

**Erne Holdings Limited**

**Annual Report and Financial Statements**

**Financial Year Ended 31 December 2019**



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**DIRECTORS AND OTHER INFORMATION**

**Board of Directors**

R J Crilly  
D Roxburgh

**Solicitors**

Clifford Chance  
10 Upper Bank Street  
London  
E14 5JJ  
United Kingdom

**Secretary and Registered Office**

RJ Crilly  
Stuart Road  
Manor Park  
Runcorn  
Cheshire WA7 1TS  
United Kingdom

**Bankers**

Ulster Bank Limited  
16 Darling Street  
Enniskillen  
Co Fermanagh  
BT74 7ER  
United Kingdom

**Company Number:** 2739803

**Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1

## DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019.

### Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102).

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 the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are 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.

### Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

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

### Results and dividends

The results for the year amounted to £nil (2018: loss £ nil). The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company during the year was being a management company.

### Directors

The directors who served the company during the year were as follows:

RJ Crilly  
D Roxburgh

In accordance with Article 17.1 the directors of the company are not required to retire by rotation.

## **DIRECTORS' REPORT - continued**

### **Qualifying third party indemnity provisions**

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2018 for the benefit of the then Directors' and, at the date of this report, are in force for the benefit of the Directors' in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

### **Subsequent events and future developments**

In March 2020 the World Health Organisation declared the unique strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide

The directors have considered the potential impact on the business and have concluded that the company has sufficient liquidity to prepare the financial statements on a going concern basis

There have been no other significant events between the balance sheet date and the date of approval of the financial statements.

### **Independent auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their appointment will be prepared at the Annual General Meeting.

**By order of the board**



D Roxburgh  
**Director**

4 February 2021



## ***Independent auditors' report to the members of Erne Holdings Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Erne Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its result 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 2019; the statement of profit and loss and total comprehensive income, 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.

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#### **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.

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#### **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.

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#### **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 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.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 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 Directors' Report.

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### **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 set out on page 3, 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](http://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.



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## Other required reporting

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### 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.

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads 'Paul O'Connor'.

Paul O'Connor (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
4 February 2021



**STATEMENT OF PROFIT AND LOSS AND TOTAL COMPREHENSIVE INCOME**  
**Financial Year Ended 31 December 2019**

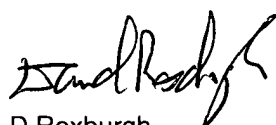
	Notes	2019 £'000	2018 £'000
Profit for the year before taxation		-	-
Tax charge	7	-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-

**BALANCE SHEET**

As at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	8	-	-
<b>Current assets</b>			
Debtors	9	-	-
Cash at bank		2	2
		2	2
<b>Creditors due within one year</b>	10	(101,894)	(101,894)
<b>Net current liabilities</b>		(101,892)	(101,892)
Creditors due after one year	11	(22,106)	(22,106)
<b>Net liabilities</b>		<u>(123,998)</u>	<u>(123,998)</u>
<b>Capital and reserves</b>			
Called up share capital	12	3	3
Share premium account		20,701	20,701
Other reserves		248	248
Profit and loss account		<u>(144,950)</u>	<u>(144,950)</u>
<b>Shareholders' - deficit</b>		<u>(123,998)</u>	<u>(123,998)</u>

The financial statements on pages 8 to 16 were approved by the Board of Directors on 4 February 2021 and were signed on its behalf by:



D Roxburgh  
Director

Erne Holdings Limited  
Registered No. 02739803

**STATEMENT OF CHANGES IN EQUITY**  
**Financial Year Ended 31 December 2019**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2018	3	20,701	248	(144,950)	(123,998)
Profit for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-
<b>As 31 December 2018</b>	<b>3</b>	<b>20,701</b>	<b>248</b>	<b>(144,950)</b>	<b>(123,998)</b>
At 1 January 2019	3	20,701	248	(144,950)	(123,998)
Profit for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	-
<b>As 31 December 2019</b>	<b>3</b>	<b>20,701</b>	<b>248</b>	<b>(144,950)</b>	<b>(123,998)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information

Erne Holdings Limited ("the company") is a management company.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Stuart Road, Manor Park, Runcorn, Cheshire WA7 1TS, United Kingdom.

