

CARMEL BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 8 JANUARY 2021 TO 31 DECEMBER 2021

CARMEL BIDCO LIMITED

COMPANY INFORMATION

DIRECTORS

R Adams (appointed 22 January 2021)
C Connor (appointed 22 January 2021)
R Jones (appointed 22 January 2021)
R Critchley (appointed 22 January 2021, resigned 10 February 2021)
A Shanghavi (appointed 8 January 2021, resigned 29 January 2021)
I Wallis (appointed 8 January 2021, resigned 29 January 2021)

REGISTERED NUMBER

13121399

REGISTERED OFFICE

Western House
Broad Lane
Yate
Bristol
BS37 7LD

INDEPENDENT AUDITORS

Bishop Fleming Bath Limited
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

BANKERS

HSBC
3 Temple Quay
Bristol
BS1 6DZ

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**STRATEGIC REPORT
FOR THE PERIOD 8 JANUARY 2021 TO 31 DECEMBER 2021**

INTRODUCTION

The Directors present their strategic report for the period from incorporation on 8 January 2021 to 31 December 2021.

PRINCIPAL ACTIVITIES

Carmel Bidco is a wholly owned subsidiary of Western Global Group Limited. On 22 January 2021 Western Global Group Limited acquired, 100% of the issued shares of capital of Western Global Holdings limited via three intermediate companies (Carmel Midco 1 Limited, Western Global Solutions limited and Carmel Bidco Limited.

The principal activity of Carmel Bidco Limited is to act as a holding company for other entities in the Western Global Group.

BUSINESS REVIEW

Western Global is the leading provider of environmentally secure, transportable, self contained tanks and dispensing equipment for the safe storage and handling of fuels, lubricants and other liquids. The group has in house design, engineering and regulatory teams with the engineering capability to develop standardised products for global markets. Western Global has sales and operating facilities in Europe and North America, with an established network of global distribution partners in other countries.

Western Global supplies products to customers across several sectors including power generation, equipment rental, fuel distribution, government & military, online retailers and resources (mining / oil & gas).

The Company received income from other group companies arising from provision of management services. The Company did not generate any third party revenue.

KEY PERFORMANCE INDICATORS

As a management service provider and holding company the Directors do not believe that the company has any key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates an intermediate holding company within the Western Global Group of companies. All its material transactions are with fellow group undertakings.

The risks and uncertainties facing the company are linked to those of the group and are included in the group accounts of Western Global Group Limited.

This report was approved by the board on 27 September 2022 and signed on its behalf.

R Adams
Director

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the period ended 31 December 2021.

The company is registered in England and is a private company limited by shares. The registered office is address for the company is Western Global House, Yate, BS37 7LD.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £8,642,401.

DIRECTORS

The directors who served during the period were:

R Adams (appointed 22 January 2021)
C Connor (appointed 22 January 2021)
R Jones (appointed 22 January 2021)
R Critchley (appointed 22 January 2021, resigned 10 February 2021)
A Shanghavi (appointed 8 January 2021, resigned 29 January 2021)
I Wallis (appointed 8 January 2021, resigned 29 January 2021)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' 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 relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

After the year end, in January 2022, the group re-financed and entered into additional borrowings totaling £30,000,000 with their bank, at the same time repaying £28,900,000 of loan notes, including those issued to MML Capital Europe VII S.A.R.L.

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

R Adams

Director

Date: 27 September 2022

Western House
Broad Lane
Yate
Bristol
BS37 7LD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD 8 JANUARY 2021 TO 31 DECEMBER 2021**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMEL BIDCO LIMITED

OPINION

We have audited the financial statements of Carmel Bidco Limited (the 'Company') for the period ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMEL BIDCO LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page , 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMEL BIDCO LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance including the design of the Company's bonuses.
- We have considered the results of our enquiries of management, including the Chief Financial Officer, about their own identification and assessment of the risk of irregularities.
- For any matters identified we have obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and,
 - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, and management override was identified as the greatest potential area for fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the

financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included:

- Data protection;
- Health and safety;
- Employment legislation;
- Anti-bribery and corruption;
- Quality management systems ISO 9001, 14001, 45001.

