

Wilmington Finance Limited

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

Company Registration No: 04461497

Wilmington Finance Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
30 June 2020

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Wilmington Finance Limited

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

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Wilmington Finance Limited

COMPANY INFORMATION

for the year ended 30 June 2020

DIRECTORS

R Amos

M Morgan (resigned 27 August 2019)

M Milner (appointed 27 August 2019)

W Howarth

COMPANY SECRETARY

S Tahir

COMPANY NUMBER

04461497

REGISTERED OFFICE

5th Floor

10 Whitechapel High Street

London

E1 8QS

BUSINESS ADDRESS

5th Floor

10 Whitechapel High Street

London

E1 8QS

BANKING AGENT

Barclays Bank plc

1 Churchill Place

London

E14 5HP

SOLICITORS

Gowling WLG

4 More London Riverside

London

SE1 2AU

Wilmington Finance Limited is a private limited company limited by shares.

Wilmington Finance Limited

STRATEGIC REPORT

for the year ended 30 June 2020

The directors submit their strategic report for the year ended 30 June 2020 for Wilmington Finance Limited ("the Company").

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Following the transfer of all shareholdings to Wilmington Legal Limited on 30 June 2019, the Company is no longer expected to hold any other investments in subsidiary companies. The directors anticipate the Company to become dormant in the near future.

The profit for the financial year amounted to £49,614 (2019: £530,981), retained earnings total £123,063 (2019: £190,893). The directors were satisfied with the Company's performance during the year. Total net assets as at 30 June 2020 were £479,427 (2019: £547,203).

BUSINESS OBJECTIVES AND STRATEGY

The Company is no longer expected to hold any other investments in subsidiary companies. The directors anticipate the Company to become dormant in the near future.

PRINCIPAL RISK AND UNCERTAINTIES

The key business risks and uncertainties affecting the Company are discussed in Wilmington plc Group's annual report which does not form part of this report. A key business risk and uncertainty affecting the Company is Covid-19 and its impact on the economic environment. As such management have and are continuing to take all necessary precautionary steps to mitigate the impact of Covid-19.

FINANCIAL RISK MANAGEMENT

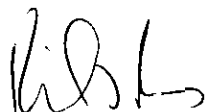
Cash, debt and foreign exchange exposure are managed on a group wide basis by the Company's ultimate parent company, Wilmington plc. The Company operates with funding policies controlled by the executive directors of the parent company.

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

KEY PERFORMANCE INDICATORS

The directors of Wilmington Finance Limited and Wilmington plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis of key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Wilmington Finance Limited. The development, performance and position of the divisions, which includes the Company, is discussed in the group's annual report, which does not form part of this report.

By order of the board



R Amos

Director

2 December 2020

Wilmington Finance Limited

DIRECTORS' REPORT

for the year ended 30 June 2020

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

DIVIDENDS

The Company did not pay a dividend in the year (2019: £1,254,174), which is £nil per "A", "B" & "C" ordinary shares (2019: £7.12 per share). Refer to the Strategic Report for future developments.

DIRECTORS

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

R Amos

M Morgan (resigned 27 August 2019)

M Milner (appointed 27 August 2019)

W Howarth

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Wilmington Finance Limited

DIRECTORS' REPORT

for the year ended 30 June 2020

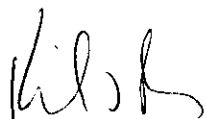
EXEMPTION FROM AUDIT

For the year ending 30 June 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board



R Amos
Director

2 December 2020

Wilmington Finance Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	2020 £	2019 £
Foreign exchange loss	5	(67,776)	—
Income from shares in group undertakings		<u>—</u>	<u>530,981</u>
(Loss)/profit before taxation	2	<u>(67,776)</u>	<u>530,981</u>
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		<u>(67,776)</u>	<u>530,981</u>

The Company has no other comprehensive (expense)/income other than those included in the results above.

Wilmington Finance Limited

BALANCE SHEET

as at 30 June 2020

Company Registration No. 04461497

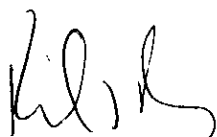
	Note	2020 £	2019 £
CURRENT ASSETS			
Debtors	4	3,645,405	7,933,132
Creditors: Amounts falling due within one year	5	(3,165,978)	(7,385,929)
NET CURRENT ASSETS/(LIABILITIES)		479,427	547,203
TOTAL ASSETS LESS CURRENT LIABILITIES		479,427	547,203
NET ASSETS		479,427	547,203
CAPITAL AND RESERVES			
Called up share capital	6	176,150	176,150
Share premium account		151,614	151,614
Capital redemption reserve		28,600	28,600
Retained earnings		123,063	190,839
TOTAL SHAREHOLDERS' FUNDS		479,427	547,203

For the year ending 30 June 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements and related notes on pages 5 to 12 were approved by the board of directors and authorised for issue on 2 December 2020 and are signed on its behalf by



