

Trellis Holdco Limited

Annual Report and Financial Statements

For the year ended 30 December 2018

Registered Company Number: 07942904



Trellis Holdco Limited

Registered Number: 07942904

Annual Report and financial statements for the year ended 30 December 2018

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	6
Directors' responsibilities statement	8
Independent auditor's report to the members of Trellis Holdco Limited	9
Profit and loss account	12
Statement of comprehensive income/(expense)	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16

Trellis Holdco Limited

Registered Number: 07942904

Officers and professional advisers**Directors**

Justin King
Charlotte Broadbent

Company secretary

Laura Harradine-Greene

Registered office

Wyevale Garden Centres
GW Business Centre (GW1)
Second Floor, Room 2-3, Great West House
Great West Road
Brentford,
Middlesex
TW8 9DF

Auditor

KPMG LLP
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD
United Kingdom

Trellis Holdco Limited

Registered Number: 07942904

Strategic report (continued)

The Directors present their annual report and the audited financial statements for Trellis Holdco Limited for the year ended 30 December 2018. This financial year consists of a 52 week period that will be known as a 'year' for the purposes of these financial statements (2017: 53 week period). The results of the Company are consolidated into Wyevale Garden Centres Capital Limited (The "Group") and the principal activity of the Group was the operation of garden centres in the United Kingdom.

Business review

The Directors are satisfied with the performance of the Company during the year as it continued to support the rest of the Group through assisting with the financial structuring of the operations.

Key performance indicators ("KPIs")

As the purpose of the Company is to support other Group entities, it is the opinion of the Directors that, other than those set out in the profit and loss account for the year, there are no key performance indicators for the Company whose disclosure is necessary for an understanding of the development, performance or position of the business.

Financial result

The financial results of the Company are summarised below:

- Loss before tax was £88.3 million (2017: £115.8 million loss).
- Loss for financial year was £88.4 million (2017: £115.5 million loss).
- Net liabilities at the financial year end were £185.8 million (2017: £97.4 million net liabilities).

Principal risks and uncertainties

The Directors consider the risk profile of the Company to be closely aligned to that of the overall group and therefore the Group strategy towards risk and uncertainty is presented below.

The risks that the Group faces are reduced given that the Wyevale Group has ceased trading. The two key remaining risks are as follows:

Ensuring sufficient funds to complete liquidation

With the cessation of trading, the Group no longer has income, therefore there is a risk that it does not have sufficient funds to repay all creditors during the orderly closure process and ultimately during the Members' Voluntary Liquidation.

The Group has mitigated this risk by ensuring it has more than sufficient cash reserves to meet all its liabilities. It has also made substantial progress in settling or quantifying the vast majority of outstanding liabilities in advance of beginning the liquidation process. This includes repayment of all external debt, settling contractual liabilities where the obligation to pay ran beyond the final trading date of the business, making one off contributions to the pension scheme to ensure it has sufficient funds to purchase a bulk annuity policy to provide greater security to members' benefits and engagement with suppliers to reconcile and settle any outstanding balances.

Trellis Holdco Limited

Registered Number: 07942904

Strategic report (continued)

Principal risks and uncertainties (continued)

"Brexit" risk

With the cessation of trade, much of the risk caused by the decision to "leave the European Union" (following the United Kingdom European Membership referendum on 23rd June 2016) is no longer relevant. However, "Brexit" could still cause an indirect risk to the business, as the Group will be expecting its furniture suppliers to continue to honour any warranty claims made by customers (with product having either a 2-5 year warranty period). If those furniture suppliers are impacted by the economic downturn that a "no deal" Brexit is likely to cause, and are no longer able to service these warranty claims, the Group will have to compensate those customers affected accordingly.

The Group has mitigated this risk by ensuring it has sufficient reserves to meet the costs of the warranty claims, should the suppliers be unable to offer the customers suitable replacements.

Post balance sheet events

On 10 September 2019, the completion of the sales process was announced, with the final transaction of 22 centres. This will now trigger an orderly closure process over the coming months, including finalising all payments and obligations due to stakeholders of the Group and making distributions to the shareholder as appropriate. Following this, it is the intention for the Wyevale Garden Centres Group of companies to enter into Members Voluntary Liquidation. This will then allow the business to make a final distribution to the ultimate shareholder to complete their exit from the business.

