

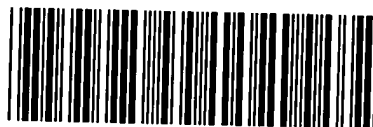
WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2021

Company number: 01999566 (England and Wales)

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WKW SERVICES LTD

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WKW SERVICES LTD

**REPORT AND FINANCIAL STATEMENTS
COMPANY INFORMATION**

DIRECTORS

A S Smith
G V Newman
C J Osman
T R Champkins
M Allison
A D Munro
M E Hird (appointed 1 March 2020)

INDEPENDENT AUDITORS

Barnes Roffe LLP
Statutory Auditor and Chartered Accountants
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford, Kent
DA2 6QA

PRINCIPAL BANKERS

HSBC Bank plc
38 High Street
Dartford
Kent DA1 1DG

REGISTERED OFFICE

Webster House
207 Longlands Road
Sidcup
Kent DA15 7JH

REGISTERED NUMBER

01999566

WKW SERVICES LTD

**REPORT AND FINANCIAL STATEMENTS
DIRECTORS' REPORT**

(Registered Number 01999566)

The directors present their report and financial statements of WKW Services Ltd (the "Company") for the year ended 28 February 2021.

Strategic report

The Company qualifies as a small company under the Companies Act 2006 and is exempt from the requirement to present a separate strategic report.

Directors

The directors holding office during the year and as at the date of this report (except as shown) were as follows:

A S Smith
G V Newman
C J Osman
T R Champkins
M Allison
A D Munro
M E Hird (appointed 1 March 2020)

Principal activities and review of the business

The principal activity of the Company continues to be acting as agents for marine underwriters in respect of the handling and settling of marine and transport liability claims and surveys.

The Company acts as agents for underwriters and insurers worldwide in respect of the handling and settlement of claims arising under marine and transit policies.

Trading for the year covered by this report was successful despite the obvious economic uncertainty caused by the COVID-19 pandemic. Although overall revenue reduced there were cost savings in the year and therefore profitability increased. The business has embraced technological change where possible and is able to perform e-surveys and drone surveys.

The transport of goods by sea, air and rail and road internationally continues and recent container ship casualties have brought the importance of international shipping into the public eye. Claims handling and surveying expertise remains as important as ever. In percentage terms there was an uplift in revenue from the UK and rest of world, whilst revenue from North America and Asia declined slightly.

Key Performance Indicators for the Company include the number of cargo claims or survey instructions received and the revenue generated by each claim as well as the number of claims or surveys outstanding at any point in time.

Principal activities and review of the business (continued)

Future developments include the further development and utilisation of e-surveys and drone surveys and investigation into the adoption of further technology to provide innovative new ways of supporting clients.

Financial instruments and risk management

The Company's financial instruments at the balance sheet date comprised cash and cash equivalents. The Company has various other financial instruments such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company has no exposure to publicly quoted equity securities as it holds no such financial assets.

The main risks arising from the Company's financial instruments are interest rate, liquidity and foreign currency risks. In common with businesses of similar size, these risks are managed by the directors, who set the policies and circumstances for the use of financial instruments and which are reviewed and monitored on an ongoing basis.

Interest rate risk

The Company has no loans on which any interest is payable.

Liquidity risk

Liquidity risk refers to the risk in which the Company is unable to meet its short term obligations and this arises from the possibility that customers may not be able to settle their obligations within the normal terms of trade.

Liquidity risk for the Company is minimal as the Company is able to meet its funding requirements through its operations.

Foreign currency risk

The Company has a number of trade receivables and payables as well as inter-group balances that are denominated in Euros and US dollars. Balances in foreign currencies are maintained at levels required for operational activities and are, to the fullest possible extent, matched by cash and cash equivalents in the same currency to minimise any net exposure to foreign currency risk.

Financial assets

The Company has no financial assets other than short-term receivables and cash at bank.

Dividends

In respect of the year ended 28 February 2021 an interim dividend was paid of £550,000 (2019: £520,000). The directors have not proposed a final dividend (2020: £nil).

