WWT EMEA UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Director	T W Strunk
Registered number	07845692
Registered office	8th Floor Becket House 36 Old Jewry London EC2R 8DD
Trading Address	1st Floor 25 Copthall Avenue London EC2R 7BP
Independent auditors	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the strategic report for the year ended 31 December 2021.

Business review

WWT EMEA UK Limited (WWTUK) combines strategy and execution to help organisations accelerate growth and realize a brighter future. WWTUK turns complex technology solutions into a practical and actionable way forward & then help deliver them globally. A culture of innovation lies at our very core. You can see it in our people. We live and breathe change every day because we believe in doing whatever it takes to help organizations accelerate growth by connecting them to the right technology & delivering it around the world.

Key Services and capabilities for:

- Consulting Services
- Cloud Services
- Digital Consulting
- Security Transformation
- Supply Chain & Integration Services
- The ATC Platform

WWTUK also provides technology Services such as Carrier Networking, Data Center, Digital Workspace, Multi-cloud architecture, Networking, Enterprise Service management, Cloud Management & Others for our numerous customers & the mission is to create a profitable company for our shareholders & a great place to work for our employees.

But what truly sets us apart is our extraordinary team of highly certified professionals, everyone -term goals and success. We use a proven and innovative approach to help our customers discover, evaluate, architect, and implement advanced technology lab testing in our Advanced Technology Center and deploy their solutions rapidly through our global integration centers.

Performance

The company had a positive financial year even with the highly challenging Covid situation, with revenue of £659 million (2020: £613 million) 8% more than last year's revenue, 2% increase in gross profit and 10% decrease in operating profit compared to last year. The company was able to expand the customer base it sold to in the current year while also retaining the current customer base.

Expenses rose in 2021 due to higher headcount and increased expenses to enhance the performance of the company. Overall and with Covid virus situation, the company had a successful 2021 fiscal year as we were able to outperform the prior year while also investing in the local market, our employees, and ultimately our customers/vendors to support future growth.

Current assets decreased by £29 million. Current liabilities also decreased by £34 million leaving net current assets at the year end of £80 million (2020 £76 million). Decrease in current assets is mainly due to a decrease in debtors falling due within one year offset by increase in cash at bank and in hand. There was also a decrease in trade creditors falling within one year and decrease in borrowings offset by an increase in accruals.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

WWTUK business continued to grow in the last 5 years with a £4 million (25%) increase in employee costs compared to previous year. We saw significant growth in our services business, with key focus on delivering true business outcomes to our customers.

WWTUK's European target customer base spans Global Service Providers, Global Financial Services likely that the revenue and gross profit will continue to increase through significant value recognized by our customers as these new partnerships develop.

Financial Highlight	2021	2020	Change
	£ Million	£ Million	%
Turnover	659	613	8%
Gross profit	52	51	2%
Operating profit	26	29	-10%
Profit before tax	22	28	-21%
Average employees	147	130	13%

Non-financial information statement

PRESERVING OUR ENVIRONMENT

WWTUK is committed to sustainability initiatives and addressing the daily impact our business has on the environment. With a focus on energy and waste reduction, water conservation, and end-of-life product planning, WWTUK works to protect our planet while providing business value for our customers.
Some additional decisions and investments made to meet our energy conservation and greenhouse gas emissions reduction objective include:

- Continued investment in LED and motion detected lighting in our facilities
- Improvements in the efficiency of ventilation and air conditioning equipment
- Utilization of ENERGY STAR® certified equipment in our facilities across the globe
- Increased employee participation in telecommuting, and increased investment in teleconferencing facilities and equipment.

