

Wilmington Shared Services Limited

Annual report and financial statements for the year ended 30 June 2020

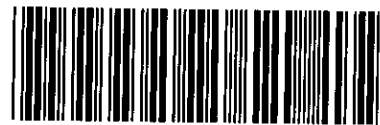
Company Registration Number: 08314442

Wilmington Shared Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2020

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Wilmington Shared Services Limited

Annual report and financial statements for the year ended 30 June 2020

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Wilmington Shared Services Limited

COMPANY INFORMATION

for the year ended 30 June 2020

DIRECTORS

M Morgan (resigned 27 August 2019)

M Milner (appointed 27 August 2019)

R Amos

COMPANY SECRETARY

S Tahir

COMPANY NUMBER

08314442

REGISTERED OFFICE

5th Floor

10 Whitechapel High Street

London

E1 8QS

INDEPENDENT AUDITORS

Grant Thornton UK LLP

30 Finsbury Square

London

EC2A 1AG

BUSINESS ADDRESS

5th Floor

10 Whitechapel High Street

London

E1 8QS

BANKING AGENT

Barclays Bank plc

1 Churchill Place

London

E14 5HP

SOLICITOR

Gowling WLG

4 More London Riverside

London

SE1 2AU

Wilmington Shared Services Limited is a private company limited by shares.

Wilmington Shared Services Limited

STRATEGIC REPORT

for the year ended 30 June 2020

The directors submit their Strategic Report for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is to provide central back office services to the Wilmington plc group. The directors expect the company's activities to continue for the foreseeable future.

The profit before taxation for year ended 30 June 2020 was £27,224 (2019: £820,744). Total net assets as at 30 June 2020 were £1,825,193 (2019: £1,887,745).

BUSINESS OBJECTIVES AND STRATEGY

The company seeks to deliver a central streamlined back office function, so as to deliver efficiencies and other benefits for the group, headed by Wilmington plc, to which it belongs.

PRINCIPAL RISKS AND UNCERTAINTIES

Many of the key business risks and uncertainties affecting the company arise from rapidly changing technology, which gives rise to the need for constant development and investment.

In addition to rapid changes in technology, a key business risk and uncertainty affecting the Company is Covid-19 and its impact on the economic environment. As such management have and are continuing to take all necessary precautionary steps to mitigate the impact of Covid-19. Further discussion of these risks and uncertainties, in the context of Wilmington plc, is provided in the group's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT

Interest rate risk, liquidity risk and capital risk are managed on a group-wide basis by the company's ultimate parent company, Wilmington plc. The company operates in accordance with funding policies controlled by the executive directors of the ultimate parent company.

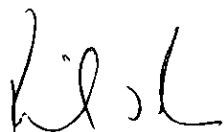
The company is exposed to credit risk associated with selling on credit, which it manages through credit control procedures.

As a predominantly UK based business, the Company will naturally be impacted by Brexit in whatever form that takes. This risk is managed on a group wide basis and the directors continue to assess the potential impacts on the Company.

KEY PERFORMANCE INDICATORS (KPI'S)

The directors of Wilmington Shared Services Limited and Wilmington plc manage the group's operations on a divisional basis. For this reason, the directors believe that analysis of key performance indicators for the company is not necessary or appropriate.

By order of the board



R Amos
Director

2 December 2020

Wilmington Shared Services Limited

DIRECTORS' REPORT

for the year ended 30 June 2020

The directors submit their report and the audited financial statements of Wilmington Shared Services Limited for the year ended 30 June 2020. Please refer to the Strategic Report on page 2 for the disclosure on the company's financial risk management.

DIVIDENDS AND FUTURE DEVELOPMENTS

The company did not pay a dividend in the year (2019: nil). Refer to the Strategic Report for future developments.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

M Morgan (resigned 27 August 2019)

M Milner (appointed 27 August 2019)

R Amos

GOING CONCERN

The directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. As at the date of this report, the Management of the Company has assessed the overall impact of the Covid-19 pandemic on the Company's operational and financial position for at least 12 months. Management shall continuously assess the impact of Covid-19 on its operations as well as the financial position going forward.

