

WILLOW HOLDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



WILLOW HOLDCO LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | I J Cash A J Dupee N A R Dunning J M Irby |
| Company secretary | Oakwood Corporate Secretary Limited |
| Registered number | 10570911 |
| Registered office | 3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors St Johns Innovation Park The Maurice Wilkes Building Cowley Road Cambridge CB4 0DS |

WILLOW HOLDCO LIMITED

CONTENTS

| | Page(s) |
|-----------------------------------|---------|
| Strategic report | 4 |
| Directors' report | 5 - 6 |
| Independent auditors' report | 7 - 8 |
| Profit and loss account | 9 |
| Balance sheet | 10 |
| Statement of changes in equity | 11 |
| Notes to the financial statements | 12 - 16 |

WILLOW HOLDCO LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report on the company for the year ended 31 December 2018. The comparative amounts are presented for the 50 weeks ended 31 December 2017.

Principal activities and review of the business

Willow HoldCo Limited is part of the Willow TopCo Group. It was created as part of the Willow TopCo Group to fund acquisitions through its subsidiary Willow BidCo. The company is an intermediary holding company in the Willow TopCo Group and funds the acquisition of Willow BidCo with back to back loan arrangements.

The results for the financial year and the financial position at year end were considered satisfactory by the directors. The revenue for the year was £nil (period ended 31 December 2017: £nil) and the loss for the year £659 (period ended 31 December 2017: £385) and reflected the loan relationships referred to above.

The company is an intermediary holding company in the Willow TopCo Limited group.

Principal risks and uncertainties

The directors considered the principal risks and uncertainties and as this company is an intermediary holding company there are no principal risks and uncertainties.

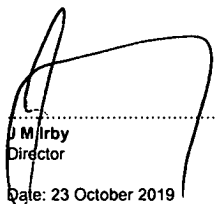
Financial key performance indicators

Management monitors the performance of the business by reference to internal budgets and industry averages. These indicators are considered sufficient to provide an overview of business performance relative to expectations and market trends.

Future developments

The company will continue to be an intermediary group for the Willow TopCo Group.

The report was approved by the board and signed on its behalf.



J M Irby
Director
Date: 23 October 2019

WILLOW HOLDCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018. The comparative amounts are presented for the 50 weeks ended 31 December 2017.

General information

Willow HoldCo Limited is part of the Willow TopCo Group. Alchemy Special Opportunities Fund III LP holds a majority stake in the Group. The ultimate parent undertaking and controlling party is Alchemy Partners L.P. Inc., acting through its general partner Alchemy Partners GP Limited, a company registered in Guernsey.

Result and dividends

The loss for the year amounted to £659 (period ended 31 December 2017: £385).

There were no dividends paid or declared in the year under review (2017: £nil).

Directors

The directors who held office throughout the period and up to the date of signing the financial statements were:

I J Cash
A J Dupee
N A R Dunning
J M Irby

Disabled employees

The company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. During employment the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

Charitable and political donations

During the year the company made no charitable or political donations and expenditures (2017: £nil).

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate as it has received an undertaking from the parent company that it will continue to provide financial support as is required for the company through Alchemy Special Opportunities Fund III LP to meet its obligations as they fall due for at least one year after these financial statements are signed.

Financial risks

Financial risks are managed at Willow TopCo Group level and covered in the consolidated financial statements of Willow TopCo Limited.

Statement of directors' responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

Directors' confirmations

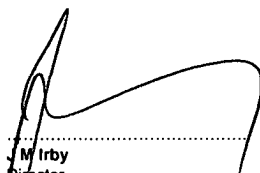
In the case of each director in office at the date the Directors' Report is approved:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

The report was approved by the board and signed on its behalf.



