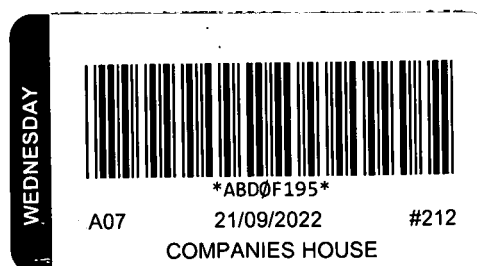


# **General Domestic Appliances Holdings Limited**

**Annual Report and Financial Statements**

**Registered number 00610606**

**For the year ended 31 December 2021**



## **Officers and professional advisors**

### **Directors**

Lena Henry  
Zoltan Varga

### **Secretary**

Sorrell Nighah

### **Registered Office**

Morley Way  
Peterborough  
Cambridgeshire  
PE2 9JB  
United Kingdom

### **Bankers**

Citibank  
25 Canada Square  
Canary Wharf  
London  
E14 5LB

### **Solicitors**

Taylor Wessing  
5 New Square  
London  
EC4A 3TW

### **Auditor**

Ernst & Young LLP  
One Cambridge Business Park  
Cambridge  
CB4 0WZ

### **Registration number**

610606

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## Strategic Report

The directors of General Domestic Appliances Holdings Limited ("the Company") present their Strategic Report for the year ended 31 December 2021.

### Principal activity

General Domestic Appliances Holdings Limited is a holding company of a group of fellow group undertakings.

The principal activities of the key subsidiaries ("the Group") are the manufacture, sale, delivery, and service of domestic appliances mainly in the UK and Irish markets. Its three core brands Hotpoint, Indesit and Whirlpool give the Group the second largest market share of domestic appliances in the UK and Ireland. The Group's product portfolio includes cooking, laundry, refrigeration, tumble dryers, dishwashers and small domestic appliances, with the majority being sourced from the Whirlpool Corporation factories in Italy and Poland along with tumble dryers manufactured at Yate in the UK with the head office being in Peterborough, UK.

The Group also delivers appliances direct to the end consumer through its warehouse satellite network. The Group controls its UK service organisation and UK service engineers through its office in Peterborough which also operates as a call centre.

### Business review and future developments

The Company made a profit in the year of £24,000 (2020: £479,000) primarily as a result of interest income from cash deposits held by Indesit Company International Business S.A.

The directors expect the activities of the Company and its subsidiaries to continue in the foreseeable future.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Company are as follows:

#### *Economic risk*

Our top priority is always the health and safety of our colleagues and customers and we continually monitor the impact of the COVID-19 pandemic on our financial results and cash flows.

The company however was not negatively affected by the pandemic as a part of Whirlpool Corporation, which observed a growth in sales and profits, supporting the view of low economic risk on the entity.

#### *Performance of subsidiary undertakings*

The Company's strategy includes the holding of investments in subsidiary undertakings and maximising the return on its investments. There is a risk that the trading subsidiaries may be affected by external factors which could lead to indicators of impairment in the investment held. Rigorous monitoring of each of the subsidiary's performance is undertaken by the directors and where appropriate formal impairment reviews are undertaken when impairment indicators arise.

#### *Cash flow and liquidity risk*

Cash flow risk for the Company is managed at the Whirlpool Corporation level through its European centralised treasury function. Cash is transferred to the Company from other group undertakings as and when required.

By order of the board

Zoltan Varga  
Director

*Zoltan Varga*

Morley Way  
Peterborough  
Cambridgeshire  
PE2 9JB,  
United

Date: 1<sup>st</sup> September 2022

## Directors' report

The directors present their Annual Report and Financial Statements of the Company for the year ended 31 December 2021.

### Results and dividends

The profit for the year after taxation amounted to £24,000 (2020: £479,000). The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

### Directors

The directors who held office during the year and to the date of this report, except as stated otherwise, were as follows:

Andrzej Tuleja (resigned 20th April 2022)

Lena Henry (appointed 20th April 2022)

Zoltan Varga (appointed 31st May 2019)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares and debentures of the Company.

### Going concern

The Company's business activities, future developments and principal risk and uncertainty are set out in the Strategic Report on page 1. The Company is expected to continue to generate positive cash flows through loan interest receivable from other group undertakings for the foreseeable future. The Company also participates in the Whirlpool Corporation European centralised treasury arrangement with Indesit Company International Business S.A.

