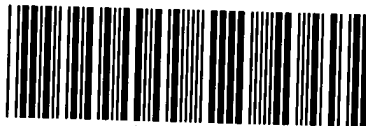


**WATALI UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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# WATALI UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J D Weight
<b>Company number</b>	08459211
<b>Registered office</b>	C/O Weight Partners Capital LLP Francis House Francis Street London SW1P 1DE United Kingdom
<b>Auditor</b>	Ernst and Young LLP 25 Churchill Place Canary Wharf London E14 5EY United Kingdom
<b>Bankers</b>	Investec Bank (Channel Islands) Limited Glategny Esplanade Guernsey GY1 1WR
<b>Solicitor</b>	Macfarlanes LLP 20 Cursitor Street London

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# WATALI UK LIMITED

## CONTENTS

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	Page
Directors' report	1
Independent auditor's report	3
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the financial statements	9

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# WATALI UK LIMITED

## DIRECTORS' REPORT

### ***FOR THE YEAR ENDED 31 MARCH 2019***

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The director presents this report and the audited financial statements for the year ended 31 March 2019.

#### **Results and dividends**

The Statement of Comprehensive Income is set out on page 6 and shows the profit for the year ended 31 March 2019 of £363,150 (year to 31 March 2018 restated: £395,295). During the year ended 31 March 2019 dividends of £6,367 (year ended 31 March 2018 restated: nil) have been proposed and paid.

#### **Directors**

The directors who held office during the year of the financial statements were as follows:

Ms T A Hopwood (resigned 27 March 2019)  
Ms C L McPartland (resigned 27 March 2019)  
Ms S Mitchell-Voisin (resigned 27 March 2019)  
Ms J M Morse (resigned 27 March 2019)  
Mr J D Weight (appointed 27 March 2019)

#### **Strategic report**

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has taken the exemption not to prepare a strategic report as the Company qualifies as a small company in accordance with sections 382(2) and 383(3) of the Companies Act 2006. The directors were not entitled to prepare the financial statements in accordance with the small companies regime being a member of an ineligible group.

#### **Going concern**

The director is satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the going concern basis has been adopted for preparing the financial statements.

#### **Future developments**

The director confirms that the Company will continue as a Holding Company and will generate dividends from its holding in LIIE 1012 Limited until the underlying investment of the Company, that is part of an investment portfolio that is held exclusively with a view to subsequent resale, is realised.

#### **Principal risks and uncertainties**

Please refer to Notes 1 and 16 of the financial statements which describes 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 Annual Report 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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland. 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 group and company and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# WATALI UK LIMITED

## DIRECTORS' REPORT

***FOR THE YEAR ENDED 31 MARCH 2019***

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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 them 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.

### **Provision of information to auditors**

The director at the time this Director's report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

This report was approved by the board on 5<sup>th</sup> June 2020 and signed on its behalf by:



J D Weight  
Director

# **WATALI UK LIMITED**

## **Independent auditor's report**

***FOR THE YEAR ENDED 31 MARCH 2019***

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### **Opinion**

We have audited the financial statements of Watali UK Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 17, 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 FRS 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 company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to Note 1 and 16 of the financial statements, which describes 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.

### **Other matter**

The corresponding amounts for the period ended 31 March 2018 are unaudited.

### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

### **Other information**

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

# **WATALI UK LIMITED**

## **Independent auditor's report**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

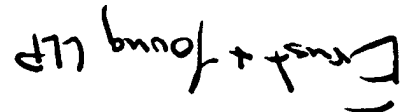
**Auditor's responsibilities for the audit of the financial statements**

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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.



Ahmer Huda (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
8 June 2020

# WATALI UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 MARCH 2019**

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		2019	2018
			As restated
	Notes	£	Unaudited
			£
Investment income	4	322,900	617,110
Fair value movement on investment	5, 2	55,752	(213,278)
Interest payable and similar expenses	6	-	(5,612)
Administrative expenses		(15,503)	(2,926)
<b>Profit before taxation</b>		<b>363,150</b>	<b>395,295</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>363,150</b>	<b>395,295</b>

There was no other comprehensive income for 2019 (2018: nil).

The 2018 figures have been restated to correct prior year errors (Note 2) and accounting policy change (Note 1 and 2).

