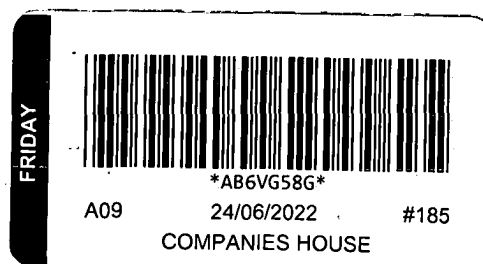


Registration Number 00832566

**RCC Insurance Brokers plc**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2021**



**Company Information**

Directors	W Murray H Irving S Hawkins
Secretary	H Irving
Company Number	00832566
Registered Office	Whitefriars House 6 Carmelite Street London EC4Y 0BS
Auditor	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

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## **Strategic Report**

### **For the year ended 31 December 2021**

The Directors present their strategic report on RCC Insurance Brokers plc (the Company) for the year ended 31 December 2021.

#### **Review of the business**

##### *Principal Activities and Business Review:*

The Company arranges business insurance and life assurance policies, specialising in the hospitality, leisure, care, childcare and education, medical and retail sectors.

During 2021, RCC Insurance Brokers plc continued to outsource the management and administration of its insurance intermediary services. RCC Insurance Brokers plc (trading as Christie Insurance) retains ownership of the Christie Insurance brand and under the agreement all customers shall remain customers of RCC Insurance Brokers plc acknowledging that regulatory requirements may require the name of the counterparty to the agreement to be disclosed as principal.

##### *Risks and Uncertainties:*

We operate in a world with a heightened awareness of risk. In growing and developing our businesses we have made a conscious decision to try and minimise unrewarded risk.

That stated, whilst we have endeavoured to reduce risks, we are not immune to movements in the global economy or changes in the economic or legislative environments in the countries in which we do business. In addition, alongside impacts that can arise from changes in business and consumer confidence, such things as the effect of natural disasters, wars, terrorist attacks, pandemics, epidemics, banking crises, currency crises and changes in behaviour pattern due to environmental based legislation can all impact our business in unexpected ways. All of our activities rely on the recruitment and retention of skilled individuals.

The following may adversely affect our markets and businesses:

- changes in interest rates; and
- lack of bank liquidity and more conservative lending criteria.

The above list of risks is meant to highlight, in addition to any noted elsewhere in this report, those we consider relevant today and is not intended to be an exhaustive list of risks facing the business. Global and national disruptive economic events – notably the potential impact of climate change and Brexit – are not risks that are considered unique to any of the services we provide.

##### *Key Performance Indicators:*

Significant key performance indicators for the company are:

- retention rate of clients
- retention rate of policies
- level of new business incepted

## **Strategic Report (continued)**

### **Review of strategy and business model**

Christie Insurance specialises in insurance drawing on our knowledge, experience and sector relationships to develop solutions for our clients. In addition, our close relationships with other Christie Group businesses enable us collectively to add value by delivering fully bespoke and joined-up solutions.

As we enter 2022, the UK insurance market is buoyant with premium growth. Under usual circumstances, this would suggest the likely return of competition within the market, which in turn would trigger premium reductions. This however seems unlikely to occur in the short term, given the economic outlook for 2022, the continuing impact of COVID-19 and the events in Ukraine.

Rising premiums clearly place an additional value on the quality of service provided by insurance intermediaries. The market has been characterised by the cautious approach taken by insurers to renewals and new business alike, so a broker who can negotiate the right cover at the right price is likely to retain clients, attract new ones and grow their business.

The insurer caution I mention above placed a natural brake on the speed at which business could be written. This was further exacerbated by the need for insurers to clarify their policy covers in the face of the pandemic, explaining any limitations or exclusions that arise from COVID-19 and clarifying what interruption 'to the business' means in practice and when any cover for prevention or hindrance might apply.

A number of sectors have seen particular rises in the cost of cover during the last year. Directors and Officers, Crime (fidelity) and Cyber Insurance were all subject to increases and reductions in cover. These moves were primarily due to the limited number of insurers active in these sectors, leading to reduced competition, and the continuing rise in ransomware claims.

We are in this fortunate position, which is enhanced yet further by the group environment in which we operate and the close relationships we enjoy with our sister companies. These have a direct positive impact on our business, due to the value proposition we can collectively offer clients and prospects. For example, from the initial call a business purchaser can appoint Christie & Co to conduct the transaction, raise funds through Christie Finance, commission the survey with Pinders and arrange insurance cover through Christie Insurance. This is a competitive advantage that in our sector is unique to Christie Insurance.