WWTUK is a low energy user and as such is not required to make detailed disclosures of energy and carbon information as per the Streamlined Energy and Carbon Reporting.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

ANTI-CORRUPTION AND ANTI-BRIBERY

Honesty, integrity, and trust are key elements of WWTUK's core values and culture. WWTUK executive management invests a tremendous amount of time and effort communicating the understanding of our core values to ensure that they remain the foundation of our work. This unified approach is advanced through individual accountability of governance and compliance as well as a structured leadership program. Each year every WWTUK employee reaffirms his/her individual accountability for upholding our code of conduct and following all applicable laws, regulations, and company policies. In addition, every WWT employee also participates in group leadership meetings including a review of our core values, corporate vision, and mission.

Anti-Corruption and Anti-Bribery Policy outlines the expected standards of conduct that employees, contractors, suppliers, business partners, and any other third parties who act for and on behalf of WWTUK, are obliged to follow.

WWTUK does not permit the offering or acceptance of bribes of any kind, including bribes to or from people who work in the public or private sector. This Policy prohibits WWTUK Personnel from directly or indirectly (through agents, vendors, representatives, advisors, or other third parties acting on behalf) from making, soliciting, or accepting any bribe, kickback, or other improper payments.

EMPLOYEE ENGAGEMENT

Our employees and non-employee workers around the world are treated with dignity and fairness. WWTUK is also committed to adhering to all labor standards, including without limitation non-discrimination in hiring and the workplace, voluntary labor and no child labor, and compliance with fair working hours and applicable wage laws and regulations. In addition, WWTUK is committed to providing its employees with a safe and healthy work environment in compliance with all applicable laws and regulations and appropriate training and information to prevent workplace hazards.

We are committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible. This includes providing our employees in the UK and overseas with a safe and healthy working environment and having an organizational culture which promotes diversity, inclusivity, personal development, and respect.

We know it's our people who make WWTUK successful. We want people to enjoy coming to work and for the workplace to be free from discrimination, harassment, and victimization. To achieve this, we adhere to set policies and principles which ensure outcomes of responsible operations and supportive environments for our colleagues. We promote an environment where employees feel that there are open communication channels in which to ask questions and raise concerns.

ENGAGEMENT WITH CUSTOMERS AND SUPPLIERS

Building relationships and partnerships with both supplier and customers is critical to our success. Our suppliers are fundamental to the quality of our products and ensuring we meet the high-quality standards we set for ourselves. We provide open communication lines for suppliers and are in regular communication with them. As a result of the Covid 19 pandemic we have been closely aligned to ensure supply chain and products are unaffected and are working closely with our suppliers currently.

We have a strong, recurring customer base and are continuing to build on this, delivering high quality products to our customers when needed.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

ECONOMIC ENVIRONMENT

COVID-19

WWTUK is managing the impact of the COVID-19 on our business & on the economy in general. Our primary objective remains ensuring the safety and health of our employees, clients and suppliers while supporting our client's business needs and looking for ways to help our customers achieve their goals during this challenging time.

We are committed to keeping our employees, clients, and suppliers informed of the impact to our operations and the precautions we are taking. We are continuously monitoring the situation and using the guidance published to inform employees of best practices around workforce deployment and general safety and health precautions in the workplace.

We have taken proactive steps to limit movement of employees across our locations as a means of social distancing. We also have contingency plans in the event that the viral spread requires us to close facilities or reduce our workforce. We continue to implement strict precautionary measures in all our logistics and integration centers, in accordance with government and public health requirements, to reduce risk for colleagues who are performing their duties.

As of the issuance of the 2021 audit report, the Company was deemed an essential business when the COVID-19 was first declared a global pandemic by the World Health Organisation on 11 March 2020 and continues to consider itself an essential business as at today. WWTUK throughout 2020 and 2021 continued to operate as normal and even have seen improvement in results due to customer demand for critical IT infrastructure. With restrictions lifting in 2021 WWTUK offices have been fully re-opened. The company has seen little impact over the course of 2021 due to covid and expects this will be the case going into 2022 and beyond.

Based on this WWTUK has not been materially impacted by the coronavirus and does not foresee it impacting our financial operations and results. The Company will continue to monitor the situation closely as we progress throughout the year.