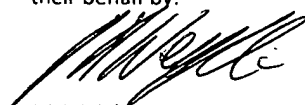
**WATALI UK LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>As restated Unaudited £</b>
<b>Fixed assets</b>			
Stock	2	670,173	670,173
Investments at fair value through profit	10, 2	1,014,959	1,065,452
		<u>1,685,132</u>	<u>1,735,626</u>
<b>Current assets</b>			
Trade and other receivables	12, 2	560,672	11,514
Cash and cash equivalents	3	56,096	191,971
		<u>616,768</u>	<u>203,485</u>
<b>Current liabilities</b>	13, 2	<u>(13,333)</u>	<u>(7,327)</u>
<b>Net current assets</b>		<u>603,435</u>	<u>196,158</u>
<b>Total assets less current liabilities</b>		<u>2,288,567</u>	<u>1,931,783</u>
<b>Provisions for liabilities</b>	9	-	-
<b>Net assets</b>		<u>2,288,567</u>	<u>1,931,783</u>
<b>Equity</b>			
Called up share capital	14	1,000,101	1,000,101
Retained earnings		1,288,466	931,682
<b>Total equity</b>		<u>2,288,567</u>	<u>1,931,783</u>

The 2018 figures have been restated to correct prior year errors (Note 2) and accounting policy change (Note 1 and 2).

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved and authorised for issue by the board on 5<sup>th</sup> June 2020 and were signed on their behalf by:



J D Weight  
Director

Company Registration No. 08459211

# WATALI UK LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	Share Capital £	Profit and loss account £	Total £
At 1 April 2018		1,000,101	931,682	1,931,783
Profit and loss account		-	363,150	363,150
Dividends		-	(6,367)	(6,367)
At 31 March 2019		<u>1,000,101</u>	<u>1,288,466</u>	<u>2,288,567</u>

	Notes	Share Capital £	Profit and loss account £	Total £
As at 1 April 2017 (as previously stated, unaudited)		1,000,101	2,019,238	3,019,339
Prior year adjustment	2	-	(1,482,851)	(1,482,851)
As at 1 April 2017 (as restated)		<u>1,000,101</u>	<u>536,387</u>	<u>1,536,488</u>
Profit and loss account (as restated)		-	395,295	395,295
At 31 March 2018 (unaudited)		<u>1,000,101</u>	<u>931,682</u>	<u>1,931,783</u>

## WATAU UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2019

##### 1 Accounting policies

###### Statement of Compliance

Watau UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O Weight Partners LLP, Francis House, Francis Street, London, SW1P 1DE.

The accounts have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2019.

###### Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the applicable accounting standards. The financial statements are prepared in sterling (£) which is the functional currency of the company.

In the year, the management has voluntarily changed the accounting policy whereby investments in subsidiaries that are held exclusively with a view to subsequent resale and are part of the investment portfolio moved from being held at cost to being held at fair value through profit and loss. The changed accounting policy is in line with an accounting policy of the parent. It provides more relevant and reliable information to the users of the financial statements helping them to evaluate performance of an investment portfolio including past, present, and future events and confirming their past evaluations.

The Company prepares separate financial statements as all subsidiary companies are excluded from consolidation on the ground 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 market 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.

###### Going concern

These financial statements have been prepared on the going concern basis. Management believes 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.

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 continues 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 has 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 modelled a number of adverse scenarios to assess the potential impact that COVID-19 may have on the liquidity, operations, solvency of its parent and subsidiaries including the Company as well as a reverse stress test and 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.

# **WATALI UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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Having performed this analysis management believes the Company has sufficient liquidity 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 expects to be able to meet its obligations as and when they fall due for the foreseeable future.

#### **Dividends**

Dividend income is recognised when the shareholders right to receive payment is established.

#### **Interest income**

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

#### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair value of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **Financial instruments**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets that are debt instruments are measured at amortised cost.

A financial liability is initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **Debtors**

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

#### **Creditors**

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at the undiscounted amount payable.

## WATALI UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2019

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##### **Investments at fair value through profit and loss**

Investments are valued at fair value, with all valuation movements being recognised in the Statement of Comprehensive Income. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The fair values of the investments that are part of the investment portfolio and are not traded in an active market have been determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

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. 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 net 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.

##### **Judgements and critical accounting estimates**

###### **Valuation of investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in the Statement of Comprehensive Income. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

The investments are carried at fair value with all valuation movements being recognised in the Statement of Comprehensive Income.

The values assigned to investments are based upon available information and do not necessarily represent amounts that might ultimately be realised. Because of the inherent uncertainty of valuations, estimated carrying values may differ significantly from the values that would have been realised had a ready market for the investments existed, and these differences could be material. Unrealised gains or losses on investments are dealt with in the Statement of Comprehensive Income.