The directors, having received a letter of support from Whirlpool Corporation for financial support for the foreseeable future, being at least 12 months from the date of approval of these financial statement (it is, 1<sup>st</sup> September 2023), and based upon the responses of the directors of the Company's ultimate parent company to their enquiries have no indications that a material uncertainty exists that may cast significant doubt about the ability of Whirlpool Corporation to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment the Company's directors have a reasonable expectation that the Company will be able 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.

Further details regarding the adoption of the going concern basis, in preparing the financial statements, can be found in the Accounting Policies (Note 1).

### Disclosure of information to auditor

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

### Auditor

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

By order of the board

 Digitally signed by Zoltan Varga  
Date: 2022-09-01 09:27:55-07:00

**Zoltan Varga**  
Director

Date: 1st September 2022

Morley Way  
Peterborough  
Cambridgeshire  
PE2 9JB,  
United Kingdom

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards in conformity with the Companies act 2006 ("IFRS") and applicable law. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of General Domestic Appliances Holdings Limited**

### **Opinion**

We have audited the financial statements of General Domestic Appliances Holdings Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") and in conformity with the Companies act 2006.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") and in conformity with the Companies act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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**

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.

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 12 months to 1 September 2023 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DOMESTIC APPLIANCES HOLDINGS LIMITED (continued)**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 directors' report have been prepared in accordance with applicable legal requirements.

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

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DOMESTIC APPLIANCES HOLDINGS LIMITED (continued)**

### **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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the reporting framework (IFRS and the Companies act 2006) and the relevant tax regulations in the United Kingdom.
- We understood how General Domestic Appliances Holdings Limited is complying with those frameworks by enquiry with management and by identifying the company's policies and procedures regarding compliance with laws and regulations. We also identified and inquired of those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for the reporting of any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiry during the planning and execution phases of our audit.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Inquiry of senior management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
  - Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations, including communications with regulators and tax authorities.
  - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL DOMESTIC APPLIANCES HOLDINGS LIMITED (continued)**

### **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.

*Ernst & Young LLP*

Adrian Bennett (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge  
2 September 2022

**Statement of comprehensive income**  
*for the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Interest income	<i>5</i>	<b>30</b>	58
Dividend income	<i>17</i>	-	432
		<hr/>	<hr/>
<b>Operating profit being profit on ordinary activities before tax</b>		<b>30</b>	490
Tax on profit on ordinary activities	<i>6</i>	<b>(6)</b>	(11)
		<hr/>	<hr/>
<b>Profit for the financial year being total comprehensive income</b>		<b>24</b>	479
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

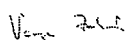
There is no other comprehensive income in either period.

**Statement of financial position**  
**at 31 December 2021**

	Notes	2021 £000	2020 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiary undertakings	7	246,916	246,916
Non-current receivables	8	4,442	4,442
<b>Total non-current assets</b>		<b>251,358</b>	<b>251,358</b>
Other receivables	9	62	62
Current financial assets	10	17,569	17,600
Cash and cash equivalents	11	80	5
<b>Total current assets</b>		<b>17,711</b>	<b>17,667</b>
<b>Total assets</b>		<b>269,069</b>	<b>269,025</b>
<b>Equity</b>			
Share capital	12	27,000	27,000
Share premium	12	158,064	158,064
Retained earnings		51,369	51,345
<b>Total equity</b>		<b>236,433</b>	<b>236,409</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current payables	13	30,763	30,763
Other payables	14	1,853	1,847
<b>Total non-current liabilities</b>		<b>32,616</b>	<b>32,610</b>
<b>Current liabilities</b>			
Trade payables	15	20	6
<b>Total current liabilities</b>		<b>20</b>	<b>6</b>
<b>Total liabilities</b>		<b>32,636</b>	<b>32,616</b>
<b>Total equity and liabilities</b>		<b>269,069</b>	<b>269,025</b>

The Annual Report and Financial Statements were approved and authorized for issue by the board of directors on 1<sup>st</sup> September 2022 and were signed on its behalf by:

**Zoltan Varga**

Director 

Company registration number: 00610606

**Statement of cash flows**  
*for the year ended 31 December 2021*

	<i>Notes</i>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Profit for the financial year		24	479
Tax on profit on ordinary activities	6	6	11
Interest income	5	(30)	(58)
Dividend income	17	-	(432)
<b>Net cash outflow from operating activities</b>		<u>-</u>	<u>-</u>
Receipt of cash pool remuneration		75	-
<b>Cash flow from financing activities</b>		<u>75</u>	<u>-</u>
<b>Net cash flow inflow</b>		<u>75</u>	<u>-</u>
Cash and cash equivalents at start of year	1	5	5
Cash and cash equivalents at end of year	1	80	5
<b>Total increase in cash and cash equivalents</b>		<u>75</u>	<u>-</u>

**Statement of changes in equity**  
*at 31 December 2021*

	Share capital £000	Share premium £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2020	27,000	158,064	50,900	235,964
Profit for the financial year being total comprehensive Income	-	-	479	479
General Domestic Appliances International Limited recapitalization	-	-	(34)	(34)
Balance at 31 December 2020	27,000	158,064	51,345	236,409
Profit for the financial year being total comprehensive income	-	-	24	24
<b>Balance at 31 December 2021</b>	<b>27,000</b>	<b>158,064</b>	<b>51,369</b>	<b>236,433</b>

## Notes to the financial statements

### 1 Accounting policies

#### Company activities

General Domestic Appliances Holdings Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England.

#### Consolidated Financial Statements

The Company elects not to prepare consolidated financial statements in accordance with IAS 27, paragraph 42. The ultimate parent company is Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America and its consolidated financial statements are available to the public and may be obtained from [www.whirlpool.com](http://www.whirlpool.com).

#### Going concern

The Company's business activities, future developments and principal risk and uncertainty are set out in the Strategic Report on page 1. The Company is expected to continue to generate positive cash flows through loan interest receivable from other group undertakings for the foreseeable future. The Company also participates in the Whirlpool Corporation European centralised treasury arrangement with Indesit Company International Business S.A.

The directors, having received a letter of support from Whirlpool Corporation for financial support for the foreseeable future, being at least 12 months from the date of approval of these financial statement (it is, 1<sup>st</sup> September 2023), and based upon the responses of the directors of the Company's ultimate parent company to their enquiries have no indications that a material uncertainty exists that may cast significant doubt about the ability of Whirlpool Corporation to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment the Company's directors have a reasonable expectation that the Company will be able 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.

#### Declaration of compliance with international accounting standards.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in conformity with the Companies act 2006 and effective at 31 December 2021.

#### Basis of preparation

The currency of presentation of the financial statements is sterling (£) and the financial statement balances are stated in thousands of sterling (£000) (except where stated otherwise). The financial statements are prepared on an historical cost basis. Financial transactions are recorded with reference to the transaction date.

#### Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

#### Accounting estimates

The preparation of financial statements involves making assumptions and estimates that affect the value of assets and liabilities and the related explanatory information, as well as the value of contingent assets and liabilities at the reference date.

These estimates are used to value the non-current assets subject to impairment, as well as to record provisions for doubtful trade receivables, taxation, and risks and charges.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### Accounting estimates *(continued)*

At the year end the directors undertook a formal impairment review in accordance with IAS 36 "Impairment of assets" of the carrying value of the investment in Whirlpool UK Appliances Limited through a comparison of the carrying value of the investment to its recoverable amount (based upon the higher of the value in use and the fair value less costs to disposal). The value in use for the investment was calculated based upon discounted cash flows for the trading subsidiary which included key assumptions of 9.0% discount rate (2020: 9.0%) and long-term revenue growth assumptions of 2.0% (2020: 2.0%) growth per annum. As a result of the review the directors determined that the investment carrying value in Whirlpool UK Appliances Limited did not require an impairment.

#### Treatment of foreign currency transactions and balances

All transactions are recorded in the functional currency of the principal operating environment in which the Company operates being Sterling. Transactions not carried out in the functional currency of the Company are translated to this currency using the exchange rates applying at the time of the related transactions. Monetary assets and liabilities are translated using the exchange rates applying on the accounting reference date and any exchange differences are recorded in the statement of comprehensive income. The non-monetary assets and liabilities recorded at historical cost in the foreign currencies concerned are translated using the historical rates applying at the time of the related transactions. The non-monetary assets and liabilities stated at fair value in the foreign currencies concerned are translated using the exchange rates applying at the time that their fair value was determined.

#### Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less allowance for expected credit losses.

#### Cash and cash equivalents

Cash and cash equivalents are recorded at nominal value, comprise cash on hand and bank deposits.

#### Other current and non-current financial assets

Financial assets held for trading are classified as current assets and measured at fair value, with recognition of any profits or losses in the statement of comprehensive income.

#### Impairment of assets

At each reporting date, the Company subjects the book value of investments to impairment testing if events suggest that they may have suffered a loss in value. If the test shows that the recorded assets or a cash generating unit (CGU) have suffered a loss in value, their recoverable value is estimated and the excess carrying value is charged to the statement of company income. The loss in value of a CGU is allocated first against the related goodwill, if any, and then against the value of other assets. The recoverable value of investments in securities held to maturity and receivables recorded at amortised cost is represented by the present value of future cash flows discounted using the effective interest rate determined at the time of initial recognition. Current receivables are not discounted, and the recoverable value of other assets is represented by their selling price, or if greater, by their value in use determined by discounting estimated future cash flows using a market rate. Any losses in the value of securities held to maturity and receivables stated at amortised cost are written back if any subsequent increases in their recoverable value can be determined on an objective basis. If the loss in value of an individual asset cannot be determined, the Company identifies the loss in the value of the CGU to which it belongs.



## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### Share capital

Share capital is recorded at nominal value. Dividends are recognised through the statement of changes in equity in the year in which they are paid.

#### Income

##### *Net financial income*

Net financial income include the interest expense accrued on all forms of loan, all interest receivable for loans to other group undertakings and interest received from cash and cash equivalents, dividends and exchange gains and losses, as well as the economic effects recorded in the statement of comprehensive income of valuing the transactions that hedge interest rate and exchange rate risks.

#### Taxation

Income taxes are recorded in the statement of comprehensive income, except for those relating to transactions reflected directly in shareholders' equity, which are also recorded in shareholders' equity. Income taxes include current taxes and the adjustments to deferred tax assets and liabilities. Current taxes are based on an estimate of the amount that the Company expects to pay by multiplying the taxable income by the tax rate in force on the accounting reference date.

Deferred tax assets and liabilities are recorded using the liability method, considering all the timing differences that emerge between the fiscal value of assets and liabilities and their carrying values in the financial statements.

Deferred tax assets and liabilities are not recognised in relation to goodwill or those assets and liabilities that do not affect taxable income. The recoverability of deferred tax assets is verified at the end of every period. If it is not likely the deferred tax asset will be recovered, the tax asset is charged back to the statement of comprehensive income. Deferred taxation is recorded using the tax rates expected to be in force for the tax periods in which the related timing differences are forecast to reverse or expire.

Deferred tax assets are recorded to the extent it is considered likely that future taxable income will be sufficient to recover such taxes.

### 2 Financial risk management

The Company is exposed to the following principal financial risks deriving from operations:

- Liquidity risk
- Currency risk
- Credit risk

As required by IFRS 7, the following qualitative and quantitative information is provided about the impact of these risks on the Company. The quantitative data deriving from the sensitivity analysis has no value for forecasting purposes and, with regard to the various market risks, cannot reflect the complexity of the market reactions correlated with each change in the assumptions made.

## Notes to the financial statements *(continued)*

### 2 Financial risk management *(continued)*

#### Liquidity risk

The Company defines the liquidity risk as the risk that the Company may be unable to meet its obligations on a timely basis. This risk has two main components:

- funding risk: the risk of not being able to meet financial obligations on the due dates and/or being unable, on a timely basis, to obtain the necessary liquidity on market terms; and
- market risk: the risk that the Company is unable to realise financial investments on a timely basis and on market terms.

The management of liquidity risk is governed by the Whirlpool Corporation European treasury policy approved by their Group board of directors.

The central treasury department is responsible for the management of liquidity risk. Liquidity risk is managed by:

- maintaining a balanced capital structure;
- diversifying the various sources of finance;
- spreading the maturities of financial payables over an extended time horizon;
- maintaining unused committed lines of credit; and
- establishing limits for maturities and credit counterparts in the management of liquidity.