J. M. Irby
Director

Date: 23 October 2019

WILLOW HOLDCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLOW
HOLDCO LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion, Willow HoldCo Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLOW
HOLDCO LIMITED

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Richard Bedlow (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
23 October 2019

WILLOW HOLDCO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | | 2018 £ | For the fifty weeks ended 31 Dec 2017 £ |
|---|------|--------------|--|
| | Note | | |
| Administrative expenses | | (659) | (385) |
| Operating loss | | (659) | (385) |
| Interest receivable and similar income | 7 | 2,867,595 | 1,702,903 |
| Interest payable and similar charges | 8 | (2,867,595) | (1,702,903) |
| Loss before taxation | | (659) | (385) |
| Tax on loss | 10 | - | - |
| Loss for the financial year/period | | (659) | (385) |

As the company has no other gains or losses, other than those included in the profit and loss account above, the directors have not disclosed a separate statement of comprehensive income.

The notes on pages 12 to 16 form part of these financial statements.

WILLOW HOLDCO LIMITED
REGISTERED NUMBER: 10570911

BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Note | £ | 2018 | £ | £ | 2017 | £ |
|--|------|-------------------|------|-------------------|-------------------|------|-------------------|
| Non-current assets | | | | | | | |
| Investments | 9 | | | <u>3,765,092</u> | | | <u>3,765,092</u> |
| | | | | 3,765,092 | | | 3,765,092 |
| Current assets | | | | | | | |
| Debtors | 11 | 31,793,779 | | | 22,350,973 | | |
| Cash at bank | 12 | - | | | <u>115</u> | | |
| | | 31,793,779 | | | 22,351,088 | | |
| Net current assets | | | | <u>31,793,779</u> | | | <u>22,351,088</u> |
| Creditors: amounts falling due after more than one year | 13 | <u>31,794,823</u> | | | <u>22,351,473</u> | | |
| Total assets less current liabilities | | | | <u>3,764,048</u> | | | <u>3,764,707</u> |
| Net assets | | | | <u>3,764,048</u> | | | <u>3,764,707</u> |
| Capital and reserves | 14 | | | | | | |
| Called up share capital | | | | 3,765,092 | | | 3,765,092 |
| Profit and loss account | | | | <u>(1,044)</u> | | | <u>(385)</u> |
| Total equity | | | | <u>3,764,048</u> | | | <u>3,764,707</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


 J. Irby
 Director

Date: 23 October 2019

Registered number: 10570911

WILLOW HOLDCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|------------------------------------|---------------------------------|---------------------------------|----------------------|
| At 1 January 2018 | 3,765,092 | (385) | 3,764,707 |
| Comprehensive expense for the year | | | |
| Loss for the year | - | (659) | (659) |
| At 31 December 2018 | <u>3,765,092</u> | <u>(1,044)</u> | <u>3,764,048</u> |

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|--------------------------------------|---------------------------------|---------------------------------|----------------------|
| At 18 January 2017 | 1 | - | 1 |
| Issue of shares | 3,765,091 | - | 3,765,091 |
| Comprehensive expense for the period | | | |
| Loss for the period | - | (385) | (385) |
| At 31 December 2017 | <u>3,765,092</u> | <u>(385)</u> | <u>3,764,707</u> |

The notes on pages 12 to 16 form part of these financial statements.

WILLOW HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Willow HoldCo Limited is part of the Willow TopCo Group. 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 ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Going concern

The company realised a loss after taxation for the year ended 31 December 2018 of £659, (period ended 31 December 2017: £385) which resulted in a balance sheet surplus of £3,764,048, (period ended 31 December 2017: £3,764,707). At the balance sheet date £31,793,779, (period ended 31 December 2017: £22,350,973) is owed from Badger Holdings Limited, owned by the same parent Willow TopCo Limited the directors of which view this company as an integral part of Willow Group operations and accordingly continue to provide day to day financial support such that the company can meet its routine trading liabilities as they fall due.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate as it has received an undertaking from the parent company through Alchemy Special Opportunities Fund III LP, that it will continue to provide financial support as is required for the company to meet its obligations as they fall due for at least one year after these financial statements are signed.

