

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2019
FOR
WEBER-STEPHEN PRODUCTS (U.K.) LIMITED**

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

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FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

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WEBER-STEPHEN PRODUCTS (U.K.) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

DIRECTORS:

Mr H J Herr
Mr J T Schollmeyer
Mr F J Lepeltier
Ms N M Misch
Mr P J Zadeik
Mr W J Horton

SECRETARY:

Mr D Durrant

REGISTERED OFFICE:

10th Floor
The Metro Building
1 Butterwick
London
W6 8DL

REGISTERED NUMBER:

03518831 (England and Wales)

AUDITORS:

Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

The directors present their strategic report of the company and the group for the year ended 30th September 2019.

REVIEW OF BUSINESS

The principal activity of the group in the year under review was that of wholesalers of barbecues and related products.

The sub-group is part of the worldwide Weber Group which was established in 1952. The Weber Group is one of the world's leading providers of barbecues with the most comprehensive range of barbecue products and services in the industry. The Weber brand is internationally synonymous with barbecuing innovation, perfect barbecue products and the utility barbecuing experience.

The directors consider the results achieved by the group to be satisfactory but expected in view of the global economy. The group's market share in the world continues to grow and it is envisaged will improve further in the coming years following the continued investment in staffing and resources. The product ranges continue to be regularly updated with new innovative technology which is expected to improve income and profitability.

The company's key performance indicators during the year were as follows:

	2018/19	2017/18
Turnover	£276m	£283m
Gross %	28.10%	32.55%
EBITDA	£7.57m	£22.25m

Turnover decreased by 2.47% compared to last year which the directors consider to be an adequate year. This decrease was an achievement given the results for 2017/18 were assisted by the exceptional summer period and a number of global sporting events, including the football world cup, which generally have a positive impact on sales. Unfortunately, the gross margin reduced to 4.45%. This reduced gross margin was a result of the changes to the customer rebate system, increases in purchase costs and the exchange rates. The costs in the business have moved in line with the levels of activity and continue to be closely monitored. Overall a profit was achieved for the financial year.

The balance sheet reduced from £75m to £44m due to a dividend paid out during the year of £31.3m. The ultimate parent company took the decision during the year to declare this dividend due to the future uncertainty surrounding the UK leaving the European Union.

The group does not have any external funding requirements or reliance on any external creditors. All cash flow funding is monitored and arranged within the Weber Group.

The directors are confident in the future outlook of the company and are budgeting a further increase in turnover and market share for 2019/20.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal commercial risks and uncertainties faced by the group include the general economic climate, seasonal weather factors and rising costs. The directors monitor these risks in order to respond and react to changes in the market place.

FINANCIAL RISK MANAGEMENT

The group's operations expose it to a variety of financial risks that include the effects of credit, currency, interest rate and liquidity risk. The directors actively manage these risks by monitoring levels of risk and related costs of mitigating these.

The group finances their operations through a mixture of retained profits and inter-group loans. They are not exposed to any external funding.

Hedge accounting is not used by the group.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

EMPLOYEE INVOLVEMENT

The directors continue to develop employees using both external and in house resources. Programmes are developed around both business needs and personal development. The group continues to appraise all systems and staff wellbeing to actively promote a positive group culture.

It is the group's policy to consult and discuss with employees on matters likely to affect their interests.

In the recruitment of staff and their future career development, individuals are considered having regard to their aptitudes and abilities, irrespective of race, sex, marital status or disability.

DISABLED PERSONS

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

ON BEHALF OF THE BOARD:

Mr W J Horton - Director

23rd June 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

The directors present their report with the financial statements of the company and the group for the year ended 30th September 2019.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of wholesalers of barbecues and related products.

DIVIDENDS

Interim dividends per share were paid as follows:

6,650,000	- 17th June 2019
4,550,000	- 7th August 2019
<u>4,450,000</u>	- 25th September 2019
<u>15,650,000</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th September 2019 will be £ 31,300,000 .

RESEARCH AND DEVELOPMENT

The group continues to develop improved barbecue equipment and techniques.

FUTURE DEVELOPMENTS

No significant changes to the group's business are anticipated.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st October 2018 to the date of this report.