#### Currency risk

Currency risk relates to the adverse effects of changes in the exchange rates for foreign currencies on the financial position of the company. The risk the Company is bearing is the transaction risk, namely the possibility that exchange rate fluctuations between the date when a financial commitment becomes probable or certain and the related transaction settlement date will give rise to a negative difference between the expected and actual cash flows.

The exchange rates used to translate foreign currency amounts and financial captions are set out in the following table.

2021	2020			
	Average	Closing	Average	Closing
Currency	exchange rate	exchange rate	exchange rate	exchange rate
EUR	1.18	1.19	1.10	1.12

The management of currency risk is governed by the Whirlpool Corporation European treasury department. The department use a combination of forwards and options to hedge against transaction risk.

#### Credit risk

The management of trade receivables, which represent the Company's principal credit risk exposure, is the responsibility of the Credit Committee (this includes the: Managing Director, Commercial Director and Finance Director) and the credit manager, who evaluate and assign customer credit limits.

The credit risk associated with doubtful accounts subject to legal action for recovery or other overdue accounts is monitored on a daily basis.

## Notes to the financial statements *(continued)*

### 2 Financial risk management *(continued)*

#### Credit risk *(continued)*

Credit risk is measured on a specific basis by allocating a risk rating to each customer, based on an assessment of creditworthiness that distinguishes between the various types of customer. The risk rating is assigned by the credit manager, on examination for credit, following an assessment of creditworthiness that takes account of both subjective and objective information. The credit rating for each customer is reviewed periodically. The credit risk deriving from commercial transactions is mitigated by the use of debt factoring and the retention of title of goods.

The objective elements considered include:

- analysis of financial statements;
- competitive positioning of the Company; and information about the potential customer obtained from databases;

The subjective elements considered include:

- acquired experience;
- network of relations; and assessment of the customer's growth prospects.

### 3 General and administrative expenses

Auditor's remuneration for audit services to the Company amounted to £2,000 (2020: £2,000) and in both periods was borne by another group undertaking with no right of recharge.

### 4 Information regarding directors and staff costs

The Company had no employees in the year (2020: nil).

The directors who served in the year were executives of Whirlpool UK Appliances Limited and were remunerated for their services by that company. Two (2020: Two) directors received total basic remuneration for the year of £543,000 (2020: £448,000), which was paid by Whirlpool UK Appliances Limited. The aggregate emoluments of the highest paid director was £432,000 (2020: £347,000). The directors do not believe that it is practicable to apportion this amount between their qualifying services as directors of the Company and their services as directors of other group undertakings.

The directors are also considered key management personnel.

### 5 Interest income

	2021 £000	2020 £000
Interest receivable on loans to fellow group undertakings		
– Indesit Company International Business S.A.	8	33
Cash pool remuneration from Indesit Company International Business S.A	22	25
<b>Total net interest income</b>	<b>30</b>	<b>58</b>

## Notes to the financial statements (continued)

### 6 Tax on profit on ordinary activities

#### (a) Tax on profit on ordinary activities

The tax expense comprises as follows:

	2021 £000	2020 £000
<b>Current tax expense</b>		
UK corporation tax on profit for the year at 19% (2020: 19%)	6	11
	<hr/>	<hr/>
<b>Total tax expense in Statement of Comprehensive Income</b>	<b>6</b>	<b>11</b>
	<hr/>	<hr/>

#### (b) Factors affecting the tax charge for the year

The standard rate of tax for the year, based on the main UK rate of corporation tax, is 19% (2020: 19%). A reconciliation of the expected tax charge based on this standard rate to the total tax charge is as follows:

	2021 £000	2020 £000
<b>Profit before tax</b>	<b>30</b>	<b>490</b>
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	6	93
Effects of:		
Non-taxable dividend income	-	(82)
	<hr/>	<hr/>
<b>Total tax expense in Statement of Comprehensive Income</b>	<b>6</b>	<b>11</b>
	<hr/>	<hr/>

#### (c) Factors that may affect future charges

From 1<sup>st</sup> April 2023 the UK corporation tax rate increases to 25%, which was enacted on 24<sup>th</sup> May 2021. The above changes to the rate of corporation tax will impact the amount of future cash tax payments to be made by the Company. At 31 December 2021 the Company had no recognised or unrecognised deferred tax assets or liabilities (2020: £nil).