Events since the balance sheet date

Information relating to events since the end of the year is given in the notes to the financial statements.

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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). 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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable UK Accounting Standards have been followed, including FRS 101, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- e) notify the Company's shareholders in writing concerning the use of the disclosure exemptions of FRS 101 used in the preparation of these financial statements.

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which 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.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director 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 auditor is aware of that information.

This report was approved by the Board on 22 April 2021 and signed on behalf of the directors by:



T R Champkins
Director

WKW SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WKW SERVICES LTD

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of WKW (Services) Ltd for the year ended 28 February 2021, set out on pages 12 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards for "Reduced Disclosure Framework".

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard, comprising FRS 101 "Reduced Disclosure Framework" and applicable law); 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 Group's or the parent 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.

WKW SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WKW SERVICES LTD

REPORT ON THE FINANCIAL STATEMENTS (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of this 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 in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WKW SERVICES LTD (continued)

REPORT ON THE FINANCIAL STATEMENTS (continued)

Matters on which we are required to report by exception (continued)

- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of the directors

As more fully explained in the Directors' Responsibilities Statement on page 5, 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 the 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 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 it 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 and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Company through discussion with directors and other management, and from our commercial knowledge and experience of similar businesses and the insurance sector that the Group operates in;

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W K WEBSTER SERVICES LTD
(continued)**

REPORT ON THE FINANCIAL STATEMENTS (continued)

- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, are as follows;
 - Companies Act 2006
 - IFRS
 - GDPR
 - ISO27001 standards
 - Health and Safety legislation
 - Employment legislation
 - Tax legislation
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes and inspecting relevant legal and other correspondence; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit; and

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates, including work in progress and bad debt provisions and significant accounting policies, including revenue recognition, were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the Company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

W K W SERVICES LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W K WEBSTER SERVICES LTD
(continued)**

REPORT ON THE FINANCIAL STATEMENTS (continued)

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.

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.



Mario Ciantanni (Senior Statutory Auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants and Statutory Auditors

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

23 April 2021

WKW SERVICES LTD**REPORT AND FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2021**

(Registered Number 01999566)

	Note	2021 £	2020 £
Continuing operations			
Revenue	3	1,972,263	2,133,639
Cost of sales		<u>(1,187,743)</u>	<u>(1,318,377)</u>
Gross profit		784,520	815,262
Administrative expenses		<u>(96,791)</u>	<u>(160,655)</u>
Operating profit and profit before tax	4	687,729	654,607
Taxation	7	<u>(131,234)</u>	<u>(131,534)</u>
Profit for the financial year		556,495	523,073
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		<u>£556,495</u>	<u>£523,073</u>

WKW SERVICES LTD

**REPORT AND FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2021**

(Registered Number 01999566)

	Note	2021 £	2020 £
ASSETS			
Non-current assets			
Property, plant and equipment	9	<u>43,962</u>	47,179
Current assets			
Trade and other receivables	10	406,780	774,174
Cash and cash equivalents	11	<u>1,483,350</u>	<u>732,838</u>
		<u>1,890,130</u>	<u>1,507,012</u>
Total assets		<u>1,934,092</u>	<u>1,554,190</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	<u>1,795,845</u>	<u>1,422,439</u>
Total liabilities		<u>1,795,845</u>	<u>1,422,439</u>
NET ASSETS		<u>£138,247</u>	<u>£131,752</u>
EQUITY			
Share capital	13	100	100
Retained earnings		<u>138,147</u>	<u>131,652</u>
TOTAL EQUITY		<u>£138,247</u>	<u>£131,752</u>

The accompanying notes on pages 15 to 28 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22 April 2021 and signed on its behalf by:



T Champkins
Director

WKW SERVICES LTD**REPORT AND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY****(Registered Number 01999566)**

