a company incorporated in England & Wales.

The ultimate parent company and controlling party is Melrose Industries PLC, a company incorporated in England & Wales.

The parent of the smallest and largest group in which these financial statements are consolidated is Melrose Industries PLC, incorporated in England & Wales.

Copies of the Group financial statements of Melrose Industries PLC are available from its registered address: 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.