

WIMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



WIMS LIMITED

COMPANY INFORMATION

Directors	J D Monkcom G J Sampson N P D Preston
Company secretary	G J Sampson
Registered number	03729853
Registered office	Jewry House Jewry Street Winchester Hampshire SO23 8RZ
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	Barclays Bank Plc PO Box 612 Ocean Way, Ocean Village Southampton Hampshire SO14 2ZP
Solicitors	Dutton Gregory LLP Trussel House 23 St Peter Street Winchester Hampshire SO23 8BT

WIMS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 7
Consolidated Statement of Comprehensive Income	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14 - 28

WIMS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

Introduction

The principal activity of the Group continues to be the provision of insurance administration services.

The Group's mission is to be the preferred supplier of technology driven, client envisioned, third party administration services in the UK. The innovative use of technology to deliver operational efficiency and customer service excellence underpins the strategic approach.

Business review and key performance indicators

	2019 £'000	2018 £'000	Change %
Turnover	4,113	4,302	-4%
Operating profit	956	1,117	-14%
Profit after tax	779	898	-13%
Equity shareholders' funds	2,824	2,545	+11%
Current assets as a % of current liabilities	135%	125%	+8%
Average number of employees	86	86	N/A

Turnover has decreased by £188,911, which is 4% lower than the previous year, while Operating Profit is £160,178 lower at £956,443. The Profit for the year after interest paid of £7,110 and taxation of £192,430 is £779,177.

The capital position of the Group remains strong, with Shareholders' Funds of £2,824,094 at the financial year end.

The directors are satisfied with the Group's performance, which has been built on the strength of insurance partner relationships developed over many years, along with continued investment in staff and technology. Policy attrition, a nature of run off schemes, accounts for the lower activity. These attrition rates are closely monitored against long term trends and the directors consider the performance of these schemes to be satisfactory.

The directors expect satisfactory trading results in the coming year.

WIMS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Principal risks and uncertainties

The directors have assessed the main risk facing the Group as being a loss of technological advantage. The Group's strategy to develop and maintain all core insurance administration and point of sale systems in-house mitigates this risk. The Group's proprietary multi-product administration platform, along with an ability to rapidly deploy new technological innovations to reduce scheme launch times, continues to ensure productivity improvements, maintenance of operating margins and an attractive low cost operating model.

With a UK exit from the EU there is a great deal of uncertainty around the future regulatory environment and the impact this will have on insurers and their outsourcing strategies. Changes to the regulatory environment could increase costs and discourage outsourcing activities. A comprehensive compliance and risk management framework is in place to mitigate this regulatory risk, while continued investment in technology helps reduce upward cost pressures.

A potential downturn within individual insurance product markets could result in fewer new business opportunities and falling policy volumes for existing schemes. The directors believe that the spread of service expertise across a number of personal lines products will help mitigate this risk, and are, consequently, active in developing new product skills and expertise.

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



.....
G J Sampson
Director

Date: 6 November 2019

WIMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

Results and dividends

The profit for the year, after taxation, amounted to £779,177 (2018: £898,010).

The directors recommend a final dividend of £500,000 (2018: £300,000).

Directors

The directors who served during the year were:

J D Monkcom
G J Sampson
N P D Preston

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WIMS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Financial risk management

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase prices of items.

Credit risk

The Group's principle financial assets are bank balances and cash and accrued fees. The credit risk on accrued fees is limited because the counterparties are insurance companies with high-credit ratings assigned.

Liquidity and cash flow risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group has in place a long-term bank loan.

The Group's activities do not expose it to changes in foreign currency exchange rates and interest rates.

Future developments

The Group continues to invest in innovative technological capability and build resourcing capacity to support existing insurance partners with their ongoing outsourcing strategies and new scheme development plans.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
G J Sampson
Director

Date: 6 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIMS LIMITED

Opinion

We have audited the financial statements of WIMS Limited (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 Group's or the Parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIMS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's or the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIMS LIMITED (CONTINUED)

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

Hampshire

SO15 2BG

Date:

12/11/19

WIMS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	4,112,790	4,301,701
Gross profit		4,112,790	4,301,701
Administrative expenses		(3,198,097)	(3,230,205)
Other operating income	5	41,750	45,125
Operating profit	6	956,443	1,116,621
Interest receivable and similar income	9	22,274	11,606
Interest payable and expenses		(7,110)	(8,444)
Profit before taxation		971,607	1,119,783
Tax on profit	10	(192,430)	(221,773)
Profit after taxation		779,177	898,010
Profit for the year attributable to:			
Owners of the parent Company		779,177	898,010
		779,177	898,010

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 14 to 28 form part of these financial statements.