For many businesses, their buildings represent their primary asset. However, very few review the cost of rebuilding when renewing their insurance cover or buying a business. This is because many are distracted by the market value, which bears little relation to the cost of a rebuild. This has risen significantly over the last two years, driven by increasing fuel costs, labour shortages and delivery delays. We are now targeting this as a priority area, working with our colleagues at Pinders to identify where underinsurance may exist and remedy the issue for our clients.

I have already mentioned the growth in ransomware claims, but this was just one instance of the increase we have seen in cyber-attacks. For example, during the first half of 2021 attacks on mobile devices grew by some 50%. As the widespread reliance on technology continues to grow. It is now more important than ever that businesses put cyber and data-protection measures in place, particularly in view of the significant impact that all sorts of cybercrime can have on businesses, on the individuals they support and their families. Cyber insurance can protect businesses against threats and exposures including cybercrime, data breaches and systems interruption. This has been a growing focus area for us throughout 2021, and we will sharpen this yet further as 2022 progresses.

This report was approved by the board on 8 April 2022



H Irving  
**Company Secretary**  
Registered no. 00832566

## **Directors' Report**

### **For the year ended 31 December 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

### **Principal Activities**

The Company arranges business insurance and life assurance specialising in the hospitality, leisure, care, childcare and education, medical and retail sectors. No material changes to the company's principal activities are expected in the future.

### **Results and Dividends**

The results for the year are set out in the Statement of Comprehensive Income on page 13. The Directors do not recommend a final dividend to be paid however an interim payment of £200,000 was paid during 2021 (2020: £Nil). The profit before tax for the year was £195,000 (2020: £187,000). The total comprehensive income for the year was £195,000 (2020: £195,000) and this amount has been transferred to reserves.

### **Employees**

The Directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Company performance. Our ultimate parent company, Christie Group plc, operates an employee share ownership scheme which provides eligible employees with the opportunity to become a shareholder in Christie Group plc and further align their own interests with those of other shareholders. In terms of employee information and updates, the Company engages with employees and workers as the Directors considers appropriate and to the extent that is permissible noting Christie Group plc's obligations to comply with the requirements of AIM and the Market Abuse Regulations.

The Company is committed to providing equality of opportunity to all employees and workers regardless of sex, gender, marital status, race, religion, nationality, age, disability or sexual orientation. When recruiting, the Company does so on the basis of an objective assessment of applications received and whether candidates have the appropriate skills and experience required for the role. Promotions and appointments are made on the basis of merit and should be without regard to any other factors. The Company is committed to the continual development of its employees and workers where that development is considered appropriate in enabling the better performance of an individual's role.

### **Health, Safety and the Environment**

The Directors consider the health, safety and environmental protection aspects of the business to be of great importance, as the prevention of personal injury, the avoidance of damage to health and the protection of the environment are important business and social responsibilities. Management practices within the Company are designed to ensure so far as is reasonably practicable, the health, safety and welfare at work of employees, contractors and visitors and the implementation of environmentally aware and friendly policies.

### **Financial risk management**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. See note 3 on page 19.

### **Directors**

The Directors who served during the year are detailed below:

S J Hawkins  
W Murray  
H Irving

During the year and as at the date of the Directors report, appropriate directors and officer's insurance was in place.

## **Directors' Report (continued)**

### **Going concern**

The Directors have considered detailed and extensive financial forecasts, in light of the disruption caused by Covid-19. Those forecasts cover a period up to 31st December 2023, using the information available to management at the time.

Having reviewed these forecasts and considered the implications of them in terms of cashflow and the available cash resources, management believe the company has sufficient resources to continue as a going concern for the foreseeable future.

These financial forecasts were produced in November & December 2021 and reviewed in March 2022 and therefore reflect actual financial performance up to that date, with forecasts for the subsequent period up to 31st December 2023.

These financial forecasts and going concern assessments have been shared with the statutory auditors, Mazars LLP.

### **Directors' Indemnities**

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. Where considered appropriate, deeds have been executed which indemnify certain Directors of the Company as a supplement to the Directors' and officers' insurance cover. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were first enacted from 5 February 2020 and remain in force for all current and past Directors of the Company to whom an indemnity has been awarded.

### **Auditor**

Mazars LLP shall hold office subject to and in accordance with the provisions of section 489 of the Companies Act 2006.

