

WGH UK Holdings Limited

Annual Report and Financial Statements

Year Ended 31 December 2019

Company Number 4856144

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WGH UK Holdings Limited

Annual Report and financial statements for the year ended 31 December 2019

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WGH UK Holdings Limited

Strategic report for the year ended 31 December 2019

The directors present the strategic report, together with the report of the directors, financial statements and auditor's report for the year ended 31 December 2019.

Business review

The company is an investment holding company. During the year, the company reported a profit of £33.7m, including dividends received from subsidiaries, compared to a loss of £3.1m in the year to 31 December 2018. Net assets at 31 December totaled £10.5m (31 December 2018: net liabilities of £23.2m).

The principal activities of the company's subsidiaries are the manufacture and supply of moulding and surface preparation machinery together with associated spare parts and servicing.

Principal risks and uncertainties faced

The principal risks facing the company arise from the level of economic activity in the markets served by its subsidiaries. These are discussed further in the report of the directors.

Key performance indicators

The directors consider the company's key performance indicator to be the financial performance of its subsidiaries. The company measures performance using comprehensive reporting packages, produced by each of its subsidiaries, which compare actual performance to both plan and the previous year. The reporting packages, together with regularly updated profit and cash flow forecasts, constitute the key performance indicators used within the business.

Section 172 statement

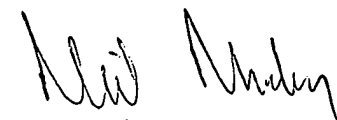
The directors are required to disclose how we have considered our duties under section 172 of the Companies Act. The company is an intermediate holding company within the Norican Global A/S group, and does not have any employees, suppliers or customers. It does not carry out any trade and so does not have any impact on the community or the environment.

Future developments

The directors do not expect any changes in the nature of the company's activities in the foreseeable future.

Approval

The strategic report was approved on behalf of the Board on 9 December 2020.



N C Moseley
Director

WGH UK Holdings Limited

Report of the directors for the year ended 31 December 2019

The directors present their annual report together with the audited financial statements for the year ended 31 December 2019.

Results and dividends

The result for the year is shown in the profit and loss account on page 8.

A business review is set out in the strategic report.

No dividend is recommended for the year (2018: £nil).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. In making this judgement the directors have considered the impact of the Covid-19 pandemic on the company; as an investment holding company there is no significant impact.

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

Future Developments

An indication of likely future developments of the company is noted within the Strategic Report.

Financial risk management objectives and policies

The company is affected by the same principal risks and uncertainties as the rest of the Norican Global A/S Group. The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's individual subsidiaries predominately transact their operational activities in their respective functional currencies. However, the global nature of the business leads to transactional risk at the balance sheet date. This arises because the amount of local currency received or paid for transactions denominated in a foreign currency varies due to changes in foreign exchange rates. Transactional committed risk for which the Group has a contractual obligation which is recorded on the balance sheet is primarily managed through the use of forward foreign exchange contracts. The Group enters into forward foreign exchange contracts primarily to hedge exchange rate risk.

Credit Risk

The exposure to credit risk is represented by the balance sheet values of the receivables and positive market values of derivatives that are carried at the balance sheet date. Credit quality of customers is assessed taking into account the customer's financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings. The utilisation of credit limits is regularly monitored. Although the Group monitors the credit ratings of its customers, changes in the financial position of its customers can adversely affect the Group's future collection of the receivables and the Group's cash flows.

WGH UK Holdings Limited

Report of the directors for the year ended 31 December 2019 (continued)

Financial risk management objectives and policies (continued)

Liquidity Risk

The Group's principal source of liquidity consists of cash generated from operations and borrowings available under the revolving credit portion of the Group's financing agreements.

Capital Risk Management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

Directors

The directors who held office during the year and thereafter were as follows:

I B Bird

A J Matsuyama (resigned 15 October 2020)

N C Moseley (appointed 15 October 2020)

Auditor

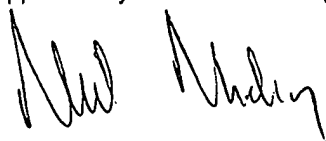
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office. Under the Companies Act 2006, section 487 (2), they will automatically be reappointed as auditor 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their reappointment.