1.3 Exemptions for qualifying entities under FRS 102

The company is a wholly owned subsidiary of Willow TopCo Limited. The financial statements of the company are included in the consolidated financial statements of Willow TopCo Limited which are publicly available. Consequently, the company has taken advantage of the exemption under paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent company, Willow TopCo Limited, includes the company's cash flows in its consolidated financial statements and from presenting certain financial instrument disclosures (Section 11 and 12).

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Willow TopCo Limited. The address of the ultimate parent's registered office is 3rd Floor 1 Ashley Road, Atrincham, Cheshire, United Kingdom, WA14 2DT.

1.4 Investments in subsidiaries

Investment in subsidiaries are measured at cost less accumulated impairment losses.

Investments in subsidiaries are tested for impairment where an indication of impairment exists at the reporting date.

1.5 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.

1.6 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 acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

WILLOW HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.8 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.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 differences between the fair values 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 balance sheet date.

1.10 Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.12 Impairment of non financial assets

At each reporting date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit and loss.

WILLOW HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty:

The directors assesses the impairment of investments in subsidiaries whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The net book value of the investments in subsidiaries is £3,765,092 as noted in 9.

3. General information

Willow Holdco Limited is a Limited Liability Company limited by shares, and incorporated and registered in England, registration number 10570911. The registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

The company is an intermediary holding company in the Willow TopCo Limited group.

4. Loss before taxation

All audit fees for the company for the year ended 31 December 2018 and period ended 31 December 2017 were borne by a fellow group company, Willow BidCo Limited.

5. Employees

Aside from directors, there were no employees during the period ended 31 December 2018.

6. Directors' remuneration

The company's directors are directors of a number of fellow group companies and their remuneration was paid through Willow BidCo Limited and Badger Holdings which made no recharge to the company; it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

7. Interest receivable

| | 2018 | For the fifty weeks ended 31 Dec 2017 |
|--|------------------|---|
| | £ | £ |
| Interest receivable on amounts owed by group companies | <u>2,867,595</u> | <u>1,702,903</u> |

8. Interest payable and similar charges

| | 2018 | For the fifty weeks ended 31 Dec 2017 |
|-----------------------|------------------|---|
| | £ | £ |
| Payable on loan notes | <u>2,867,595</u> | <u>1,702,903</u> |

WILLOW HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Investments in subsidiaries

| | 2018 £ | 2017 £ |
|--------------------------------|------------------|------------------|
| Cost and net book value | | |
| At 1 January | 3,765,092 | - |
| Additions | - | 3,765,092 |
| At 31 December | <u>3,765,092</u> | <u>3,765,092</u> |

The company owns 100% of the ordinary share capital of its subsidiary, Willow BidCo Limited. Willow BidCo Limited is incorporated in the UK. The address of its registered office is 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

Subsidiary undertakings

The company also indirectly owns the following subsidiaries:

| Name | Class of Shares | Shares held | Principal activity |
|--|-----------------|-------------|--------------------------|
| Willow BidCo Limited | Ordinary | 100% | Holding Company |
| Badger Group (Holdings) Limited | Ordinary | 100% | Holding Company |
| Badger Holdings Limited | Ordinary | 100% | Holding Company |
| Townends (Residential Sales) Ltd | Ordinary | 100% | Estate agents |
| TRSL Ltd | Ordinary | 100% | Estate Agency & Lettings |
| Townends (Financial Services) Ltd | Ordinary | 100% | Financial services |
| Tyser Greenwood Ltd | Ordinary | 100% | Surveyors and valuers |
| Inex Property Solutions Ltd | Ordinary | 100% | Property maintenance |
| Regents Estate Agents (Surrey) Ltd | Ordinary | 100% | Estate Agency |
| Middlesex Property Management Ltd | Ordinary | 100% | Estate Agency |
| Stirling Ackroyd Ltd (dormant) | Ordinary | 100% | Estate Agency |
| The Little Letting Company Ltd (dormant) | Ordinary | 100% | Estate Agency |
| Lourdes Ltd (dormant) | Ordinary | 100% | Estate Agency |
| Bridge Shoreditch Ltd (dormant) | Ordinary | 100% | Estate Agency |
| Bridge Property London Ltd (dormant) | Ordinary | 100% | Estate Agency |