In relation to the closure process, a group capital restructure has been performed in 2019.

As part of this capital restructure, the Company undertook a share capital reduction to reduce its share capital to £1.

Going concern

On 18 November 2019, the directors took the decision to cease trading following the completion of the Group sale process. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Approved by the Board of Directors on 25 February 2020 and signed on behalf of the Board:



Justin King
Director

Trellis Holdco Limited

Registered Number: 07942904

Directors' report

Principal activity

The principal activity of the Company during the year ended 30 December 2018 was that of a holding company.

Directors

The Directors who served during the year and subsequently were as follows:

Anthony Jones (resigned 6th December 2019)

Roger McLaughlan (resigned 1st February 2019)

David Hobbs (resigned 16th November 2018)

Justin King

Charlotte Broadbent

Officers

The Company secretaries who served during the year and subsequently were as follows:

Laura Harradine-Greene (appointed 1st February 2018)

Mary Elizabeth Bourlet (resigned 1st February 2018)

Dividends

The Company paid £nil dividends in the year (2017: £nil)

Health and safety

The Group, of which the Company is a member, has a policy to protect, so far as is reasonably practical, the health and safety and welfare of all of its employees, customers and other visitors to its premises and to comply with relevant health and safety legislation. The Group has a comprehensive health and safety policy which is reviewed and updated regularly. Risk assessments are undertaken to assess hazards and whom they affect. A formal structure of audit and management reporting exists with a monitoring process which is regularly reviewed by the Directors.

Employee involvement

The Group, of which the Company is a member, has a policy of open information to employees concerning factors affecting their interests as employees and also the development of the Group. It consults employees on a regular basis to ensure that their views are taken into account in making decisions on matters likely to affect their interests.

Trellis Holdco Limited

Registered Number: 07942904

Directors' report (continued)

Disabled employees

The Group, of which the Company is a member, has a policy to give full and fair consideration to suitable applications for employment by disabled persons, having regard to particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to all staff. Opportunities also exist for employees of the Group who become disabled, to continue their employment or to be trained in other positions in the Group.

Disclosure of information to auditor

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

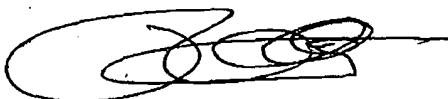
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

KPMG LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 25 February 2020 and signed on behalf of the Board:



Justin King
Director

Trellis Holdco Limited

Registered Number: 07942904

Statement of Directors' responsibilities in respect of the Strategic Report, The Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Trellis Holdco Limited

Opinion

We have audited the financial statements of Trellis Holdco Limited ("the company") for the year ended 30 December 2018 which comprise the Profit and loss account, Statement of comprehensive income/(expense), Balance sheet and Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

Our opinion is not modified in respect of this matter

Independent auditor's report to the members of Trellis Holdco Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Trellis Holdco Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Simon Baxter (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD
United Kingdom

3 March 2020

Trellis Holdco Limited*Registered Number: 07942904***Profit and loss account****For the year ended 30 December 2018**

	Notes	2018 £'000	2017 £'000
Amounts written off investments	9	(65,745)	(111,155)
Operating loss		(65,745)	(111,155)
Interest receivable and similar income	5	378	16,528
Interest payable and similar charges	6	(22,885)	(21,195)
Loss before tax		(88,252)	(115,822)
Tax (charge)/credit	7	(192)	311
Loss for the financial year		(88,444)	(115,511)

The accompanying notes form part of the financial statements.

All results are from continuing operations.

Trellis Holdco Limited*Registered Number: 07942904***Statement of comprehensive income/expense
For the year ended 30 December 2018**

	2018	2017
	£'000	£'000
Loss for the financial year	(88,444)	(115,511)
	<hr/>	<hr/>
Total comprehensive loss for the year attributable to the Owners of the Company	(88,444)	(115,511)
	<hr/>	<hr/>

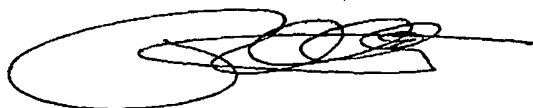
The accompanying notes form part of the financial statements.

