

Company Registration No. 02548079 (England and Wales)

**WILMINGTON TRUST SP SERVICES (LONDON)  
LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**



## **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	W J Farrell II N Patch D J Wynne J M Beeson A Geraghty E M Hughes A Icolaro
<b>Secretary</b>	Wilmington Trust (UK) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
<b>Company number</b>	02548079
<b>Registered office</b>	Third Floor 1 King's Arms Yard London EC2R 7AF
<b>Auditors</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB
<b>Bankers</b>	The Royal Bank of Scotland Plc 62/63 Threadneedle Street London EC2R 8LA  JPMorgan Chase Bank 25 Bank Street London E14 5JP

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# **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### **Principal activities**

The principal activity of the company continued to be that of providing management and consultancy services, primarily, though not exclusively, to special purpose companies involved in asset backed financing transactions.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W J Farrell II  
N Patch  
J M Beeson  
D J Wynne  
A Geraghty  
E M Hughes  
A Icolaro

#### **Results and dividends**

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Insurance of directors**

The company maintains insurance as part of the ultimate holding company group policy, for itself, and its directors and officers in respect of their duties as directors of special purpose companies to which the company provides services.

#### **Auditor**

RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with Companies Act 2006, s.419 this report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Wilmington Trust (UK) Limited  
Secretary  
25 September 2019

## **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the directors to prepare financial statements for each financial year. 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). 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;
- 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

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### **Opinion**

We have audited the financial statements of Wilmington Trust SP Services (London) Limited (the 'company') for the year ended 31 December 2018 which comprise the statement on comprehensive income, balance sheet, statement of changes in equity, statement of cash flows 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 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 company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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: <http://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.

**RSM UK Audit LLP**

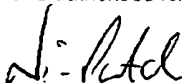
Euan Banks FCA (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
United Kingdom  
EC4A 4AB

25 September 2019

**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	10		104,435		68,487
Investments	11		-		-
Long term loans	14		236,133		278,668
			<u>340,568</u>		<u>347,155</u>
<b>Current assets</b>					
Debtors	13	4,130,505		2,999,056	
Cash at bank and in hand		8,088,190		8,481,571	
				<u>11,480,627</u>	
<b>Creditors: amounts falling due within one year</b>	15	(3,102,770)		(2,896,734)	
<b>Net current assets</b>			<u>9,115,925</u>		<u>8,583,893</u>
<b>Total assets less current liabilities</b>			<u>9,456,493</u>		<u>8,931,048</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(86,352)		(99,383)
<b>Provisions for liabilities</b>			-		-
<b>Net assets</b>			<u>9,370,141</u>		<u>8,831,665</u>
<b>Capital and reserves</b>					
Called up share capital	20		100,000		25,000
Share based payment	21		108,980		102,691
Profit and loss reserves	22		9,161,161		8,703,974
<b>Total equity</b>			<u>9,370,141</u>		<u>8,831,665</u>

The financial statements, prepared under the small companies exemption, were approved by the board of directors and authorised for issue on 25 September 2019 and are signed on its behalf by:



N Patch  
Director

**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Income from operating activities		3,925,398	3,433,435
Income from group undertakings		1,355,121	1,136,185
<b>Turnover</b>	<b>3</b>	<b>5,280,519</b>	<b>4,569,620</b>
Administrative expenses		(7,548,201)	(6,694,214)
Recharges to related and group undertakings		2,732,339	2,743,083
<b>Operating profit</b>		<b>464,657</b>	<b>618,489</b>
Other interest receivable and similar	<b>8</b>	13,626	14,182
Sundry Income		6,716	2,775
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<b>484,999</b>	<b>635,446</b>
Taxation	<b>9</b>	(97,980)	(129,725)
<b>Profit for the financial year</b>		<b>387,019</b>	<b>505,721</b>
<b>Total comprehensive income for the year</b>		<b>387,019</b>	<b>505,721</b>

The results as stated above are all derived from continuing operations.