BREXIT

After the signing of the Trade and Cooperation Agreement ("TCA") which provisionally came into effect in 1 January 2020 effective from on 1 May 2021, WWTUK has not seen any negative material impact from Brexit to date but WWTUK will continue to monitor the situation into 2022 and beyond.

Principal risks and uncertainties

Exposure to Credit, liquidity, and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to fulfil an obligation.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Principal risks and uncertainties (continued)

WWT policies are aimed to minimizing such losses & make sure that deferred payment terms are only granted to customers with proven & demonstrated appropriate payment history & satisfy credit worthiness procedure.

Liquidity risk is the risk a company may be unable to meet short term financial demands. The company aims to mitigate liquidity risks by managing cash generation by its operations.

Cash flow risk is the risk the company Cash will not be able to generate sufficient cash flow to meet the company's financial obligations. We manage the cash flow risk mainly with the use of the line of credit facility in place and the Wells Fargo financing arrangement.

Financial Instrument risks

WWT has established a risk & financial management framework with the main objective of protecting the company from events that might hinder the achievement of the company performance objectives. The main instrument that is currently in use is the line of credit facility and Wells Fargo Financing for the enhancement of the cash flow.

S172 (1) Statement

The Director fulfils his s172 duties through effective governance, open discussion and decisions made at Board meetings. A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long term
- the interest of the company's employees
- the need to foster the company's business relationships with suppliers, customers, & others
- the desirability of the company maintaining a reputation for high standards of business conduct and
- the need to act fairly as between members of the company

As a wholly owned subsidiary the only other relevant stakeholders are the parent entity. The director has complied with their duties under S172 of the Companies Act 2006 through the employee, supplier and customer engagement as described above.

This report was approved by the board and signed on its behalf.

Thomas William Strunk
Thomas William Strunk (Apr 27, 2022 15:56 CDT)

T W Strunk

Director

Date: 27 April 2022

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £17,591,391 (2020 - £22,538,343). The director does not recommend the payment of a dividend (2020 - £nil).

Director

The director who served during the year and up to the date of signing the financial statements was:

T W Strunk

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report, and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK & the Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the situation of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Future developments

The company has a positive outlook and will continue to expand its market share within the local market. We will continue to push for new customers as well as new partners to add value to the company, while also ensuring the needs of our current stakeholders are met. While doing that we will continue to invest in the right people and right resources to ensure we are meet & exceed the needs of our stakeholders. We continue to drive growth focusing on European headquartered customers, as well as servicing in-bound US accounts that require the value, they see from WWT in the US on a global scale. We continue to focus on maintaining our culture and more core values globally to ensure we meet our company.

WWT EMEA UK LIMITED
REGISTERED NUMBER: 07845692

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern assessment

The Director has considered the current financial performance / position of the company and future forecasts and cash flow projections. In 2021 WWTUK made a profit after tax of £18 million, had net current assets of £80 million and net assets of £79 million. There is an external financing facility via a line of credit and the company has maintained a reasonable cash position at the year-end of £33.5 million. The value of the line of credit is $50 million (£37.6 million) with the expiration date of April 2025. £nil million was drawn down as at December 31, 2021.

The company has grown significantly over the past year and a growth trajectory is forecast for the period to June 30, 2023. The cash flow forecasts prepared to June 30, 2023 shows sufficient resources to enable the company to continue as a going concern. Reverse stress testing has been performed over the cashflow projections. The reverse stress testing indicates that scenarios under which the Company's liquidity would be exhausted have only a remote probability of occurrence.

The Director has also considered the impact of the Covid 19 pandemic to going concern. The company is deemed an essential business and has been fully operational over this period and there is currently no indication this will change for the foreseeable future. There is no material impact on suppliers delivering products or customers making orders and no material adjustments to forecasts or projections have been required as a result of this.

Based on this, the Director has concluded that the company has sufficient resources to continue in operation for the assessment period through to June 30, 2023.