Approved by the Board and signed on its behalf by:



N C Moseley
Director

WGH UK Holdings Limited
22 Edward Court
Altrincham
Cheshire
WA14 5GL

9 December 2020

WGH UK Holdings Limited

Directors' responsibilities statement for the year ended 31 December 2019

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

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

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

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

WGH UK Holdings Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WGH UK HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of WGH UK Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

WGH UK Holdings Limited

Independent auditor's report (continued)

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

WGH UK Holdings Limited

Independent auditor's report (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

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.



Paul Hewitson FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, England
9 December 2020

WGH UK Holdings Limited

Profit and loss account for the year ended 31 December 2019

	Note	2019 £000	2018 £000
Administrative expenses		(30)	(30)
Interest payable and similar charges	4	(1,236)	(3,037)
Dividend income		35,000	-
Profit / (loss) before taxation	3	33,734	(3,067)
Tax on profit / (loss)	5	-	-
Profit / (loss) after taxation		33,734	(3,067)

The above results derive from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

WGH UK Holdings Limited

Statement of comprehensive income for the year ended 31 December 2019

	2019 £000	2018 £000
Profit / (loss) for the financial year	33,734	(3,067)
Unrealised holding losses on derivatives designated as cash flow hedges, net of deferred tax	-	-
	<hr/>	<hr/>
Total comprehensive income / (expense)	<u>33,734</u>	<u>(3,067)</u>

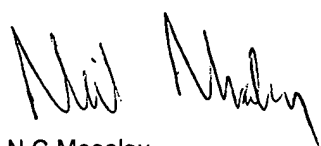
The notes on pages 12 to 20 form part of these financial statements.

WGH UK Holdings Limited

Balance sheet as at 31 December 2019

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Investments	6		55,311		55,311
Creditors: amounts falling due within one year	7	(44,770)		(464)	
Net current liabilities			(44,770)		(464)
Total assets less current liabilities			10,541		54,847
Creditors: amounts falling due after more than one year	8		-		(78,040)
Net assets / (liabilities)			10,541		(23,193)
Capital and reserves					
Called up share capital	9		3,159		3,159
Profit and loss account			7,382		(26,352)
			10,541		(23,193)

These financial statements were approved by the board of directors and authorised for issue on 9 December 2020.



N C Moseley
Director

The notes on pages 12 to 20 form part of these financial statements.

Registered Company number: 4856144

WGH UK Holdings Limited

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £000	Hedging reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2018	3,159	-	(23,285)	(20,126)
Loss for the year	-	-	(3,067)	(3,067)
At 31 December 2018	<u>3,159</u>	<u>-</u>	<u>(26,352)</u>	<u>(23,193)</u>
Profit for the year	-	-	33,734	33,734
At 31 December 2019	<u><u>3,159</u></u>	<u><u>-</u></u>	<u><u>7,382</u></u>	<u><u>10,541</u></u>

The notes on pages 12 to 20 form part of these financial statements.

WGH UK Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Basis of preparation

WGH UK Holdings Limited is a private company limited by shares and incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is given on page 3. The nature of the company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The functional currency of WGH UK Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

WGH UK Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. WGH UK Holdings Limited is consolidated in the financial statements of its parent, Norican Global A/S, a company incorporated in Denmark, which may be obtained from the address in note 11. Exemptions have been taken in these separate company financial statements in relation to financial instruments, related parties, presentation of a cash flow statement and remuneration of key management personnel.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The report of the directors further describes the financial position of the company; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial assets and liabilities

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

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

WGH UK Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(i) *Derivative financial instruments*

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(ii) *Hedge accounting*

The company designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the company determines and documents causes for hedge ineffectiveness.

WGH UK Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line related to the hedged item in profit or loss. Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 33 not to disclose transactions or balances with entities which form part of the group. The consolidated financial statements, within which this company is included, can be obtained from the address given in note 11.

Debt issuance costs

Debt issuance costs are capitalised and amortised using a method that approximates the effective interest rate method over the term of the underlying credit facility or note.

Investments

In the company financial statements, investments in subsidiary undertakings are stated as cost less any impairments.