WIMS LIMITED
REGISTERED NUMBER:03729853

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	1,664,493	1,683,795
		<u>1,664,493</u>	<u>1,683,795</u>
Current assets			
Debtors: amounts falling due within one year	14	1,074,772	724,141
Cash at bank and in hand	15	4,255,468	5,284,132
		<u>5,330,240</u>	<u>6,008,273</u>
Creditors: amounts falling due within one year	16	(3,936,115)	(4,800,532)
Net current assets		<u>1,394,125</u>	<u>1,207,741</u>
Total assets less current liabilities		<u>3,058,618</u>	<u>2,891,536</u>
Creditors: amounts falling due after more than one year	17	(220,336)	(334,103)
Provisions for liabilities			
Deferred taxation	20	(14,188)	(12,516)
		<u>(14,188)</u>	<u>(12,516)</u>
Net assets		<u><u>2,824,094</u></u>	<u><u>2,544,917</u></u>
Capital and reserves			
Called up share capital	21	50,000	50,000
Profit and loss account		2,774,094	2,494,917
		<u><u>2,824,094</u></u>	<u><u>2,544,917</u></u>

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


.....
G J Sampson
Director

Date: 6 November 2019

The notes on pages 14 to 28 form part of these financial statements.

WIMS LIMITED
REGISTERED NUMBER:03729853

COMPANY BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	13	1,832,831	1,832,831
		<u>1,832,831</u>	<u>1,832,831</u>
Current assets			
Debtors: amounts falling due within one year	14	1,011,436	653,355
Cash at bank and in hand	15	4,237,798	5,246,762
		<u>5,249,234</u>	<u>5,900,117</u>
Creditors: amounts falling due within one year	16	(4,258,119)	(5,188,179)
Net current assets		<u>991,115</u>	<u>711,938</u>
Total assets less current liabilities		<u>2,823,946</u>	<u>2,544,769</u>
Net assets		<u><u>2,823,946</u></u>	<u><u>2,544,769</u></u>
Capital and reserves			
Called up share capital	21	50,000	50,000
Profit and loss account brought forward		2,494,769	1,846,759
Profit for the year		779,177	898,010
Other changes in the profit and loss account		(500,000)	(250,000)
		<u>2,773,946</u>	<u>2,494,769</u>
Profit and loss account carried forward		<u><u>2,823,946</u></u>	<u><u>2,544,769</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Company for the year was £779,177 (2018: £898,010).

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


.....
G J Sampson
Director

Date: 6 November 2019

The notes on pages 14 to 28 form part of these financial statements.

WIMS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2017	50,000	1,846,907	1,896,907
Comprehensive income for the year			
Profit for the year	-	898,010	898,010
Dividends	-	(250,000)	(250,000)
At 1 July 2018	50,000	2,494,917	2,544,917
Comprehensive income for the year			
Profit for the year	-	779,177	779,177
Dividends	-	(500,000)	(500,000)
At 30 June 2019	50,000	2,774,094	2,824,094

WIMS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2017	50,000	1,846,759	1,896,759
Comprehensive income for the year			
Profit for the year	-	898,010	898,010
Dividends	-	(250,000)	(250,000)
At 1 July 2018	50,000	2,494,769	2,544,769
Comprehensive income for the year			
Profit for the year	-	779,177	779,177
Dividends	-	(500,000)	(500,000)
At 30 June 2019	50,000	2,773,946	2,823,946

WIMS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	779,355	898,010
Adjustments for:		
Depreciation of tangible assets	70,844	66,964
Interest paid	7,110	8,444
Interest received	(22,274)	(11,606)
Taxation charge	192,250	221,773
(Increase) in debtors	(350,630)	(546,076)
(Decrease)/increase in creditors	(827,881)	132,054
Corporation tax (paid)	(218,449)	(90,025)
Net cash (used in)/generated from operating activities	(369,675)	679,538
Cash flows from investing activities		
Purchase of tangible fixed assets	(51,541)	(51,494)
Interest received	22,274	11,606
Net cash used in investing activities	(29,267)	(39,888)
Cash flows from financing activities		
Repayment of loans	(129,997)	(130,021)
Dividends paid	(500,000)	(250,000)
Interest paid	-	(12)
Net cash used in financing activities	(629,997)	(380,033)
Net (decrease)/increase in cash and cash equivalents	(1,028,939)	259,617
Cash and cash equivalents at beginning of year	5,284,132	5,024,515
Cash and cash equivalents at the end of year	4,255,193	5,284,132
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,255,468	5,284,132
Bank overdrafts	(275)	-
	4,255,193	5,284,132