Trellis Holdco Limited*Registered Number: 07942904***Balance sheet****As at 30 December 2018**

	Notes	2018 £'000	2017 £'000
Fixed assets			
Investments in subsidiaries	9	<u>116,711</u>	<u>182,456</u>
		116,711	182,456
Current assets			
Debtors - due within one year	10	6,479	6,891
Cash at bank and in hand		<u>1</u>	<u>3</u>
		6,480	6,894
Current liabilities			
Trade and other payables	11	(309,018)	(286,734)
Net current liabilities		<u>(302,538)</u>	<u>(279,840)</u>
Net liabilities		<u>(185,827)</u>	<u>(97,384)</u>
Capital and reserves			
Called up share capital	12	385	385
Share Premium account	13	13,843	13,843
Profit and loss account		(200,055)	(111,612)
Total equity		<u>(185,827)</u>	<u>(97,384)</u>

The accompanying notes form part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2020. They were signed on its behalf by:



Justin King
Director

Trellis Holdco Limited*Registered Number: 07942904***Statement of changes in equity
As at 30 December 2018**

	Called up share capital £000	Share Premium £000	Profit and loss account £000	Total equity
Balance at 25 December 2016	385	13,843	3,899	18,127
Total comprehensive loss for the year	-	-	(115,511)	(115,511)
Balance at 31 December 2017	385	13,843	(111,612)	(97,384)
Total comprehensive loss for the year	-	-	(88,444)	(88,444)
Balance at 30 December 2018	385	13,843	(200,055)	(185,827)

The accompanying notes form part of the financial statements.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements

For the year ended 30 December 2018

1. General information

Trellis Holdco Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the Group financial statements of Wyevale Garden Centres Capital Limited. The Group financial statements of Wyevale Garden Centres Capital Limited are available to the public and can be obtained as set out in note 16.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the Company has prepared financial statements in accordance with FRS 101 (Financial Reporting Standard 101 "Reduced Disclosure Framework") as issued by the Financial Reporting Council consistently in the current year and prior year.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of comparative information of certain assets, financial instruments, presentation of a cash-flow statement, standards not yet effective and related party transactions.

Where required, equivalent disclosures are given in the Group financial statements of Wyevale Garden Centres Capital Limited. The Group financial statements of Wyevale Garden Centres Capital Limited are available to the public and can be obtained as set out in note 16.

In the current financial year, the Company has also adopted the following standards:

- IFRS 9 Financial Instruments

Adoption of IFRS 9

IFRS 9 'Financial Instruments' replaced IAS 39 'Financial Instruments: Recognition and Measurement' with the exception of macro hedge accounting. The standard became applicable for the current financial year.

Classification and measurement

The Company has made the following classification changes:

– all financial instruments classified as loans and receivables under IAS 39 have been classified and measured at amortised cost under IFRS 9.

Impairment

IFRS 9 requires the Company to recognise expected credit losses (ECL), and to update the amount of ECL recognised at each reporting date to reflect changes in the credit risk of financial assets. The ECL have been measured under the simplified approach for trade receivables and under the general approach for intercompany loan receivables. The assessment of credit risk and the estimation of ECL are required to be unbiased, forward-looking and probability-weighted, determined by evaluating at the reporting date for each financial asset a range of possible outcomes using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions. The estimation of ECL also takes into account the time value of money.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

1. General information (continued)

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39. No material adjustments have been made to these financial statements on adoption of IFRS 9.

The financial statements have been prepared under the historical cost basis.

The Company has opted to apply Section 390 (3) of the Companies Act 2006. This permits the Company to end its financial year on 30 December 2018 (2017: 31 December 2017) as it is not more than 7 days after or before the end of the year dated 31 December 2018 (2017: 31 December 2017).

Going concern

On 10 September 2019, the completion of the sales process was announced, with the final transaction of 22 centres and the Group ceased trading on 18 November 2019. This will now trigger an orderly closure process over the coming months, including finalising all payments and obligations due to stakeholders of the Group and making distributions to the shareholder as appropriate. Following this, it is the intention for the Wyevale Garden Centres Group of companies to enter into Members Voluntary Liquidation. This will then allow the business to make a final distribution to the ultimate shareholder to complete their exit from the business.

As the business has now ceased trading and the directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

2. Significant accounting policies

The principal accounting policies adopted are set out as follows:

Investments

Investments are stated at cost less any provision for impairment. Cost of investments includes costs directly attributable to their acquisition.

