

Concept Special Risks Ltd

Annual Report and Financial Statements
for the Year Ended 31 May 2022

Concept Special Risks Ltd

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Concept Special Risks Ltd

(Registration number: 00952756)

Balance Sheet as at 31 May 2022

| | Note | 2022 | 2021 |
|---|----------|-------------------------|-------------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 28,908 | 12,025 |
| Current assets | | | |
| Debtors | <u>5</u> | 2,130,899 | 2,176,848 |
| Cash at bank and in hand | | <u>1,831,402</u> | <u>1,103,382</u> |
| | | 3,962,301 | 3,280,230 |
| Creditors: Amounts falling due within one year | <u>6</u> | <u>(535,809)</u> | <u>(543,407)</u> |
| Net current assets | | <u>3,426,492</u> | <u>2,736,823</u> |
| Total assets less current liabilities | | 3,455,400 | 2,748,848 |
| Provisions for liabilities | | <u>(5,493)</u> | <u>(2,285)</u> |
| Net assets | | <u><u>3,449,907</u></u> | <u><u>2,746,563</u></u> |
| Capital and reserves | | | |
| Called up share capital | <u>7</u> | 900 | 900 |
| Profit and loss account | | <u>3,449,007</u> | <u>2,745,663</u> |
| Total equity | | <u><u>3,449,907</u></u> | <u><u>2,746,563</u></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 21 November 2022 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 2022

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.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 21 November 2022 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.

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.

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Notes to the Financial Statements for the Year Ended 31 May 2022

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 |
| 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.

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.

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Notes to the Financial Statements for the Year Ended 31 May 2022

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 22 (2021 - 22).

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Notes to the Financial Statements for the Year Ended 31 May 2022

4 Tangible assets

| | Computer equipment £ | Office equipment £ | Leasehold improvements £ | Total £ |
|------------------------|----------------------------|-----------------------|--------------------------------|------------|
| Cost | | | | |
| At 1 June 2021 | 57,179 | 57,935 | 21,376 | 136,490 |
| Additions | 15,174 | 2,540 | 7,157 | 24,871 |
| Disposals | (11,297) | (7,795) | - | (19,092) |
| At 31 May 2022 | 61,056 | 52,680 | 28,533 | 142,269 |
| Depreciation | | | | |
| At 1 June 2021 | 53,201 | 57,866 | 13,398 | 124,465 |
| Charge for the year | 4,087 | 544 | 3,357 | 7,988 |
| Eliminated on disposal | (11,297) | (7,795) | - | (19,092) |
| At 31 May 2022 | 45,991 | 50,615 | 16,755 | 113,361 |
| Carrying amount | | | | |
| At 31 May 2022 | 15,065 | 2,065 | 11,778 | 28,908 |
| At 31 May 2021 | 3,978 | 69 | 7,978 | 12,025 |

5 Debtors

| | 2022 £ | 2021 £ |
|--------------------------------|-------------------|-------------------|
| Net fiduciary assets | 2,008,423 | 1,101,413 |
| Other debtors | 5,925 | 1,004,544 |
| Prepayments and accrued income | 75,420 | 70,891 |
| Corporation tax asset | 41,131 | - |
| | 2,130,899 | 2,176,848 |
| Net fiduciary assets: | 2022 £ | 2021 £ |
| Gross insurance debtors | 10,293,531 | 7,142,352 |
| Fiduciary cash balance | 4,511,705 | 2,293,209 |
| Gross insurance creditors | (12,796,813) | (8,334,148) |
| | 2,008,423 | 1,101,413 |

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.

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Notes to the Financial Statements for the Year Ended 31 May 2022

6 Creditors

| | 2022 £ | 2021 £ |
|------------------------------|----------------|----------------|
| Due within one year | | |
| Trade creditors | 49,864 | 24,735 |
| Taxation and social security | 35,866 | 30,525 |
| Corporation tax liability | - | 364,166 |
| Accruals and deferred income | 450,079 | 123,981 |
| | <u>535,809</u> | <u>543,407</u> |

7 Share capital

Allotted, called up and fully paid shares

| | 2022 | | 2021 | |
|---------------------|------|-----|------|-----|
| | No. | £ | No. | £ |
| Ordinary of £1 each | 900 | 900 | 900 | 900 |

8 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 £189,583 (2021 - £224,583). This financial commitment is in respect of an operating lease.

9 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 AU Global Holdings Ltd, a company incorporated in Cayman Islands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.