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

WIMS Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a Statement of Cash Flows
- the exemption from disclosing key management personnel

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Group's ability to continue as a going concern.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Commission income is recognised on receipt of the policyholder's premium with amounts relating to un-accrued claims being deferred.

Rental income is recognised on an accruals basis in accordance with the rental agreement in place.

2.5 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

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

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold land	- Land is not depreciated
Buildings	- 50 years
Furniture, fittings & equipment	- 2 - 5 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include:

Deferred Profit Share

WIMS Limited receive a share of the profits from Insurers. Where the Insurer calculates profits on a cash basis, WIMS Limited defer income for claims incurred but not accrued at the calculation date to give the true value of the income due.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Rent receivable	41,750	45,125
	<u>41,750</u>	<u>45,125</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	70,843	66,964
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	13,600	13,250
Defined contribution pension cost	<u>201,335</u>	<u>186,159</u>

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Employees

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

	Group 2019 £	<i>Group 2018 £</i>
Wages and salaries	2,122,136	2,140,858
Social security costs	179,740	168,636
Cost of defined contribution scheme	201,335	186,159
	<u>2,503,211</u>	<u>2,495,653</u>

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

	2019 No.	<i>2018 No.</i>
Directors	3	3
Production	65	68
Administration	18	15
	<u>86</u>	<u>86</u>

The Company has no employees other than the directors, who did not receive any remuneration (2018: £Nil).

8. Directors' remuneration

	2019 £	<i>2018 £</i>
Directors' emoluments	310,560	298,691
Company contributions to defined contribution pension schemes	34,746	34,746
	<u>345,306</u>	<u>333,437</u>

During the year retirement benefits were accruing to 3 directors (2018: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £141,451 (2018: £144,777).

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Interest receivable

	2019 £	2018 £
Other interest receivable	22,274	11,606
	<u>22,274</u>	<u>11,606</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	190,758	218,449
	<u>190,758</u>	<u>218,449</u>
Total current tax	<u>190,758</u>	<u>218,449</u>
Deferred tax		
Origination and reversal of timing differences	1,672	3,324
Total deferred tax	<u>1,672</u>	<u>3,324</u>
Taxation on profit on ordinary activities	<u>192,430</u>	<u>221,773</u>

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: *lower than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	971,607	1,119,783
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	184,605	212,759
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,153	5,690
Deferred tax	1,672	3,324
Total tax charge for the year	192,430	221,773

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% from 1 April 2020 was substantively enacted on 6 September 2017.

11. Dividends

	2019 £	2018 £
Dividends paid on equity capital	500,000	250,000
	500,000	250,000

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

12. Tangible fixed assets

Group

	Freehold land and buildings £	Furniture, fittings & equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2018	1,889,870	262,152	117,030	2,269,052
Additions	-	42,397	9,144	51,541
Disposals	-	(17,890)	-	(17,890)
At 30 June 2019	<u>1,889,870</u>	<u>286,659</u>	<u>126,174</u>	<u>2,302,703</u>
Depreciation				
At 1 July 2018	290,000	202,131	93,126	585,257
Charge for the year	29,000	26,961	14,882	70,843
Disposals	-	(17,890)	-	(17,890)
At 30 June 2019	<u>319,000</u>	<u>211,202</u>	<u>108,008</u>	<u>638,210</u>
Net book value				
At 30 June 2019	<u><u>1,570,870</u></u>	<u><u>75,457</u></u>	<u><u>18,166</u></u>	<u><u>1,664,493</u></u>
At 30 June 2018	<u><u>1,599,870</u></u>	<u><u>60,021</u></u>	<u><u>23,904</u></u>	<u><u>1,683,795</u></u>

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2018	1,832,831
At 30 June 2019	<u>1,832,831</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
Wessex Administration Services Limited	The provision of administration support services to connected companies	Ordinary	100%

The address of the registered office for Wessex Administration Services Limited is Jewry House, Jewry Street, Winchester, Hampshire, SO23 8RZ.