### **Disclosure of information to auditor**

The Directors confirm that:

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

This information is given and should be interpreted in accordance with the provision of s.418 of the Companies Act 2006.

This report was approved by the board on 8 April 2022



H Irving  
**Company Secretary**  
Registered no. 00832566

## **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RCC INSURANCE BROKERS PLC**

### **Opinion**

We have audited the financial statements of RCC Insurance Brokers plc (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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 our 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 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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 directors' responsibilities statement set out on page 19, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, data protection act, bribery act and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as FCA regulations, tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to recoverability of intercompany balances, revenue recognition, which we pinpointed to the cut-off assertion and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**Use of the audit 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.



Sarah Cooke (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF

Date      Apr 8, 2022

**Statement of Comprehensive Income**

For the year ended 31 December 2021

		2021	Restated*
	Note	£'000	2020 £'000
<b>Revenue</b>		<b>392</b>	<b>395</b>
Employee benefit expenses	5	(110)	(105)
		<b>282</b>	<b>290</b>
Other operating expenses		(95)	(112)
<b>Operating profit</b>		<b>187</b>	<b>178</b>
Finance income	6	8	9
<b>Profit before tax</b>	7	<b>195</b>	<b>187</b>
Taxation	8	-	8
<b>Profit for the year after tax</b>		<b>195</b>	<b>195</b>
<b>Total comprehensive income for the year</b>		<b>195</b>	<b>195</b>

The accompanying notes are an integral part of these financial statements.

All amounts derive from continuing activities.

\*Refer to note 18 for full details of the 2020 restatement amount.

**Statement of Changes in Equity**

As at 31 December 2021

	Share capital £'000	Fair value and other reserves £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2020</b>	<b>900</b>	<b>4</b>	<b>45</b>	<b>949</b>
Total comprehensive income for the year *	-	-	195	195
<b>Balance at 31 December 2020</b>	<b>900</b>	<b>4</b>	<b>240</b>	<b>1,144</b>
<b>Previous closing balance at 31 December 2020</b>	<b>900</b>	<b>4</b>	<b>223</b>	<b>1,127</b>
Prior year restatement	-	-	17	17
<b>Revised closing balance at 31 December 2020</b>	<b>900</b>	<b>4</b>	<b>240</b>	<b>1,144</b>
Total comprehensive income for the year	-	-	195	195
Dividends paid	-	-	(200)	(200)
<b>Balance at 31 December 2021</b>	<b>900</b>	<b>4</b>	<b>235</b>	<b>1,139</b>

The accompanying notes are an integral part of these financial statements.

\* Refer to note 18 for full details of the 2020 restatement amount.

**Statement of Financial Position**

As at 31 December 2021

	Note	2021 £'000	Restated* 2020 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	9	1	1
		1	1
<b>Current assets</b>			
Trade and other receivables	10	954	928
Current tax assets		12	12
Cash and cash equivalents	11	214	271
		1,180	1,211
<b>Total assets</b>		<b>1,181</b>	<b>1,212</b>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	12	900	900
Fair value and other reserves	13	4	4
Retained earnings	13	235	240
<b>Total equity</b>		<b>1,139</b>	<b>1,144</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	42	68
<b>Total liabilities</b>		<b>42</b>	<b>68</b>
<b>Total equity and liabilities</b>		<b>1,181</b>	<b>1,212</b>

The accompanying notes are an integral part of these financial statements.

\*Refer to note 18 for full details of the 2020 restatement amount.

The financial statements of RCC Insurance Brokers plc, registered number 00832566, were approved by the Board of Directors on 8 April 2022 and signed on its behalf by:



W Murray  
Managing Director



H Irving  
Finance Director

## Notes to the Financial Statements

### 1. General information

RCC Insurance Brokers plc (trading as Christie Insurance) is a company incorporated in England and Wales under the Companies Act 2006. The registered office is given on page 2. Christie Insurance advises on the commercial insurance needs of clients of Christie & Co and Christie Finance, across the hospitality, leisure, care, childcare and education, medical and retail sectors, using in-depth knowledge of these sectors to act for clients with both pace and precision.

The financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Company operates and rounded to the nearest £000.

### 2. Summary of significant accounting policies

#### Accounting policies for the year ended 31 December 2021

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

#### 2.1 Basis of preparation

The financial statements of RCC Insurance Brokers plc have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The Company financial statements have been prepared under the historical cost convention, and on a going concern basis.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group'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 4.