Impairment of assets

The Company reviews the carrying amounts of its assets, annually, to determine whether those assets have suffered an impairment loss. If any such loss exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less disposal costs and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using the Group's weighted average cost of capital.

Management estimates discount rates using rates that reflect current market assessments of the time value of money and the risks specific to the Group's cash generating units. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

2. Significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. The Company has determined the classes of financial assets and liabilities to be cash and borrowings, loans and receivables and trade and other payables.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'fair value through other comprehensive income' and 'amortised cost'. Classification and subsequent remeasurement depends on the Group's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on-hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are non interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost. The ECLs are updated at each reporting date to reflect changes in credit risk. The three-stage model for impairment has been applied to loans and advances to customers and banks, debt instruments at fair value through other comprehensive income, and loan receivables from other group entities (intercompany loans). The credit risk is determined through modelling a range of possible outcomes for different loss scenarios, using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions and taking into account the time value of money. A 12-month ECL is recognised, unless the credit risk on the financial asset increases significantly after initial recognition, when the lifetime ECL is recognised.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, with lifetime ECLs recognised from initial recognition of the receivable. These assets are grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined, based on the Group's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions and expected changes in forecast conditions.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

2. Significant accounting policies (continued)

Previous accounting policy for financial assets in 2017:

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Operating profit

Operating profit is stated before interest receivable and similar income and interest payable and similar charges.

Taxation

The tax expense represents the sum of the tax payable currently and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss statement, except when it relates to items charged or credited to equity directly, in which case the deferred tax is also dealt with in equity.

Share capital

Share capital represents the ordinary shares issued by the Company and are recorded at the proceeds received less direct issue costs.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

2. Significant accounting policies (continued)

Share Premium

Share premium represents the excess paid for share capital over and above its nominal value.

3. Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Tax provisions

Assessing the outcome of uncertain tax positions requires judgements to be made regarding the result of negotiations with and enquiries from tax authorities. The assessments made are based on advice from independent tax advisers and the status of on-going discussions with the relevant tax authorities.

Investment impairment

Determining whether investments are impaired requires consideration of the recoverable value of the underlying investment. Where the recoverable value is based upon the value in use the Company is required to estimate the future cash flows expected to arise from the investment and a suitable discount rate to calculate present value. Where the recoverable value is based upon fair value less cost to sell the fair values assigned to the underlying assets are key judgements. The recoverable value has been determined from an assessment of the underlying value of the assets held by the subsidiary company.

4. Operating loss for the year

Fees for the audit of the Company for the period ended 30 December 2018 of £5,000 (2017: £5,000) were borne by another Group company. Fees paid to the Company's auditor for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of Wyevale Garden Centres Capital Limited (formerly Trellis Capital Limited) are required to disclose non-audit fees on a consolidated basis.

5. Interest receivable and similar income

	2018	2017
	£'000	£'000
Inter-company interest receivable	378	16,528

6. Interest payable and similar charges

	2018	2017
	£'000	£'000
Other Bank charges	-	3
Inter-company interest payable	22,885	21,192
	<u>22,885</u>	<u>21,195</u>

Trellis Holdco Limited*Registered Number: 07942904***Notes to the financial statements (continued)
For the year ended 30 December 2018****7. Tax**

	2018 £'000	2017 £'000
Current tax		
Current tax on profits for the year	-	(310)
Adjustment in respect of prior years	192	(1)
Total current tax	<u>192</u>	<u>(311)</u>
Deferred tax		
Deferred tax charge/(credit) for the year	-	-
Total tax charge/(credit)	<u>192</u>	<u>(311)</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The charge for the year can be reconciled to the profit and loss account as follows:

	2018 £'000	2017 £'000
Loss before tax	(88,252)	(115,822)
Standard rate of UK corporation tax at 19% (2017 : 19.25%)	(16,768)	(22,296)
Group relief	3,084	-
Adjustment in respect of prior years	192	(1)
Expenses not deductible	12,492	22,175
Amounts not recognised	1,192	(190)
Tax charge/(credit) for the year	<u>192</u>	<u>(311)</u>

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued) For the year ended 30 December 2018

8. Staff costs

The Company does not employ any staff (2017: nil).

