

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 December 2019
for
Weight Partners Corporate Limited



Weight Partners Corporate Limited

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for the Year Ended 31 December 2019

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Weight Partners Corporate Limited

Company Information
for the Year Ended 31 December 2019

DIRECTOR:	J D Weight
REGISTERED OFFICE:	10 Queen Street Place London EC4R 1AG
REGISTERED NUMBER:	07237008 (England and Wales)
AUDITORS:	Ernst & Young LLP
SOLICITORS:	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

Weight Partners Corporate Limited

Strategic Report
for the Year Ended 31 December 2019

The director presents his strategic report for the year ended 31 December 2019.

BUSINESS REVIEW

Weight Partners Corporate Limited ("WPC" or the "Company") is an investment company. Its objective is to provide long-term return on equity by way of investment in a portfolio of private equity assets. The portfolio currently consists primarily of the following companies - Boxclever, Rileys Sports Bars, Trinity Insurance, and Watali. The Company focuses on acquiring businesses going through change or that would benefit from change. This means businesses that have fallen on hard times or haven't had access to the resources they need to fully release their potential, as well as businesses that are growing quickly. WPC's focus is on businesses headquartered in the UK and Ireland, in the consumer and healthcare services sectors, where we can draw on the WPC team's experience to support management.

Boxclever is the only remaining player of scale in the mainstream UK electrical rental market. The strategy for Boxclever remains to tightly manage the revenue reduction from a declining customer base through world-class customer service. Weight Partners Capital LLP ("WPC LLP") manages the investment on behalf of WPC and a third party investor.

Rileys is the UK's largest chain of sports bars, with a strong focus on pool, snooker, and darts, alongside showing the best sports TV. Due to economic headwinds from Covid-19, Rileys went into administration in July 2020.

Trinity Insurance is a leading broker of personal lines insurance to customers in the British Armed Forces. The focus for Trinity is to continue developing its back-office and support functions so it can operate as a stand-alone business, while broadening its product range and target market.

Watali UK Limited ("Watali") was acquired from Watali Limited in December 2018. Its principal activity is to act as an investment holding company. The investments held by Watali include: a minority share in Boxclever; an investment company with minority stakes in residential healthcare businesses; a partnership invested into further investment companies which hold minority stakes in private equity investments; and land for development. The Company's objective is to monitor Watali's investments to achieve long-term returns.

Weight Partners Corporate Limited

Strategic Report
for the Year Ended 31 December 2019

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's key risk relates to the trading performance of its operating subsidiaries. This is affected by the general economic environment of the UK, as well as by operational management decisions within the operating companies.

The UK's economic outlook is particularly uncertain at the current time. Whilst Brexit will have little direct impact on our businesses, the consequences regarding consumer sentiment are still not yet clear, and the impact of Covid-19 is likely to be felt accross the portfolio.

We aim to reduce operating management risks through close involvement with the various management teams, as well as attending monthly board and weekly trading review meetings. All significant investments by the business require sign off by WPC management, as so senior management appointments.

The Company's investments are exposed to various regulatory changes, though none are expected to have a material impact on the businesses in the foreseeable future.

FINANCIAL KEY PERFORMANCE INDICATORS

The primary KPI for WPC is investment returns. WPC has not yet exited any investments and therefore it is too early to measure investment return across its portfolio. A regular dividend stream is earned from its investment in Boxclever, £1.6m in 2019 (2018: £2.2m).

ON BEHALF OF THE BOARD:

DocuSigned by:

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J D Weight - Director

11-Dec-20
Date:

Weight Partners Corporate Limited

Report of the Director
for the Year Ended 31 December 2019

The director presents his report with the financial statements of the Company for the year ended 31 December 2019.

DIVIDENDS

The loss for the year, after taxation, amounted to £3,679k (2018: loss of £761k).

During the year, dividends totalling £77k (2018: £92k) were paid.

FUTURE DEVELOPMENTS

The director foresees no material changes to the current operations of the Company.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

J D Weight held office during the whole of the period from 1 January 2019 to the date of this report.

COVID-19

Please refer to Notes 2 and 16 of the financial statements which describe the economic and social disruption the Company is facing as a result of Covid-19.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Weight Partners Corporate Limited

Report of the Director
for the Year Ended 31 December 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and he 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 auditors are aware of that information.