#### Reduced disclosures

The company has taken advantage of the following disclosure exemptions under FRS101:

- (a) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- (b) The requirements of IAS 7 Statement of Cash Flows;
- (c) The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- (d) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (e) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements; and
- (f) The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

The information is included within the consolidated financial statements of Christie Group Plc as at 31 December 2021. These accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

#### Going Concern

Having reviewed the Company's detailed monthly budgets, projections and funding requirements to 31 December 2023, taking account of reasonable possible changes in trading performance over this period, particularly in light of COVID-19 risks and counter measures, the Directors believe they have reasonable grounds for stating that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these Financial Statements.



## Notes to the Financial Statements (continued)

### 2.1 Basis of preparation (continued)

#### New standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after 1 January 2021 or later periods and have not been early adopted.

- Amendment to FRS 101: 2020/21 cycle (Issued June 2021)

The amendment updates FRS 101, through the annual improvements cycle for 2020/21, for maintaining consistency with IAS 1 *Presentation of Financial Statements* (IAS 1) regarding the classification of current and non-current liabilities.

It is anticipated that none of these new standards, amendments and interpretations currently in issue at the time of preparing the financial statements will have a material effect on the Company financial statements.

### 2.2 Revenue recognition

To determine whether to recognise revenue, the Company follows the IFRS 15 five step process. Revenue from contracts with customers is recognised when the Company satisfies a performance obligation for a contracted service

Revenue from principal activities are assessed using the following model:

- (1) Identify the contract
- (2) Identify performance obligations
- (3) Determine the transaction price
- (4) Allocation of the transaction price; and
- (5) Recognise revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided in the ordinary course of the Company's activities.

#### Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct service or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer.

Services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer, and they are separately identifiable in the contract.

Where performance obligations require certain targets to be achieved, revenue is only recognised once the promised has been fulfilled.

#### Transaction price

At the start of the contract, the total transaction price is estimated as the fair value of consideration to which the Company expects to be entitled to for satisfying performance obligations and transferring the promised services to the customer, including expenses and excluding value added taxes and discounts.

The transaction price is generally determined by the stand-alone selling price. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative standalone selling prices.

#### Revenue recognition

Performance obligations can be satisfied in a variety of ways through completion of specific obligations, or as services are rendered. Revenue recognised is the value allocated to the satisfied performance obligation over time or at a point in time.

## Notes to the Financial Statements (continued)

### 2.2 Revenue recognition (continued)

Revenue derived from the Company's principal activities and derived wholly from activities in the UK (is shown exclusive of applicable sales taxes or equivalents) is recognised as follows:

#### Insurance broking

The Company's income is commission earned through a partnership contract with Towergate Insurance and relates to brokerage sales. Commission income is recognised as policies fall due and are paid.

#### Management fee

Income for the management of the Group's insurance policy renewal process is recognised in the year it relates to.

Other income is recognised as follows:

#### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

### 2.3 Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on a shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of the 12 months preceding 31 December 2021

### 2.4 Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and subsequently measured at amortised cost. Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the Statement of Financial Position.

### 2.5 Taxation including deferred tax

Tax on Company profits is provided for at the current rate applicable.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This is reviewed annually.

### 2.6 Share capital

Ordinary shares are classified as equity.

### 2.7 Employee benefits

#### Pension obligations – personal pension plan

The Company contributes towards a personal pension scheme for participating employees. These employees are currently entitled to such contributions after a qualifying period has elapsed. Payments to the scheme are charged as an employee benefit expense as they fall due. The Company has no further payment obligations once the contributions have been paid.

## Notes to the Financial Statements (continued)

### 2.7 Employee benefits (continued)

#### Share based compensation

The fair value of employee share option schemes, including Save As You Earn (SAYE) schemes, is measured by a Black-Scholes pricing model. In accordance with IFRS 2 'Share-based Payments' the resulting cost is charged to the Statement of Comprehensive Income over the vesting period of the options. The value of the charge is adjusted to reflect expected and actual levels of options vesting. No expense was recognised in respect of share options granted before 7 November 2002 and that vested before 1 January 2005.

Christie Group plc operates an equity-settled, long term incentive plan designed to align management interests with those of shareholders - the Company participates in this scheme. For share options granted after 7 November 2002 and vested after 1 January 2005 the fair value of the employee's services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each Statement of Financial Position date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income, and a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### Commissions and bonus plans

The Company recognises a liability and an expense for commissions and bonuses, based on formula driven calculations. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.8 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. In respect of interim dividends, which are paid prior to approval by the Company's shareholders, they are recognised on payment.