The Directors and executive management team who are the key management personnel of the Company are paid by other group companies and received total emoluments of £3,342,000 during the year (2017: £2,578,000) but it is not practicable to allocate their remuneration from other group companies for services rendered. In addition, four of these individuals were accruing benefits under a defined contributions scheme (2017: five).

9. Investments in subsidiaries

	Total £'000
Cost:	
At 31 December 2017	293,611
Acquisitions during the year	-
At 30 December 2018	<u>293,611</u>
Accumulated impairment:	
At 31 December 2017	111,155
Impairment	65,745
At 30 December 2018	<u>176,900</u>
Carrying value at 30 December 2018	<u>116,711</u>
Carrying value at 31 December 2017	<u>182,456</u>

The Company tests investments for impairment annually or more frequently, if there are indications that investments might be impaired. An impairment charge of £65.7 million was recorded in the year (2017: £111.2 million).

The recoverable value has been determined from an assessment of the underlying value of the assets held by the subsidiary company.

A list of investments in subsidiaries as of 30 December 2018, including the name, country of incorporation and proportion of ownership interest is shown below.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

9. Investment in subsidiaries (continued)

Name	Country of incorporation	Percentage holding by		Direct/Indirect
Trellis Finance Limited	England & Wales	100%	100%	Direct
Trellis Investment Limited	England & Wales	nil	100%	Indirect
Trellis Acquisitions Limited	England & Wales	nil	100%	Indirect
Garden Centre Holdings Limited	Scotland	nil	100%	Indirect
Blooms Garden Centres limited	England & Wales	nil	100%	Indirect
The Garden Centre Group Limited	Scotland	nil	100%	Indirect
EHGT Limited	England & Wales	nil	100%	Indirect
Wyevalle Acquisitions Borrower Limited	England & Wales	nil	100%	Indirect
Wyevalle Garden Centres Holdings Limited	England & Wales	nil	100%	Indirect
Wyevalle Garden Centres Limited	England & Wales	nil	100%	Indirect
Wyevalle Garden Centres Acquisitions Limited	England & Wales	nil	100%	Indirect
Wyevalle Garden Centres G&L Limited	England & Wales	nil	100%	Indirect
Podington Nurseries Limited	England & Wales	nil	100%	Indirect
Raglan Garden Centre Limited	England & Wales	nil	100%	Indirect
Golden Acres Holdings Limited	England & Wales	nil	100%	Indirect
Golden Acres Nurseries Limited	England & Wales	nil	100%	Indirect
Pacific Shelf 1447 Limited (*)	Scotland	nil	100%	Indirect
Garden Centre Property Development Trading Limited	England & Wales	nil	100%	Indirect
Gardenscape Supplies Limited (*)	England & Wales	nil	100%	Indirect
Sage Recruitment Limited (*)	England & Wales	nil	100%	Indirect
Prince's Garden Centres Limited (*)	England & Wales	nil	100%	Indirect
Floris Limited (*)	Scotland	nil	100%	Indirect
Bressingham Limited	England & Wales	nil	100%	Indirect
Blooms of Bressingham Holdings Limited (*)	England & Wales	nil	100%	Indirect
Jardinerie Limited (*)	England & Wales	nil	100%	Indirect
Blooms of Bressingham Limited (*)	England & Wales	nil	100%	Indirect
Bridgemere Nurseries Limited (*)	England & Wales	nil	100%	Indirect
Heighley Gate Garden Centre Limited (*)	England & Wales	nil	100%	Indirect
Old Barn Nurseries Limited (*)	England & Wales	nil	100%	Indirect
Sanders Garden World Limited (*)	England & Wales	nil	100%	Indirect
Auldene Nurseries Limited (*)	England & Wales	nil	100%	Indirect
Peter Barratt's Garden Centres (Beverley) Limited (*)	England & Wales	nil	100%	Indirect
Bridgemere Nurseries Trading Limited (*)	England & Wales	nil	100%	Indirect
Wych Cross Nurseries Limited	England & Wales	nil	100%	Indirect
WGC Seeds Holdings Limited	England & Wales	nil	100%	Indirect
WGC Seeds Limited	England & Wales	nil	100%	Indirect
Oakheart Limited (*)	England & Wales	nil	100%	Indirect
Auldene Holdings Limited (*)	England & Wales	nil	100%	Indirect
Great Gardens of England Investments Limited (*)	England & Wales	nil	100%	Indirect

