Registration number: 00952756

Concept Special Risks Ltd

Annual Report and Financial Statements

for the Year Ended 31 May 2021

Concept Special Risks Ltd

Contents

Concept Special Risks Ltd

(Registration number: 00952756)
Balance Sheet as at 31 May 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	4		12,025		68,032
Investments	5		-		606
			12,025		68,638
Current assets					
Debtors	6	2,176,848		304,723	
Cash at bank and in hand		1,103,382		1,345,305	
		3,280,230		1,650,028	
Creditors: Amounts falling due within one year	7	(543,407)		(741,234)	
Net current assets			2,736,823		908,794
Total assets less current liabilities			2,748,848		977,432
Provisions for liabilities			(2,285)		(12,926)
Net assets			2,746,563		964,506
Capital and reserves					
Called up share capital	8	900		900	
Profit and loss account		2,745,663		963,606	
Total equity			2,746,563		964,506

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 23 February 2022 and signed on its behalf by:

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M G Calvert
Director

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 23 February 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.

Not withstanding 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
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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 22 (2020 - 22).

4 Tangible assets

	Computer equipment £	Office equipment £	Motor vehicles £	Leasehold improvements £	Total £
Cost					
At 1 June 2020	54,421	57,935	129,980	21,376	263,712
Additions	2,758	-	-	-	2,758
Disposals	-	-	(129,980)	-	(129,980)
At 31 May 2021	57,179	57,935	-	21,376	136,490
Depreciation					
At 1 June 2020	52,179	57,590	75,645	10,266	195,680
Charge for the year	1,022	276	5,681	3,132	10,111
Eliminated on disposal	-	-	(81,326)	-	(81,326)
At 31 May 2021	53,201	57,866	-	13,398	124,465
Carrying amount					
At 31 May 2021	3,978	69	-	7,978	12,025
At 31 May 2020	2,242	345	54,335	11,110	68,032

5 Investments

	2021 £	2020 £
Investments in subsidiaries	-	606

Subsidiaries	£
Cost	
At 1 June 2020	606
Disposals	(606)
At 31 May 2021	-
Carrying amount	
At 31 May 2021	-
At 31 May 2020	606

Concept Special Risks Ltd

Notes to the Financial Statements for the Year Ended 31 May 2021

6 Debtors

	2021 £	2020 £
Net fiduciary assets	1,101,413	192,335
Other debtors	1,004,544	57,299
Prepayments and accrued income	70,891	14,166
Income tax asset	-	40,923
	2,176,848	304,723

	2021 £	2020 £
Net fiduciary assets:		
Gross insurance debtors	7,142,352	6,347,494
Fiduciary cash balance	2,293,209	1,555,319
Gross insurance creditors	(8,334,148)	(7,710,478)
	1,101,413	192,335

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

	2021 £	2020 £
Due within one year		
Trade creditors	24,735	31,704
Amounts owed to group undertakings	-	47,225
Other current financial liabilities	-	22,711
Taxation and social security	30,525	188,059
Corporation tax liability	364,166	-
Accruals and deferred income	123,981	451,535
	543,407	741,234

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £1 each	900	900	900	900

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 £224,583 (2020 - £259,853). This financial commitment is in respect of an operating lease.

10 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.