### 2 Statement of compliance

The individual financial statements of Erne Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*" (FRS 102) and the Companies Act 2006.

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation of financial statements

The entity financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

#### (b) Going concern

The directors are required to prepare the financial statements using the going concern basis unless it is inappropriate to do so.

After making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the board of directors has taken account of all available information up to the end of January 2022. In particular, the directors have considered the outbreak of the unique coronavirus ("COVID-19") and the impact on the company

In arriving at his conclusion, the directors have taken into account the cash resources and support from the parent company to the company to enable it to meet its working capital requirements.

#### (c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- (ii) from disclosing the company's key management personnel compensation, as required by FRS 102 paragraph 33.7.

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 3 Summary of significant accounting policies - continued

#### (d) Consolidated financial statements

The company is a wholly owned subsidiary of Fitzwilton Ireland Limited and of its ultimate parent, Gilhome Limited. It is included in the consolidated financial statements of Fitzwilton Ireland Limited which are publicly available. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

#### (e) Reporting currency

##### (i) *Functional and presentation currency*

The company's functional and presentation currency is the Pound Sterling.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

#### (f) Investments

Investment in the subsidiary company is held at cost less accumulated impairment losses.

### 4 Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements 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.

#### **Critical judgement in applying the entity's accounting policies**

There were no critical judgements made by the directors that had a significant effect on the amounts recognised in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS - continued

5 Operating profit	2019 £'000	2018 £'000
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Audit fees	-	-
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Audit fees are borne by another group undertaking.

6 Directors' emoluments	2019 £'000	2018 £'000
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Emoluments	-	-
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7 Taxation	2019 £'000	2018 £'000
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<i>Current tax:</i>		
UK corporation tax	-	-

A potential deferred tax asset of £612,000 (2018: £612,000) arising principally from timing differences in relation to losses forward has not been recognised. There is currently insufficient evidence that any amounts would be recoverable.

8 Investments	Subsidiary undertakings £'000
<b>Cost:</b>	
At 31 December 2018 and 31 December 2019	85,143
<b>Provision for diminution in value</b>	
At 31 December 2018 and 31 December 2019	(85,143)
<b>Net book value</b>	
At 31 December 2019	-
At 31 December 2018	-

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of company Subsidiary undertakings	Country of incorporation or registration	Holding	Property held	Nature of business
FA Wellworth & Co Limited	NI	Ordinary	100%	Management of food retailing units
Wellworth Properties Limited	NI	Ordinary	100%*	Property company

\*held by a subsidiary undertaking

## NOTES TO THE FINANCIAL STATEMENTS - continued

9 Debtors	2019 £'000	2018 £'000
Amounts due by group undertakings	9,874	9,874
Less: Provision for impairment	(9,874)	(9,874)
	<u>-</u>	<u>-</u>

All amounts due from group undertakings are due on demand and interest free.

10 Creditors	2019 £'000	2018 £'000
PAYE	2	2
Amounts due to group undertakings	101,892	101,892
	<u>101,894</u>	<u>101,894</u>

All amounts due to group undertakings are due on demand and interest free. The group undertakings have confirmed that they will not seek repayment of the amounts owed for a minimum of 12 months from the date of the signing of the accounts.

11 Share capital - non-equity	Authorised	
	2019 £'000	2018 £'000
'A' Preferred ordinary shares of £1 each	43	43
'B' Preferred ordinary shares of £1 each	54	54
'C' Shares of £1 each	8	8
Deferred ordinary shares of £1 each	1,250	1,250
'A' Cumulative redeemable preference shares of £0.50 each	9,104	9,104
'B' Cumulative redeemable preference shares of £0.50 each	11,598	11,598
Management redeemable preference shares of £1 each	297	297
	<u>22,354</u>	<u>22,354</u>