ON BEHALF OF THE BOARD:

DocuSigned by:

Jim Weight

OFFSPRING ID CS 8488

J D Weight - Director

11-pec-20

Date:

Report of the Independent Auditors to the Members of
Weight Partners Corporate Limited

Opinion

We have audited the financial statements of Weight Partners Corporate Limited (the 'Company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and 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 Company's affairs as at 31 December 2019 and of its loss 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 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

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Emphasis of matter - effects of Covid-19

We draw attention to Notes 2 and 16 of the financial statements, which describe the economic and social disruption and potential consequences the Company is facing as a result of Covid-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

Report of the Independent Auditors to the Members of
Weight Partners Corporate Limited

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Strategic Report and the Report of the Director 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 Director 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 the Report of the Director.

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, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Weight Partners Corporate Limited

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.

Ernst & Young LLP

Ahmer Huda (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP

December 14, 2020 | 4:12:04 GMT

Date:

Weight Partners Corporate LimitedIncome Statementfor the Year Ended 31 December 2019

	Notes	31.12.19 £'000	31.12.18 £'000
INVESTMENT INCOME	3	3,492	3,710
Administrative expenses		(66)	(21)
		<u>3,426</u>	<u>3,689</u>
Fair value loss on investment through profit and loss		(6,935)	(4,322)
OPERATING LOSS	4	(3,509)	(633)
Interest payable and similar expenses	5	(75)	(1)
LOSS BEFORE TAXATION		(3,584)	(634)
Tax on loss	6	(95)	(127)
LOSS FOR THE FINANCIAL YEAR		<u>(3,679)</u>	<u>(761)</u>

The notes form part of these financial statements

Weight Partners Corporate Limited

Other Comprehensive Income
for the Year Ended 31 December 2019

	Notes	31.12.19 £'000	31.12.18 £'000
LOSS FOR THE YEAR		(3,679)	(761)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(3,679)</u>	<u>(761)</u>

The notes form part of these financial statements

Weight Partners Corporate Limited (Registered number: 07237008)Balance Sheet31 December 2019

	Notes	31.12.19 £'000	31.12.18 £'000
FIXED ASSETS			
Investments	9	11,973	16,127
CURRENT ASSETS			
Debtors	10	5,365	4,351
Cash at bank		4	679
		<u>5,369</u>	<u>5,030</u>
CREDITORS			
Amounts falling due within one year	11	(517)	(434)
NET CURRENT ASSETS		<u>4,852</u>	<u>4,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,825	20,723
CREDITORS			
Amounts falling due after more than one year	12	(2,909)	(3,051)
NET ASSETS		<u>13,916</u>	<u>17,672</u>
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Retained earnings	14	13,916	17,672
SHAREHOLDERS' FUNDS		<u>13,916</u>	<u>17,672</u>

The financial statements were approved by the director and authorised for issue on 11-Dec-20 and were signed by:

DocuSigned by:

Jim Weight

OFFB484DGSB488.....

J D Weight - Director

The notes form part of these financial statements

Weight Partners Corporate LimitedStatement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	-	18,525	18,525
Changes in equity			
Dividends	-	(92)	(92)
Total comprehensive income	-	(761)	(761)
Balance at 31 December 2018	-	17,672	17,672
Changes in equity			
Dividends	-	(77)	(77)
Total comprehensive income	-	(3,679)	(3,679)
Balance at 31 December 2019	-	13,916	13,916

The notes form part of these financial statements

Weight Partners Corporate LimitedCash Flow Statementfor the Year Ended 31 December 2019

	Notes	31.12.19 £'000	31.12.18 £'000
Cash flows from operating activities			
Cash generated from operations	18	1,040	1,391
Interest paid		(20)	(1)
Tax paid		-	(127)
Net cash from operating activities		<u>1,020</u>	<u>1,263</u>
Cash flows from investing activities			
Purchase of investments		(1,928)	(1,193)
Proceeds from realised investments		310	1,487
Payments to acquire investments		-	(775)
Net cash from investing activities		<u>(1,618)</u>	<u>(481)</u>
Cash flows from financing activities			
Dividends paid		(77)	(92)
Net cash from financing activities		<u>(77)</u>	<u>(92)</u>
(Decrease)/increase in cash and cash equivalents		<u>(675)</u>	<u>690</u>
Cash and cash equivalents at beginning of year	19	679	(11)
Cash and cash equivalents at end of year	19	<u><u>4</u></u>	<u><u>679</u></u>

The notes form part of these financial statements

Weight Partners Corporate Limited

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

1. STATUTORY INFORMATION

Weight Partners Corporate 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

In accordance with the requirements of FRS 102 para 9.9, all subsidiary companies should be excluded from consolidation on the grounds that the companies are held exclusively with a view to subsequent resale as part of an investment portfolio. Both equity and debt investments in the same portfolio company are viewed as a single unit of account where a participant would be expected to purchase all investments in the entity at the same time and are therefore both treated as investments and fair valued through profit or loss. A subsidiary is an entity that is controlled by the Company. Control is a power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Critical accounting judgements and sources of estimation uncertainty

Estimates and judgements are constantly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events, or actions, actual results ultimately may differ from those estimates.