Audit response to risks identified

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARMEL BIDCO LIMITED (CONTINUED)

We identified recognition of revenue as a key audit matter related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

Ria Burridge FCCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

28 September 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 8 JANUARY 2021 TO 31 DECEMBER 2021

	Note	2021 £
Administrative expenses		(942,400)
Exceptional administrative expenses		(1,949,826)
Other operating income		978,961
Operating (loss)/profit	5	(1,913,265)
Interest payable and similar expenses	9	(7,588,276)
(Loss)/profit before tax		(9,501,541)
Tax on (loss)/profit		859,140
(Loss)/profit for period		<u>(8,642,401)</u>

The notes on form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £
Fixed assets		
Investments in subsidiaries	12	88,529,392
		<u>88,529,392</u>
Current assets		
Debtors: amounts falling due within one year	13	1,838,101
Cash at bank and in hand	14	62,326
		<u>1,900,427</u>
Creditors: amounts falling due within one year	15	(9,523,699)
Net current (liabilities)/assets		<u>(7,623,272)</u>
Total assets less current liabilities		<u>80,906,120</u>
Creditors: amounts falling due after more than one year		(88,938,545)
		<u>(8,032,425)</u>
Net (liabilities)/assets		<u><u>(8,032,425)</u></u>
Capital and reserves		
Called up share capital	18	6,100
Share premium account	19	603,876
Profit and loss account	19	(8,642,401)
		<u><u>(8,032,425)</u></u>

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

R Adams

Director

Date: 27 September 2022

The notes on form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 8 JANUARY 2021 TO 31 DECEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	-	-	(8,642,401)	(8,642,401)
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Issue of shares	6,100	603,876	-	609,976
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	<u>6,100</u>	<u>603,876</u>	<u>(8,642,401)</u>	<u>(8,032,425)</u>

The notes on form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

Carmel Bidco Limited is a limited liability company incorporated in the United Kingdom. The registered office is Western House, Broad Lane, Yate, Bristol, BS37 7LD.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Western Global Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.4 GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the group will continue in existence for the foreseeable future. The Directors have assessed the ability of the group headed by Western Global Group Limited (the Group) and the Company to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

The Group's result for the period is a net loss of £8,660k, primarily as a result of finance charges associated with shareholder debt, which is not due for repayment for more than 5 years from the balance sheet date. The Group has achieved adjusted earnings before interest, tax, depreciation, amortisation (EBITDA) and exceptional items of £14,025k and generated a positive operating cash flow of £5,987k.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group can operate within the level of its current financing, taking into consideration the refinancing that took place after the reporting date.

2.5 FINANCE COSTS

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

2.6 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 TAXATION

Tax is recognised in profit or 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 reporting date in the countries where the Company operates and generates income.

2.9 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2. ACCOUNTING POLICIES (continued)

2.10 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 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.

2.12 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.

2.13 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.14 FINANCIAL INSTRUMENTS

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

3.

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on prior experience and information perceived to be relevant and probable at the time the assumptions are made. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. Actual results may differ from these estimates.

4. **OTHER OPERATING INCOME**

	2021 £
Management charges	978,961
	<u>978,961</u>

5. **OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging:

	2021 £
Defined contribution pension cost	<u>12,409</u>

6. **AUDITORS' REMUNERATION**

	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £
Wages and salaries	661,276
Social security costs	133,858
Cost of defined contribution scheme	12,409
	<u>807,543</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2021 No.
Total	<u>7</u>

8. DIRECTORS' REMUNERATION

	2021 £
Directors' emoluments	364,470
Company contributions to defined contribution pension schemes	924
	<u>365,394</u>

During the period retirement benefits were accruing to 2 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,535.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £
Bank interest payable	2,582,628
Loan interest payable	5,005,648
	<u>7,588,276</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

10. TAXATION

	2021 £
CORPORATION TAX	
Current tax on profits for the period	(859,140)
	<u>(859,140)</u>
TOTAL CURRENT TAX	<u>(859,140)</u>
DEFERRED TAX	
TOTAL DEFERRED TAX	<u>-</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(859,140)</u>

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

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

	2021 £
(Loss)/profit on ordinary activities before tax	<u>(9,501,541)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(1,805,293)
EFFECTS OF:	
Expenses not deductible for tax purposes	217,801
Movement of unrecognised deferred tax	728,095
Other differences leading to an increase in the tax charge	257
TOTAL TAX CHARGE FOR THE PERIOD	<u>(859,140)</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The only factor expected to impact future tax charges is the increase in corporation tax rates announced in the March 2021 budget.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

11. EXCEPTIONAL ITEMS

	2021 £
Exceptional expenses	1,949,826
	<u>1,949,826</u>

Exceptional expenses include professional fees and transaction costs related to the acquisition of Western Global Holdings Limited.