The aggregate of the share capital and reserves as at 30 June 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Wessex Administration Services Limited	1,832,979	248,415

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other debtors	13,290	11,149	-	-
Prepayments and accrued income	1,061,482	712,992	1,011,436	653,355
	<u>1,074,772</u>	<u>724,141</u>	<u>1,011,436</u>	<u>653,355</u>

15. Cash and cash equivalents

In the performance of the Group's administrative insurance services, insurance premiums are collected on a Risk Transfer basis into various Insurance Bank Accounts.

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Insurance bank accounts	3,353,845	4,343,402	3,353,845	4,343,402
Entity bank accounts	901,623	940,730	883,953	903,360
Less: bank overdrafts	(275)	-	(275)	-
	<u>4,255,193</u>	<u>5,284,132</u>	<u>4,237,523</u>	<u>5,246,762</u>

There are a number of bank accounts open in the name of Wessex Administration Services Limited, on behalf of WIMS Limited. The accounts are in the name of Wessex Administration Services Limited because the Company carries out operations on behalf of its Parent Company on a day to day basis. For disclosure purposes these have been shown within the financial statements of WIMS Limited due to the nature of the transaction passing through the account.

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

16. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	275	-	275	-
Bank loans	24,864	33,984	-	-
Trade creditors	3,269,742	4,233,647	3,237,096	4,213,102
Amounts owed to group undertakings	-	-	599,649	678,051
Corporation tax	190,758	218,449	124,499	152,082
Other taxation and social security	42,238	45,019	-	-
Accruals and deferred income	408,238	269,433	296,600	144,944
	<u>3,936,115</u>	<u>4,800,532</u>	<u>4,258,119</u>	<u>5,188,179</u>

17. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £
Bank loans	220,336	334,103
	<u>220,336</u>	<u>334,103</u>

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

18. Loans

The loan represents a first mortgage charge secured over the freehold property of Jewry House, 12/13 Jewry Street repayable over 20 years. The interest rate on the mortgage is Bank of England base rate plus 1.5%. The carrying value of the assets against which the loan is secured is £1,570,870 (2018: £1,599,870).

	Group 2019 £	Group 2018 £
Amounts falling due within one year		
Bank loans	24,864	33,984
Amounts falling due 1-2 years		
Bank loans	25,428	34,583
Amounts falling due 2-5 years		
Bank loans	79,799	107,447
Amounts falling due after more than 5 years		
Bank loans	115,109	192,073
	<u>245,200</u>	<u>368,087</u>

19. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	4,255,468	5,284,132	4,237,798	5,246,762
Financial assets that are debt instruments measured at amortised cost	1,024,727	664,504	1,011,436	653,355
	<u>5,280,195</u>	<u>5,948,636</u>	<u>5,249,234</u>	<u>5,900,117</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(3,616,417)	(4,715,785)	(3,836,840)	(4,891,153)

Financial assets that are debt instruments measured at amortised cost comprise of other debtors, accrued income and balances owed by Group companies.

Financial liabilities measured at amortised cost comprise of trade and other creditors, accruals, bank loans and balances owed to Group companies.

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

20. Deferred taxation

Group

	2019	2018
	£	£
At beginning of year	(12,516)	(9,192)
Charged to profit or loss	(1,672)	(3,324)
At end of year	(14,188)	(12,516)
	Group	Group
	2019	2018
	£	£
Accelerated capital allowances	(14,188)	(12,516)
	(14,188)	(12,516)

21. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1.00 each	50,000	50,000

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £201,335 (2018: £186,159). At the year end there were no contributions outstanding (2018: £Nil).

23. Related party transactions

At the year end directors were owed £2,981 (2018: £3,360) in respect of commission and expenses. These balances are included within accruals at the year end.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group, or in relation to the Company. In the opinion of the board the Group and Company's key management are the directors of WIMS Limited. Details of their remuneration are included within note 8.

Dividends of £500,000 (2018: £250,000) were paid to the directors during the year.

WIMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

24. Post balance sheet events

After the year end, dividends of £150,000 were paid to shareholders.

25. Controlling party

The ultimate controlling party is the directors by virtue of their shareholding.