The Company has a total net asset position and a cash in hand balance of £7,801,612. Although the company is in a net current liabilities position the ultimate parent company, Wilmington plc, has stated its intention to provide financial support as necessary. The company owes £57,549,585 (2019: £51,056,622) to other entities in the Group. There is no current intention to recall the amounts due within 12 months from the date of signing the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision was in place for Directors throughout the year and at the date of the approval of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- 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, including FRS 101 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.

Wilmington Shared Services Limited

DIRECTORS' REPORT

for the year ended 30 June 2020

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 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.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the report in accordance with applicable law and regulations. The directors consider the report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

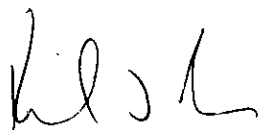
To the best of our knowledge:

- the company's financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

INDEPENDENT AUDITORS

Grant Thornton UK LLP have indicated their willingness to remain in office.

On behalf of the board



R Amos
Director

2 December 2020

Independent Auditor's Report to the Members of Wilmington Shared Services Limited

Opinion

We have audited the financial statements of Wilmington Shared Services Limited (the 'company') for the year ended 30 June 2020, which comprise the statement of comprehensive income, the balance sheet, the statements 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 101 'Reduced Disclosure Framework' (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 30 June 2020 and of its loss 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.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

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 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 Wilmington Shared Services Limited

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

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.

Independent Auditor's Report to the Members of Wilmington Shared Services Limited

Responsibilities of directors for the financial statements

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 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Wilmington Shared Services Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	<i>Note</i>	2020 £	2019 £
Administrative expenses		(1,664,531)	(1,013,932)
Other operating income		<u>1,691,755</u>	<u>1,834,676</u>
PROFIT BEFORE TAXATION	2	27,224	820,744
Tax on profit	5	<u>(89,776)</u>	<u>408,605</u>
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE FINANCIAL YEAR		<u>(62,552)</u>	<u>1,229,349</u>

The operating profit for the year arises from the Company's continuing operations.

The Company has no other comprehensive income other than those included in the results above.

Wilmington Shared Services Limited

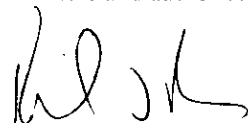
BALANCE SHEET

as at 30 June 2020

Company Registration No. 08314442

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	6	3,813,997	2,225,497
Tangible assets	7	<u>2,410,055</u>	<u>3,140,152</u>
		<u>6,224,052</u>	<u>5,365,649</u>
CURRENT ASSETS			
Deferred tax asset	8	94,065	94,065
Debtors	9	53,796,305	53,101,061
Cash at bank and in hand		<u>7,801,612</u>	<u>4,460,533</u>
		61,691,982	57,655,659
Creditors: Amounts falling due within one year	10	<u>(66,090,841)</u>	<u>(61,133,563)</u>
NET CURRENT LIABILITIES		<u>(4,398,859)</u>	<u>(3,477,904)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,825,193</u>	<u>1,887,745</u>
NET ASSETS		<u>1,825,193</u>	<u>1,887,745</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Retained Earnings		<u>1,825,191</u>	<u>1,887,743</u>
TOTAL SHAREHOLDERS' FUNDS		<u>1,825,193</u>	<u>1,887,745</u>

The financial statements and the notes to the financial statements on pages 8 to 19 were approved by the board of directors and authorised for issue on 2 December 2020 and are signed on its behalf by



R Amos
Director

Wilmington Shared Services Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

Company Registration No. 08314442

	Called up share capital £	Retained earnings £	Total shareholders' funds £
At 1 July 2018	2	658,394	658,396
Profit and total comprehensive income for the financial year	—	1,229,349	1,229,349
At 30 June 2019	2	1,887,743	1,887,745
(Loss)/profit and total comprehensive (expense)/income for the financial year	—	(62,552)	(62,552)
At 30 June 2020	2	1,825,191	1,825,193

