

Registered number: 03732746 (England and Wales)

Whistl Fulfilment (Gateshead) Limited

Annual report

For the year ended 31 December 2021



Whistl Fulfilment (Gateshead) Limited

Annual report for the year ended 31 December 2021

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Whistl Fulfilment (Gateshead) Limited

Directors and advisors for the year ended 31 December 2021

Directors

N Wells
A Cochrane
N Polglass
M Parmar

Company secretary

J Evans

Registered office

Meridian House
Fieldhouse Lane
Marlow
Buckinghamshire
SL7 1TB

Independent auditor

Ernst & Young LLP
R+, 2 Blagrove Street
Reading
RG1 1AZ

Banker

HSBC Bank Plc
26 Broad Street
Reading
Berkshire
RG1 2BU

Solicitor

Field Seymour Parkes
1 London Street
Reading
Berkshire
RG1 4PN

Whistl Fulfilment (Gateshead) Limited

Strategic report for the year ended 31 December 2021

The directors present their Strategic report of the company for the financial year ended 31 December 2021.

Principal activities and business review

The principal activity of the company during the year was the provision of Ecommerce related fulfilment and contact centre services to help brands and retailers grow.

Whistl Fulfilment (Gateshead) Limited is a subsidiary of Whistl Ecommerce Group Limited, a company incorporated in England and Wales.

Results

Turnover for the year was £15,654,000 (2020: £17,248,000).

The profit for the financial year amounted to £57,000 (2020: £1,015,000). The company's statement of financial position has increased to £3,310,000 (2020: £3,253,000).

Dividends

The directors did not pay an interim dividend in respect of the financial year ended 31 December 2021 (2020: £nil) and do not propose a final dividend (2020: £nil).

Future developments

The company has performed in line with expectations during the year and is well placed to achieve its forecast in 2022.

Key performance indicators

Whilst the directors view the business as relatively straightforward and they are reliant on specific key indicators, statistics related to market share, sales growth and profitability provide important guidance as to likely activity and performance within the business.

Principal risks and uncertainties

The directors have recognised that the business is subject to several risks. The key risks and uncertainties are considered to be those connected with price competition and with the effect of changes in legislation and regulation.

Whistl Fulfilment (Gateshead) Limited

Strategic report for the year ended 31 December 2021 (continued)

Financial risk management

Whistl Fulfilment (Gateshead) Limited has established processes to identify, monitor, mitigate and where feasible eliminate these risks.

Capital management

Management consider capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise of cash and liquid resources and various other items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through operating cashflows.

Price risk

Pricing is generally determined through contractual agreements the company has with clients which are market sensitive.

Market risk

The company's activities are principally provided to UK businesses and as a result the fortunes of the business are therefore linked to the general health of the UK economy. The market in which the company operates is competitive. Policies on constant price monitoring and ongoing market research are in place to mitigate the risk.

Credit risk

The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated as the company utilises a strategy of arranging credit insurance whenever possible and has a strong credit management policy.

Liquidity and cash flow risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, all risk exposures are monitored by the Board regularly. The prime focus being performance and strategic issues as well as the mitigation and management of these risks to an acceptable level. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, the Group has substantial, fully committed unused credit facilities available. The company is not exposed to any significant currency or interest rate risk.

Whistl Fulfilment (Gateshead) Limited

Strategic report for the year ended 31 December 2021 (continued)

Financial risk management (continued)

Cyber and IT data risk

Our data and systems are exposed to risks and the enhanced threat landscape that has become more hostile. These risks could lead to data breaches or disruption to our systems or operations.

The company reviews information security regularly and invests in proportionate and appropriate services, resources, systems, training and processes to endeavour to ensure the security of its systems, data and customer information. The company also utilises integrated and complementary solutions and services to protect against data security risks and provide solutions for mitigation and remediation supported by our Business Continuity Plan and by communicating to our staff the importance of maintaining vigilance to protect digital assets.

We enforce robust security and privacy controls to offer our customers and employees the assurance that we are committed to compliance with the regulatory requirements of both Payment Card Industry Data Security Standard (PCI DSS) and fulfilling our obligations under data protection laws.

Approved by the board of directors and signed on its behalf by:



Manoj Parmar
Director

12 May 2022

Whistl Fulfilment (Gateshead) Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Directors

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

N Wells
A Cochrane (appointed 21 April 2022)
N Polglass
M Parmar

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political donations

The company made no political donations (2020: £nil) during the year.