Mr H J Herr
Mr J T Schollmeyer
Mr F J Lepeltier
Ms N M Misch
Mr P J Zadeik
Mr W J Horton

Other changes in directors holding office are as follows:

Mr L Leenders and Mr A M Reuter ceased to be directors after 30th September 2019 but prior to the date of this report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

Mr W J Horton - Director

23rd June 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEBER-STEPHEN PRODUCTS (U.K.) LIMITED

Opinion

We have audited the financial statements of Weber-Stephen Products (U.K.) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th September 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30th September 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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 group'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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEBER-STEPHEN PRODUCTS (U.K.) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 a Report of the Auditors 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. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Mark Sunter (Senior Statutory Auditor)
for and on behalf of Ainsworths Limited
Chartered Accountants
and Statutory Auditors
Charter House
Stansfield Street
Nelson
Lancashire
BB9 9XY

23rd June 2020

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Notes	30.9.19 £	£	30.9.18 £	£
TURNOVER	3		276,296,697		282,967,367
Cost of sales			198,663,280		190,856,212
GROSS PROFIT			77,633,417		92,111,155
Distribution costs		210,279		217,219	
Administrative expenses		72,505,590		72,779,252	
			72,715,869		72,996,471
OPERATING PROFIT	5		4,917,548		19,114,684
Interest receivable and similar income			153,559		36,547
			5,071,107		19,151,231
Interest payable and similar expenses	6		754,408		707,774
PROFIT BEFORE TAXATION			4,316,699		18,443,457
Tax on profit	7		4,161,506		5,683,171
PROFIT FOR THE FINANCIAL YEAR			155,193		12,760,286
Profit attributable to:					
Owners of the parent			155,193		12,760,286

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Notes	30.9.19 £	30.9.18 £
PROFIT FOR THE YEAR		155,193	12,760,286
OTHER COMPREHENSIVE INCOME			
Equity difference on foreign currency		80,318	639,701
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		80,318	639,701
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		235,511	13,399,987
Total comprehensive income attributable to: Owners of the parent		235,511	13,399,987

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30TH SEPTEMBER 2019

	Notes	30.9.19 £	£	30.9.18 £	£
FIXED ASSETS					
Intangible assets	10		624,786		942,975
Tangible assets	11		3,727,983		5,433,697
Investments	12		-		-
			<u>4,352,769</u>		<u>6,376,672</u>
CURRENT ASSETS					
Stocks	13	36,684,204		53,124,935	
Debtors	14	46,707,105		49,881,109	
Cash at bank and in hand		<u>13,745,899</u>		<u>13,221,916</u>	
		97,137,208		116,227,960	
CREDITORS					
Amounts falling due within one year	15	<u>57,754,867</u>		<u>47,805,033</u>	
NET CURRENT ASSETS			<u>39,382,341</u>		<u>68,422,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,735,110</u>		<u>74,799,599</u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Share premium	18		4,335,163		4,335,163
Equity difference on foreign currency translations	18		5,328,038		5,247,720
Retained earnings	18		<u>34,071,907</u>		<u>65,216,714</u>
SHAREHOLDERS' FUNDS			<u>43,735,110</u>		<u>74,799,599</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd June 2020 and were signed on its behalf by:

Mr W J Horton - Director

WEBER-STEPHEN PRODUCTS (U.K.) LIMITED (REGISTERED NUMBER: 03518831)**COMPANY BALANCE SHEET
30TH SEPTEMBER 2019**

	Notes	30.9.19 £	£	30.9.18 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		107,493		190,335
Investments	12		9,104,109		9,104,109
			<u>9,211,602</u>		<u>9,294,444</u>
CURRENT ASSETS					
Stocks	13	5,650,476		5,728,824	
Debtors	14	4,053,663		4,557,968	
Cash at bank and in hand		<u>3,271,779</u>		<u>3,527,749</u>	
		12,975,918		13,814,541	
CREDITORS					
Amounts falling due within one year	15	<u>16,092,197</u>		<u>15,969,987</u>	
NET CURRENT LIABILITIES			<u>(3,116,279)</u>		<u>(2,155,446)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,095,323</u>		<u>7,138,998</u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Share premium	18		4,335,163		4,335,163
Retained earnings	18		<u>1,760,158</u>		<u>2,803,833</u>
SHAREHOLDERS' FUNDS			<u>6,095,323</u>		<u>7,138,998</u>
Company's profit/(loss) for the financial year			<u>30,256,325</u>		<u>(2,293,773)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23rd June 2020 and were signed on its behalf by:

Mr W J Horton - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Called up share capital £	Retained earnings £	Share premium £	Equity difference on foreign currency translations £	Total equity £
Balance at 1st October 2017	2	52,456,428	4,335,163	4,608,019	61,399,612
Changes in equity					
Total comprehensive income	-	12,760,286	-	639,701	13,399,987
Balance at 30th September 2018	2	65,216,714	4,335,163	5,247,720	74,799,599
Changes in equity					
Dividends	-	(31,300,000)	-	-	(31,300,000)
Total comprehensive income	-	155,193	-	80,318	235,511
Balance at 30th September 2019	2	34,071,907	4,335,163	5,328,038	43,735,110