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

GENERAL INFORMATION

Wilmington Shared Services Limited ('the company') provides central back office services to the Wilmington plc group. The company is a private company and is incorporated and domiciled in the UK. The address of the registered office is 10 Whitechapel High Street, London, E1 8QS.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations'.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 40A-D (requirements for a third statement of financial position).
- Paragraph 18A of IAS 24, 'Related party disclosures', related to key management services provided by a separate management entity.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PREPERATION (CONTINUED)

- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

GOING CONCERN

The directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. As at the date of this report, the Management of the Company has assessed the overall impact of the Covid-19 pandemic on the Company's operational and financial position for at least 12 months. Management shall continuously assess the impact of Covid-19 on its operations as well as the financial position going forward.

The Company has a total net asset position and a cash in hand balance of £7,801,612. Although the company is in a net current liabilities position the ultimate parent company, Wilmington plc, has stated its intention to provide financial support as necessary. The company owes £57,549,585 (2019: £51,056,622) to other entities in the Group. There is no current intention to recall the amounts due within 12 months from the date of signing the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

GOVERNMENT GRANTS

In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, the Company recognises receipt of conditional Government grants intended to compensate the Company for expenses incurred. Each grant is recognised at fair value when there are reasonable assurances they will be received, and any qualifying conditions have been complied with. The grants are subsequently presented in the income statement on a systematic basis in the period that the expenses, for which the grants are compensating, are recognised. The Company elects to set grant income off against the associated expenditure, rather than present it as Other Income.

INTANGIBLE ASSETS

Intangible assets are stated at historical cost less accumulated amortisation. Intangible amortisation is included within administrative expenses.

Computer software that is integral to a related item of hardware is classified as property, plant and equipment. All other computer software and also the cost of internally developed software and databases are classified as intangible assets. Computer software licences purchased from third parties are initially recorded at cost. Costs associated with the production of internally developed software are capitalised once it is probable that they will generate future economic benefits and satisfy the other criteria set out in IAS 38. Computer software intangible assets (including the cost of internally developed software and databases) are amortised through the statement of comprehensive income on a straight line basis over their estimated useful lives not exceeding three years. Assets that are not in use at the reporting date (assets under construction) are recognised at cost and amortisation commences when those assets begin to generate economic benefit.

Computer software development costs recognised as assets are amortised over their estimated useful lives as follows:

Computer software	straight line over 2 – 3 years
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TANGIBLE FIXED ASSETS

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost of a tangible asset, less its estimated residual value, over its useful economic life, as follows:

Leasehold property and improvements	over the lease term
Computer hardware	straight line over 3 years
Fixtures, fittings and office equipment	straight line over 3-10 years

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TAXATION

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is discounted to reflect the time value of money, using a discount rate based on the post tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates. None of the deferred tax balance relates to unprovided deferred tax.

Current tax for the current and prior years is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

PENSIONS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions are charged to the statement of comprehensive income in the period in which they are incurred.

OTHER OPERATING INCOME

Other operating income consists of recharge income for services provided to other group subsidiaries in the UK.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment.

(b) Impairment of trade debtors

Trade debtors are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant), less provisions made for doubtful receivables. Provisions are made specifically, where there is evidence of a risk of non-payment taking into account ageing, previous losses experienced and general economic conditions.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

The Company assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For trade debtors, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

(c) Impairment of amounts owed by group undertakings

The company makes an estimate of the recoverable value of the amounts owed by group undertakings. When assessing impairment of group undertakings, the ageing profile of receivables and historical experience. See note 9 for the net carrying value of the amounts owed from group undertakings.

(d) Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. See note 6 for the carrying amount of intangible assets.

NEW STANDARDS AND INTERPRETATIONS APPLIED

The following new standards, amendments and interpretations have been adopted in the current year:

International Financial Reporting Standards (IFRS/IAS)		Effective for accounting periods starting after
IFRS 16	Leases	1 January 2019

The adoption of these new standards, amendments and interpretations has not led to any material impact on the financial position or performance of the company.

