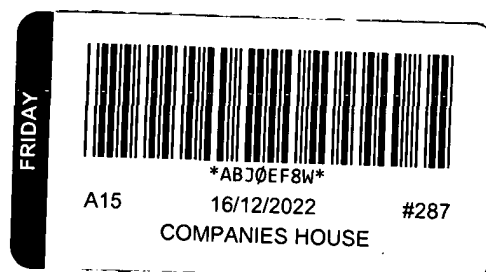

WIMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



WIMS LIMITED

COMPANY INFORMATION

Directors	J D Monkcom N P D Preston G J Sampson
Company secretary	G J Sampson
Registered number	03729853
Registered office	Jewry House Jewry Street Winchester Hampshire SO23 8RZ
Independent auditor	CLA Evelyn Partners Limited 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
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Consolidated Analysis of Net Debt	16
Notes to the Financial Statements	17 - 31

WIMS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

Introduction

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

On 31 May 2022 WIMS Limited became a wholly owned subsidiary of WIMS Holdings Limited.

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.

	2022 £000	2021 £000	Change %
Turnover	3,507	3,437	2%
Operating Profit	729	672	8%
Profit after tax	586	538	9%
Equity shareholders' funds	1,185	2,186	-46%
Current assets as a % of current liabilities	122%	115%	7%
Average number of employees	68	67	3%

Turnover has increased by £70,340, which is 2% higher than the previous year, with Operating Profit £57,053 higher at £729,146. The Profit for the year after interest paid of £143 and taxation of £143,676 is £585,792.

The capital position of the group remains strong, with Shareholders' Funds of £1,185,394 at the financial year end after a dividend in specie distribution of £1,486,286 for the Freehold land and buildings to WIMS Holdings Limited.

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, has been offset by the acquisition of new schemes. These attrition rates are closely monitored against long term trends and the directors consider the performance of these schemes to be satisfactory.

Services continued uninterrupted throughout the COVID-19 pandemic.

The directors expect satisfactory trading results in the coming year.

WIMS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

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 and maintenance of operating margins.

There continues to be a demanding regulatory environment with an uncertain impact on insurers and their outsourcing strategies. Changes to the regulatory environment is increasing oversight costs for insurers and high inflation is increasing the cost of delivery, which could 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 further key risk facing the group is the economic outlook with high inflation and increasing unemployment. This is likely to reduce profit commissions over the longer term with an uncertain impact on insurers' product offerings.

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: 12/12/2022

WIMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

Results and dividends

The profit for the year, after taxation, amounted to £585,792 (2021 - £538,434).

A dividend of £1,586,285 (2021 - £650,000) was paid during the year.

Directors

The directors who served during the year were:

J D Monkcom
N P D Preston
G J Sampson

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 principal 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'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, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

WIMS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

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



G J Sampson
Director

Date: 12/12/2022

WIMS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

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; and
- 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.

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 subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including 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 2022 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

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 and 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.

WIMS LIMITED

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 contained within the Annual Report and Financial Statements. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 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 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 Strategic Report or 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
- 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 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 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 and 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.

WIMS LIMITED

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Group complies with requirements of the framework through:

- The directors managing and overseeing a compliance function;
- Outsourcing statutory accounts preparation and tax compliance to external experts;
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary;
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at Board meetings.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Group's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA)

To gain evidence about compliance with the significant laws and regulations above we reviewed the Company's breaches register, reviewed board meeting minutes, inspected correspondence with the FCA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through manual journal entries and incorrect recognition of revenue. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the Company's processes and controls surrounding manual journal entries.

WIMS LIMITED

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

A further description of our responsibilities is available 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

Andrew Edmonds (Dec 12, 2022 17:18 GMT)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

Hampshire

SO15 2BG

Date: 12/12/2022

WIMS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Turnover	4	3,507,124	3,436,784
Gross profit		3,507,124	3,436,784
Administrative expenses		(2,816,249)	(2,806,441)
Other operating income	5	38,271	41,750
Operating profit		729,146	672,093
Interest receivable and similar income	9	465	1,994
Interest payable and similar expenses		(143)	(1,098)
Profit before taxation		729,468	672,989
Tax on profit	10	(143,676)	(134,555)
Profit for the financial year		585,792	538,434
Total comprehensive income for the year		585,792	538,434
Profit for the year attributable to:			
Owners of the parent Company		585,792	538,434

The notes on pages 17 to 31 form part of these financial statements.

WIMS LIMITED
REGISTERED NUMBER:03729853

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	41,685	1,542,535
		<u>41,685</u>	<u>1,542,535</u>
Current assets			
Debtors: amounts falling due within one year	14	251,678	224,376
Cash at bank and in hand	15	6,179,815	4,641,597
		<u>6,431,493</u>	<u>4,865,973</u>
Creditors: amounts falling due within one year	17	(5,278,928)	(4,217,692)
Net current assets		<u>1,152,565</u>	<u>648,281</u>
Total assets less current liabilities		<u>1,194,250</u>	<u>2,190,816</u>
Provisions for liabilities			
Deferred taxation	18	(8,856)	(4,929)
Net assets		<u><u>1,185,394</u></u>	<u><u>2,185,887</u></u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account		1,135,394	2,135,887
Shareholders' funds		<u><u>1,185,394</u></u>	<u><u>2,185,887</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: 12/12/2022

The notes on pages 17 to 31 form part of these financial statements.