	Share capital £	Retained earnings £	Total equity £
Balance at 1 March 2019	100	128,579	128,679
Comprehensive income			
Profit for the financial year	-	523,073	523,073
Total comprehensive income for the year	-	523,073	523,073
Transactions with owners			
Dividends paid	-	(520,000)	(520,000)
Balance at 29 February 2020	100	131,652	131,752
Comprehensive income			
Profit for the financial year	-	556,495	556,495
Total comprehensive income for the year	-	556,495	556,495
Transactions with owners			
Dividends paid	-	(550,000)	(550,000)
Balance at 28 February 2021	£100	£138,147	£138,247

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. General information

WKW Services Ltd is a Private Company limited by shares and incorporated and domiciled in England and Wales. The Company is a wholly owned subsidiary of W K Webster & Co Ltd details of which are given in Note 17.

The address of the registered office is given in the Company Information page of these Financial Statements.

The financial statements are presented in Pounds Sterling ("£"), the principal economic environment in which the Company operates. The Company operates in a number of currencies the most frequently used of which are Sterling, United States dollars ("US\$") and Euro. The Company's activities are as described in the Directors' Report on pages 3 and 4.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements.

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 paragraph 8:

- (i) The requirement of IFRS 7 "Financial Instruments: Disclosures" relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 "Fair Value measurement" paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value;

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 28 FEBRUARY 2021 (continued)

2. Accounting policies (continued)

- (iii) The applicable requirements of IAS 36 "Impairment of Assets" relating to the disclosures of estimates used to measure recoverable amounts;
- (iv) The applicable requirements of IAS 1 "Presentation of Financial Statements" relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year, and the reconciliation of the carrying amount of property, plant and equipment;
- (v) The requirement of IAS 1 "Presentation of Financial Statements" paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 "Statement of Cash Flows" and IAS 1 "Presentation of Financial Statements" paragraph 10(d) , 111 relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" paragraphs 30 and 31 relating to the disclosures of standards, amendments and interpretations in issue but not yet effective; and
- (viii) The requirements of IAS 24 "Related Party Disclosures" relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the Group.

For the disclosure exemptions listed in points (i) to (viii), the equivalent disclosures are included in the consolidated financial statements of the W K Webster & Co Ltd Group of Companies, into which the Company is consolidated.

Adoption of new and revised standards

No new accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020, have had a material impact on the company.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 28 FEBRUARY 2021 (continued)**

2. Accounting policies (continued)

Going concern

Throughout the year the Company has had to deal with the challenges associated with the COVID-19 pandemic. Our customers have been affected in different ways and whilst there has been some degree of adverse impact in the form of reduced revenue from some customers, the impact has been largely mitigated overall. The strong set of financial results for the year demonstrates our ability to cope with these challenges and even thrive in the environment. Our business plans that continue to address the pandemic are robust. On this basis the directors deem it appropriate that the accounts continue to be prepared on a going concern basis.

Functional and presentational currency

The Company's functional currency is £ Sterling, as this is the currency of the primary economic environment of that which the Company operates. The financial statements are presented in £ Sterling.

Foreign currency translation

Foreign currency transactions are translated at the rates of exchange ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Any differences are taken to the statement of comprehensive income and are presented within administrative expenses.

Property, plant and equipment

All property, plant and equipment are stated at historic cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on property, plant and equipment by equal instalments over their estimated useful lives of between four and five years on a straight-line basis and presented within administrative expenses in the statement of comprehensive income for all classes of asset.

Gains and losses on disposal are determined by comparing the proceeds of sale with the carrying amount within administrative expenses in the statement of comprehensive income.

Impairment of non-financial assets

At each reporting date the Company reviews the carrying values of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 28 FEBRUARY 2021 (continued)**

2. Accounting policies (continued)

Impairment of non-financial assets (continued)

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted. Any resulting changes are recognised in the statement of comprehensive income in the period to which they relate within administrative expenses.

An impairment loss is only reversed if there is a subsequent increase in the recoverable amount that can be related objectively to an event occurring after that loss was recognised.

Financial instruments

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument and financial assets are accounted for at trade date.

Financial assets

The Company classifies its financial assets as loans and receivables. Classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 28 FEBRUARY 2021 (continued)

2. Accounting policies (continued)

Financial assets (continued)

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within administrative expenses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuing costs.