NEW STANDARDS AND INTERPRETATIONS NOT APPLIED

The International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) have issued new standards and interpretations with an effective date after the year starting 1 July 2020.

International Financial Reporting Standards (IFRS/IAS)		Effective for accounting periods starting after
IFRS Standards	Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1 January 2020

Management is currently assessing the impact of the above new standards. During the year to 30 June 2021 the Company will put in place necessary processes to capture all of the adjustments and additional disclosures required for those standards taking effect before this date. There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

2	PROFIT BEFORE TAXATION	2020	2019
		£	£
	Profit before taxation is stated after charging/(crediting):		
	Depreciation of owned tangible assets	784,896	750,168
	Amortisation of owned intangible assets	1,846,474	846,584
	Foreign exchange gain	(262,872)	(206,235)
	Auditors' remuneration: statutory audit	3,000	1,800
	Non-audit services: taxation compliance	500	500

3 DIRECTORS' EMOLUMENTS

Three (2019: three) of the company's directors are remunerated by Wilmington plc; their emoluments are disclosed in the financial statements of the relevant companies. No director received compensation for loss of office during the year from the company (2019: nil).

No (2019: no) directors are remunerated through Wilmington Shared Services Limited.

Two directors (2019: two) are entitled to shares under a long term incentive plan. No director (2019: one) is accruing benefits under money purchase pension schemes during the year.

4 STAFF COSTS

	2020	2019
	£	£
Wages and salaries*	4,703,815	5,052,764
Social security costs	473,826	533,336
Other pension costs	160,673	134,834
	<u>5,338,314</u>	<u>5,720,934</u>

*Included in wages and salaries are redundancy costs of £141,929 in the year (2019: £172,824)

	2020	2019
	Number	Number
Monthly average number of employees during the year, including directors		
Administration	<u>113</u>	<u>110</u>

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

5	TAX ON PROFIT	2020	2019
		£	£
	Current taxation:		
	UK corporation tax on profits of the year	4,249	156,093
	Group relief	—	(134,262)
	Adjustments in respect of prior years	85,527	(430,436)
	Tax on profit	<u>89,776</u>	<u>(408,605)</u>

Adjustments in respect of prior years relate to the application of group relief.

Factors affecting the tax credit for the year:

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020	2019
	£	£
Profit before taxation	<u>27,224</u>	<u>820,744</u>
Profit before taxation multiplied by the standard rate of UK corporation tax of 19.00% (2019: 19.00%)	5,173	155,941
Effects of:		
Adjustments in respect of prior years	85,527	(430,436)
Group relief	—	(134,262)
Disallowable expenses	—	152
Other	<u>(924)</u>	<u>—</u>
Total tax charge/(credit) for the year	<u>89,776</u>	<u>(408,605)</u>

Factors affecting current and future tax charges

At the UK Government's 2020 Budget, it was announced that the Corporation tax main rate for years starting 1 April 2020 and 2021 would remain at 19%, reversing the previous decision announced on 23 November 2016 to reduce the rate from 19% to 17% from 1 April 2020.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

6 INTANGIBLE ASSETS

	Computer software £
COST	
At 1 July 2019	4,493,130
Additions	2,691,604
Transfers from related companies	947,524
At 30 June 2020	<u>8,132,258</u>
ACCUMULATED AMORTISATION	
At 1 July 2019	2,267,633
Charge for year	1,846,474
Transfers from related companies	204,154
At 30 June 2020	<u>4,318,261</u>
NET BOOK VALUE AND CARRYING AMOUNT	
At 30 June 2020	<u>3,813,997</u>
At 30 June 2019	<u>2,225,497</u>

Transfers from related companies are assets transferred to the Company as a result of asset management centralisation.

