

Registered Number: 5272533

**WITAN INVESTMENT SERVICES LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2020

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# **WITAN INVESTMENT SERVICES LIMITED**

## **Report and Financial Statements for the year ended 31 December 2020**

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## **WITAN INVESTMENT SERVICES LIMITED**

### **STRATEGIC REPORT**

This Strategic Report has been prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for those strategies to succeed. The Strategic Report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

#### **Business review**

Witan Investment Services Limited ("the Company") is a wholly-owned subsidiary of Witan Investment Trust plc. The Company provides marketing and investment services to Witan Investment Trust plc and is authorised by the Financial Conduct Authority ("FCA") to act as Witan's Alternative Investment Fund Manager.

Witan Investment Services Limited had two principal activities during the year:

- the provision of marketing services to investment trusts; and
- the provision of executive management services to investment trusts, including manager selection and the monitoring and management of outsourced partners, including custodian, fund accountants, and company secretarial services. In connection with this, since July 2014 the Company has been authorised by the FCA to act as an Alternative Investment Fund Manager ("AIFM") to an Alternative Investment Fund ("AIF"), in order to enable an AIF to fulfil the requirements of the AIFM Directive.

During the year the Company had two corporate clients: Witan Investment Trust plc and Witan Pacific Investment Trust plc. During the year the Board of Witan Pacific undertook a review of its investment management arrangements. Proposals were put to and approved by their shareholders to change the investment objective to a China-only mandate and transfer the management of the company to Baillie Gifford, with no further requirement for services from WIS. WIS fully supported, and assisted in, the review and was pleased with the outcome of the process. Prior to the review, WIS indicated its readiness to cease its executive services role at a time to be mutually agreed with Witan Pacific, which was during September 2020.

#### **Results for the year**

The profit after taxation for the year amounted to £97,000 (2019: £67,000). The directors do not intend to declare a dividend in respect of the year (2019: none).

#### **Principal risks and uncertainties**

There are a small number of specific commercial and economic risks to which the Company has exposure. These include reliance on its third party, outsourced administrators, complying with FCA rules and regulations and a reduction in revenue in the event of a fall in executive management clients' assets. In respect of executive management clients, any failure of a client to sustain or renew a contract for the provision of the services provided would affect the financial results of the Company.

## **WITAN INVESTMENT SERVICES LIMITED**

### **STRATEGIC REPORT (continued)**

#### **Key Performance Indicators**

The Company has income, by which it may judge its performance and profitability, derived from AIFM, executive management and marketing fees paid by its corporate clients. Appropriate costs are apportioned to the Company by its parent, Witan Investment Trust plc, and relate to premises, personnel, and insurances. The most significant costs incurred by the Company were the costs of providing the AIFM and Executive Management services to its corporate clients.

#### **Future developments in the business**

Following the cessation of the contract to provide executive management services to Witan Pacific, the Company's sole client is the Witan Investment Trust plc. The Board is not currently seeking additional clients.

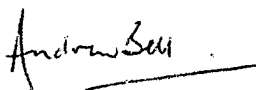
The Directors expect the principal activities of marketing services and the provision of executive management services to Witan Investment Trust plc to continue during 2021. This remains under regular review

#### **Going Concern**

The financial position of the Company as at 31 December 2020 is shown in the balance sheet on page 13. The Company has no borrowings or borrowing facilities and has no intention of borrowing funds in the future. The Company is authorised and regulated by the Financial Conduct Authority and, accordingly, it is required to maintain sufficient regulatory capital. The Board has developed and maintained an Internal Capital Adequacy Assessment Process ("ICAAP") which is designed to demonstrate that the Company has adequate capital to meet the risks facing its business. The Company's ICAAP was updated in 2020 and the revised document was approved formally by the Board in July 2020. The directors, who have carefully reviewed the Company's budget and forecast for the coming and following years, consider that the Company has more than adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's accounts.

Approved by the Board of Directors and signed on their behalf by:

A L C Bell  
Director  
10 March 2021



## **WITAN INVESTMENT SERVICES LIMITED**

### **DIRECTORS' REPORT**

The directors present the annual report and the financial statements of Witan Investment Services Limited (the "Company") for the year ended 31 December 2020.

#### **Directors**

The directors of the Company who served during the year were:

Mr A J S Ross (Chairman with effect from 29 April 2020)  
Mr H M Henderson (Chairman until his retirement on 29 April 2020)  
Mr A L C Bell (Chief Executive Officer)  
Mrs R A Beagles (appointed 1 September 2020)  
Mr G N Hunnisett  
Ms S E G A Neubert  
Mr R J Oldfield (retired 29 April 2020)  
Mr J S Perry  
Mr A Watson  
Mr P T Yates

#### **Directors' Indemnity**

The Company's Articles of Association allow the Company, subject to the provisions of UK legislation, to:

(a) indemnify every director against all losses or liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings in which judgement is given in his favour or in which he is acquitted; and

(b) purchase and maintain insurance for any director against any loss or liability.