Employee involvement

The company is committed to eliminating discrimination and encouraging diversity and inclusion amongst our workforce, and that all employees or workers are treated with respect and dignity. Our aim is to provide equality and fairness for all in our employment and not to discriminate on grounds of age, disability, gender re-assignment, marriage and civil partnership, race, religion or belief, sex and sexual orientation. We oppose all forms of unlawful and unfair discrimination.

Additionally, we conform to the requirements around Modern Day Slavery legislation to ensure we only use resource that can legally work within the organisation and ensure no workforce is engaged that in any way has links to people trafficking activity.

The company is committed that the workforce whether part-time, full-time or temporary are treated fairly in respect of employment, promotions, performance appraisals, transfers and training. The company will appoint, train, develop and promote on the basis of aptitude and ability. It is recognised that staff with disabilities may require reasonable adjustments to their workplace or have equipment provided in order that they may carry out their normal duties. The company will endeavour to provide reasonable solutions for such situations.

We also undertake an annual employee engagement survey: MySay and are proud that we have consistently achieved positive Engagement scores, additionally from the results we develop any improvement plans for the coming years.

Matters covered in the Strategic report

Discussion of financial risk management, future developments and payment of dividends have been included in the Strategic report.

Whistl Fulfilment (Gateshead) Limited

Directors' report for the year ended 31 December 2021 (continued)

Going Concern

The company is part of a larger group and the Directors have received confirmation from the ultimate parent company Whistl Consolidated Limited (formerly NNY 91 Limited (see note 20) that should it be required financial support to enable the company to meet its liabilities as and when they fall due, will be available through to 31 May 2023 which is at least 12 months from the date of approval of these financial statements.

The directors have reviewed group cash flow forecasts for the Whistl Consolidated Limited (formerly known as 'NNY 91 Limited') from the date of approval of the financial statements through to 31 May 2023 ("the going concern period"). These forecasts reflect an assessment of current and future market conditions and their impact on the group's future cash flow performance. These forecasts have been reverse stress tested by considering the impact of a sudden and significant reduction in revenue. In both the base case forecast and the reverse stress tested scenarios, the group will have sufficient cash and existing borrowing facilities to continue in operation. As such the directors are satisfied that Whistl Consolidated Limited (formerly known as 'NNY 91 Limited') has the ability to fulfil its obligations to support the company during the going concern period.

In assessing whether the going concern basis is appropriate, the directors of the company have taken account of all available information about the future up to and including 31 May 2023, which is at least 12 months from the date of the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK accounting standards, including FRS 102, 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.

Whistl Fulfilment (Gateshead) Limited

Directors' report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities (continued)

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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report, and a Directors' report, that comply with that law and those regulations.

Statement of disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware:

- a) there is no relevant audit information of which the company's auditor is unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

Approved by the board of directors and signed on its behalf by:



Manoj Parmar
Director

12 May 2022

Independent auditor's report to the members of Whistl Fulfilment (Gateshead) Limited

Opinion

We have audited the financial statements of Whistl Fulfilment (Gateshead) Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, Statement of financial position, the Statement of changes in equity and the related notes 1 to 20, 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 company's affairs as at 31 December 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 May 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Whistl Fulfilment (Gateshead) Limited (continued)

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on pages 6 and 7, 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.

Independent auditor's report to the members of Whistl Fulfilment (Gateshead) 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

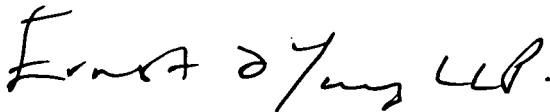
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (FRS 102 and the Company's Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making inquiries of management and those charged with governance to understand how the company maintain and communicate its policies and procedures in these areas and corroborated this by inspecting supporting documentation.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue cut off to be a fraud risk. Through these procedures, we determined there to be a risk of management override and fraud around revenue recognition and in particular revenue recognition around the year-end date. We selected a sample of revenue transactions around the year-end date and performed detailed testing including agreeing to source documentation to validate that the revenue had been recognised in the appropriate period. In relation to management override, we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of the management, those charged with governance, and those responsible for legal and compliance. We also reviewed the board minutes to identify any non-compliance with laws and regulation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Whistl Fulfilment (Gateshead) 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.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP'.