7 TANGIBLE ASSETS

	Leasehold property and improvements £	Computer hardware £	Fixtures, fittings and office equipment £	Total £
COST				
1 July 2019	2,300,184	1,153,694	967,953	4,421,831
Additions	—	257,468	32,305	289,773
Transfers (to)/from related companies	(240,578)	—	26,435	(214,143)
30 June 2020	<u>2,059,606</u>	<u>1,411,162</u>	<u>1,026,693</u>	<u>4,497,461</u>
ACCUMULATED DEPRECIATION				
1 July 2019	369,540	544,600	367,539	1,281,679
Charged in the year	259,620	358,591	166,685	784,896
Transfers from related companies	—	—	20,831	20,831
30 June 2020	<u>629,160</u>	<u>903,191</u>	<u>555,055</u>	<u>2,087,406</u>
NET BOOK VALUE				
30 June 2020	<u>1,430,446</u>	<u>507,971</u>	<u>471,638</u>	<u>2,410,055</u>
30 June 2019	<u>1,930,644</u>	<u>609,094</u>	<u>600,414</u>	<u>3,140,152</u>

Transfers from related companies are assets transferred to the Company as a result of asset management centralisation.

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

8	DEFERRED TAX ASSET	2020 £	2019 £
	At 1 July 2019 and 30 June 2020	<u>94,065</u>	<u>94,065</u>

9	DEBTORS	2020 £	2019 £
	Amounts falling due within one year:		
	Amounts owed by group undertakings	44,968,327	40,959,530
	Trade debtors	7,380,633	10,114,247
	Prepayments and accrued income	991,388	1,140,300
	Corporation tax	366,700	413,032
	Other debtors	89,257	473,952
		<u>53,796,305</u>	<u>53,101,061</u>

During the year the company collected amounts on behalf of other group companies to which it provides services, the trade debtor balance includes these balances. Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

10	CREDITORS: Amounts falling due within one year	2020 £	2019 £
	Amounts owed to group undertakings	57,549,585	51,056,622
	Other taxation and social security	5,696,986	1,963,641
	Trade creditors	1,449,345	5,033,479
	Accruals and deferred income	1,225,726	2,810,421
	Other creditors	169,199	269,400
		<u>66,090,841</u>	<u>61,133,563</u>

The trade creditors balance includes amounts to be settled by the company on behalf of other group companies to which it provides services. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The large increase in other taxation and social security is a result of VAT and payroll tax payments in Q4 being delayed with agreement from HMRC as a prudent response to the Covid-19 pandemic.

The fall in trade payables and accruals is driven by cost savings implemented in the last quarter of the year to reflect the lower levels of business activity in the face of the pandemic.

11	CALLED UP SHARE CAPITAL	2020 Number	2019 Number	2020 £	2019 £
	Allotted, issued and fully paid:				
	Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Wilmington Shared Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

12 CONTINGENT LIABILITIES

The Company has entered into a guarantee in respect of the ultimate parent company's committed revolving credit facility of £65,000,000. The initial agreement expired July 2020 which was then extended to July 2023; subsequently, post year end, the facility has been extended further to July 2024. At 30 June 2020, the company had a contingent liability of £48,494,511 (2019: £41,789,822) in respect of drawdowns from this facility. Additionally, in July 2020, post the year end, the ultimate parent company accessed £15,000,000 of additional facility headroom, with its existing lenders, through the Government's Coronavirus Large Business Interruption Loan Scheme ('CLBILS') for twelve months. The Company has entered into a guarantee in respect of the CLBILS.

13 ULTIMATE PARENT UNDERTAKING

The company is controlled by Wilmington Holdings No.1 Limited, its immediate parent.

The ultimate parent company, and the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared, is Wilmington plc, which is incorporated in the UK and for which financial statements are available from 10 Whitechapel High Street, London, E1 8QS.

14 RELATED PARTY TRANSACTIONS

Wilmington plc, together with its other wholly owned subsidiaries, offers certain group-wide purchasing facilities to the company and other subsidiaries whereby the actual costs are recharged. Transactions during the year with other group entities were cost recharges and cash movements.

The company is a wholly owned subsidiary of a group that prepares publicly available consolidated financial statements, namely the group headed by Wilmington plc, so it has taken advantage of the exemption in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.