Directors' and officers' liability insurance cover is in place in respect of the directors and was in place throughout the year under review.

#### **Directors' statement as to the disclosure of information to the auditor**

Each of the directors at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## **WITAN INVESTMENT SERVICES LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Pillar III Disclosure and Remuneration Code Disclosure**

A copy of the company's most recent Pillar 3 and Remuneration Code disclosures, which are not audited, is available upon request from the Company's registered office at 14 Queen Anne's Gate, London SW1H 9AA.

#### **Elective resolutions**

The Company has passed elective resolutions in accordance with the Companies Act 2006 to dispense with the annual reappointment of auditors, the holding of annual general meetings and the laying of accounts and reports before general meetings. Grant Thornton UK LLP were appointed as auditors of both Witan Investment Trust plc and the Company with effect from the accounts for the year ended 31 December 2016 and are deemed to continue in office as the auditor.

By order of the Board



Frostrow Capital LLP

Secretary

10 March 2021

## **WITAN INVESTMENT SERVICES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **WITAN INVESTMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITAN INVESTMENT SERVICES LIMITED**

#### **Opinion**

We have audited the financial statements of Witan Investment Services Limited (the 'company') for the year ended 31 December 2020, which comprise Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and 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 Financial Reporting Standard 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 company's affairs as at 31 December 2020 and of its 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 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



## **WITAN INVESTMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITAN INVESTMENT SERVICES LIMITED (continued)**

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report,<sup>1</sup> other than the financial statements and our auditor's report thereon. 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.

#### **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.

#### **Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

## **WITAN INVESTMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITAN INVESTMENT SERVICES LIMITED (continued)**

#### **Matters on which we are required to report by exception**

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 for the financial statements**

As explained more fully in the directors' responsibilities statement, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **WITAN INVESTMENT SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITAN INVESTMENT SERVICES LIMITED (continued)**

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates. We determined that the following laws and regulations were most significant: FRS 102 and Companies Act 2006. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes. We did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - the Company's operations, including the nature of its revenue sources, and of its objective and strategy to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
    - the Company's control environment, including the policies and procedures implemented to comply with annual and financial reporting requirements
  - We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the group engagement team included:
    - Determining completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year-end for financial statements preparation
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the group and parent company operates.

**WITAN INVESTMENT SERVICES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WITAN INVESTMENT SERVICES LIMITED (continued)**

**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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Marcus Swales**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**London**

10 March 2021

**WITAN INVESTMENT SERVICES LIMITED****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Notes</u>	<u>2020</u> Continuing Operations £'000	<u>2020</u> Discontinued Operations £'000	<u>2020</u> Total £'000	<u>2019</u> Continuing Operations £'000	<u>2019</u> Discontinued Operations £'000	<u>2019</u> Total £'000
Turnover	2	681	1	682	803	1,168	1,971
Administrative expenses	3	(586)	-	(586)	(671)	(1,237)	(1,908)
<b>Operating profit/(loss)</b>		95	1	96	132	(69)	63
Bank interest		1	-	1	4	-	4
<b>Profit/(loss) before taxation</b>		96	1	97	136	(69)	67
Taxation	5	-	-	-	-	-	-
<b>Profit/(loss) after taxation for the year</b>	9	96	1	97	136	(69)	67

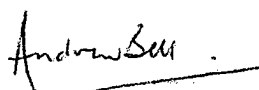
The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 15 to 20 form part of these financial statements.

**WITAN INVESTMENT SERVICES LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2020**

	<u>Notes</u>	<u>2020</u> £'000	<u>2019</u> £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	246	472
Cash at bank		993	1,156
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(84)	(570)
<b>Net assets</b>		<b>1,155</b>	<b>1,058</b>
<b>Capital and reserves</b>			
Ordinary share capital	8	900	900
Profit and loss reserve	9	255	158
<b>Equity shareholder's funds</b>		<b>1,155</b>	<b>1,058</b>

The financial statements of Witan Investment Services Limited (registered number 5272533) were approved by the directors and authorised for issue on 10 March 2021 and were signed on their behalf by



**A L C Bell**  
Director

The notes on pages 15 to 20 form part of these financial statements.

**WITAN INVESTMENT SERVICES LIMITED****STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020**

	Issued Share Capital £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2019	900	158	1,058
Profit for year	-	97	97
Balance at 31 December 2020	<b>900</b>	<b>255</b>	<b>1,155</b>

	Issued Share Capital £'000	Revenue reserve £'000	Total £'000
Balance at 31 December 2018	900	91	991
Profit for year	-	67	67
Balance at 31 December 2019	<b>900</b>	<b>158</b>	<b>1,058</b>

The notes on pages 15 to 20 form part of these financial statements.

## **WITAN INVESTMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Accounting policies**

The principal accounting policies adopted by the Company are set out below.

##### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

##### *Sources of estimation uncertainty*

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not always 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 vary from these estimates.

##### **(b) Going concern**

The directors have considered the risks as set out in the risks paragraph of the Business Review section of the Strategic Report on pages 2 and 3. The directors have also reviewed the adequacy of the Company's capital requirements and consider that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly, the directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company's financial statements.