## 3. Financial risk management

The Company uses a limited number of financial instruments, comprising cash, short-term deposits, bank loans and overdrafts and various items such as trade receivables and payables, which arise directly from operations. The Company does not trade in financial instruments.

### 3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

#### a) Credit risk

The Company has one external income source with an appropriate credit history. Policies are in place to monitor changes in the client's credit rating.

#### b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Company ensures it has adequate cover through the availability of bank overdraft and loan facilities. At 31 December 2021 and 31 December 2020 the Company had no external borrowings.

## Notes to the Financial Statements (continued)

### 3.1 Financial risk factors (continued)

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Total cash and cash equivalents held by the Company at 31 December 2021 were £214,000 (2020: £271,000).

#### *c) Cash flow and interest rate risk*

The Company finances its operations through a mix of cash flow from current operations together with cash on deposit and bank and other borrowings. Borrowings are generally at floating rates of interest and no use of interest rate swaps has been made. Overall, the Company's trading operations are normally cash generative.

The Company's interest rate risk arises from cash balances and borrowings subject to variable interest rates. For the year ended 31 December 2021, assuming all other variables remained equal, but interest rates were 0.25% higher or lower throughout the year, the impact on the post tax profit would be a maximum increase or decrease of £2,000 (2020: £2,000).

### 3.2 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

## 4. Critical accounting estimates and judgements

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

### 4.1 Critical accounting estimates and assumptions

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

#### *Estimated impairment of amounts owed by group undertakings.*

Amounts owed by group undertakings are subject to an impairment review both annually and when there are indications that the carrying value may not be recoverable, in accordance with the accounting policy stated in note 2.3.

## 5. Employee benefit expenses

	2021 £'000	2020 £'000
<b>Employee costs for the Company during the year</b>		
Salaries and short term employee benefits	94	82
Other benefits	3	8
Social security expense	11	12
Post employment benefits	4	3
	<b>112</b>	<b>105</b>

<b>Average number of people (including executive directors) employed by the Company during the year was</b>	2021 Number	2020 Number
Administration	1	1
	<b>1</b>	<b>1</b>

### 5.1 Directors' emoluments

	2021 £'000	2020 £'000
Remuneration and other emoluments	94	82
Pension contributions*	4	3
	<b>98</b>	<b>85</b>

\* This represents the Company contributions paid to the personal pension plan in respect of Directors.

The emoluments of S J Hawkins and H Irving were paid by other subsidiaries of Christie Group plc.

**Notes to the Financial Statements (continued)****6. Finance income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Other interest income	8	9
<b>Net finance income</b>	<b>8</b>	<b>9</b>

**7. Profit before tax****Services provided by the Company's auditor**

During the year the Company obtained the following services from the Company's auditor as detailed below:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Audit services - statutory audit	7	7

**8. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
Total current tax	-	8
<b>Deferred tax</b>		
Total deferred tax	-	-
<b>Tax charge on profit</b>	<b>-</b>	<b>8</b>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 19% as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	195	170
Tax at standard rate of UK corporation tax of 19% (2020: 19%)	(37)	(32)
Effects of:		
- utilisation of current tax losses and other deductions	37	30
- net income not deductible for tax purposes	-	3
- group tax loss carry back	-	7
<b>Total tax charge</b>	<b>-</b>	<b>8</b>

**9. Deferred tax**

Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the year are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

**Notes to the Financial Statements (continued)****9. Deferred tax (continued)**

	2021 £'000	2020 £'000
Deferred tax assets comprise:		
Fixed asset timing differences	1	1
<b>At 31 December</b>	<b>1</b>	<b>1</b>

	2021 £'000	2020 £'000
Movements in the deferred tax asset:		
At 1 January	1	1
Transfer to the statement of comprehensive income	-	-
<b>At 31 December</b>	<b>1</b>	<b>1</b>

**10. Trade and other receivables**

	2021 £'000	2020 £'000
<b>Current assets</b>		
Amounts owed by group undertakings	882	885
Other debtors	8	13
Prepayments and accrued income	64	30
	<b>954</b>	<b>928</b>

Amounts owed by group undertakings includes unsecured loans of £881,000 which are subject to an interest rate of 1.50% per year and repayable on demand. All other balances are interest free and repayable on demand.

**11. Cash and cash equivalents**

	2021 £'000	2020 £'000
Cash at bank	214	271

**12. Share capital**

Ordinary shares of £1 each	Number	2021 £'000	Number	2020 £'000
Allotted and fully paid:				
At 1 January and 31 December	900,000	900	900,000	900

The Company has one class of ordinary shares which carry no right to fixed income.