# **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

		Share capital	Share based payment reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2017</b>		25,000	104,836	8,127,654	8,257,490
<b>Period ended 31 December 2017:</b>					
Profit and total comprehensive income for the year		-	-	505,721	610,943
Share based payment	21	-	68,453	-	68,453
Transfer on vesting	21	-	(70,598)	70,598	-
<b>Balance at 31 December 2017</b>		25,000	102,691	8,703,973	8,831,664
<b>Period ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	387,019	387,019
Share based payment	21	-	76,458	-	76,458
Transfer on vesting	21	-	(70,169)	70,169	-
Increase in ordinary share capital	20	75,000	-	-	75,000
<b>Balance at 31 December 2018</b>		100,000	108,980	9,161,161	9,370,141

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	£	2018 £	£	2017 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	26		(298,981)		998,511
Income taxes paid			(121,890)		(193,469)
<b>Net cash (outflow)/inflow from operating activities</b>			(420,871)		805,042
<b>Financing activities</b>					
Paid in Capital		75,000		-	
<b>Net cash generated from financing activities</b>			75,000		-
<b>Investing activities</b>					
Purchase of tangible fixed assets	10	(76,158)		(65,603)	
Proceeds on disposal of tangible fixed assets		-		-	
Proceeds on disposal of investments		-		-	
Sundry income		6,716		2,775	
Proceeds from other loans	14	8,306		30,273	
Interest received	8	13,626		14,182	
<b>Net cash generated from investing activities</b>			(47,510)		(18,373)
<b>Net (decrease)/increase in cash and cash</b>			(393,381)		786,669
Cash and cash equivalents at beginning of the year			8,481,571		7,694,901
<b>Cash and cash equivalents at end of the year</b>			8,088,190		8,481,571

# **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

##### **Company information**

Wilmington Trust SP Services (London) Limited is a company limited by shares incorporated in England and Wales. The registered office is Third Floor, 1 King's Arms Yard, London, EC2R 7AF.

The company's principal activities are disclosed in the Directors' Report. The nature of the company's operations are that of providing management and consultancy services, primarily, though not exclusively, to special purpose companies involved in asset backed financing transactions.

##### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention, modified to include certain financial instruments at fair value.

The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

##### **Consolidated financial statements**

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

##### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **Turnover**

Fees for initial advice on structuring transactions are recognised when the funding arrangements are finalised. Other consultancy and management fees are stated on an accruals basis.

Consultancy fees received in respect of periods subsequent to the balance sheet date are carried forward as deferred income.

Disbursements and incidental expenses incurred on behalf of clients (and subsequently reimbursed by clients) are not included in turnover.

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office furniture and equipment	5 years straight line
Computer equipment	3 years straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Fixed asset investments**

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

##### **Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are classified into specific categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

##### *Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

# **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

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

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies (Continued)**

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Share-based payments**

Equity-settled share-based payments (Stock-based compensation expense) are issued by M&T Bank Corporation, the ultimate parent company to certain employees of the Group. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest, except that the recognition is accelerated for Equity-settled share based payments (stock-based awards) granted to retirement-eligible employees and employees who will become retirement-eligible prior to full vesting of the award because the Group's incentive compensation plan allows for vesting at the time an employee retires. The expense relating to the Company's employees is recognised in the Company's profit and loss account with the associated credit entry recognised in reserves as a share based payment.

##### **Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

##### **Long term loans**

In the course of arranging some special purpose vehicles the company makes long term loans to the holding companies of the vehicles. These are stated at cost less any bad debt provisions.

##### **Clients' accounts**

In the ordinary course of business, the company operates client accounts on behalf of certain clients. These accounts are not included within the financial statements as, in the opinion of the directors, the company does not bear the risks or rewards of ownership of these assets.

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2 Judgements 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### *Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the directors' opinion, there are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Annual revenue	3,183,739	2,912,846
Amortised lifetime revenue	29,513	37,657
Non-recurring revenue	712,146	482,932
Group revenue	1,355,121	1,136,185
	<u>5,280,519</u>	<u>4,569,620</u>

The analysis of turnover by geographical analysis of turnover has not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Company.