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st October 2017	2	5,097,606	4,335,163	9,432,771
Changes in equity				
Total comprehensive income	-	(2,293,773)	-	(2,293,773)
Balance at 30th September 2018	2	2,803,833	4,335,163	7,138,998
Changes in equity				
Dividends	-	(31,300,000)	-	(31,300,000)
Total comprehensive income	-	30,256,325	-	30,256,325
Balance at 30th September 2019	2	1,760,158	4,335,163	6,095,323

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

		30.9.19	30.9.18
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	37,704,826	11,365,729
Interest paid		(754,408)	(707,774)
Tax paid		(4,161,506)	(5,278,020)
Net cash from operating activities		<u>32,788,912</u>	<u>5,379,935</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(11,513)	(97,756)
Purchase of tangible fixed assets		(1,111,403)	(3,406,587)
Sale of tangible fixed assets		4,428	45,700
Interest received		153,559	36,547
Net cash from investing activities		<u>(964,929)</u>	<u>(3,422,096)</u>
Cash flows from financing activities			
Equity dividends paid		(31,300,000)	-
Net cash from financing activities		<u>(31,300,000)</u>	<u>-</u>
Increase in cash and cash equivalents		<u>523,983</u>	<u>1,957,839</u>
Cash and cash equivalents at beginning of year	2	13,221,916	11,264,077
Cash and cash equivalents at end of year	2	<u>13,745,899</u>	<u>13,221,916</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.9.19	30.9.18
	£	£
Profit before taxation	4,316,699	18,443,457
Depreciation charges	3,032,937	3,122,867
Loss on disposal of fixed assets	109,454	205,437
Equity difference on foreign currency	80,318	639,701
Finance costs	754,408	707,774
Finance income	(153,559)	(36,547)
	8,140,257	23,082,689
Decrease/(increase) in stocks	16,440,731	(8,738,353)
Decrease in trade and other debtors	3,839,966	19,340,423
Increase/(decrease) in trade and other creditors	9,283,872	(22,319,030)
Cash generated from operations	37,704,826	11,365,729

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30th September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	13,745,899	13,221,916

Year ended 30th September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	13,221,916	11,264,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

1. **STATUTORY INFORMATION**

Weber-Stephen Products (U.K.) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the company and its subsidiary undertakings.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within this sub-group.

Transactions between members of this sub-group which have been eliminated on consolidation are not disclosed within the financial statements.

All balances with other members of the Weber worldwide group, which are not part of this sub-group, are disclosed in the financial statements.

Significant judgements and estimates

In application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The judgements and estimates which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities are as follows:

Sales rebate provisions - the directors have made estimations in respect of the level of sales rebate provisions payable to customers. The sales rebate provisions are based on a number of factors which are not all fully apparent at the year end.

Stock provisions - the directors have reviewed and estimated the value of stock which is either slow moving or obsolete.

Bad debt provisions - the directors have reviewed and estimated the value of debtors which they do not believe are fully recoverable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill is amortised over its estimated useful life.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Fixtures and fittings	- 25% on cost and 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost and 20% on cost

Tangible assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

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

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

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

The following assets and liabilities are classified as financial instruments:
Investments in subsidiaries, trade debtors, trade creditors and inter group balances.

Trade debtors, trade creditors, and inter group balances (being repayable on demand) are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised in profit and loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019**

2. ACCOUNTING POLICIES - continued

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 result.

Some overseas subsidiaries record their transactions in foreign currencies. These subsidiaries results are translated into sterling for the purposes of these consolidated financial statements. The income statements are translated using the average rate for the year whilst the assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the results from ordinary activities unless the profit or losses are exceptional.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	30.9.19 £	30.9.18 £
United Kingdom	28,931,902	28,205,864
Western Europe	183,071,540	191,677,643
Eastern Europe	11,828,864	10,454,870
Canada	42,353,597	44,665,036
South America	1,658,397	1,850,727
Asia	8,452,397	6,113,227
	<u>276,296,697</u>	<u>282,967,367</u>

4. EMPLOYEES AND DIRECTORS

	30.9.19 £	30.9.18 £
Wages and salaries	19,940,095	20,315,540
Social security costs	2,272,452	2,379,516
Other pension costs	226,266	230,895
	<u>22,438,813</u>	<u>22,925,951</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

4. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	30.9.19	30.9.18
Directors	8	8
Administration, sales and distribution	<u>318</u>	<u>321</u>
	<u>326</u>	<u>329</u>

	30.9.19	30.9.18
	£	£
Directors' remuneration	210,883	182,884
Directors' pension contributions to money purchase schemes	<u>13,581</u>	<u>12,987</u>

Information regarding the highest paid director for the year ended 30th September 2019 is as follows:

	30.9.19
	£
Emoluments etc	210,883
Pension contributions to money purchase schemes	<u>13,581</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.9.19	30.9.18
	£	£
Depreciation - owned assets	2,703,235	2,787,788
Loss on disposal of fixed assets	109,454	205,437
Goodwill amortisation	31,308	31,466
Patents and licences amortisation	298,394	303,613
Auditors' remuneration	16,825	16,825
Other non- audit services	9,725	9,725
Remuneration charged by other auditors	<u>179,239</u>	<u>172,168</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.19	30.9.18
	£	£
Group interest payable	<u>754,408</u>	<u>707,774</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

7. TAXATION**Analysis of the tax charge**

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

	30.9.19 £	30.9.18 £
Current tax:		
Over provision in previous year	-	34,981
Overseas tax	<u>4,161,506</u>	<u>5,677,568</u>
Total current tax	<u>4,161,506</u>	<u>5,712,549</u>
Deferred tax	-	(29,378)
Tax on profit	<u><u>4,161,506</u></u>	<u><u>5,683,171</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.19 £	30.9.18 £
Profit before tax	<u>4,316,699</u>	<u>18,443,457</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>820,173</u>	<u>3,504,257</u>
Effects of:		
Higher overseas tax rates and other changes	<u>3,341,333</u>	<u>2,178,914</u>
Total tax charge	<u><u>4,161,506</u></u>	<u><u>5,683,171</u></u>

Tax effects relating to effects of other comprehensive income

	30.9.19 Gross £	Tax £	Net £
Equity difference on foreign currency	<u>80,318</u>	<u>-</u>	<u>80,318</u>
	30.9.18 Gross £	Tax £	Net £
Equity difference on foreign currency	<u>639,701</u>	<u>-</u>	<u>639,701</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

9. **DIVIDENDS**

	30.9.19 £	30.9.18 £
Ordinary shares of £1 each		
Interim	<u>31,300,000</u>	-

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1st October 2018	1,589,873	1,771,045	3,360,918
Additions	-	11,513	11,513
At 30th September 2019	<u>1,589,873</u>	<u>1,782,558</u>	<u>3,372,431</u>
AMORTISATION			
At 1st October 2018	1,530,483	887,460	2,417,943
Amortisation for year	31,308	298,394	329,702
At 30th September 2019	<u>1,561,791</u>	<u>1,185,854</u>	<u>2,747,645</u>
NET BOOK VALUE			
At 30th September 2019	<u>28,082</u>	<u>596,704</u>	<u>624,786</u>
At 30th September 2018	<u>59,390</u>	<u>883,585</u>	<u>942,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

11. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st October 2018	620,859	12,443,201	88,727	4,333,044	17,485,831
Additions	106,898	620,693	-	383,812	1,111,403
Disposals	-	(273,167)	-	-	(273,167)
At 30th September 2019	727,757	12,790,727	88,727	4,716,856	18,324,067
DEPRECIATION					
At 1st October 2018	161,969	9,129,172	88,727	2,672,266	12,052,134
Charge for year	163,311	1,463,799	-	1,076,125	2,703,235
Eliminated on disposal	-	(159,285)	-	-	(159,285)
At 30th September 2019	325,280	10,433,686	88,727	3,748,391	14,596,084
NET BOOK VALUE					
At 30th September 2019	402,477	2,357,041	-	968,465	3,727,983
At 30th September 2018	458,890	3,314,029	-	1,660,778	5,433,697

Company

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st October 2018 and 30th September 2019	158,350	248,518	88,727	262,843	758,438
DEPRECIATION					
At 1st October 2018	94,980	192,342	88,727	192,054	568,103
Charge for year	31,671	28,090	-	23,081	82,842
At 30th September 2019	126,651	220,432	88,727	215,135	650,945
NET BOOK VALUE					
At 30th September 2019	31,699	28,086	-	47,708	107,493
At 30th September 2018	63,370	56,176	-	70,789	190,335

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1st October 2018
and 30th September 2019

9,104,109

NET BOOK VALUE

At 30th September 2019
At 30th September 2018

9,104,109

9,104,109

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Weber-Stephen Deutschland GmbH

Registered office: Germany
Nature of business: Wholesale of barbecues

Class of shares:	% holding
Ordinary	100.00

Weber-Stephen (Schweiz) GmbH

Registered office: Switzerland
Nature of business: Wholesale of barbecues

Class of shares:	% holding
Ordinary	100.00

Weber-Stephen CZ & SK spol. s.r.o.