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 2 Prior year adjustment

The accounts have been restated to incorporate the retrospective effect of the change in accounting policy where the investments moved from being held at cost to being held at fair value through profit and loss as well as prior year errors:

- Adj1a: The change in the accounting policy whereby investments in subsidiaries that are held exclusively with a view to subsequent resale and are part of the investment portfolio moved from being held at cost to being held at fair value through profit and loss has resulted in a fair value adjustment of the investments in subsidiaries (LIIIE 1012 Limited) being put through the profit and loss retrospectively.
- Adj1b and Adj1c: The investment in Watali Investment Holdings LLP has been written off in the period when it became unsubstantiated due to insufficient underlying data allowing its value to be assessed accurately. An adjustment has been posted to fair value the loan accurately as at the opening balance.
- Adj5: Retained earnings has been adjusted to reflect the accurate impact of the 2017 restatement.

	Unaudited at 31 March 2018							Unaudited at 1 April 2017						
	<u>£_as reported</u>	Adj 1a (FV adj)	Adj 1b (W/H off)	Adj 1c (Loan adj)	Adj 2 (reclassification debtors)	Adj3 (reclassification creditors)	Adj4 (PY FV loss)	<u>£_as restated</u>	<u>£_as reported</u>	Adj 1a (FV adj)	Adj 1b (W/H w/off)	Adj 2 (reclassification debtors)	Adj3 (reclassification creditors)	<u>£_as restated</u>
<b>Statement of Financial Position</b>														
Investments at fair value through profit and loss	1,586,809	-76,752	-167,718	31,192	1,199,181	64,811	-	1,482,851	1,488,892	-	179,990	-	1,303,861	1,147,532
Fixed assets - land and buildings	670,173	-	-	-	-	-	670,173	670,173	670,173	-	-	-	-	670,173
Stock	-	-	-	-	-	-	670,173	670,173	-	-	-	-	-	670,173
Trade and other receivables	1,743,802	-	-	-	1,731,185	-	11,614	1,729,845	-	-	-	1,270,287	-	4,558
Creditors	84,143	-	-	-	5,995	64,811	-	7,327	346,864	-	-	-	5,995	287,868
<b>Equity</b>	<b>2,627,811</b>	<b>76,752</b>	<b>167,718</b>	<b>31,192</b>				<b>1,482,851</b>	<b>931,682</b>	<b>-</b>	<b>1,019,238</b>	<b>179,990</b>	<b>1,303,861</b>	<b>536,387</b>
<b>Income Statement</b>														
Fair value movement on investments	-	76,752	167,718	31,192	-	-	-	213,278	-	179,990	1,303,861	-	-	1,482,851

Certain prior year figures have been reclassified to conform to the 2019 presentation. This had no impact on the profit for the year or net assets. Specifically, the following reclassifications have been put through:

- Adj2: £999,890 that was wrongly classified as a debtor in the March 2018 and March 2017 accounts has been reclassified to investments.
- Adj2: £239,893 that was wrongly classified as a debtor in the March 2018 accounts (March 2017 accounts: £226,392) has been reclassified to investments
- Adj2: (£5,995) that was wrongly classified as a debtor in the March 2018 and March 2017 accounts has been reclassified to a creditor.
- Adj3: £64,811 that was wrongly classified as a creditor in the March 2018 and March 2017 accounts has been reclassified to investments.
- Adj4: £670,173 that was wrongly classified as fixed asset – land and buildings in the March 2018 and March 2017 accounts has been reclassified to stock.

### 3 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances with an original maturity of less than three months.

	2019	2018
	£	Unaudited £
Cash and cash equivalents	56,096	191,971

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Investment income

	2019	2018
		Unaudited
	£	£
Interest receivable from group companies	13,999	8,934
Dividends received from investments	<u>308,902</u>	<u>608,176</u>
	<u>322,900</u>	<u>617,110</u>

### 5. Fair value movement on investments

	2019	2018
		As restated
	£	Unaudited
		£
Fair value gains/(losses)		
Change in value of investments held at fair value through profit or loss	<u>55,752</u>	<u>(213,278)</u>

### 6. Interest expense

	2019	2018
		Unaudited
	£	£
Interest payable to group undertakings	-	5,612

### 7. Auditors remuneration

	2019	2018
		Unaudited
	£	£
Auditors remuneration	12,000	-

Auditors remuneration includes £6,000 for the audit of Watali UK Limited for the year ending March 2019, and £6,000 for the audit of LIIE 1012 Limited for the year ending December 2018.

### 8. Employees

There were no employees during the year (2018: nil).