Accordingly, the financial statements continue to be prepared on going concern basis.

Post balance sheet events

Subsequent to the balance sheet date there were no events that would have a material financial effect on the statutory financial statements.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- So far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- He has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Thomas William Strunk
Thomas William Strunk (Apr 27, 2022 15:56 CDT)

T W Strunk
Director
Date: 27 April 2022

WWT EMEA UK LIMITED
REGISTERED NUMBER: 07845692

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WWT EMEA UK LIMITED

Opinion

We have audited the financial statements of WWT EMEA UK Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 25, 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 director's 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 30 June 2023.

Our responsibilities and the responsibilities of the director 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 director is 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WWT EMEA UK LIMITED (CONTINUED)

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 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Director

As explained more fully in the Director's responsibilities statement set out on page 9, the director is 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 director determines 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 director is 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 director 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WWT EMEA UK LIMITED (CONTINUED)

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.

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 that relate to the reporting framework (Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies (Miscellaneous Reporting) Regulation 2018, Bribery Act 2010 and Money Laundering regulations, those laws and regulations relating to health and safety and employee matters and relevant tax compliance regulations in the jurisdictions in which the Company operates).
- We understood how the company is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquires through the review of the following documentation:
    - all minutes of board meetings held during the year;
    - the company's code of conduct setting out the key principles and requirements for all staff in relation to compliance with laws and regulations; and
    - any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company established to address risks identified by the company or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the company applies.
- Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business and review of legal correspondence.
- We assessed that revenue was a judgemental area of the audit which might be more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and tested in particular the occurrence of revenue recorded in the financial statements and any manual adjustments to the revenue.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WWT EMEA UK LIMITED (CONTINUED)

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.

Ernst & Young LLP

Neil Corry (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 28 April 2022

WWT EMEA UK LIMITED
REGISTERED NUMBER: 07845692

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	**659,091,075**	612,523,619
Cost of sales		**(607,449,443)**	(561,027,174)
Gross profit		**51,641,632**	51,496,445
Administrative expenses		**(25,973,093)**	(22,983,196)
Operating profit	6	**25,668,539**	28,513,249
Interest receivable and similar income	8	**14,877**	1,240
Interest payable and similar expenses	9	**(3,954,646)**	(952,885)
Profit before tax		**21,728,770**	27,561,604
Tax on profit	10	**(4,137,379)**	(5,023,261)
Profit for the financial year		**17,591,391**	22,538,343

There were no recognized gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 19 to 32 form part of these financial statements

WWT EMEA UK LIMITED
REGISTERED NUMBER: 07845692

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	11		**3,743,343**		431,984
			3,743,343		431,984
Current assets					
Stocks	12	**44,658,722**		40,767,855	
Debtors:					
Amounts falling due within one year	13	**132,041,995**		186,313,797	
Amounts falling due after one year	13	**763,348**		9,351,667	
Cash at bank and in hand	14	**33,524,065**		3,782,597	
		210,988,130		240,215,916	
Current liabilities					
Creditors: amounts falling due within one year	15	**(131,084,465)**		(164,711,223)	
Net current assets			**79,903,665**		75,504,693
Total assets less current liabilities			**83,647,008**		75,936,677
Creditors: amounts falling due after one year	16		**(4,464,530)**		(14,345,590)
Net assets			**79,182,478**		61,591,087
Capital and reserves					
Called up share capital	19		**1**		1
Profit and loss account	20		**79,182,477**		61,591,086
Total equity			**79,182,478**		61,591,087

The financial statements were approved and authorized for issue by the board and were signed on its behalf on 27 April 2022.