WIMS LIMITED
REGISTERED NUMBER:03729853

COMPANY BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	346,546	1,832,831
		<u>346,546</u>	<u>1,832,831</u>
Current assets			
Debtors: amounts falling due within one year	14	140,943	156,789
Cash at bank and in hand	15	6,084,853	4,619,916
		<u>6,225,796</u>	<u>4,776,705</u>
Creditors: amounts falling due within one year	17	(5,387,093)	(4,423,796)
Net current assets		<u>838,703</u>	<u>352,909</u>
Net assets		<u><u>1,185,249</u></u>	<u><u>2,185,740</u></u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account		1,135,249	2,135,740
Shareholders' funds		<u><u>1,185,249</u></u>	<u><u>2,185,740</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 £585,794 (2021 - £538,435).

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



G J Sampson
Director

Date: 12/12/2022

The notes on pages 17 to 31 form part of these financial statements.

WIMS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2020	50,000	2,247,453	2,297,453
Comprehensive income for the year			
Profit for the year	-	538,434	538,434
Dividends	-	(650,000)	(650,000)
At 1 July 2021	50,000	2,135,887	2,185,887
Comprehensive income for the year			
Profit for the year	-	585,792	585,792
Dividends	-	(1,586,285)	(1,586,285)
At 30 June 2022	50,000	1,135,394	1,185,394

WIMS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2020	50,000	2,247,305	2,297,305
Comprehensive income for the year			
Profit for the year	-	538,435	538,435
Dividends	-	(650,000)	(650,000)
At 1 July 2021	50,000	2,135,740	2,185,740
Comprehensive income for the year			
Profit for the year	-	585,794	585,794
Dividends	-	(1,586,285)	(1,586,285)
At 30 June 2022	50,000	1,135,249	1,185,249

WIMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	585,792	538,434
Adjustments for:		
Depreciation of tangible assets	53,062	57,611
Interest paid	143	1,098
Interest received	(465)	(1,994)
Taxation charge	143,676	134,555
Decrease in debtors	8,986	155,717
Increase in creditors	1,022,403	51,479
Corporation tax (paid)	(137,203)	(153,483)
Net cash generated from operating activities	1,676,394	783,417
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,512)	(6,277)
Sale of tangible fixed assets	2,014	-
Interest received	465	1,994
Net cash used in investing activities	(38,033)	(4,283)
Cash flows from financing activities		
Repayment of loans	-	(119,351)
Dividends paid	(100,000)	(650,000)
Interest paid	(143)	(1,098)
Net cash used in financing activities	(100,143)	(770,449)
Net increase in cash and cash equivalents	1,538,218	8,685
Cash and cash equivalents at beginning of year	4,641,597	4,632,912
Cash and cash equivalents at the end of year	6,179,815	4,641,597
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,179,815	4,641,597

WIMS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2022

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	4,641,597	1,538,218	6,179,815

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

WIMS Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 03729853). The registered office address is Jewry House, Jewry Street, Winchester, Hampshire, SO23 8RZ.

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 exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Company and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Company as a whole.

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.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Group and its future cash flows, including an ongoing assessment of fewer outsourcing contracts, the impact of high inflation and increasing unemployment based on the latest economic forecasts.

Group has continued to remain profitable, including throughout the pandemic and the directors maintain a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

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 profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.7 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 profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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 profit or loss 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 2022

2. Accounting policies (continued)

2.10 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.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.12 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 2022

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

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

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 and is attributable to the principal activity.

5. Other operating income

	2022 £	2021 £
Rent receivable	38,271	41,750

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	15,150	14,700

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,784,329	1,856,193	-	-
Social security costs	163,003	161,152	-	-
Cost of defined contribution scheme	157,691	166,471	-	-
	<u>2,105,023</u>	<u>2,183,816</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Directors	3	3
Production	51	50
Administration	14	14
	<u>68</u>	<u>67</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil).

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	318,226	310,329
Group contributions to defined contribution pension schemes	20,834	30,000
	<u>339,060</u>	<u>340,329</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £139,752 (2021 - £138,430).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £833 (2021 - £10,000).