**Notes to the Financial Statements (continued)****13. Reserves****13.1 Fair Value and Other Reserves**

	Fair value and other reserves £'000
At 1 January 2021	4
<b>At 31 December 2021</b>	<b>4</b>

	Fair value and other reserves £'000
At 1 January 2020	4
<b>At 31 December 2020</b>	<b>4</b>

**Share based payments**

Certain employees hold options to subscribe to shares in the ultimate holding Company, Christie Group plc.

Under the Share Option Scheme the Christie Group plc Remuneration Committee can grant options over shares to employees of the company. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of the grant. The contractual life of an option is 10 years. Awards under the Share Option Scheme are generally reserved for employees at senior management level. Options granted under the Share Option Scheme will become exercisable on the third anniversary of the date of the grant. Exercise of an option is subject to both continued employment and the performance conditions attached to the options being achieved.

The ultimate holding company, Christie Group plc, also operates a Save As You Earn (SAYE) scheme which was introduced in 2002 and in which Company employees participate. Under the SAYE scheme eligible employees can save up to £500 per month over a three or five year period and use the savings to exercise options granted at the market price of the shares under option at the date of the grant. As at 31 December 2021, all share options had expired.

**13.2 Retained Earnings**

Retained earnings include the realised gains and losses made by the Company.

**14. Trade and other payables**

	2021 £'000	2020 £'000
Amounts owed to group undertakings	2	27
Accruals and Deferred Income	40	41
	<b>42</b>	<b>68</b>

All trade and other payables are denominated in UK sterling.

All balances are interest free and repayable on demand.

**Notes to the Financial Statements (continued)****15. Contingent liabilities**

The Company is party to composite cross guarantees between the bank, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the 2021 year end was £nil (2020: £719,000).

**16. Financial assets & liabilities**

The carrying value of financial assets and liabilities, which are principally denominated in Sterling were as follows:

<b>Assets</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Trade and other receivables	905	911
Cash and cash equivalents	214	271
	<b>1,119</b>	<b>1,182</b>
<hr/>		
<b>Liabilities</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Trade and other payables	42	68
	<b>42</b>	<b>68</b>

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments.

**17. Related parties****17.1 Ultimate parent undertaking**

The Company's immediate parent undertaking is Christie Financial Services Limited, a wholly owned subsidiary of Christie Group Plc. The Company's ultimate parent undertaking is Christie Group Plc, a Company registered in England and Wales. Consolidated financial statements incorporating the results of the Company are prepared by Christie Group plc and no other intermediate holding Company. Copies of the consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maundy, Cardiff, CG14 3UZ.

**17.2 Identity of related parties**

The Company has related party relationships with its ultimate parent undertaking Christie Group plc and other Group companies.

**17.3 Transactions with group undertakings**

The Company has taken advantage of the exemption in FRS 101 from disclosing relating party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by a member of that Group.

Outstanding balances between Group entities as at the Statement of Financial Position date are disclosed within notes 10 and 14 above.

**17.4 Transactions with directors**

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. In the opinion of the board, the Company's key management comprises the directors and information regarding their emoluments stated in accordance with IFRS is set out below:

	<b>2021 £'000</b>	<b>2020 £'000</b>
Directors remuneration	98	85
Directors' national insurance contributions	11	10
	<b>109</b>	<b>95</b>



**Notes to the Financial Statements (continued)****18. Restatement of prior year figures**

Following a review of the requirements of IFRS 15 Revenue from Contracts with Customers, this has led to a restatement of the Income Statement and Statement of Financial Position as at 31 December 2020.

The effect on the Income Statement for 2020 is set out below:

	Previously reported 2020 £'000	Restated 2020 £'000	Impact of restatement £'000
Revenue	360	395	35
Employee benefit expenses	(105)	(105)	-
	255	290	35
Other operating expenses	(94)	(112)	18
Operating profit	161	178	17
Finance income	9	9	-
Profit before tax	170	187	17
Taxation	8	8	-
Profit for the year after tax	178	195	17

The effect on the Statement of Financial Position as at 31 December 2020 was as follows:

	Previously reported 2020 £'000	Restated 2020 £'000	Impact of restatement £'000
Trade and other receivables	13	30	17
Other assets and liabilities	1,114	1,114	-
<b>Net assets</b>	<b>1,127</b>	<b>1,144</b>	<b>17</b>

There is not impact on the opening Statement of Financial Position for 2019.