Registered office: Czech Republic
Nature of business: Wholesale of barbecues

Class of shares:	% holding
Ordinary	100.00

Weber-Stephen Vostok LLC

Registered office: Russia
Nature of business: Wholesale of barbecues

Class of shares:	% holding
Ordinary	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

12. FIXED ASSET INVESTMENTS - continued

Weber-Stephen Polska Spol. Z.o.o

Registered office: Poland

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

Weber-Stephen Products (EMEA) GmbH

Registered office: Germany

Nature of business: Administration etc.for EMEA

	%
Class of shares:	holding
Ordinary	100.00

Weber-Stephen Holdings (UK) Limited

Registered office: United Kingdom

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

Weber-Stephen (Canada) Company

Registered office: Canada

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

Weber-Stephen Chile SpA

Registered office: Chile

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

Weber (Shanghai) Trading Company Limited

Registered office: China

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

Weber-Stephen Products (Hong Kong) Limited

Registered office: Hong Kong

Nature of business: Wholesale of barbecues

	%
Class of shares:	holding
Ordinary	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

12. **FIXED ASSET INVESTMENTS - continued**

Weber-Stephen Products Japan GK

Registered office: Japan

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

Weber-Stephen Products (Malaysia) SDN. BHD.

Registered office: Malaysia

Nature of business: Wholesale of barbecues

Class of shares:	%
Ordinary	holding 100.00

13. **STOCKS**

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Finished goods	36,684,204	53,124,935	5,650,476	5,728,824

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Trade debtors	35,203,867	31,511,908	3,363,147	3,703,101
Other debtors	1,326,882	978,814	320,805	14,598
Amount owed by group companies	7,813,044	14,120,763	187,616	217,510
Tax	109,223	-	-	-
VAT	628,086	1,008,495	-	149,730
Prepayments and accrued income	1,626,003	2,261,129	182,095	473,029
	46,707,105	49,881,109	4,053,663	4,557,968

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.9.19	30.9.18	30.9.19	30.9.18
	£	£	£	£
Trade creditors	5,734,839	5,903,043	400,911	979,527
Tax	-	527,904	-	73,053
VAT	-	-	103,277	-
Other creditors	24,250,583	21,459,828	2,737,774	1,886,152
Amount owed to group companies	27,769,445	19,914,258	12,850,235	13,031,255
	57,754,867	47,805,033	16,092,197	15,969,987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	30.9.19	30.9.18
	£	£
Within one year	179,779	254,422
Between one and five years	1,301,079	1,108,939
In more than five years	1,601,768	1,221,655
	<u>3,082,626</u>	<u>2,585,016</u>

Company

	Non-cancellable operating leases	
	30.9.19	30.9.18
	£	£
Within one year	10,261	15,428
Between one and five years	57,473	53,468
In more than five years	343,920	388,127
	<u>411,654</u>	<u>457,023</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.19	30.9.18
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

18. RESERVES

Group

	Retained earnings	Share premium	Equity difference on foreign currency translations	Totals
	£	£	£	£
At 1st October 2018	65,216,714	4,335,163	5,247,720	74,799,597
Profit for the year	155,193			155,193
Dividends	(31,300,000)			(31,300,000)
Movement in the year	-	-	80,318	80,318
At 30th September 2019	<u>34,071,907</u>	<u>4,335,163</u>	<u>5,328,038</u>	<u>43,735,108</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2019

18. **RESERVES - continued**

Company

	Retained earnings £	Share premium £	Totals £
At 1st October 2018	2,803,833	4,335,163	7,138,996
Profit for the year	30,256,325		30,256,325
Dividends	(31,300,000)		(31,300,000)
At 30th September 2019	<u>1,760,158</u>	<u>4,335,163</u>	<u>6,095,321</u>

19. **PENSION COMMITMENTS**

The company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

20. **ULTIMATE PARENT COMPANY**

In the directors' opinion the company's ultimate parent company is Weber-Stephen Products LLC which is incorporated in the United States of America. The company's address is 1415 S. Roselle Road, Palatine, Illinois, 60067, USA.

21. **ULTIMATE CONTROLLING PARTY**

In the directors' opinion the company's ultimate controlling party is BDT Capital Partners LLC which is incorporated in the United States of America.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.