All the above companies are incorporated in England. The registered address of all above subsidiaries is Unit 2, Wintersells Road, Byfleet, West Byfleet, Surrey, KT14 7LF.

The directors assesses the impairment of the investments whenever events or changes in circumstances indicate that the carrying value may not be recoverable. There is no such event or changes identified during the period. The directors believe that the carrying value of the investments is supported by underlying net assets and there is no indication that the investments are impaired.

| | 2018 £ | For the fifty weeks ended 31 Dec 2017 £ |
|--|------------------|--|
| 10. Tax on loss | | |
| a) Analysis of charge in the year: | | |
| Corporation tax | | |
| UK corporation tax charge on loss for the year/period | - | - |
| Total current tax | <u>-</u> | <u>-</u> |
| b) Factors effecting the tax charge for the year/period: | | |
| The charge for the year/period can be reconciled to the loss per the profit and loss account as follows: | | |
| | 2018 £ | For the fifty weeks ended 31 Dec 2017 £ |
| Loss before taxation | <u>(659)</u> | <u>(385)</u> |
| Tax on loss at standard UK tax rate of 19% (2017: 19.25%) | (125) | (74) |
| Effects of: | | |
| Expenses not deductible | 305,276 | - |
| Effects of group relief surrendered | <u>(305,151)</u> | <u>74</u> |
| Tax on loss | <u>-</u> | <u>-</u> |

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

WILLOW HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Debtors

| | 2018 | 2017 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed by group undertakings | 31,793,779 | 22,350,973 |
| | <u>31,793,779</u> | <u>22,350,973</u> |

The amounts owed from group undertakings are payable on demand and consists of loans advanced to Willow BidCo Limited, a fellow group company. The loan notes are unsecured and accrue interest on the principal amount at PIK interest at 10% per annum which is rolled into the principal.

12. Cash at bank

| | 2018 | 2017 |
|--------------------------|------|------|
| | £ | £ |
| Cash at bank and in hand | - | 115 |

13. Creditors: Amounts falling due after more than one year

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | £ | £ |
| Amounts due after more than five years | | |
| Loan notes | 31,794,823 | 22,351,473 |
| | <u>31,794,823</u> | <u>22,351,473</u> |

All loan notes are due to ASO Lux 3 Sarl, a wholly owned subsidiary of Alchemy Special Opportunities Fund III LP, and are repayable in full on 31 January 2023. The loan notes carry interest at 10% per annum, which can be either paid, deferred or satisfied through the issuance of PIK notes.

14. Called up share capital and profit & loss account

Ordinary shares at £1 each

| | 2018 | 2017 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Allotted and fully paid | | |
| At start of period | 3,765,092 | - |
| Issued during the period | - | 3,765,092 |
| At end of period | <u>3,765,092</u> | <u>3,765,092</u> |

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

There were no dividends paid or declared in the year under review (2017: £nil).

15. Related party transactions

The Company has taken the exemption from the requirement to disclose related party transactions within the Willow Group as permitted by FRS 102 (Section 33) 'Related party disclosures' on the basis that all related party transactions are between members of the group, wholly owned by Willow TopCo Limited. Consolidated financial statements are prepared by Willow TopCo Limited and can be obtained from its registered address being, 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

16. Controlling party

The company's immediate parent company is Willow TopCo Limited. The company's ultimate controlling party is Alchemy Partners L.P. Inc., acting through its general partner Alchemy Partners GP Limited.