## Notes to the financial statements *(continued)*

### 7 Investments in subsidiary undertakings

	2021 £000	2020 £000
Whirlpool UK Appliances Limited	246,916	246,916
	<u>          </u>	<u>          </u>
The movement in investments was as follows:		
	2021 £000	2020 £000
<b>Cost</b>		
At the beginning of year, end of year	392,574	392,574
	<u>          </u>	<u>          </u>
At end of the year	392,574	392,574
<b>Provision for diminution in value</b>		
At the beginning	145,658	145,658
	<u>          </u>	<u>          </u>
At end of the year	145,658	145,658
	<u>          </u>	<u>          </u>
<b>Net book value at 31 December</b>	<b>246,916</b>	<b>246,916</b>
	<u>          </u>	<u>          </u>

At the year end the directors undertook a formal impairment review in accordance with IAS 36 "Impairment of assets" of the carrying value of the investment in Whirlpool UK Appliances Limited through a comparison of the carrying value of the investment to its recoverable amount (based upon the higher of the value in use and the fair value less costs to disposal). The value in use for the investment was calculated based upon discounted cash flows for the trading subsidiary which included key assumptions of 9.0% discount rate (2020: 9%) and long-term revenue growth assumptions of 2.0% (2020: 2%) growth per annum. As a result of the review the directors determined that the investment carrying value in Whirlpool UK Appliances Limited did not require an impairment.

## Notes to the financial statements *(continued)*

### 7 Investments in subsidiary undertakings *(continued)*

At 31 December 2021, the Company had investments in the following subsidiary undertakings:

Name of company	Percentage of ordinary shares held	Country of incorporation	Nature of business
Whirlpool UK Appliances Limited	100%	England and Wales	Manufacture, distribution and servicing of domestic appliances
Cannon Industries Limited	100%	England and Wales	Dormant
Jackson Appliances Limited	100%	England and Wales	Dormant
Xpelair Limited	100%	England and Wales	Dormant

### 8 Non-current receivables

	2021 £000	2020 £000
Receivables from other group undertakings	4,442	4,442

The receivables from other group undertakings are expected to be recovered in a period of greater than one year.

The non-current receivables from other group undertakings relate to: receivables with Whirlpool UK Appliances Limited of £1,365,000 (2020: £1,365,000) and receivables with Merloni Domestic Appliances Limited £3,077,000 (2020: £3,077,000).

### 9 Other receivables

	2021 £000	2020 £000
Other receivables - Whirlpool UK Appliances Limited	62	62

## Notes to the financial statements (continued)

### 10 Current financial assets

	2021 £000	2020 £000
Cash pool remuneration from Indesit Company International Business S.A.	94	132
Cash deposits held by Indesit Company International Business S.A.	17,475	17,468
	<hr/>	<hr/>
<b>Total current financial assets</b>	<b>17,569</b>	<b>17,600</b>
	<hr/>	<hr/>

### 11 Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank	80	5
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>80</b>	<b>5</b>
	<hr/>	<hr/>

### 12 Share capital

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
27,000,010 (2020: 27,000,010) "Ordinary" shares of £1 each	27,000	27,000
	<hr/>	<hr/>
<b>Total shares</b>	<b>27,000</b>	<b>27,000</b>
	<hr/>	<hr/>
Share premium	158,064	158,064
	<hr/>	<hr/>

### 13 Non-current payables

	2021 £000	2020 £000
Amounts owed to other Group undertakings		
– Merloni Domestic Appliances Limited	29,746	29,746
– Whirlpool UK Appliances Limited	1,017	1,017
	<hr/>	<hr/>
<b>Total non-current payables</b>	<b>30,763</b>	<b>30,763</b>
	<hr/>	<hr/>

The amounts owed to other UK group undertakings are expected to be repayable within one to two years.

## Notes to the financial statements *(continued)*

### 14 Non-current other payables

	2021 £000	2020 £000
Group relief payable to other UK group undertakings	1,853	1,847

The group tax relief payable relates to submitted tax returns and is expected to be paid in a period of greater than one year to Indesit Company UK Holdings Limited of £1,853,000 (2020: £1,847,000).

