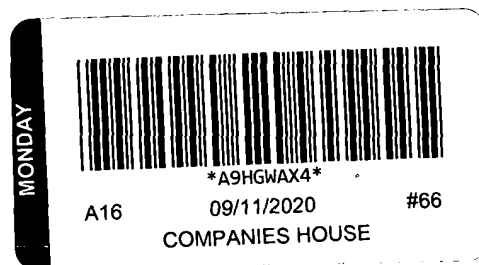


Registration number: 00952756

Concept Special Risks Ltd

Annual Report and Financial Statements

for the Year Ended 31 May 2020



Concept Special Risks Ltd

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Concept Special Risks Ltd

(Registration number: 00952756)

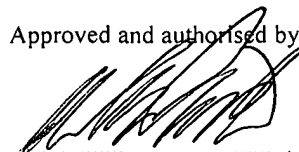
Balance Sheet as at 31 May 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	4	68,032	95,263
Investments	5	<u>606</u>	<u>606</u>
		68,638	95,869
Current assets			
Debtors	6	304,723	876,133
Cash at bank and in hand		<u>1,345,305</u>	<u>1,599,666</u>
		1,650,028	2,475,799
Creditors: Amounts falling due within one year	7	<u>(741,234)</u>	<u>(1,857,261)</u>
Net current assets		<u>908,794</u>	<u>618,538</u>
Total assets less current liabilities		977,432	714,407
Provisions for liabilities		<u>(12,926)</u>	<u>(18,100)</u>
Net assets		<u>964,506</u>	<u>696,307</u>
Capital and reserves			
Called up share capital	8	900	900
Profit and loss account		<u>963,606</u>	<u>695,407</u>
Total equity		<u>964,506</u>	<u>696,307</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 30 October 2020 and signed on its behalf by:



M G Calvert
Director

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unity House
2 Station Court
Station Road
Guiseley
LS20 8EY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 including the disclosure and presentation requirements of Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentation currency is pound sterling.

Summary of disclosure exemptions

The company has taken advantage of the exemption under Financial Reporting Standard 102 Section 1AC.35 from disclosing transactions and balances with fellow group undertakings that are wholly owned.

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 30 October 2020 was Christopher Padgett FCA, who signed for and on behalf of Watson Buckle Limited.

Revenue recognition

Turnover represents management fees, profit commission, insurance commissions earned and exchange differences arising thereon, all of which are derived from the sole activity of acting as an underwriting agent.

Management fees and profit commission are accounted for on an accruals basis in accordance with the terms of the agency agreement when a reliable estimate can be determined.

Insurance commissions are taken to turnover in full at the later of the binding contract date or the renewal or commencement of the policy and are accounted for on an accruals basis.

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

Insurance debtors and creditors

The company acts as an underwriting agent and generally is not liable as a principal for premiums due to underwriters or for claims payable to clients. In recognition of the relationship, the insurance assets, liabilities and related cash balances arising from insurance transactions are not included in the company's own balance sheet.

Notwithstanding the company's legal relationship with client and underwriters, the company retains the investment income on any cash flow arising from insurance transactions.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

- The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% straight line basis
Motor vehicles	25% reducing balance basis
Office equipment	33.33% straight line basis
Leasehold improvements	10% straight line basis

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Share capital

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

Dividends

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial assets

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss and any subsequent reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 22 (2019 - 21).

4 Tangible assets

	Computer equipment £	Office equipment £	Motor vehicles £	Leasehold improvements £	Total £
Cost					
At 1 June 2019	51,653	57,935	129,980	21,376	260,944
Additions	2,768	-	-	-	2,768
At 31 May 2020	54,421	57,935	129,980	21,376	263,712
Depreciation					
At 1 June 2019	44,190	56,824	57,533	7,134	165,681
Charge for the year	7,989	766	18,112	3,132	29,999
At 31 May 2020	52,179	57,590	75,645	10,266	195,680
Carrying amount					
At 31 May 2020	2,242	345	54,335	11,110	68,032
At 31 May 2019	7,463	1,111	72,447	14,242	95,263

5 Investments

	2020 £	2019 £
Investments in subsidiaries	606	606
Subsidiaries		£
Cost		
At 1 June 2019		606
At 31 May 2020		606
Carrying amount		
At 31 May 2020		606
At 31 May 2019		606

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

6 Debtors

	2020 £	2019 £
Net fiduciary assets	192,335	265,295
Other debtors	57,299	70,846
Prepayments and accrued income	14,166	539,992
Income tax asset	40,923	-
	<u>304,723</u>	<u>876,133</u>

	2020 £	2019 £
Net fiduciary assets:		
Gross insurance debtors	6,347,494	6,041,349
Fiduciary cash balance	1,555,319	2,221,798
Gross insurance creditors	<u>(7,710,478)</u>	<u>(7,997,852)</u>
	<u>192,335</u>	<u>265,295</u>

The net fiduciary assets represent the commission earned by the company and not taken to its own funds. Commission is drawn when cash is received.

In the course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of the net balances due to or from these parties rather than the amount due to or from the individual third parties which it represents.

7 Creditors

	2020 £	2019 £
Due within one year		
Trade creditors	31,704	37,462
Amounts owed to group undertakings	47,225	833,056
Other current financial liabilities	22,711	22,040
Taxation and social security	188,059	104,322
Corporation tax liability	-	41,000
Accruals and deferred income	<u>451,535</u>	<u>819,381</u>
	<u>741,234</u>	<u>1,857,261</u>

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2020

8 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £259,853 (2019 - £294,583). This financial commitment is in respect of an operating lease.

10 Related party transactions

Transactions with directors

	At 1 June 2019	Advances to directors	Repayments by director	Other payments made to company by director	At 31 May 2020
	£	£	£	£	£
2020					
Loans	<u>93</u>	<u>34,447</u>	<u>(34,540)</u>	<u>-</u>	<u>-</u>
	At 1 June 2018	Advances to directors	Repayments by director	Other payments made to company by director	At 31 May 2019
	£	£	£	£	£
2019					
Loans	<u>11,671</u>	<u>68,437</u>	<u>(80,015)</u>	<u>-</u>	<u>93</u>

11 Parent and ultimate parent undertaking

The company's immediate parent is Recreational Charter Insurance Services Limited, incorporated in England & Wales. The registered address of Recreational Charter Insurance Services is Unity House, 2 Station Court, Station Road, Guiseley, West Yorkshire, LS20 8EY.

The ultimate parent undertaking and ultimate controlling party is Concept Special Risks Holdings Limited, a company incorporated in England & Wales.