Thomas William Strunk
Thomas William Strunk (Apr 27, 2022 15:56 CDT)

T W Strunk
Director

The notes on pages 19 to 32 form part of these financial statements

WWT EMEA UK LIMITED
REGISTERED NUMBER: 07845692

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	61,591,086	61,591,087
Comprehensive income for the year			
Profit for the financial year	-	17,591,391	17,591,391
Total comprehensive income for the year	-	17,591,391	17,591,391
At 31 December 2021	**1**	**79,182,477**	**79,182,478**

The notes on pages 19 to 32 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	39,052,743	39,052,744
Comprehensive income for the year			
Profit for the financial year	-	22,538,343	22,538,343
Total comprehensive income for the year	-	22,538,343	22,538,343
At 31 December 2020	**1**	**61,591,086**	**61,591,087**

The notes on pages 19 to 32 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

WWT EMEA UK Limited is a private company limited by shares incorporated and domiciled in England & Wales. The address of the registered office is 8th Floor Becket House, 36 Old Jewry, London, EC2R 8DD.

The nature of the company's operations and principal activity continued to be that of providing technology and supply chain services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2006.

The functional and presentational currency of these financial statements is GBP (£). The financial statements are round to the nearest £ unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
(c) The requirements of Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A providing disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
(d) The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.
(e) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2.Accounting policies (continued)

2.2 Going concern assessment

The Director has considered the current financial performance / position of the company and future forecasts and cash flow projections. In 2021 WWTUK made a profit after tax of £18 million and had net current assets of £80 million & net assets of £79 million. There is an external financing facility via a line of credit and the company has maintained a reasonable cash position at the year-end of £33.5 million. The value of the line of credit is $50 million (£37.6 million) with the expiration date of April 2025. £nil million was drawn down as at December 31, 2021.

The company has grown significantly over the past years and a growth trajectory is forecast for the period to June 30, 2023. The cash flow forecasts prepared to June 30, 2023 shows sufficient resources to enable the company to continue as a going concern. Reverse stress testing has been performed over the cashflow projections. The reverse stress testing indicates that scenarios under which the Company's liquidity would be exhausted have only a remote probability of occurrence.

The Director has also considered the impact of the Covid 19 pandemic to going concern. The company is deemed an essential business and has been fully operational over this period and there is currently no indication this will change for the foreseeable future. There is no material impact on suppliers delivering products or customers making orders and no material adjustments to forecasts or projections have been required as a result of this.

Based on this, the Director has concluded that the company has sufficient resources to continue in operation for the assessment period through to June 30, 2023.

Accordingly, the financial statements continue to be prepared on going concern basis.

2.3 Revenue

Sale of goods and services to the parent entity

Turnover relating to amounts receivable from the parent company, World Wide Technology International LLC include the transfer of product and services between entities and follow our standard accounting policies and processes.

Sale of goods

The Company's products can be delivered to customers in a variety of ways, including shipment from the Company's warehouse or via drop-shipment by the Company's suppliers.

Revenues from sales of hardware products are recognized on a gross basis as the Company is acting as a principal in these transactions, with the selling price to the customer recorded as revenue and the acquisition cost of the product recorded as cost of revenue. The Company recognizes revenue from these transactions when control of the product has passed to the customer. The Company also leverages drop-shipment arrangements with many of its suppliers to deliver products to its customers without having to physically hold the inventory at its warehouses. The Company is the principal in the transaction and recognizes revenue for drop-shipment arrangements on a gross basis. The Company, on behalf of certain suppliers, sells software licenses and software maintenance. For these transactions, the Company's obligation to the customer is that of a sales agent of the services, where all obligations for providing the services to customers are passed to the Company's suppliers. The Company's performance obligations are satisfied at the time of the sale. The Company records these transactions on a net revenue basis as the Company acts as the agent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to leasehold property	- 3-7 years straight line
Office equipment	- 3-7 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the Statement of comprehensive income.