### 15 Trade payables

	2021 £000	2020 £000
Amounts due to fellow group undertakings		
– Indesit Company International Business S.A.	20	6
<b>Total trade payables</b>	<b>20</b>	<b>6</b>

### 16 Financial instruments

#### Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Carrying amount	
		2021 £000	2020 £000
Current financial assets	10	17,569	17,600
Cash and cash equivalents	11	80	5
Other receivables	9	62	62
		<b>17,711</b>	<b>17,667</b>

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The following are financial liabilities subject to that risk:

	Notes	Carrying amount	
		2021 £000	2020 £000
Trade payables	15	20	6
		<b>20</b>	<b>6</b>



## Notes to the financial statements *(continued)*

### 16 Financial instruments *(continued)*

#### Currency risk

The Company's exposure to foreign currency risk is as follows based on notional amounts:

##### December 31, 2021

	Note	Total £000	Euro £000	GBP £000
Current financial assets	10	17,569	2,807	14,762
Cash and cash equivalents	11	80	79	1
Other receivables	9	62	-	62
Trade payables	15	20	20	-
		<u>17,731</u>	<u>2,906</u>	<u>14,825</u>

##### December 31, 2020

		Total £000	Euro £000	GBP £000
Current financial assets	10	17,600	2,845	14,755
Cash and cash equivalents	11	5	4	1
Other receivables	9	62	-	62
Trade payables	15	6	6	-
		<u>17,673</u>	<u>2,855</u>	<u>14,818</u>

#### Fair values

Fair values equal the carrying amounts of the instruments presented above.

### 17 Transactions with related parties

The Company which is incorporated in the England and Wales and controlled by Indesit Company UK Holdings Limited, by virtue of its holding of 100% of the voting share capital of the Company at the balance sheet date.

The Company's ultimate controlling party is the Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America.

## Notes to the financial statements (continued)

### 17 Transactions with related parties (continued)

Transactions with other companies within the Whirlpool Corporation group are as follows:

#### *Whirlpool UK Appliances Limited*

At year end the non-current receivable balance amounted to £1,365,000 (2020: £1,365,000), other current receivable balance of £62,000 (2020: £62,000) and a non-current payable of £1,017,000 (2020: £1,017,000). Transactions during the year were as follows: £nil (2020: £81,000) of non-current payable was a result of the General Domestic Appliances International Limited dissolution process (transfer the liability from the General Domestic Appliances International Limited dissolution to General Domestic Appliances Holdings Ltd.).

#### *Indesit Company International Business S.A.*

At year end the current financial assets balance relating to cash pool remuneration of £94,000 (2020: £132,000), cash and cash equivalents £17,475,000 (2020: £17,473,000), and a trade payable of £20,000 (2020: £6,000). Transactions during the year were as follows: interest income £8,000 (2020: £33,000), cash pool remuneration of £22,000 (2020: £25,000), and cash received from the past years' cash pool leader remuneration of £75,000 000 (2020: £nil).

#### *Merloni Domestic Appliances Limited*

At year end the non-current receivable balance amounted to £3,077,000 (2020: £3,077,000) and a non-current payable of £29,746,000 (2020: £29,746,000). There was no transaction during the year (2020: £nil).

#### *Airdun Limited*

At year end the non-current payable amounted to £nil (2020: £nil). There was no transaction during the year and no dividend payments (2020: in the process of Airdun Limited dissolution, it paid the Company a dividend offsetting the non-current payable amounted to £432,000).

#### *General Domestic Appliances International Limited*

At year end the non-current payable amounted to £nil (2020: £nil). There was no transaction during the year (2020: as a result of the General Domestic Appliances International Limited dissolution process liability was transferred from General Domestic Appliances International Limited dissolution to Whirlpool UK Appliances Limited).

#### *Indesit Company UK Holdings Limited*

At year end the non-current other payable amounted to £1,853,000 (2020: £1,847,000). The transition was related to tax recharge within tax group of £6,000 (2020: £36,000).

### 18 Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of Indesit Company UK Holdings Limited which is the immediate parent undertaking, a company incorporated in England and Wales. The ultimate parent undertaking and ultimate controlling party is Whirlpool Corporation.

The smallest and largest group in which the results of the Company for the year ended 31 December 2021 are consolidated is that headed by Whirlpool Corporation, a company incorporated in the state of Delaware in the United States of America. Copies of the consolidated financial statements of Whirlpool Corporation are available from [www.whirlpool.com](http://www.whirlpool.com).