Daniel Dennett (Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Reading

12 May 2022

Whistl Fulfilment (Gateshead) Limited

Statement of comprehensive income for the year ended 31 December 2021

		2021	2020
	Note	£'000	£'000
Turnover	4	15,654	17,248
Cost of sales		(13,188)	(14,043)
Gross profit		2,466	3,205
Administrative expenses		(2,446)	(2,065)
Other operating income	5	34	31
Operating profit	6	54	1,171
Interest payable and similar charges	7	-	(3)
Profit before taxation		54	1,168
Tax on profit	9	3	(153)
Profit for the financial year		57	1,015
Other comprehensive income		-	-
Total comprehensive income for the year		57	1,015

All results derive from continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

Whistl Fulfilment (Gateshead) Limited

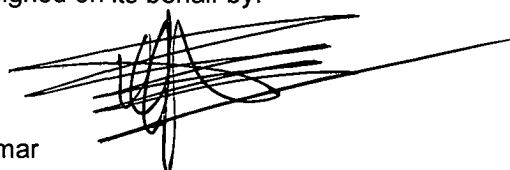
Statement of financial position as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Tangible assets	10	462	378
Investments	11	720	720
		1,182	1,098
Current assets			
Debtors	12	4,346	4,233
Cash at bank and in hand		383	2,319
		4,729	6,552
Creditors: amounts falling due within one year	13	(2,601)	(4,397)
Net current assets		2,128	2,155
Total assets less current liabilities		3,310	3,253
Net assets		3,310	3,253
Capital and reserves			
Called up share capital	15	4,500	4,500
Share premium account		1,565	1,565
Retained earnings		(2,755)	(2,812)
Total equity		3,310	3,253

The notes on pages 15 to 29 form part of these financial statements.

The financial statements on pages 12 to 29 were approved by the board of directors on 12 May 2022 and were signed on its behalf by:

Manoj Parmar
Director



Registered number: 03732746

Whistl Fulfilment (Gateshead) Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2020	4,500	1,565	(3,827)	2,238
Total comprehensive income for the year	-	-	1,015	1,015
At 30 December 2020	4,500	1,565	(2,812)	3,253
Total comprehensive income for the year	-	-	57	57
At 31 December 2021	4,500	1,565	(2,755)	3,310

The notes on pages 15 to 29 form part of these financial statements.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021

1 General information

The company is a private company limited by shares, domiciled and incorporated in England and Wales. The principal activity of the company during the year was that of during the year continued to be the provision of Ecommerce fulfilment and contact centre services to help brands and retailers grow.

The address of its registered office is Meridian House, Fieldhouse lane, Marlow, Bucks, SL7 1TB.

The principal place of business is Follingsby Avenue, Follingsby Park, Gateshead, NE10 8HQ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

The individual financial statements of the company have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 in the United Kingdom using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 below.

These financial statements have been prepared under FRS 102 and are presented in Sterling (£).

Going Concern

The company is part of a larger group and the Directors have received confirmation from the ultimate parent company Whistl Consolidated Limited (formerly NNY 91 Limited (see note 20) that should it be required financial support to enable the company to meet its liabilities as and when they fall due, will be available through to 31 May 2023 which is at least 12 months from the date of approval of these financial statements.

The directors have reviewed group cash flow forecasts for the Whistl Consolidated Limited (formerly known as 'NNY 91 Limited') from the date of approval of the financial statements through to 31 May 2023 ("the going concern period"). These forecasts reflect an assessment of current and future market conditions and their impact on the group's future cash flow performance. These forecasts have been reverse stress tested by considering the impact of a sudden and significant reduction in revenue. In both the base case forecast and the reverse stress tested scenarios, the group will have sufficient cash and existing borrowing facilities to continue in operation. As such the directors are satisfied that Whistl Consolidated Limited (formerly known as 'NNY 91 Limited') has the ability to fulfil its obligations to support the company during the going concern period.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Accounting policies (continued)

Going Concern (continued)

In assessing whether the going concern basis is appropriate, the directors of the company have taken account of all available information about the future up to and including 31 May 2023, which is at least 12 months from the date of the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. Exemptions under FRS 102 paragraph 1.12 have been applied in relation to presentation of a statement of cash flows, related party transactions, and certain financial instrument disclosures.

