

carclo

General Meeting

5 September
2019



General Meeting requirement

- General Meeting to be called if net assets are less than half called-up share capital

Carclo plc – the Company

- Assets consist broadly of investments in subsidiaries and intercompany debtors
- Liabilities consist broadly of bank debt, intercompany creditors and the pension deficit

Reduction in net assets resulted from:

- Increase in pension deficit
- Write-down of Company's investment in Wipac

Company balance sheet	31 March 2018
£'000	
Fixed assets	
Tangible assets	374
Investments in subsidiary undertakings	100,854
	<u>101,228</u>
Current assets	
Intercompany debtors	89,158
Deferred tax	5,519
Other debtors	473
Cash at bank and in hand	1,813
	<u>96,963</u>
Current liabilities	
Intercompany creditors	(97,405)
Other creditors	(719)
Bank overdraft	(11,308)
	<u>(109,432)</u>
Net current liabilities	<u>(12,469)</u>
Liabilities due after more than one year	
Bank	(29,253)
Pension liability	(29,798)
	<u>(59,051)</u>
Total net assets	<u><u>29,708</u></u>
Capital and reserves	
Called up share capital	3,664
Share premium account	7,359
Profit and loss account	18,685
Shareholders' funds	<u><u>29,708</u></u>

Pension deficit increased due to:

- Decrease in discount rate
- Increase in mortality assumptions
- GMP equalisation
- Other experience losses
- Sensitivity to changes in assumptions
 - 0.25% decrease in discount rate increases liabilities by 3.5% or c£7m
 - 1 year increase in life expectancy increases liabilities by 3.6% or c£7m

Investment in Wipac

- Carclo plc intercompany debtors at 31 March 2018 included £12.6m due from Wipac Ltd

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No action required since no further implications of net assets being lower than half share capital

Increases in net assets will potentially be generated from:

- Future trading profits of operating subsidiaries being remitted via dividends
- Reduction of pension deficit through investment growth, cash contributions, changes in assumptions and experience gains
- New share capital

Forward looking statements - Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events to differ materially from any expected future events or results referred to in these forward looking statements.