2.5 Stocks

Stocks are stated at the lower of cost and net realizable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress and finished goods include labor and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognized immediately in profit or loss. Inventory reserve is also recorded.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortized cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognized as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognized on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognized as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognized in the Statement of comprehensive income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognized in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognized in respect of permanent differences except in respect of business combinations, when deferred tax is recognized on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.16 Foreign Currency

For the Company, the local currency is the functional currency. Any transactions that happen in a currency other than functional currency, assets and liabilities are measured into GBP at the spot exchange rate or historical rates as appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 Share Capital

WWTUK is fully owned by WWT LLC. In terms of classification Ordinary shares are classified as equity. Incremental costs directly related to issue of new shares are shown are shown in equity as a deduction net of tax as proceeds

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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 recognized 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 recognized in the statement of comprehensive income in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

The director has reviewed the Company's accounting policies and there are no critical judgements or estimations.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Computer Equipment	**610,436,618**	584,682,942
Services	**46,723,512**	25,987,594
Freight	**1,930,945**	1,853,083
	659,091,075	612,523,619

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	**460,304,739**	470,414,441
Rest of Europe	**196,687,059**	140,925,581
Rest of the world	**2,099,277**	1,183,597
	659,091,075	612,523,619

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**50,000**	50,000

6. Operating profit

This is stated after charging / (crediting):

		2021	2020
		£	£
Depreciation		**132,746**	173,246
Foreign exchange differences		**(77,759)**	(5,093,687)
Operating lease rentals -	land and buildings	**2,056,491**	1,280,928
-	Plant and machinery	**4,584**	2,368

7. Employees

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	**18,843,903**	14,811,652
Social security costs	**2,641,357**	2,219,485
Cost of defined contribution scheme	**577,782**	565,872
	22,063,042	17,597,009

The average monthly number of employees, including the director, during the year was as follows:

	2021	2020
	No.	No.
Director	**1**	1
Sales, administration, and management	**146**	129
	147	130

Directors' remuneration

WWTUK does not pay remuneration to the director for his services as these are incidental.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	14,877	1,240
	14,877	1,240

9. Interest payable and similar expenses

	2021 £	2020 £
Other interest payable	3,954,646	952,885
	3,954,646	952,885

10. Tax on profit

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	4,137,379	5,023,261
Total current tax	4,137,379	5,023,261
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	4,137,379	5,023,261

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 – lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Tax on profit (continued)

	2021 £	2020 £
Profit on ordinary activities before tax	21,728,770	27,561,604
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	4,128,466	5,236,705
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortization and impairment	-	-
Short term timing difference leading to an increase in taxation	8,913	(213,444)
Adjust opening and closing deferred tax to average rate of 19%	-	-
Deferred tax not recognised	-	-
Total tax charge for the year	4,137,379	5,023,261

Factors that may affect future tax charges

From April 2020 there has been a single 19% rate of corporation tax. On 3 March 2021, the Chancellor of the Exchequer announced that the Corporation Tax rate will increase to 25% from 1 April 2023. Marginal relief given for intermediate companies. The main rate applies to companies with profits over £250,000; the small companies rate to those with profits £50,000 or less, with marginal tapering for profits in between the thresholds.

The company has recognised deferred tax applying the substantively enacted rate at which it is expected the assets or liabilities will be realised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

	Improvements to leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	1,033,562	272,134	128,225	1,433,921
Additions	2,944,825	390,201	149,725	3,484,751
Retirements/Scrapped	(32,975)	(138,248)	(44,697)	(215,920)
Transfers between classes	-	-	-	-
At 31 December 2021	**3,945,412**	**524,087**	**233,253**	**4,702,752**
Accumulated Depreciation				
At 1 January 2021	715,727	161,708	124,502	1,001,937
Retirements	(32,975)	(100,394)	(41,905)	(175,274)
Charge for the year on owned assets	98,935	28,722	5,089	132,746
Transfers between classes	-	-	-	-
At 31 December 2021	**781,687**	**90,036**	**87,686**	**959,409**
Net book value				
At 31 December 2021	**3,163,725**	**434,051**	**145,567**	**3,743,343**
At 31 December 2020	317,835	110,426	3,723	431,984