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9. Taxation

	2019 £	2018 £ As restated Unaudited
<b>Corporation Tax</b>		
Current tax on profit (loss) for the year	-	-
Deferred tax(credit)/charge	-	-
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>-</u>
	2019 £	2018 £ As restated Unaudited
Profit on ordinary activities before tax	363,150	395,295
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	68,999	75,106
<b>Effects of:</b>		
Group income	(61,351)	(117,251)
Unrealised fair value (gain)/loss not recognised	(10,593)	40,523
Deferred tax asset not recognised	2,946	1,622
Tax charge/(credit) for the period	<u>-</u>	<u>-</u>

### 10. Investments at fair value through profit or loss

	Investments £	Loans £	Total £
<b>Valuation</b>			
At 1 April 2017 (restated, unaudited)	821,110	326,402	1,147,512
Additions	167,718	13,501	181,218
Disposals	-	(50,000)	(50,000)
Revaluation	(244,470)	31,192	(213,278)
At 31 March 2018 (restated, unaudited)	744,358	321,095	1,065,453
At 1 April 2018 (restated, unaudited)	744,358	321,095	1,065,453
Additions	132,392	20,550	152,943
Disposals	(258,135)	(1,052)	(259,187)
Revaluation	57,686	(1,935)	55,752
At 31 March 2019	<u>676,301</u>	<u>338,658</u>	<u>1,014,959</u>
<b>Carrying amount</b>			
At 31 March 2019	<u>676,301</u>	<u>338,658</u>	<u>1,014,959</u>
At 31 March 2018 (restated, unaudited)	<u>744,358</u>	<u>321,095</u>	<u>1,065,453</u>

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

The following were subsidiary undertakings of the Company:

Name	Principal Activity	Class of shares	Holding
LIIE 1012 Limited	Holding company and operational management	Ordinary	100%
Watali Investment Holdings LLP	Holding company and operational management	Partnership	50%

The following table summarises the valuation methodologies used for the Company's investments categorised in level 3 as of 31 March 2019:

Investment	Valuation Methodology	Unobservable input	Significant Inputs (Range)	Fair Value 31 March 2018 (£)	Fair Value 31 March 2019 (£)
Henley Healthcare 301 Limited	Net Asset Value	Adjusted Net Asset Value	N/A	81,202	79,267
LIIE 1012 Limited	Net Asset Value	Adjusted Net Asset Value	N/A	744,358	676,301
Watali Investment Holdings LLP	Net Asset Value	Adjusted Net Asset Value	N/A	nil	nil
Loan to Watali Cayman Limited	DCF	Rate of return	2.5% - 4%	239,893	259,391
<b>Total Investments</b>				<b>1,065,453</b>	<b>1,014,959</b>

#### 11. Financial Instruments

	2019	2018
Financial assets measured at fair value through profit or loss		As restated
		Unaudited
	£	£
Investments at fair value through profit or loss	<u>1,014,959</u>	<u>1,065,452</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	2019	2018
Fair value gains and losses		As restated
		Unaudited
	£	£
Investments held at fair value through profit or loss	<u>55,752</u>	<u>(213,278)</u>

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 12. Debtors

	2019	2018 Unaudited Restated
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	560,672	5,548
Prepayments and accrued income	-	5,966
	<u>560,672</u>	<u>11,514</u>

### 13. Creditors

	2019	2018 Unaudited
	£	£
Audit accrual	12,000	-
Amounts owed to group undertakings	-	5,995
Other accruals and deferred income	1,333	1,332
	<u>13,333</u>	<u>7,327</u>

### 14. Called up share capital

	2019	2018 Unaudited
	£	£
Ordinary share capital Issued and fully paid 1,000,101 of £1 each	1,000,101	1,000,101
	<u>1,000,101</u>	<u>1,000,101</u>

# WATALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 15. Related party transactions

The related party transactions of the Company were noted as follows:

	2019	2018
		Unaudited
		Restated
	£	£
Dividend income	308,902	608,176
Interest receivable from loans to group undertakings	13,999	8,934
Dividends paid	(6,367)	-

As at 31 March the balances outstanding with the related parties is as follows:

	2019	2018
	£	£
Weight Partners Corporate Limited	317,634	-
Watali (Cayman) Limited	259,391	245,859
Jim Weight	160,212	-
LIIE 1012 Limited	5,665	5,548
Watali Limited	3,911	(5,995)
Peso Trust	73,249	-

#### 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 March 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 Director continues 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 1).

#### 17. Controlling parties

The ultimate controlling party was Summit Trust (Cayman) Limited as trustee for the Peso Trust, until 27 December 2018, when control of the Company changed. The immediate parent company is now Weight Partners Corporate Limited, and the ultimate controlling party is now J D Weight.