The director considers the following to be the critical estimates or judgements applicable to the financial statements:

Subsidiary companies held as part of investment portfolio

The director has concluded that all subsidiary companies should be excluded from consolidation on the grounds that the companies are held exclusively with a view to subsequent resale as part of an investment portfolio.

Fair value of investments held as part of an investment portfolio

The investments are held at fair value. Methodologies have been applied for the valuation of these investments, with the movements in fair value being recognised through the Statement of Comprehensive Income.

Weight Partners Corporate Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Going concern

These financial statements have been prepared on the going concern basis. Management believe that this is appropriate as they have a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for the foreseeable future, being at least the 12 months following the date of this report. Although the Company has made a loss in the last two years, these losses relate to unrealised fair value adjustments on the underlying portfolio of investments. In Management's opinion this will not impact on the ability of the Company to service its liabilities in the foreseeable future.

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus (Covid-19) to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities, and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the Covid-19 pandemic may impact the Company's results, operations, and liquidity is uncertain. Management continue to monitor the impact that the Covid-19 pandemic has on the Company, the private equity industry, and the economies in which the Company operates. Management have performed a Covid-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has assessed the potential impact that Covid-19 may have on the liquidity, operations, and solvency of the Company including an assessment of any relevant mitigations management have within their control to implement.

The most likely future impact is in connection with the assessment of the realisable value of investments, which are held at fair value at future valuation dates and potentially the net unrealised loss in profit and loss account. There is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Company. It is not possible to quantify the overall impact of Covid-19 as financial markets continue to react to developments and management have a number of actions that they are able to take to protect profitability and solvency.

Having performed this analysis management believes the Company has sufficient liquidity or committed capital to meet its liabilities at least for the next 12 months, and that the preparation of the financial statements on a going concern basis remains appropriate as the Company expect to be able to meet its obligations as and when they fall due for the foreseeable future.

Weight Partners Corporate Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Investment income

Dividend income

Dividend income from investment portfolio is recognised in the Statement of Comprehensive Income when the shareholders' rights to receive the payment have been established. Dividend income includes amounts earned from both equity investments and investments in preference shares which earn a fixed coupon rate of return.

Interest income

Interest income is recognised in the Statement of Comprehensive Income on a receivable basis.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Weight Partners Corporate Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries and associates

Investments, which include equity instruments and loan advances, are measured at fair value. They are recognised and de-recognised on the date when their purchase or sale is a subject to a relevant contract and the associated risks and rewards have been transferred. The Company manages its investments with a view to profiting from the receipt of investment income and capital appreciation from changes in the fair value of investments.

Investments are initially recognised at the fair value of the consideration given and are subsequently measured at fair value, in accordance with the Company's valuation policies.

Unquoted investments, including both equity and loans, are designated at fair value through profit and loss and are subsequently carried in the Statement of Financial Position at fair value.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction at the measurement date. The fair value of investments is based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated in line with industry standard valuation guidelines such as the International Private Equity and Venture Capital valuation guidelines (december 2015) for direct investments in portfolio companies. These valuation techniques can be subjective and include assumptions which are not supportable by observable data. Details of the valuation techniques and the associated sensitivities are further disclosed below. Given the subjectivity of the direct investments in portfolio companies, the valuations are approved by an Investment Committee. Earnings based valuation techniques are the most commonly used for estimating fair value of direct investments in portfolio companies, along with Discounted Cash Flow models and new asset values. EBITDA is the most common measure for earnings and the earnings multiple is derived from comparable listed companies or relevant precedent transaction multiples. We adjust for relative performance in the set of comparable, exit expectations and other company specific factors.

Investments in associates are held at cost. The Company assesses investments in associates for an impairment indicator annually. If any such indication of possible impairment exists, the Company makes an assessment of the recoverable amount.

Weight Partners Corporate Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties, and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value for the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instruments, and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost 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 the Statement of Comprehensive Income.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

Weight Partners Corporate Limited**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2019**2. ACCOUNTING POLICIES - continued****Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisitions and that are readily convertible to known amounts of cash with insignificant risk of changes in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at the annual general meeting.

3. INVESTMENT INCOME

The investment income and loss before taxation are attributable to the one principal activity of the Company.