	Allotted, called up and fully paid			
	No	2019 £'000	No	2018 £'000
'A' Preferred ordinary shares of £1 each	43	43	42,657	43
'B' Preferred ordinary shares of £1 each	54	54	54,343	54
'C' Shares of £1 each	8	8	8,108	8
Deferred ordinary shares of £1 each	1,250	1,250	1,250,002	1,250
'A' Cumulative redeemable preference shares of £0.50 each	18,207,343	9,104	18,207,343	9,104
'B' Cumulative redeemable preference shares of £0.50 each	23,195,657	11,598	23,195,657	11,598
Management redeemable preference shares of £1 each	49,500	49	49,500	49
		22,106		22,106

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 11 Share capital - non-equity - continued

#### **Dividend rights**

The 'B' cumulative redeemable preference shareholders are entitled to receive a first priority dividend at 10% of the issue price (£1 per share) per annum, including arrears, in preference to the holders of any other class of share provided that the payment is lawful and is permitted under the terms defined in the financing agreements.

The 'A' cumulative redeemable preference shareholders are entitled to receive a second priority dividend (i.e. after the payment of the first priority dividend) at 10% of the issue price (£1 per share) per annum, including arrears, in preference to the holders of any other class of share provided that the payment is lawful and is permitted under the terms defined in the financing agreements.

Both the above classes of dividends may be paid six monthly in arrears.

The management redeemable preference shareholders and the deferred ordinary shareholders are not entitled to receive a dividend.

The 'A' and 'B' preferred ordinary shareholders, the ordinary shareholders and the 'C' shareholders are, entitled to such dividends as paid out of the distributable profits as the company may determine but not exceeding the amount recommended by the directors.

#### **Redemption**

The company has the right to redeem at any time all or any of the 'B' cumulative redeemable preference shares and the management redeemable preference shares (after payment of arrears of 'B' class dividends) and subject to redemption of same, the 'A' cumulative redeemable preference shares in multiples of not less than 10,000 shares at par.

#### **Voting rights**

The 'A' and 'B' cumulative redeemable preference shareholders together with the management redeemable preference shareholders and deferred ordinary shareholders have no right to attend and vote at annual general meetings unless in the case of the former two classes, dividends are in arrears for greater than 30 days or if the former three classes are not redeemed on the due dates for redemption. The preferred ordinary shareholders, ordinary shareholders and 'C' shareholders have the right to attend and vote at annual general meetings, each class with the right of one vote per share.

#### **Winding up**

On a return of assets such as a winding up, reduction of capital or otherwise, the assets and retained profits available for distribution shall be applied in the following order:

- (i) the aggregate of the redemption price (£1) to the 'B' cumulative redeemable preference and management redeemable preference shareholders;
- (ii) the aggregate of the issue price (£1) and arrears and accruals of dividends to the holders of the 'A' redeemable cumulative preference shares;
- (iii) the issue price of the preferred ordinary shares to the preferred ordinary shareholders;
- (iv) the amounts paid up on the ordinary shares and 'C' shares to the holders of same;
- (v) the sum of £1,000.00 on each of the ordinary, preferred ordinary and 'C' shares to the holders thereof;
- (vi) the amount paid up on the deferred ordinary shares to their holders;
- (vii) the distribution of the balance amongst the ordinary, preferred ordinary and 'C' shareholders in proportion to the aggregate number of shares issued.

Note that the above summary of rights is intended to be an aide memoire and should not be deemed to be a complete account of the rights attributable to each class of shares or a substitute in any way for the detailed rights set out in the Articles of Association of the company.



## NOTES TO THE FINANCIAL STATEMENTS - continued

**12 Share capital – equity**

Share capital – equity		Authorised	
		2019 £'000	2018 £'000
Ordinary shares of £1 each		<u>3,000</u>	<u>3,000</u>
	Allotted, called up and fully paid		
	No	2019	No
		£'000	2018
			£'000
Ordinary shares of £1 each	2,500	<u>3</u>	2,500
		<u>3</u>	<u>3</u>

**13 Related parties' transactions**

Erne Holdings Limited is wholly owned within the Fitzwilton Ireland Limited Group. Transactions with Fitzwilton Ireland Limited and with other wholly owned subsidiary undertakings of Fitzwilton Ireland Limited are not disclosed as the company has taken advantage of the exemption available under FRS 102. There were no other related party transactions during the year.

**14 Approval of financial statements**

The directors approved the financial statements on 4 February 2021.