Turnover

The turnover shown in the statement of comprehensive income represents the services supplied exclusive of Value Added Tax. Revenue is recognised once the company has performed its services to the customer.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for intended use.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	2 – 5 years straight line
Plant and machinery	-	3 – 10 years straight line
Office equipment	-	2 - 3 years straight line
Computer equipment	-	2 – 5 years straight line
Motor vehicles	-	3 years straight line

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 the statement of comprehensive income.

Fixed asset investments – subsidiary undertakings

Investments are stated at the cost of the shares plus all other associated costs less any provision for impairment. Investments are reviewed annually and impairments are assessed if the investment's carrying value is greater than the recoverable amount.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Accounting policies (continued)

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. The carrying value is reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances and amounts owed by Group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. At the end of each reporting period financial assets are measured at amortised cost, net of any allowance for impairment in relation to irrecoverable amounts. The impairment is recognised in the statement of comprehensive income.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts owed to Group undertakings, 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.

Trade payables represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Other payables and amounts owed to Group undertakings are not interest bearing and are recognised at a carrying amount which is deemed to be a reasonable approximate to their fair value. At the end of each reporting period financial liabilities are measured at amortised cost using the effective interest method.

Impairment of Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Accounting policies (continued)

Current and Deferred Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is recognised for the amount of tax payable/(recoverable) in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax assets are recognised to the extent that it is probable that they will be recovered. This requires judgements to be made in respect of the forecast of future taxable income.

A deferred tax asset is recognised as recoverable 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 on an undiscounted basis.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Employee Benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plan.

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Judgements and estimates

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 circumstance.

Provisions

Provision is made for impairment of fixed assets and dilapidations. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement. The adequacy of the provisions is reviewed monthly.

Deferred Tax

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future tax planning strategies.

4 Turnover

Turnover is attributable to the principal activity of the company. All revenue is derived in the UK.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Other operating income

The analysis of the company's other operating income for year/period is as follows:

	2021 £'000	2020 £'000
Management charges receivable	30	31
Recycling Rebates	4	-
	34	31

6 Operating profit

Operating profit is stated after charging:

	2021 £'000	2020 £'000
Depreciation	233	180
Auditor's remuneration – audit	36	30
Operating lease – Other	927	758

Fees for audit related services for the year ended 31 December 2021 and 31 December 2020 are borne by another Group company and recharged. There were no non-audit related services in the year £nil (2020: £nil).

7 Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest payable on loans	-	3

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Employee information

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

	2021	2020
	Number	Number
Direct staff	250	262
Sales, management, finance and administration	30	27
	280	289

The aggregate payroll costs of the above were:

	2021 £'000	2021 £'000
Wages and salaries	6,159	6,228
Social security costs	495	494
Other pension costs (note 16)	258	246
	6,912	6,968

Directors' remuneration for the year ended 31 December 2021 and 2020 are borne by another Group company, Whistl UK Limited. There is no allocation or recharge made to this company, and in the directors' opinion, it is not possible to identify the remuneration that relates to the services provided to this company.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Tax on profit

The tax (credit)/charge is based on the profit for the year and represents:

	2021 £'000	2020 £'000
Current tax		
UK corporation tax on the profit for the year	6	240
Adjustment in respect of prior periods	(6)	(12)
Current tax (credit)/charge	-	228
Deferred tax		
Origination and reversal of timing differences	110	(19)
Adjustment in respect of prior periods	6	5
Rate change	(119)	(61)
Tax (credit)/charge on profit	(3)	153

The tax credit (2020: charge) on the profit (2020: profit) for the year is lower than (2020: lower) the standard effective rate of corporation tax in the UK of 19.0% (2020: 19.0%).

The differences are explained below.