Financial liabilities

The Company's financial liabilities are all classified as other financial liabilities. Other financial liabilities, including borrowings, are initially measured at fair value, net of transactions costs. Other liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 28 FEBRUARY 2021 (continued)

2. Accounting policies (continued)

Revenue recognition and related expenses

Revenue represents amounts chargeable to clients for professional services rendered through the reporting period. Revenue excludes value added tax and includes expenses recoverable from clients.

Revenue is recognised when the right to consideration has been obtained through performance under each contract. Revenue in respect of contingent or conditional fee arrangements is recognised on the occurrence of the contingent event. When crystallisation of the contingent event is foreseen at the end of the reporting period the carrying value of work in progress is the lower of unbilled time and net realisable value.

Unbilled income is recognised in trade and other receivables as accrued income after provision for unrecoverable amounts.

Work in progress arises on cases that have not completed at the reporting date where the right to consideration is contingent upon the satisfactory completion of the case. These are valued at the lower of unbilled time and net realisable value.

Taxation

The tax expense for the period comprises current tax and deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from the net profits as reported on the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021 (continued)

2. Accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset or liability is expected to be settled or at least realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Operating leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event from which it is probable that an outflow of economic benefits will occur which can be reliably quantified.

Retirement benefit costs

The Company operates a defined contribution benefit scheme. The contributions are recognised as an employee benefit expense when they are due and the Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 28 FEBRUARY 2021 (continued)**

2. Accounting policies (continued)

Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior periods retained profits.

Claims handling assets and liabilities

The Company acts as agent in respect of the handling and settlement of insurance claims and recoveries and is not liable as a principal for amounts in respect of those claims and recoveries.

Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's Statement of Financial Position in the period in which the dividend is approved by the Company's shareholder.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies which are described above, the directors have not had to make any significant judgements on the amounts recognised in the financial statements.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 28 FEBRUARY 2021 (continued)**

2. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

Bad debt provisions

The trade receivables balances recorded in the Company's statements of financial position comprise a significant number of balances with customers. A full review of trade balances is carried out quarterly during the reporting period. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible there remains the risk that the provisions do not match the level of debts which ultimately prove to be irrecoverable.

Accrued income and work in progress valuations

Accrued income and work in progress are valued at the Company's reporting date using a consistent valuation methodology allowing for the nature of the business and the length of time taken to complete some cases. Attributable costs incurred in bringing cases to the stage of development at the reporting date are assessed across the entire population of cases within each operating unit as it is not practical to make this assessment on a case by case approach. While every attempt is made to ensure that the assessments made reflect accurately the value of accrued income or work in progress at the reporting date, there remains the possibility that the valuations do not match the amounts eventually charged to customers.

WKW SERVICES LTD**REPORT AND FINANCIAL STATEMENTS****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 28 FEBRUARY 2021 (continued)****3. Revenue**

An analysis of the Company's revenue (all relating to service revenue) by geographical domicile of its clients is as follows:

	2021	2020
	%	%
United Kingdom	67	65
North America	2	5
Asia	3	5
Rest of World	28	25
	100	100

4. Operating profit

Operating profit is stated after charging /(crediting):

	2021	2020
	£	£
Depreciation of property, plant & equipment	17,159	24,278
Operating lease rentals - land and buildings	7,288	6,617
Auditors' remuneration - audit	6,100	5,925
Auditors' remuneration - other services		
- tax compliance services	1,597	1,550
Foreign exchange loss/(gain)	(2,429)	3,038

5. Emoluments of the directors

Directors are paid from the parent company. No recharge is made to the Company as it is not possible to calculate accurately a fair allocation to the Company.