##### **(c) Principal activity**

The business of the company is the provision of alternative investment fund manager, executive and marketing management services.

##### **(d) Turnover**

Turnover consists of the fees receivable from clients and dealing charges and plan management fees from investors in Witan Wisdom and Jump Savings, which are recognised on an accrual basis.



## **WITAN INVESTMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**(e) Interest income**

Bank deposit interest is accounted for on an accruals basis.

**(f) Expenses**

Expenses are accounted for on an accruals basis.

**(g) Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis.

**2. Turnover**

Turnover comprises the value of services provided in the UK by the Company and is exclusive of value added tax

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
<u>Discontinued Operations</u>		
Transaction fees and annual management charge	1	1,168
<u>Continuing Operations</u>		
Executive management and marketing fees	681	803
	<u>682</u>	<u>1,971</u>

## **WITAN INVESTMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **3. Administrative expenses**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Administrative expenses include:		
Fees payable to the Company's auditor in respect of		
• the audit of the Company's annual financial statements	10	10
• other services required pursuant to legislation	25	38

Fees paid to the Company's auditor, Grant Thornton UK LLP, and their associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated accounts of its parent, Witan Investment Trust plc, are required to disclose non-audit fees on a consolidated basis.

In 2019, the main costs incurred by the Company (which form part of the charges paid by the savings plan account holders) are fees paid relating to discontinued operations being the savings plan administrator, DST, amounting to £1,237,000. One-off regulatory development project costs included within the fees paid to DST amounted to £550,000.

The relevant staff costs recharged to the Company by the parent company amounting to £315,000 (2019: £419,000). Administrative expenses include a recharge of an agreed proportion of the fees payable to the non-executive directors of the parent company, Witan Investment Trust plc, who also serve as directors of the Company. The amount recharged in respect of the year ended 31 December 2020 was £47,000 (2019: £49,000).

#### **4. Directors and staff**

The current directors, with the exception of Mr Hunnisett, are also directors of Witan Investment Trust plc, of which the Company is a wholly-owned subsidiary. As per note 3, directors' fees are paid and payable by Witan Investment Trust plc and an agreed proportion is recharged to Witan Investment Services via administration expenses.

The Company does not employ any staff. Mr Bell and Mr Hunnisett are employees of Witan Investment Trust plc. An agreed proportion of the relevant staff costs and directors' fees is recharged to the Company by the parent company (see note 3 above).

## **WITAN INVESTMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **5. Taxation**

	<u>2020</u>	<u>2019</u>
	<u>£'000</u>	<u>£'000</u>
(a) <u>Taxation charge on ordinary activities</u>		
<u>Current taxation</u>		
UK corporation taxation charge for the year	-	-
	<u>-</u>	<u>-</u>

#### **(b) Factors affecting the tax charge for the year**

The UK corporation tax rate in 2020 was 19% (2019: 19%). The tax assessed for the year is lower than the effective corporation tax rate. The differences are explained below:

Profit before taxation	<u>97</u>	<u>67</u>
Corporation tax charge at 19% (2019: 19%)	18	13
Effects of:		
Excess expenses surrendered by parent company	<u>(18)</u>	<u>(13)</u>
Total tax charge	<u>-</u>	<u>-</u>

There is no tax charge this year on the profit of £97,000 due to excess expenses of £97,000 (2019: £85,000) surrendered by the parent company.

Carry forward losses available to be utilised amount to £555,000 (2019: £652,000).

No recognition has been made of a deferred taxation asset of £105,000 (2019: £111,000), based on a tax rate of 19%, as it is considered too uncertain that there will be sufficient taxable profits against which these expenses can be offset.

**WITAN INVESTMENT SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. Debtors: amounts falling due within one year**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Prepayments and accrued income	111	225
Amounts due from parent company	128	-
Other debtors	7	247
	<u>246</u>	<u>472</u>

**7. Creditors: amounts falling due within one year**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Amount due to the parent company	-	146
Accruals	84	424
	<u>84</u>	<u>570</u>

**8. Share capital**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Called up, issued and fully paid: 900,000 ordinary shares of £1 each	900	900

**9. Profit and loss reserve**

	<u>2020</u>	<u>2019</u>
	£'000	£'000
Balance brought forward	158	91
Profit for the year	97	67
Balance carried forward	<u>255</u>	<u>158</u>

## **WITAN INVESTMENT SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10. Parent undertaking**

The Company is a wholly-owned subsidiary undertaking of its ultimate holding company and controlling party, Witan Investment Trust plc, a company registered in England and Wales. Copies of the parent undertaking's report and financial statements may be obtained from the Secretary, Frostrow Capital LLP, at 14 Queen Anne's Gate, London SW1H 9AA.

**11. Cash flow statement**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

**12. Related party transactions**

The Company is taking the exemption from disclosing related party transactions with the group under section 33 of FRS 102.

**13. Company status**

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 14 Queen Anne's Gate, London SW1H 9AA.