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. Interest receivable

	2022 £	2021 £
Other interest receivable	465	1,994

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	139,749	137,200
Deferred tax		
Origination and reversal of timing differences	3,927	(2,645)
Taxation on profit on ordinary activities	143,676	134,555

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	729,468	672,989
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	138,599	127,868
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,150	9,332
Deferred tax	3,927	(2,645)
Total tax charge for the year	143,676	134,555

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

11. Dividends

	2022 £	2021 £
Dividends paid on equity capital	<u>1,586,285</u>	<u>650,000</u>

Included in the above is a distribution in specie of £1,486,286 for the Freehold land and buildings to WIMS Holdings Limited.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

12. Tangible fixed assets

Group

	Freehold land and buildings £	Furniture, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 July 2021	1,889,870	263,791	126,174	2,279,835
Additions	-	40,512	-	40,512
Transfers intra group	(1,889,870)	-	-	(1,889,870)
Disposals	-	(41,954)	-	(41,954)
At 30 June 2022	-	262,349	126,174	388,523
Depreciation				
At 1 July 2021	377,001	235,329	124,970	737,300
Charge for the year	26,583	25,275	1,204	53,062
Transfers intra group	(403,584)	-	-	(403,584)
Disposals	-	(39,940)	-	(39,940)
At 30 June 2022	-	220,664	126,174	346,838
Net book value				
At 30 June 2022	-	41,685	-	41,685
At 30 June 2021	1,512,869	28,462	1,204	1,542,535

The Freehold land and buildings held within in group were ultimately transferred to WIMS Holdings Limited by virtue of a dividend in specie.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 July 2021	1,832,831
Write down following dividend in specie	(1,486,285)
At 30 June 2022	<u>346,546</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Wessex Administration Services Limited	Jewry House, Jewry Street, Winchester, Hampshire, SO23 8RZ	The provision of administration support services to connected companies	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2022 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	346,692	219,945

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	71,096	75,229	71,096	75,229
Other debtors	15,588	7,915	-	-
Prepayments and accrued income	164,994	141,232	69,847	81,560
	<u>251,678</u>	<u>224,376</u>	<u>140,943</u>	<u>156,789</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 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Insurance bank accounts	5,003,290	3,878,017	5,001,508	3,878,017
Entity bank accounts	1,176,525	763,580	1,083,345	741,899
	<u>6,179,815</u>	<u>4,641,597</u>	<u>6,084,853</u>	<u>4,619,916</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 2022

16. Collateral and Debenture

BACS Sponsorship services with Barclays Bank: Under the terms of this service, the company provided security through fixed charges and debentures.

WIMS Limited:

At 30 June 2022 Barclays Bank held a fixed charge, under charge code 0372 9853 0001, over a bank account holding funds of £3,206.

Post balance sheet event:

On 28 July 2022 the company approved a debenture, under charge code 0372 9853 0002, with Barclays Bank.

Wessex Administration Services Limited:

At 30 June 2022 Barclays Bank held a fixed charge, under charge code 0187 1314 0004, over a bank account holding funds of £1,782.

Post balance sheet event:

On 28 July 2022 the company approved a debenture, under charge code 0187 1314 0005, with Barclays Bank.

17. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Trade creditors	4,909,532	3,801,936	4,834,858	3,765,430
Amounts owed to group undertakings	257	-	370,810	434,916
Corporation tax	139,746	137,200	85,816	75,318
Other taxation and social security	44,980	40,779	-	-
Accruals and deferred income	184,413	237,777	95,609	148,132
	<u>5,278,928</u>	<u>4,217,692</u>	<u>5,387,093</u>	<u>4,423,796</u>

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

18. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	4,929	7,574
Charged to profit or loss	3,927	-
Utilised in year	-	(2,645)
At end of year	8,856	4,929
	Group 2022 £	Group 2021 £
Accelerated capital allowances	8,856	4,929

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1.00 each	50,000	50,000

20. 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 £157,691 (2021 - £166,471). Contributions totalling £Nil (2021 - £Nil) were payable to the fund at the reporting date.

WIMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

21. Related party transactions

At the year-end directors were owed £2,178 (2021 - £2,365) in respect of commission and expenses. These balances are included within trade creditors at the year end.

Key management are those persons having 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.

Prior to the transfer of share ownership dividends of £100,000 (2021 - £650,000) were paid to the directors during the year.

A dividend in specie of £1,486,286 was issued to WIMS Holdings Limited

22. Reorganisation

During the year the group completed an intragroup reorganisation. WIMS Holdings Limited was incorporated on 13 May 2022. On 31 May 2022 the shareholders of WIMS Limited executed a share exchange of 50,000 ordinary shares of £1 each in WIMS Limited, for 50,000 ordinary shares of £1 each in WIMS Holdings Limited. Wessex Administration Services Limited remains a wholly owned subsidiary of WIMS Limited. On 31 May 2022 Wessex Administration Services Limited executed a share capital reduction with a transfer of £1,681,275 share capital and £118,409 share premium to retained earnings. The Jewry House property was transferred as a dividend in specie at its net book value to the ultimate holding company WIMS Holdings Limited on 1 June 2022.

23. Controlling party

On the 31 May 2022 the company became a wholly owned subsidiary of WIMS Holdings Limited.

The ultimate controlling party are the directors of WIMS Limited by virtue of their shareholding in WIMS Holdings Limited.

24. Post Balance sheet events

After the year end, dividends of £400,000 (2021 - £Nil) were paid to shareholders.

After the year end, WIMS Limited and Wessex Administration Services Limited provided debenture security to Barclays Bank for their BACS Sponsorship service.