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
Additions	88,529,392
	<u>88,529,392</u>
At 31 December 2021	<u>88,529,392</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Western Global Holdings Limited	United Kingdom	Ordinary	100 %
Western Global Limited	United Kingdom	Ordinary	100 %
Western International Inc	USA	Ordinary	100 %
Western Global Canada Ltd	Canada	Ordinary	100 %
LC Exchange Co Inc	Canada	Ordinary	100 %
Western Global Poland Sp.z.o.o.	Poland	Ordinary	100 %

13. DEBTORS

	2021 £
Amounts owed by group undertakings	859,140
Prepayments and accrued income	978,961
	<u>1,838,101</u>

Debtors are due within twelve months from the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

14. CASH AND CASH EQUIVALENTS

	2021 £
Cash at bank and in hand	62,326
	<u>62,326</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £
Bank loans	3,533,932
Amounts owed to group undertakings	5,964,765
Other creditors	2
Accruals and deferred income	25,000
	<u>9,523,699</u>

Bank loans are secured by way of a Fixed Charge over all present freehold and leasehold property; First Fixed Charge over present and future book and other debts, chattels, goodwill and uncalled capital; and First Floating Charge over all assets and undertaking both present and future. All the charges are in favour of HSBC Corporate Trustee Company (UK) Limited as security agent.

Amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

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

	2021 £
Bank loans	30,675,774
Other loans	15,586,730
Amounts owed to group undertakings	42,676,041
	<u>88,938,545</u>

Bank loans are secured by way of a Fixed Charge over all present freehold and leasehold property; First Fixed Charge over present and future book and other debts, chattels, goodwill and uncalled capital; and First Floating Charge over all assets and undertaking both present and future. All the charges are in favour of HSBC Corporate Trustee Company (UK) Limited as security agent.

Other loans accrue interest at 10% per annum and are repayable in more than 5 years from the balance sheet date.

Amounts owed to group undertakings accrue interest at 10% per annum and are repayable in more than 5 years from the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

17. LOANS

Analysis of the maturity of loans is given below:

	2021 £
AMOUNTS FALLING DUE WITHIN ONE YEAR	
Bank loans	3,533,932
	<u>3,533,932</u>
AMOUNTS FALLING DUE 1-2 YEARS	
Bank loans	5,116,306
	<u>5,116,306</u>
AMOUNTS FALLING DUE 2-5 YEARS	
Bank loans	10,346,667
	<u>10,346,667</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS	
Bank loans	15,212,801
Other loans	15,586,730
	<u>30,799,531</u>
	<u><u>49,796,436</u></u>

18. SHARE CAPITAL

	2021 £
ALLOTTED, CALLED UP AND FULLY PAID	
609,976 Ordinary shares of £0.01 each	<u><u>6,100</u></u>

609,976 Ordinary shares of £0.01 each were allotted in the period.

The shares have attached to them full voting, dividend, and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

19. RESERVES**Share premium account**

The share premium account records the amount above the nominal value received for shares issued, less transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

20. CONTINGENT LIABILITIES

The assets of the company are covered by a debenture and cross-guarantee in relation to bank loans entered into by group undertakings in favour of HSBC Corporate Trustee Company (UK) Limited as security agent.

The assets of the company are covered by a debenture and cross-guarantee in relation to other loans entered into by group undertakings in favour of MML UK Advisor LLP as security agent.

21. RELATED PARTY TRANSACTIONS

During the period Carmel Bidco Limited paid £93,904 in monitoring fees to MML Capital Europe VII Equity S.A., the majority shareholder.

During the period Carmel Bidco Limited issued loan notes to shareholders of £14,256,947. The loan notes accrue interest at 10% per annum. During the period interest of £1,339,762 accrued on these loan notes, which is included in the loan balance at the balance sheet date. This balance is included in other loans on the balance sheet.

During the period Carmel Bidco Limited entered into an intercompany loan agreement with Western Global Solutions Limited for £39,010,155. The loan accrues interest at 10% per annum. During the period interest of £3,665,886 accrued on this loan, which is included in the loan balance at the balance sheet date. This balance is included in amounts owed to group undertakings in more than 1 year on the balance sheet.

The directors are considered to be the key management personnel of the company, their remuneration is disclosed in note 8.

22. POST BALANCE SHEET EVENTS

After the year end, in January 2022, the group re-financed and entered into additional borrowings totaling £30,000,000 with their bank, at the same time repaying £28,900,000 of loan notes, including those issued to MML Capital Europe VII S.A.R.L.

23. CONTROLLING PARTY

The immediate parent company is Western Global Solutions Limited, a company incorporated in the United Kingdom and registered in England in Wales.

The company that prepares the smallest consolidated financial statements that include the results and balances of Carmel Bidco Limited is Western Global Solutions Limited. The consolidated financial statements are available to the public and may be obtained from Western House, Broad Lane, Yate, Bristol, BS37 7LD.

The ultimate parent company is Western Global Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. Western Global Group Limited prepares the largest consolidated financial statements that include the results and balances of Western Global Holdings Limited. The consolidated financial statements are available to the public and may be obtained from Western House, Broad Lane, Yate, Bristol, BS37 7LD.

The majority of Western Global Group Limited's share capital is owned by MML Capital Europe VII Equity III S.A.; a private equity fund based in Luxembourg. There is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.