

Registration number: 00952756

# Concept Special Risks Ltd

Annual Report and Financial Statements

for the Year Ended 31 May 2018



# **Concept Special Risks Ltd**

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# Concept Special Risks Ltd

(Registration number: 00952756)

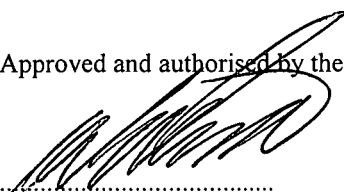
Balance Sheet as at 31 May 2018

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		83,151		92,596
Investments	5		<u>606</u>		<u>606</u>
			83,757		93,202
<b>Current assets</b>					
Debtors	6	318,573		617,132	
Cash at bank and in hand		<u>908,666</u>		<u>709,009</u>	
		1,227,239		1,326,141	
<b>Creditors: Amounts falling due within one year</b>	7	<u>(657,351)</u>		<u>(782,984)</u>	
<b>Net current assets</b>			<u>569,888</u>		<u>543,157</u>
<b>Total assets less current liabilities</b>			653,645		636,359
<b>Provisions for liabilities</b>			<u>-</u>		<u>(3,918)</u>
<b>Net assets</b>			<u>653,645</u>		<u>632,441</u>
<b>Capital and reserves</b>					
Called up share capital		900		900	
Profit and loss account		<u>652,745</u>		<u>631,541</u>	
<b>Total equity</b>			<u>653,645</u>		<u>632,441</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 31 January 2019 and signed on its behalf by:

  
 .....  
 M G Calvert  
 Director

The notes on pages 2 to 7 form an integral part of these financial statements.

# **Concept Special Risks Ltd**

## **Notes to the Financial Statements for the Year Ended 31 May 2018**

### **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  
West Yorkshire  
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 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 31 January 2019 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. A proportion of profit commissions are deferred until the right consideration is achieved and is capable of reliable measurement.

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 2018

#### 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 statement of financial position 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
Office equipment	33.33% straight line basis
Motor vehicles	25% reducing balance 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 2018**

#### **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 2018

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 20 (2017 - 20).

#### 4 Tangible assets

	Computer equipment £	Office equipment £	Motor vehicles £	Leasehold improvements £	Total £
<b>Cost</b>					
At 1 June 2017	51,653	57,097	87,745	17,100	213,595
Additions	-	-	67,145	-	67,145
Disposals	-	-	(54,750)	-	(54,750)
At 31 May 2018	<u>51,653</u>	<u>57,097</u>	<u>100,140</u>	<u>17,100</u>	<u>225,990</u>
<b>Depreciation</b>					
At 1 June 2017	21,243	54,905	41,951	2,900	120,999
Charge for the year	12,435	1,098	20,024	1,704	35,261
Eliminated on disposal	-	-	(13,421)	-	(13,421)
At 31 May 2018	<u>33,678</u>	<u>56,003</u>	<u>48,554</u>	<u>4,604</u>	<u>142,839</u>
<b>Carrying amount</b>					
At 31 May 2018	<u>17,975</u>	<u>1,094</u>	<u>51,586</u>	<u>12,496</u>	<u>83,151</u>
At 31 May 2017	<u>30,410</u>	<u>2,192</u>	<u>45,794</u>	<u>14,200</u>	<u>92,596</u>

#### 5 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>606</u>	<u>606</u>
<b>Subsidiaries</b>		£
<b>Cost</b>		
At 1 June 2017		<u>606</u>
At 31 May 2018		<u>606</u>
<b>Carrying amount</b>		
At 31 May 2018		<u>606</u>
At 31 May 2017		<u>606</u>

# **Concept Special Risks Ltd**

## **Notes to the Financial Statements for the Year Ended 31 May 2018**

### **6 Debtors**

	2018 £	2017 £
Net fiduciary assets	224,202	386,030
Amounts owed by group undertakings	-	96,197
Other debtors	64,782	88,719
Prepayments and accrued income	12,729	46,186
Deferred tax assets	16,860	-
	<u>318,573</u>	<u>617,132</u>
	2018 £	2017 £
<b>Net fiduciary assets:</b>		
Gross insurance debtors	5,992,767	4,088,456
Fiduciary cash balance	3,669,307	1,232,744
Gross insurance creditors	<u>(9,437,872)</u>	<u>(4,935,170)</u>
	<u>224,202</u>	<u>386,030</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**

	2018 £	2017 £
<b>Due within one year</b>		
Trade creditors	18,362	47,371
Amounts owed to group undertakings	46,785	49,854
Other current financial liabilities	21,384	66,575
Taxation and social security	27,296	22,752
Corporation tax liability	76,600	-
Accruals and deferred income	<u>466,924</u>	<u>596,432</u>
	<u>657,351</u>	<u>782,984</u>



# Concept Special Risks Ltd

## Notes to the Financial Statements for the Year Ended 31 May 2018

### 8 Share capital

#### Allotted, called up and fully paid shares

	2018		2017	
	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 £329,583 (2017 - £14,583). This financial commitment is in respect of an operating lease.

### 10 Related party transactions

#### Transactions with directors

	At 1 June 2017	Advances to directors	Repayments by director	Other payments made to company by director	At 31 May 2018
	£	£	£	£	£
2018	<u>-</u>	<u>11,671</u>	<u>-</u>	<u>-</u>	<u>11,671</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.