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Improvements to leasehold property	**3,163,725**	317,835
	3,163,725	317,835

12. Stocks

	2021 £	2020 £
Computer equipment	**45,056,887**	41,108,468
Inventory reserve	**(398,165)**	(340,613)
	44,658,722	40,767,855

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Debtors

	2021	2020
Amounts falling due within one year	**£**	£
Trade debtors	**83,632,738**	176,007,599
Amounts due from group companies	**32,782,612**	5,071,065
VAT receivable	**13,982,812**	4,704,269
Corporation tax receivable	**996,975**	-
Other debtors	-	108,000
Prepayments and accrued income	**646,858**	422,864
	132,041,995	186,313,797
Amounts falling due after one year		
Trade debtors	**763,348**	9,351,667
	763,348	9,351,667

Amounts due from group companies are unsecured, interest free and repayable on demand

14. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	**33,524,065**	3,782,597
	33,524,065	3,782,597

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	**96,484,444**	114,398,873
Amounts owed to group companies	**6,083,800**	1,825,867
Corporation tax payable	-	1,205,648
Other tax and social security	**2,933,143**	6,162,433
Accruals and deferred income	**25,583,078**	12,721,365
Borrowings	-	28,397,037
	131,084, 465	164,711,223

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

Line of Credit

The Company has a a line-of-credit agreement in the UK, that provides for total available credit of up to $50 million (£38 million). The UK line of credit expires in April 2025 and bears interest at LIBOR plus 1.75%. The amount available on the line is based on a percentage of eligible accounts receivable (as defined in the agreement) and is secured by certain accounts receivable, inventory, property and equipment, certain cash and cash equivalents, and the general business assets of WWT EMEA UK Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Creditors: amounts falling due within one year (continued)

Line of Credit (Continued)

The line-of-credit agreement provides the lenders the right to demand, collect, and withdraw all cash amounts that are deposited into certain specified cash and lockbox accounts, without limitation, to repay amounts outstanding under the line of credit, in the event of default. As per prior year accounts LOC was $38.7 million (£28.4M).

16. Creditors: amounts falling due greater than one year

	2021 £	2020 £
Trade creditors	**4,464,530**	14,345,590
	4,464,530	14,345,590

Long term creditors is related to a long term billing arrangement with one supplier. It is expected to be paid in full in 2023. It is offset by the long term receivables.

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	**33,524,065**	3,782,597
Financial assets that are debt instruments measured at cost	**118,822,531**	190,961,195
	152,346,596	194,743,792
Financial liabilities		
Financial liabilities measured at amortized cost.	**132,615,852**	171,688,732

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at cost comprise trade debtors, intercompany trade debtors and other debtors.

Financial liabilities measured at amortized cost comprise trade creditors, intercompany trade creditors, accruals and borrowings.

18. Deferred taxation

	2021 £
Charged to profit or loss	(-)
At end of year	(-)

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	-	-

19. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary share of £1.00	1	1

20. Reserves

Profit and loss account

Profit and loss includes all current and prior periods retained profits.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £577,782 (2020: £565,872). Contributions totalling £180,234 (2020: £68,579) were payable to the fund at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	**1,155,222**	513,432
Later than 1 year and not later than 5 years	**3,850,740**	3,850,740
	5,005,962	4,364,172

23. Related party transactions

The company has taken advantage of the exemption available under FRS 102 section 33.1A where disclosures of transactions between group members are not required, provided that the subsidiary is wholly owned.

24. Controlling party

The company is controlled by its ultimate parent undertaking WorldWide Technology International LLC a company incorporated in the United States of America.

The ultimate parent undertaking and the smallest and largest set of financial statements that WWTUK is consolidated is World Wide Technology Holding Co. Inc a company incorporated in the United States of America. These are available at 1 World Wide Way, Maryland Heights, Missouri 63146.

25. Post Balance sheet events

Subsequent to the balance sheet date there were no events that would have a material financial effect on the statutory financial statements.