An analysis of investment income by class of business is given below:

	31.12.19	31.12.18
	£'000	£'000
Interest income	1,049	1,326
Dividend income	2,233	2,164
Pref share interest income	151	145
Misc investment income	59	75
	<u>3,492</u>	<u>3,710</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	31.12.19	31.12.18
	£'000	£'000
Auditors' remuneration	<u>8</u>	<u>5</u>

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£'000	£'000
Bank interest	-	1
Group loan interest	75	-
	<u>75</u>	<u>1</u>

6. TAXATION

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Loss on ordinary activities before tax	(3,584)	(634)
Tax on loss on ordinary activities at standard CT rate of 19.00%	(681)	(120)
Effects of:		
Expenses not deductible for tax purposes	1,299	821
Group income	(424)	(439)
Group relief surrendered/(claimed)	(194)	(132)
Payment/(receipt) for group relief	95	-
Other timing differences	-	(3)
Total tax charge for the year	95	127

7. DIVIDENDS

	31.12.19	31.12.18
	£'000	£'000
Ordinary shares of 1 each		
Final	<u>77</u>	<u>92</u>

Weight Partners Corporate Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. FINANCIAL RISK MANAGEMENT

The Director has overall responsibility for the establishment and oversight of the Company's risk management framework. There are systems of controls in place to create an acceptable balance between the potential costs, should such a risk occur, and the costs of managing those risks. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities.

The Company has exposure to market risk, liquidity risk, and credit risk. This section provides details of the Company's approach to financial risks, and describes the methods used by management to mitigate and control such risk.

Market risk

The Company's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Company's strategy on the management of investment risk is driven by the Company's investment objective. The Company's investment objective is to make investments in businesses going through change that would benefit from change, including operational improvement, buy and build, organic roll-out, founder exits, and corporate carve-outs. The Company's market risk is regularly managed by management and the Director. In relation to specific limitations regarding investments, this is reviewed by the Investment Committee in accordance with policies and procedures in place.

Credit risk

Credit risk is the risk of financial loss to the Company as a result of a counterparty failing to meet its contractual obligations. This risk is principally in connection with the Company's investments. Concentrations of credit risk exist when changes in economic, industry, or geographic factors similarly affect the Company's counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

The carrying amount of financial assets represents the Director's assessment of the maximum credit risk exposure of the Company at the Statement of Financial Position date. Decreases in fair value during the year reflect the decline in recoverability on individual assets, either as a result of company specific or of general macroeconomic conditions.

This risk is mitigated by the disciplined credit procedures that management has in place prior to making an investment and the ongoing monitoring of that investment throughout its lifespan.

The director considers the Company's credit exposure to trade and other receivables and current assets held for sale to be low and as such no further analysis has been presented.

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**Liquidity risk**

The Company's liquidity risk is the risk that the Company will encounter difficulties raising liquid funds to meet commitments as they fall due. A prudent risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through period review of cash flow forecasting.

The Company's policy is to maintain continuity of funding. Due to the long-term nature of the Company's assets, the Company seeks to ensure that the maturity of its debt instruments is matches to the expected maturity of its assets.

9. INVESTMENTS

	Investment portfolio subsidiary companies £'000	Other fixed asset investments £'000	Totals £'000
COST			
At 1 January 2019	16,067	60	16,127
Additions	3,091	-	3,091
Disposals	(310)	-	(310)
Fair value gain/(loss)	(6,935)	-	(6,935)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	11,913	60	11,973
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2019	11,913	60	11,973
	<hr/>	<hr/>	<hr/>
At 31 December 2018	16,067	60	16,127
	<hr/>	<hr/>	<hr/>

Weight Partners Corporate Limited**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2019**9. INVESTMENTS - continued**

The following were subsidiary undertakings of the Company:

Name	Principal Activity	Class of Shares	Holding
WPC2 Limited	Holding company and operational management	D and E shares	86%
WPCPA2 Limited	Holding company and operational management	Preference and Ordinary	83%
Valley Topco Limited	Holding company and operational management	Ordinary	100%
Channel Topco Limited	Holding company and operational management	Ordinary	100%
Rileys Sports Bars (2014) Limited*	Sports Bars	Ordinary	100%
Peak Topco Limited	Bars	Ordinary	100%
Trinity Insurance Services Limited*	Insurance Services	Ordinary	100%
Affas Limited*	Insurance Services	Ordinary	100%
Basin Topco Limited*	Management and development of public houses	Ordinary	83%
WPCPA3 Limited*	Development of land	Ordinary	83%
Watali UK Limited	Holding company and operational management	Ordinary	100%
LIIE 1012 Limited*	Holding company and operational management	Ordinary	100%
WPC6 Limited	Dormant	Ordinary	100%

The Company also has an investment in Weight Partners Capital LLP which is included in other fixed asset investments that is stated at cost less provisions for impairment.