#### 4 Profit on ordinary activities before taxation

	2018 £	2017 £
Profit on ordinary activities before taxation is stated after charging:		
Exchange (gains)	(6,069)	(90,578)
Depreciation of owned tangible fixed assets	40,210	101,438
Share-based payments	76,458	68,453
Operating lease charges	<u>351,409</u>	<u>349,432</u>



# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the company's financial statements	12,500	14,250
<b>For other services</b>		
Other taxation services	2,015	6,565

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Employees	45	41

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,695,153	1,642,941
Social security costs	227,243	215,062
Pension costs	183,019	178,171
Other employment costs	23,435	23,815
Share based payment costs	76,458	68,453
	2,205,308	2,128,442

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	415,480	405,395
Company pension contributions to defined contribution schemes	37,826	37,062
	<u>453,306</u>	<u>442,457</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	150,285	169,527
Company pension contributions to defined contribution schemes	<u>11,922</u>	<u>14,705</u>

#### 8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	13,626	14,182
Total income	<u>13,626</u>	<u>14,182</u>

#### 9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	109,179	131,524
Deferred tax		
Origination and reversal of timing differences	<u>11,199</u>	<u>1,799</u>
Total tax charge	<u>97,980</u>	<u>129,725</u>

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 Tangible fixed assets

	Office furniture and equipment	Computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2018	619,768	770,053	1,389,822
Additions	17,311	58,847	76,158
At 31 December 2018	637,079	828,900	1,465,980
<b>Depreciation</b>			
At 1 January 2018	613,230	708,105	1,321,335
Depreciation charged in the year	3,519	36,691	40,210
At 31 December 2018	616,749	744,796	1,361,545
<b>Carrying amount</b>			
At 31 December 2018	20,330	84,104	104,435
At 31 December 2017	6,538	61,948	68,487

### 11 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	12	-	-

Wilmington Trust SP Services (London) Ltd holds shares in a number of the companies to whom it provides management services, under a Declaration of Trust for charitable purposes. There is no financial benefit to the company from the ownership and the accounts of many of those entities are consolidated in the accounts of non-related parties. The shares are therefore not included in the results of the company.

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 11 Fixed asset investments (Continued)

##### Movements in fixed asset investments

	Shares in group undertakings
	£
<b>Cost</b>	
At 1 January 2018	-
Disposals	-
	<hr/>
At 31 December 2018	-
	<hr/>
<b>Carrying amount</b>	
At 31 December 2018	-
	<hr/>
At 31 December 2017	-
	<hr/>

#### 12 Subsidiaries

On 1 January 2018, Wilmington Trust SP Services (Dublin) Ltd was transferred from Wilmington Trust SP Services (London) Ltd to Wilmington Trust (UK) Limited.

#### 13 Debtors

		2018 £	2017 £
<b>Amounts falling due within one year:</b>			
	<b>Notes</b>		
Trade debtors		1,195,017	796,387
Amounts due from fellow group undertakings		1,369,167	736,935
Other debtors		416,176	524,292
Rent deposit		305,735	305,735
Loans	14	46,507	8,306
Prepayments and accrued income		797,904	616,771
Deferred tax asset	18	-	10,630
		<hr/>	<hr/>
		4,130,506	2,999,056
		<hr/>	<hr/>

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Long term loans

	2018 £	2017 £
Loans at beginning of year	286,973	307,655
Exchange movement	3,972	9,591
Loans repaid during the year	(8,306)	(30,273)
Loans at end of year	<u>282,639</u>	<u>286,973</u>
Net book value of loans	282,639	286,973
Of which payable within 1 year	(46,507)	(8,306)
	<u>236,132</u>	<u>278,667</u>

Long term loans are amounts advanced to fund special purpose companies. The total long term loans receivable before provisions of £282,640 (2017: £286,973) are all due for repayment:

Loans repayable within 1 year	46,507	8,306
Loans repayable after more than 1 year	<u>236,132</u>	<u>278,667</u>
	<u>282,639</u>	<u>286,973</u>

### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	175,523	105,138
Amounts due to group undertakings	0	57,769
Corporation tax	30,664	65,204
Other taxation and social security	257,002	272,939
Other creditors	1,615	1,222
Accruals and deferred income	<u>2,637,966</u>	<u>2,394,462</u>
	<u>3,102,770</u>	<u>2,896,734</u>

### 16 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Deferred income	<u>86,352</u>	<u>99,383</u>

Included in deferred income is an amount of £11,555 (2017: £17,950) which falls due after more than five years.

## WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 17 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,832,944	2,371,655
Instruments measured at fair value through profit or loss	<u>236,133</u>	<u>278,668</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>(2,044,755)</u>	<u>(1,905,919)</u>

#### 18 Deferred taxation

The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liability 2018 £	Asset 2017 £
<b>Balances:</b>		
Accelerated capital allowances	<u>569</u>	<u>(10,630)</u>
<b>Movements in the year:</b>		2018 £
Asset at 1 January 2018		(10,630)
Debit to profit and loss		<u>11,199</u>
Liability at 31 December 2018		<u>569</u>

£569 of the deferred tax asset set out above is expected to reverse within 12 months and relates to depreciation in excess of capital allowances that are expected to mature within the same period.

#### 19 Retirement benefit schemes

##### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £183,019 (2017 - £178,171).

There was £15,933 of contributions outstanding at the year-end (2017: £15,462).

# WILMINGTON TRUST SP SERVICES (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 20 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
25,000 Ordinary shares of £1 each	25,000	25,000
75,000 Ordinary shares of £1 each	75,000	-

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

#### 21 Equity-settled share based payments

On 31 January 2015 a total of 836 Restricted Stock Units were awarded to London staff, vesting over a three year period with the first 277 vesting on 31 January 2016, the second 279 on 31 January 2017 and the final 280 on 31 January 2018.

On 31 January 2016 a total of 921 Restricted Stock Units were awarded to London staff, vesting over a three year period with the first 303 vesting on 31 January 2017, the second 307 on 31 January 2018 and the final 311 on 31 January 2019.

On 31 January 2017 a total of 524 Restricted Stock Units were awarded to London staff, vesting over a three year period with the first 172 vesting on 31 January 2018 and the second 175 on 31 January 2019.

On 31 January 2018 a total of 604 Restricted Stock Units were awarded to London staff, vesting over a three year period with the first 199 vesting on 31 January 2019.

A summary of restricted share (restricted stock) activity during the year in M&T, the ultimate parent company, in respect of the Company's employees is as follows:

#### Number

Unvested at 1 January 2018	1,421
Granted during the year	604
Cancelled during the year	(58)
Vested during the year	(758)
Unvested at 31 December 2018	1,209

The stock-based compensation expense is recognised over the vesting period of the stock-based grant, based on the grant date market value of the stock-based compensation that is expected to vest.

The Stock Units outstanding at 31 December 2018 had a remaining contractual life of 1 and 2 years. The share based payment expense for the year was £76,458 (2017: £68,453).

## **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **22 Reserves**

##### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

#### **23 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	352,147	347,330
Between two and five years	416,978	745,333
	<u>769,125</u>	<u>1,092,663</u>

#### **24 Related party transactions**

There were no related party transactions that required disclosure.

#### **25 Controlling party**

The company is a subsidiary undertaking of Wilmington Trust (UK) Limited, a company incorporated in the United Kingdom. At 31 December 2017 the ultimate holding company and ultimate controlling party was M&T Bank Corporation, a company incorporated in the USA. The smallest and largest group in which the results of the company are consolidated is that headed by M&T Bank Corporation. The consolidated financial statements of this company are available to the public and may be obtained from Shareholder Relations Department, One M&T Plaza, 13th Floor, Buffalo, NY 14203-2399.



**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****26 Cash generated from operations**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	387,019	505,721
<b>Adjustments for:</b>		
Taxation charged	97,980	129,725
Investment income	(13,626)	(14,182)
Sundry income	(6,716)	(2,775)
Loss on disposal of tangible fixed assets	-	-
Gain on disposal of investments	-	-
Depreciation and impairment of tangible fixed assets	40,210	101,438
Equity settled share based payment expense	76,458	68,453
Exchange movement on long term loans	(3,972)	(9,591)
<b>Movements in working capital:</b>		
(Increase)/Decrease in debtors	(1,103,879)	(386,456)
Increase/(Decrease) in creditors	227,545	606,178
<b>Cash generated from/(absorbed by) operations</b>	<b>(298,981)</b>	<b>998,511</b>