Impairment of assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

WGH UK Holdings Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currencies

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

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

WGH UK Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the company's accounting policies

The directors do not consider that the amounts recognised in the financial statements have been significantly affected by any critical judgements made in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

The directors do not consider that there are any areas of the financial statements that are significantly affected by sources of estimation uncertainty.

3 Profit / (loss) before taxation

Audit fees for the audit of these financial statements of £4,000 (2018: £4,000) are borne by a subsidiary undertaking.

The emoluments of the directors are paid by Wheelabrator Group Inc, which makes no recharge (2018: nil) to the company. They are directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. The total emoluments are included in the aggregate of directors emoluments disclosed in the financial statements of the ultimate parent company, Norican Global A/S.

WGH UK Holdings Limited had no employees during the year (2018: none).

4 Interest payable and similar charges

	2019 £000	2018 £000
Net exchange (gain) / loss	(819)	136
Interest payable on loans from group undertakings	2,055	2,901
	<hr/>	<hr/>
	1,236	3,037
	<hr/>	<hr/>

WGH UK Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

5 Taxation on profit / (loss)

	2019 £000	2018 £000
Current tax on profit / (loss)		
UK corporation tax	-	-
Deferred tax		
Adjustments in respect of prior years	-	-
Total tax	-	-
The tax charge comprises:		
	2019 £000	2018 £000
Profit / (loss) before tax	33,734	(3,067)
Loss at the standard rate of corporation tax in the UK of 19% (2018: 19%)	6,409	(583)
Effects of:		
Group income	(6,650)	-
Group relief	76	411
Unused tax losses and tax offsets not recognised as deferred tax assets	165	172
Total tax on profit / (loss)	-	-

The deferred taxation asset not recognised in the financial statements is as follows:

	2019 £000	2018 £000
Tax losses available	3,554	3,392

The standard rate of tax applied to reported profit is 19% (2018: 19%).

Due to the restrictive nature of the tax losses and the uncertainty of future profits in the company, a deferred tax asset has not been recognised in relation to the above.

WGH UK Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

6 Fixed asset investments

Shares in
group
undertakings
£000

At 1 January and 31 December 2019

55,311

The undertakings in which the company has an interest at the year end are as follows:

Group undertaking	Country of incorporation	Principal activity	Class share	Percentage of shares held
WGH UK Limited	England	Holding company	Ordinary	100
			Preference	100
Wheelabrator Technologies (UK) Limited	England	Holding company	Ordinary	100 (*)
Wheelabrator Group Limited	England	Engineering	Ordinary	100 (*)
Castalloy Europe Limited	England	Engineering	Ordinary	100 (*)
Striko UK Limited	England	Engineering	Ordinary	100 (*)
Wheelabrator OFT GmbH	Germany	Engineering	Ordinary	100 (*)
Matrasur Composites SAS	France	Engineering	Ordinary	100 (*)
Wheelabrator Group GmbH	Germany	Engineering	Ordinary	100 (*)
Wheelabrator Schlick Sp. z o.o.	Poland	Engineering	Ordinary	100 (*)
Wheelabrator Group NV	Belgium	Engineering	Ordinary	100 (*)
Wheelabrator Group SLU	Spain	Engineering	Ordinary	100 (*)
Wheelabrator Holdings GmbH	Germany	Holding company	Ordinary	100 (*)
Wheelabrator Group SAS	France	Engineering	Ordinary	100 (*)
DISA Industrie AG	Switzerland	Engineering	Ordinary	100 (*)
DISA Industries A/S	Denmark	Engineering	Ordinary	45 (*)
DISA Industrieanlagen GmbH	Germany	Engineering	Ordinary	100 (*)
Walther Trowal SARL	France	Non-trading	Ordinary	100 (*)
Wheelabrator-Berger Stiftung GmbH	Germany	Non-trading	Ordinary	100 (*)
Blast Cleaning Techniques Ltd.	England	Non-trading	Ordinary	100 (*)
Nolten GmbH	Germany	Non-trading	Ordinary	100 (*)
OT Oberflächentechnik Maschinen und Werkzeuge Handles GmbH	Germany	Non-trading	Ordinary	100 (*)
Abrasive Developments Ltd	England	Dormant	Ordinary	100 (*)
Impact Finishers Ltd	England	Dormant	Ordinary	100 (*)
Spencer & Halstead Ltd	England	Dormant	Ordinary	100 (*)
Vacu-Blast International Ltd	England	Dormant	Ordinary	100 (*)