6. Employee benefit expense

	2021	2020
	£	£
Wages and salaries (including directors)	701,418	752,771
Social security costs	79,275	90,395
Other pension costs	55,743	58,442
	£836,436	£901,609

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR

ENDED 28 FEBRUARY 2021 (continued)

6. Employee benefit expense (continued)

The average monthly number of employees during the year

	Number	Number
Case Handlers	18	18
	18	18

7. Taxation

	2021 £	2021 £
Current taxation		
UK corporation tax	132,013	131,534
Adjustments in prior years	(778)	-
Total taxation	£131,234	£131,534

The tax rate used for the reconciliations is the corporate tax rate of 19% (2020: 19%) payable by the corporate entities in the UK on taxable profits under tax law in that jurisdiction. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate, calculated on the basis of total tax expense as a proportion of profit before tax, is 19.1% (2020: 20.1%).

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2021 £	2020 £
Profit before taxation	687,729	654,607
Current tax calculated at 19% (2020: 19%)	130,668	124,375
Effect of depreciation in excess of / (less than) capital allowances	1,212	2,815
Effect of expenses that are not deductible	132	4,344
Current UK tax charge	£132,013	£131,534

WKW SERVICES LTD

**REPORT AND FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 28 FEBRUARY 2021 (continued)**

8. Equity dividends	2021	2020
	£	£
On ordinary shares (interim and final)	£550,000	£520,000
Dividend per share	£5,500	£5,200

9. Property, plant and equipment	Motor vehicles	Office equipment and fittings	Total
	£	£	£
Cost			
At 1 March 2020	78,489	14,944	93,433
Additions	12,362	1,580	13,942
Disposals	-	-	-
At 28 February 2021	90,851	16,524	107,375
Accumulated Depreciation			
At 1 March 2020	31,396	14,858	46,254
Charge for the year	16,934	225	17,159
Disposals	-	-	-
At 28 February 2021	48,330	15,083	63,413
Net book value			
At 28 February 2021	£42,521	£1,441	£43,962
At 29 February 2020	£47,093	£86	£47,179

WKW SERVICES LTD

**REPORT AND FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 28 FEBRUARY 2021 (continued)**

10. Trade and other receivables

	2021	2020
	£	£
Trade receivables	319,084	715,575
Provisions for doubtful debts	(14,172)	(24,007)
	<u>304,912</u>	<u>691,568</u>
Prepayments and accrued income	101,868	82,606
	<u><u>£406,780</u></u>	<u><u>£774,174</u></u>

11. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u><u>£1,483,350</u></u>	<u><u>£732,838</u></u>

During the year the Company held funds within short term money market deposits and during this time interest was earned at an average rate of 0.0% (2020: 0.5%). The directors consider that the carrying amount of cash and cash equivalents approximated their fair value.

12. Trade and other payables

	2021	2020
	£	£
Current		
Trade payables	1,178,141	802,134
Amounts owed to group undertakings and undertakings in which the Company has a participating interest	454,496	447,533
Corporation tax	66,013	54,635
Other creditors and accruals	<u>97,195</u>	<u>118,137</u>
	<u><u>£1,795,845</u></u>	<u><u>£1,422,439</u></u>

The amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

WKW SERVICES LTD

REPORT AND FINANCIAL STATEMENTS

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 28 FEBRUARY 2021 (continued)**

13. Pension commitments

The Company is a member of a Group defined contribution pension scheme which provides benefits for certain employees. The amount recognised as an expense during the year was £55,743 (2020: £58,442).

14. Share capital

	2021	2020
	£	£
Allotted, issued and fully paid:		
100 (2019: 100) ordinary shares of £1 each	<u>£100</u>	<u>£100</u>

15. Related party relationships and transactions

The Company has taken advantage of the exemption offered by FRS 101 not to disclose key management personnel compensation and from the requirements to disclose related party transactions between two or more members of the Group.

16. Events after the year end

There were no events subsequent to the reporting date other than as described elsewhere that have any material impact on these financial statements.

17. Ultimate controlling party

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is W K Webster & Co Ltd. Accounts for this entity are available to the public and can be obtained from the Company Secretary at Webster House, 207 Longlands Road, Sidcup, Kent, DA15 7JH, United Kingdom.

The ultimate controlling parties are the shareholders of W K Webster & Co Ltd.