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

Investment in subsidiaries (continued)

Name	Country of Incorporation	Percentage holding		Direct/Indirect
Great Park Nurseries Limited (*)	England & Wales	nil	100%	Indirect
Glamorgan Vale (Leisure Centres) Limited (*)	England & Wales	nil	100%	Indirect
H Warburton (Timperley) Limited (*)	England & Wales	nil	100%	Indirect
Jackswood Garden Centre Limited (*)	England & Wales	nil	100%	Indirect
Country Gardens Limited (*)	England & Wales	nil	100%	Indirect
Foster Nurseries Limited (*)	England & Wales	nil	100%	Indirect
Kennedys Garden Centres Limited (*)	England & Wales	nil	100%	Indirect
Blooms Property Limited Partnership	England & Wales	nil	50.0%	Indirect
WGC Trellis Holdco Limited	England & Wales	nil	100%	Indirect

The companies incorporated in England and Wales have the following registered address:

Wyevale Garden Centres
GW Business Centre (GW1)
Second Floor, Room 2-3, Great West House
Great West Road
Brentford,
Middlesex
TW8 9DF

The companies incorporated in Scotland have the following registered address:

Garden Centre Holdings Limited
C/O Addleshaw Goddard LLP
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

During the year 2 companies were sold, Woodcote Green Nurseries Limited and Woodcote Green Nurseries (Holdings) Limited.

(*) Subsequent to the year end 25 companies were dissolved.

10. Debtors

	2018 £'000	2017 £'000
Amounts owed by Group undertakings	6,479	6,891

The Directors consider that the carrying amount of the other receivables approximates their fair value. Interest is charged on amounts owed to Group undertakings at 6.25% (2017: 6.25%).

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued) For the year ended 30 December 2018

11. Trade and other payables

	2018 £'000	2017 £'000
Amounts owed to Group undertakings	<u>309,018</u>	<u>286,734</u>

The Directors consider that the carrying amount of the other payables approximate their fair value. Interest is charged on amounts owed by other Group undertakings at between 6.25% and 8% (2017: between 6.25% and 8%) on amounts owed to Group undertakings, which are repayable on demand.

12. Called up share capital

	2018 £'000	2017 £'000
Alloted, issued and fully paid:		
334,911 A ordinary shares of £1 each	335	335
50,000 B ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>385</u>	<u>385</u>

All share capital is fully paid up.

13. Share premium account

	Ordinary £'000
At 31 December 2017 and 30 December 2018	<u>13,843</u>

14. Remuneration of key management personnel and related party transactions

The Directors of the Company who are also the key management personnel are not remunerated by the Company. They are instead remunerated by the Group (Please refer to note 8).

Trading transactions

During the year, the Company did not enter into any transactions with related parties who are not members of the Group.

At 30 December 2018, the Company owed £309,018,000 (2017: £286,734,000) to other Group undertakings.

At 30 December 2018, the Company was owed £6,479,000 (2017: £6,891,000) by other Group undertakings.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Trellis Holdco Limited

Registered Number: 07942904

Notes to the financial statements (continued)

For the year ended 30 December 2018

15. Post Balance sheet events

On 10 September 2019, the completion of the sales process was announced, with the final transaction of 22 centres and the Group ceased trading on 18 November 2019. This will now trigger an orderly closure process over the coming months, including finalising all payments and obligations due to stakeholders of the Group and making distributions to the shareholder as appropriate. Following this, it is the intention for the Wyevale Garden Centres Group of companies to enter into Members Voluntary Liquidation. This will then allow the business to make a final distribution to the ultimate shareholder to complete their exit from the business.

In relation to the closure process, a group capital restructure has been performed in 2019. As part of this capital restructure, the Company undertook a share capital reduction to reduce its share capital to £1.

16. Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking is Wyevale Garden Centres Capital Limited, a company registered in England. This is the largest group in which the Company's results are consolidated.

Copies of the Group financial statements of Wyevale Garden Centres Capital Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company's ultimate owner is Terra Firma Holdings Limited a Company registered in Guernsey, and the Directors consider Guy Hands to be the ultimate controlling party.