The subsidiaries marked with an * are indirect subsidiary undertakings of the Company.

Fair value measurements recognised in the Statement of Financial Position

The information set out below provides information about how the Company determines fair values of various financial assets and financial liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

-Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

-Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (i.e. unobservable inputs)

The following table summarises the valuation methodologies and significant unobservable inputs used for the Company's investment categorised in Level 3 as of 31 December 2019.

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**9. INVESTMENTS - continued**

	Fair value 31 Dec 2019 £000	Valuation Methodologies	Input	Unobservable inputs Value Range	Weighted Average
Investment portfolio subsidiary companies & other fixed asset investments	11,973	Net Asset Value	Net Asset Value	N/A	N/A
Total	11,973				

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £'000	31.12.18 £'000
Amounts owed by group undertakings	1,922	1,735
Other debtors	3,443	2,616
	<u>5,365</u>	<u>4,351</u>

Included within other debtors is a loan of £2.8m (2018: £2.0m) due from J D Weight. This loan has accrued interest of £45,711 (2018: £28,332), which is also included within other debtors. The loan carries an interest rate of 2.5% equal to the rate per annum as determined by HM Revenue and Customs. The loan was advanced in parts over the past five years and is repaid on a 'first in first out' basis on demand. The loan is unsecured.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £'000	31.12.18 £'000
Trade creditors	15	14
Amounts owed to group undertakings	338	371
Income tax payable	95	-
Other creditors	56	-
Accrued expenses	13	49
	<u>517</u>	<u>434</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.19 £'000	31.12.18 £'000
Other creditors	<u>2,909</u>	<u>3,051</u>

Other loans totalling £2,909k as disclosed above attract interest of 2.5% equal to the rate per annum as determined by HM Revenue & Customs.

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	31.12.19 £	31.12.18 £
Number:	Class:			
100	Ordinary	1	100	100

14. RESERVES

	Retained earnings £'000
At 1 January 2019	17,672
Deficit for the year	(3,679)
Dividends	(77)
At 31 December 2019	13,916

15. RELATED PARTY DISCLOSURES

The related party transaction of the company were noted as follows:

	2019 £000	2018 £000
Dividend income and interest from investment subsidiaries	2,383	2,164
Interest receivable from loans to investment companies	1,049	1,471
Other interest receivable - director loan	59	75
Interest payable to investment companies	-	1

As at 31 December the balances outstanding with the related parties was a follows:

	2019 £000	2018 £000
Jim Weight	2,855	2,016
Weight Partners Capital LLP	996	991
Channel Topco Limited	926	649
Valley Topco Limited	8,278	5,642
WPCPA2 Limited	241	449
WPC2 Limited	-	45
Watali UK Limited	(83)	-
WPC5 Limited	(14)	-

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**16. POST BALANCE SHEET EVENTS**

Covid-19 is considered to be a non-adjusting post balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2019. The most likely future impact is in connection with the assessment of the realisable value of investments, which are held at fair value, at future valuation dates and potentially the net unrealised loss in the profit and loss account. There is a high degree of uncertainty and it is not possible at this time to predict the extent and nature of the overall future impact on the Company. However, management have performed an assessment of going concern and having performed this assessment the Directors continue to consider it appropriate to adopt the going concern basis of accounting. For further information regarding the going concern assessment and the assessment of the potential impact of Covid-19 on the Company refer to Note 2.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J D Weight.

18. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	£'000	£'000
Loss for the financial year	(3,679)	(761)
Loss on revaluation of fixed assets	6,935	4,322
Income on investments not received	-	(1,435)
Finance costs	75	1
Taxation	95	127
	<hr/>	<hr/>
	3,426	2,254
Increase in trade and other debtors	(2,177)	(625)
Decrease in trade and other creditors	(209)	(238)
	<hr/>	<hr/>
Cash generated from operations	1,040	1,391
	<hr/>	<hr/>

Weight Partners Corporate LimitedNotes to the Financial Statements - continued
for the Year Ended 31 December 2019**19. 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 31 December 2019

	31.12.19	1.1.19
	£'000	£'000
Cash and cash equivalents	4	679
	<u> </u>	<u> </u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£'000	£'000
Cash and cash equivalents	679	-
Bank overdrafts	-	(11)
	<u> </u>	<u> </u>
	679	(11)
	<u> </u>	<u> </u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£'000	£'000	£'000
Net cash			
Cash at bank	679	(675)	4
	<u> </u>	<u> </u>	<u> </u>
	679	(675)	4
	<u> </u>	<u> </u>	<u> </u>
Total	679	(675)	4
	<u> </u>	<u> </u>	<u> </u>