(*) Indirectly held through ownership of WGH UK Limited

WGH UK Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

6 Fixed asset investments (continued)

The registered addresses of the undertakings in which the company has an interest at the year end are as follows:

WGH UK Limited
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Wheelabrator Technologies (UK) Limited
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Wheelabrator Group Limited
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Castalloy Europe Limited
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Striko UK Limited
Unit 24 Jupiter Business Park
Hixon
Staffordshire
ST18 0PF

Wheelabrator OFT GmbH
Ferdinand-Porsche-Str. 23
51149 Cologne
Germany

Matrasur Composites SAS
28 Rue de Tournenfil
91540 Mennecy
France

Wheelabrator Group GmbH
Ferdinand-Porsche-Str. 23
51149 Cologne
Germany

Wheelabrator Schlick Sp. z o.o.
Ul. Slowackiego 53
62-300 Września
Poland

Wheelabrator Group NV
Lozenberg 22 Bus 3
1932 Zaventem
Belgium

Wheelabrator Group SLU
Gran Via de les Corts Catalanes
133 AT.B
08014 Barcelona
Spain

Wheelabrator Holdings GmbH
Ferdinand-Porsche-Str. 23
51149 Cologne
Germany

Wheelabrator Group SAS
28 Rue de Tournenfil
91540 Mennecy
France

DISA Industrie AG
Kasternenstr. 1
8184 Bachenbülach
Switzerland

DISA Industries A/S
Højager 8
2630 Taastrup
Denmark

DISA Industrieanlagen GmbH
Bismarckstr. 37
04249 Leipzig
Germany

Walther Trowal SARL
28 Rue de Tournenfil
91540 Mennecy
France

Wheelabrator-Berger Stiftung GmbH
Ferdinand-Porsche-Str. 23
51149 Cologne
Germany

Blast Cleaning Techniques Ltd.
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Nolten GmbH
Heinrich-Schlick-Str. 2
48629 Metelen
Germany

OT Oberflächentechnik Maschinen und
Werkzeuge Handles GmbH
Ferdinand-Porsche-Str. 23
51149 Cologne
Germany

Abrasive Developments Ltd
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Impact Finishers Ltd
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Spencer & Halstead Ltd
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

Vacu-Blast International Ltd
Wheelabrator House
22 Edward Court
Altrincham
Cheshire
WA14 5GL

WGH UK Holdings Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

7 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	44,874	464
Debt issuance costs	(104)	-
	<u>44,770</u>	<u>464</u>

At the year end, amounts owed to group undertakings were repayable within one year, were unsecured, and carried interest at market representative rates. Subsequent to year end, amended arrangements mean these amounts are now repayable on 31 January 2023.

8 Creditors: amounts falling due after one year

	2019 £000	2018 £000
Debt issuance costs	-	(134)
Amounts owed to group undertakings	-	78,174
	<u>-</u>	<u>78,040</u>

9 Called up share capital and reserves

	2019 £000	2018 £000
<i>Allotted, called up and fully paid</i>		
4,503,693 ordinary shares of €1 each	3,159	3,159
	<u>3,159</u>	<u>3,159</u>

The company has one class of ordinary shares which carry no right to fixed income. The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

10 Contingent liabilities

The Norican Group issued €340.0m of 4.5% Senior Secured Notes due for repayment in 2023 on 17 May 2017. The Norican Group also has a revolving credit facility of €75.0m, with availability to 30 October 2022. In common with other participating companies, the company has given a fixed and floating charge on its assets to secure these facilities. At 31 December 2019, bank guarantees of €19.1m had been issued by the Group from the revolving credit facility.

11 Ultimate controlling party and immediate controlling party

The directors regard Norican Global A/S registered in Denmark, as the ultimate parent company and Altor Fund IV Holding AB, registered in Sweden, as the ultimate controlling party.

The smallest and largest group in which the 2019 results of the company are consolidated is that headed by Norican Global A/S, registered address Hojager 8, DK-2630 Taastrup, Denmark. Group consolidated financial statements can be obtained from that address.