

REGISTERED NUMBER: 08868065 (England and Wales)

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

FOR

WA CAPITAL INVESTMENTS LIMITED

RSM UK Audit LLP (Statutory Auditor)
Suite A, 7th Floor,
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

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FOR THE YEAR ENDED 30 JUNE 2023**

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WA CAPITAL INVESTMENTS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023**

DIRECTORS:

Sir W L Adderley
Mr D L Wright
Lady N V Adderley

REGISTERED OFFICE:

Two Marlborough Court
Watermead Business Park
Syston
Leicestershire
LE7 1AD

REGISTERED NUMBER:

08868065 (England and Wales)

INDEPENDENT AUDITORS:

RSM UK Audit LLP (Statutory Auditor)
Suite A, 7th Floor,
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

WA CAPITAL INVESTMENTS LIMITED (REGISTERED NUMBER: 08868065)**BALANCE SHEET
30 JUNE 2023**

	Notes	30/6/23 £	30/6/22 £
FIXED ASSETS			
Investments	4	403,560,000	295,380,000
CURRENT ASSETS			
Cash at bank		9	-
CREDITORS			
Amounts falling due within one year	5	(179,038,666)	(113,295,820)
NET CURRENT LIABILITIES		<u>(179,038,657)</u>	<u>(113,295,820)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		224,521,343	182,084,180
CREDITORS			
Amounts falling due after more than one year	6	-	(90,000,000)
NET ASSETS		<u>224,521,343</u>	<u>92,084,180</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		<u>224,521,342</u>	<u>92,084,179</u>
		<u>224,521,343</u>	<u>92,084,180</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit and loss account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2023 and were signed on its behalf by:

Sir W L Adderley - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. STATUTORY INFORMATION

WA Capital Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention, modified to include certain financial instruments at fair value. The disclosure requirements of section 1A of FRS 102 have been applied.

Going concern

Notwithstanding the net current liabilities of £179,038,657 (2022: £113,295,820) at 30 June 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds through funding from its parent company, WA Capital, to meet its liabilities as they fall due in that period.

The forecasts prepared by the Directors are dependent on WA Capital Limited not seeking repayment of the amounts currently due to that company, which at 30 June 2023 amounted to £88,904,533. WA Capital Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not seek repayment of the amount owed to it at the balance sheet date, for the period covered by the forecasts.

As with any company placing reliance on other group companies for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of the financial statements, they have no reason to believe that it will not do so.

In addition, the company is also funded by a bank loan that totalled £90,000,000 at 30 June 2023. The loan was renewed on 22nd September 2023 and the bank holds part of the company's share portfolio as collateral against the loan with the facility amount being adjusted if and when the value of the shares moves outside a specific range. Based on the forecasts prepared, the Directors are confident that there is sufficient headroom between the current value of the shares and the price at which the bank facility would be significantly reduced or recalled.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirement of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosure;
- the requirement of Section 33.7 Key Management Personnel Compensation.

Significant judgements and estimates

The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors consider that the only critical accounting estimate in applying the Company's accounting policies is the valuation of the investments.

Financial risk management

The company uses financial instruments, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance arrangements that arise directly from its operations. The main purpose of these financial instruments is to raise finance for its operations. The main issues arising from the company's financial instruments are liquidity risk and interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from the previous period.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from the Company's bankers and other lenders as well as its parent company WA Capital Limited.

Interest rate risk

The company finances its operations through a mixture of intercompany loans and bank borrowings. The company regularly reviews its exposure to interest rate fluctuations.

Financial Instruments

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023**

2. ACCOUNTING POLICIES - continued

Other financial assets

Other financial assets, including investments in equity instruments and derivatives, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including other creditors, bank loans, loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

Trade investments are classified as financial instruments and accounted for in accordance with the financial assets accounting policy at fair value through profit or loss.

Income recognition

Dividends are accounted for when receivable by the company. Interest is accounted for as it falls due.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2022 - NIL).

4. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 July 2022	295,380,000
Fair value adjustments	108,180,000
At 30 June 2023	<u>403,560,000</u>
NET BOOK VALUE	
At 30 June 2023	<u>403,560,000</u>
At 30 June 2022	<u>295,380,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

4. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 30 June 2023 is represented by:

	Listed investments £
Valuation in 2023	<u>403,560,000</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/23 £	30/6/22 £
Bank loans and overdrafts (see note 7)	90,000,000	-
Amounts owed to group undertakings	88,904,533	113,235,174
Accruals and deferred income	134,133	60,646
	<u>179,038,666</u>	<u>113,295,820</u>

In addition to the bank debt which has a security interest granted against the Investments held, the company has loans from its parent company, WA Capital Limited which are unsecured, interest free and repayable on demand.

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

	30/6/23 £	30/6/22 £
Bank loans (see note 7)	<u>-</u>	<u>90,000,000</u>

7. LOANS

An analysis of the maturity of loans is given below:

	30/6/23 £	30/6/22 £
Amounts falling due within one year or on demand:		
Bank loans	<u>90,000,000</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans	<u>-</u>	<u>90,000,000</u>

On 22nd September 2023 the company renewed the £90,000,000 bank loan. This loan facility is for two years. The loan is secured against the investments held and repayable at the end of the period. Interest is payable at SONIA + 2.4%

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2023

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report was unqualified.

Kelly Boorman (Senior Statutory Auditor)
 for and on behalf of RSM UK Audit LLP (Statutory Auditor)

9. RELATED PARTY DISCLOSURES

The immediate and ultimate parent undertaking is WA Capital Limited, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire, LE7 1AD.

WA Capital Investments Limited and its parent company WA Capital Limited hold a 19% (2022: 19%) shareholding in Dunelm Group Plc which is a related party as Sir WL Adderley is a director and Deputy Chairman of the Dunelm Group. WA Capital Investments received dividends totalling £29,160,000 (2022: £50,040,000) from Dunelm PLC during the year.

10. FINANCIAL INSTRUMENTS

	30/6/23	30/6/22
£		
£		
Financial assets measured at fair value through profit and loss		
Listed investments	403,560,000	295,380,000
	<u>403,560,000</u>	<u>295,380,000</u>
Financial liabilities measured at amortised cost		
Amount owed to group undertakings	88,904,533	113,235,174
Bank loans and overdrafts	90,000,000	90,000,000
	<u>178,904,533</u>	<u>203,235,174</u>

Basis for determining fair value

The listed investments are valued at their quoted closing price on the year end date. The listed investments valued at £403,560,000 form the collateral used for the bank loan facility in addition to the cash held at the year end.

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.