R Amos
Director

Wilmington Finance Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

Company Registration No. 04461497

	Called up share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total shareholders' funds £
At 1 July 2018	176,150	151,614	28,600	914,032	1,270,396
Profit and total comprehensive income for the year	—	—	—	530,981	530,981
Dividends	—	—	—	(1,254,174)	(1,254,174)
At 30 June 2019	176,150	151,614	28,600	190,839	547,203
Loss and total comprehensive expense for the year	—	—	—	(67,776)	(67,776)
At 30 June 2020	176,150	151,614	28,600	123,063	479,427

Wilmington Finance Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

GENERAL INFORMATION

Wilmington Finance Limited ('the Company') transferred all its shareholdings to Wilmington Legal Limited on 30 June 2019 and the Company is no longer expected to hold any other investments in subsidiary companies. The directors anticipate the Company to become dormant in the near future. The Company is a private company and is incorporated and domiciled in the UK. The address of its registered office is 10 Whitechapel High Street, London, E1 8QS.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

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

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations'.
- Paragraph 18A of IAS 24, 'Related party disclosures', related to key management services provided by a separate management entity.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

Wilmington Finance Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOING CONCERN

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

As at the date of this report, the Management of the Company has assessed the overall impact of the Covid-19 pandemic on the Company's operational and financial position for at least 12 months. Management shall continuously assess the impact of Covid-19 on its operations as well as the financial position going forward.

TAXATION

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. None of the deferred tax balance relates to unprovided deferred tax.

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

DIVIDENDS

Dividends are recognised in the financial statements when the shareholders' right to receive payment is established. Dividend income from subsidiary undertakings is recognised in the financial statements when subsidiaries have declared interim or final dividends.

NEW STANDARDS AND INTERPRETATIONS APPLIED

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

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

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

Wilmington Finance Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW STANDARDS AND INTERPRETATIONS NOT APPLIED

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

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

Management is currently assessing the impact of the above new standards. During the year to 30 June 2021 the Company will put in place necessary processes to capture all of the adjustments and additional disclosures required for those standards taking effect before this date.

2 PROFIT BEFORE TAXATION

Staff costs:

Three (2019: three) directors are remunerated by Wilmington plc, the ultimate parent company; One (2019: one) of the Company's directors was remunerated by ICA Commercial Services Limited, a fellow subsidiary of Wilmington plc; their emoluments are disclosed in the financial statements of the relevant companies. No directors are remunerated by the Company. No director received compensation for loss of office during the year from the Company (2019: none).

Three directors (2019: three) are entitled to shares under a long-term incentive plan. No directors (2019: one) are accruing benefits under money purchase pension schemes during the year.

There were no other employees in this company (2019: nil).

Wilmington Finance Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

3	TAX ON (LOSS)/PROFIT	2020 £	2019 £
	Current taxation:		
	UK corporation tax on (losses)/profits of the year	—	—
	Tax on (loss)/profit	—	—

Factors affecting the tax charge for the year:

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

	2020 £	2019 £
(Loss)/profit before taxation	(67,776)	530,981
(Loss)/profit multiplied by the standard rate of UK corporation tax of 19.00% (2019: 19.00%)	(12,877)	100,886
Effects of:		
Foreign exchange on intercompany translation not subject to taxation	12,877	—
Dividend income not subject to taxation	—	(100,886)
Total tax charge for the year	—	—

Factors affecting current and future tax charges:

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

4	DEBTORS	2020 £	2019 £
	Amounts due within one year:		
	Amounts owed by group undertakings	3,642,519	7,930,246
	Other debtors	2,886	2,886
		<u>3,645,405</u>	<u>7,933,132</u>

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

5	CREDITORS: Amounts falling due within one year	2020 £	2019 £
	Amounts owed to group undertakings	<u>3,165,978</u>	<u>7,385,929</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The foreign exchange loss in the year is a result of the translation of the amounts owed to group undertakings to Adkins Matchett & Toy (Hong Kong) Ltd, a fellow subsidiary of Wilmington plc.

Wilmington Finance Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

6	CALLED UP SHARE CAPITAL	2020 Number	2019 Number	2020 £	2020 £
	Allotted, issued and fully paid:				
	Ordinary 'A' shares of £1 each	34,771	34,771	34,771	34,771
	Ordinary 'B' shares of £1 each	136,629	136,629	136,629	136,629
	Ordinary 'C' shares of £1 each	4,750	4,750	4,750	4,750
		<u>176,150</u>	<u>176,150</u>	<u>176,150</u>	<u>176,150</u>

7	DIVIDENDS	2020 £	2019 £
	Dividends for which the Company became liable during the year:		
	Dividends paid £nil per ordinary share (2019: £7.12 per ordinary share)	<u>—</u>	<u>1,254,174</u>

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

- 9 **ULTIMATE PARENT UNDERTAKING**
The Company is controlled by Wilmington Legal Limited, its immediate parent.

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

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

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