	2021 £'000	2020 £'000
Profit before taxation	54	1,168
Profit for the year multiplied by standard rate of tax in the UK of 19% (2020: 19.0%)	10	222
Expenses not deductible for tax purposes	(6)	-
Adjustment in respect of prior periods	-	(7)
Rate change	(7)	(62)
Tax (credit)/charge for the year	(3)	153

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Tangible assets

	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Motor vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	252	993	187	916	7	2,355
Additions	50	134	3	130	-	317
Disposals	-	(142)	(45)	(4)	-	(191)
At 31 December 2021	302	985	145	1,042	7	2,481
Depreciation						
At 1 January 2021	214	820	148	788	7	1,977
Charge for the year	- 20	80	23	110	-	233
Disposals	-	(142)	(45)	(4)	-	(191)
At 31 December 2021	234	758	126	894	7	2,019
Carrying Value						
At 31 December 2021	68	227	19	148	-	462
At 31 December 2020	38	173	39	128	-	378

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Fixed asset investments

Shares in Group undertakings:

Cost & Carrying value	£'000
At 1 January 2021 and 31 December 2021	720

The directors consider that the value of the investments as at 31 December 2021 is supported by the underlying assets.

At 31 December the company owns 100% of the following subsidiary companies:

Undertaking	Country of incorporation	Activity	Proportion of Ordinary shares held (%)
Spark Etail Limited	UK *	Online retail of ethical and natural products	100

* Registered office at Meridian House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1TB.

12 Debtors

	2021 £'000	2020 £'000
Trade debtors	2,179	1,914
Amounts owed by Group undertakings	1,500	1,500
Corporation Tax	2	10
Deferred tax (note 14)	385	383
Prepayments & accrued Income	280	426
	4,346	4,233

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand. An impairment provision of £nil (2020: £nil) was recognised against trade debtors.

Deferred tax includes £253,000 (2020: £257,000) falling due after more than one year.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	866	1,314
Amounts due to Group undertakings	565	1,632
Other taxation and social security	355	628
Other creditors	16	-
Accruals & deferred Income	799	823
	2,601	4,397

Amounts owed to Group undertakings are unsecured and repayable on demand.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Deferred taxation

The deferred tax included in the statement of financial position is as follows:

	2021 £'000	2020 £'000
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Included in debtors (note 12)	385	383
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The movement in the deferred taxation account during the year was:

Balance brought forward	383	546
Profit and loss account movement arising during the year	(117)	14
Recognition/(utilisation) of tax losses	-	(239)
Change in tax rate	119	62
Balance carried forward	385	383

Expected net reversal of deferred tax assets and liabilities during 2022:

At 31 December 2021

Profit and loss account movement expected during the year

At 31 December 2022

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2021 £'000	2020 £'000
Accelerated Capital allowances	7	26
Tax losses	372	349
Short term timing differences	6	8
	385	383

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

15 Share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	4,500,000	4,500	4,500,000	4,500

The company's Ordinary shares have attached to them full voting, dividend and capital distribution (including on a winding up) rights. They do not confer any rights of redemption.

16 Pensions

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £258,000 (2020: £246,000). There were accrued contributions at 31 December 2021 of £26,000 (2020: £42,000).

17 Operating Leases

At 31 December, the company had total future minimum lease payments under non-cancellable operating leases relating to building leases, plant and machinery, which fall due as follows:

	2021 £'000	2020 £'000
Within one year	1,016	873
Within two and five years	3,999	4,018
Over five years	-	397
	5,015	5,288

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

18 Financial instruments

The company has the following financial instruments:

	2021 £'000	2020 £'000
Financial assets at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost:		
- Trade debtors (note 12)	2,179	1,914
- Amounts owed by Group undertakings (note 12)	1,500	1,500
	3,679	3,414
Financial assets that are equity instruments measured at cost less impairment.	-	-
Financial liabilities measured at amortised cost:		
- Trade creditors (note 13)	(866)	(1,314)
- Amounts due to Group undertakings (note 13)	(565)	(1,632)
	(1,431)	(2,946)

19 Related party transactions

The directors are considered to be the key management personnel of the company. Details of their remuneration are given in note 8.

The company has taken advantage of the exemption given by FRS 102, Section No.33 'Related Party Disclosure' not to disclose transactions with other Group companies, since they are with other companies that are wholly owned within the Group.

Whistl Fulfilment (Gateshead) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

20 Parent and ultimate parent undertaking

The company is a subsidiary undertaking of Whistl UK Limited, a company incorporated in England and Wales.

The largest Group of undertakings for which Group financial statements are drawn up and of which the company is a member is Whistl Consolidated Limited (formerly NNY 91 Limited). The smallest Group of undertakings for which Group financial statements are drawn up and of which the company is a member is Whistl UK Limited. Both sets of financial statements are available from the registered office at Meridian House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1TB.