

# Lifestyle Policy Limited

Annual Report and Financial Statements  
for the Year Ended 30 September 2022

# **Lifestyle Policy Limited**

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# **Lifestyle Policy Limited**

## **Strategic Report for the Year Ended 30 September 2022**

The directors present their strategic report for the year ended 30 September 2022.

### **Principal activity**

The principal activity of the company is that of an insurance intermediary.

### **Fair review of the business**

The principal activity of the company during the period remains the provision of insurance intermediary services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year. The company is authorised and regulated by Financial Conduct Authority.

The company's strategic focus is on the organic growth of its core business and continually enhancing its exceptional levels of customer service.

#### **Results and performance**

The main financial key performance indicators ("KPI's") for the Company are profit after tax and turnover.

The profit on ordinary activities after taxation for the year ended 30 September 2022 increased to £1,476,098 compared to £1,423,539 in 2021. Revenue for the year decreased to £6,998,496 compared to £8,121,328 in 2021.

As at 30 September 2022, the net assets of the company increased by £1,476,098 to £5,225,683.

The company also uses a number of non-financial KPI's to understand, monitor and develop the performance of the business. These include new customer acquisition, retention of existing customers, customer feedback and employee wellbeing and development.

#### **Going Concern**

As set out in the Directors' Responsibilities statement, the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The current economic conditions present increased risks for all businesses. In response to such uncertain conditions, the directors have carefully considered these risks and the extent to which they might affect the preparation of the financial statements on a going concern basis. In particular, the directors of the company have considered in detail the company's forecast performance, including its profitability and liquidity. On this basis, the directors have a reasonable expectation that the company will maintain adequate solvency to continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing these financial statements.

# **Lifestyle Policy Limited**

## **Strategic Report for the Year Ended 30 September 2022**

### **Principal risks and uncertainties**

The risk factors set out below reflect material risks associated with the business and industry in which we operate generally and that could adversely affect the company's business, financial condition and results of operations.

#### **Market and Business Risks**

As with all insurance businesses, the company is exposed to the insurance market cycle and general competitive pressures in the sector.

The company manages this risk by focusing on customer needs and adapting the product offering to maintain leading coverage and pricing. Procedures are constantly updated to make application, renewal and payment processing as quick and streamlined as possible. Achieving the best customer outcomes remains a key aspect of the business strategy.

#### **Legal and Regulatory Risks**

The company's core business activities are subject to extensive legal and regulatory oversight, including, but not limited to, the Companies Act and the rules and regulations set out by the Financial Conduct Authority. Failure to comply with applicable legal and regulatory requirements could adversely impact the financial position and reputation of the Company. This risk is managed through continuous monitoring of regulatory requirements that impact the company to ensure on-going compliance.

#### **Liquidity and Credit Risk**

Liquidity requirements are consistently monitored to ensure that the company can meet all obligations as they fall due. The company is not exposed to material credit risk but this is monitored through management information such as the credit ratings of its banking counterparty.

#### **Operational Risk**

The company is exposed to operational risk resulting from inadequate or failed internal processes, people and systems, and from external events. It has a system of internal controls to manage these operational risks, and to reduce the potential exposure, but accepts that a residual risk of loss remains.

Operational risk events are tracked and reviewed, and day-to day-processes are closely managed by the directors which will identify shortcomings in operational risks.

Approved and authorised by the Board on 29 June 2023 and signed on its behalf by:

.....

C J Hall

Director

## **Lifestyle Policy Limited**

### **Directors' Report for the Year Ended 30 September 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

F D Martin

A K Martin

C J Hall

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 29 June 2023 and signed on its behalf by:

.....

C J Hall

Director

## **Lifestyle Policy Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

# **Lifestyle Policy Limited**

## **Independent Auditor's Report to the Members of Lifestyle Policy Limited**

### **Qualified opinion**

We have audited the financial statements of Lifestyle Policy Limited (the 'company') for the year ended 30 September 2022, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Cash Flows, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 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 qualified opinion on financial statements**

The evidence available to us was limited because the company was not subject to an audit for the year ended 30 September 2021 and no audit opinion was formed on the opening balances for the current year or on the comparative figures. Any adjustments to those figures would have a consequential effect on the result for the period ended 30 September 2022.

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 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 qualified opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matter prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

## **Lifestyle Policy Limited**

### **Independent Auditor's Report to the Members of Lifestyle Policy Limited**

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

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

Except for the matter described in the basis for qualified opinion section of our report, in the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities [set out on page 4], 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 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 these financial statements.

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

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in evaluating the sales completeness and cut off.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including FCA, Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

## **Lifestyle Policy Limited**

### **Independent Auditor's Report to the Members of Lifestyle Policy Limited**

We then performed audit procedures after consideration of the above risks which included the following:

- reviewing insurance policies to gain assurance income allocated in the correct period;
  - gain assurance of the completeness of turnover by vouching to insurance reports from underwriter;
  - reviewing systems and controls to gain assurance they are working effectively;
  - enquiring of management concerning actual and potential litigation and claims;
  - reviewing correspondence with HMRC, FCA and the company's legal advisors;
  - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
  - reading minutes of meetings of those charged with governance; and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and
- other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

## **Lifestyle Policy Limited**

### **Independent Auditor's Report to the Members of Lifestyle Policy Limited**

#### **Use of our 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.

.....

Gillian Craven (Senior Statutory Auditor)  
For and on behalf of Watson Buckle Limited,  
Statutory Auditors & Chartered Accountants  
Bradford

29 June 2023

# Lifestyle Policy Limited

## Profit and Loss Account and Statement of Retained Earnings for the Year Ended 30 September 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	6,998,496	8,121,328
Cost of sales		<u>(796,327)</u>	<u>(1,957,173)</u>
Gross profit		6,202,169	6,164,155
Administrative expenses		<u>(4,298,116)</u>	<u>(4,287,442)</u>
Operating profit	<u>4</u>	<u>1,904,053</u>	<u>1,876,713</u>
Other interest receivable and similar income	<u>5</u>	92,595	61,227
Interest payable and similar charges	<u>6</u>	<u>(8,045)</u>	<u>(6,660)</u>
		<u>84,550</u>	<u>54,567</u>
Profit before tax		1,988,603	1,931,280
Taxation	<u>10</u>	<u>(512,505)</u>	<u>(507,741)</u>
Profit for the financial year		1,476,098	1,423,539
Retained earnings brought forward		<u>3,749,485</u>	<u>2,325,946</u>
Retained earnings carried forward		<u><u>5,225,583</u></u>	<u><u>3,749,485</u></u>

**Lifestyle Policy Limited**  
**(Registration number: 01489652)**  
**Balance Sheet as at 30 September 2022**

	Note	2022	2021
		£	£
<b>Fixed assets</b>			
Intangible assets	<u>11</u>	8,800,001	9,533,334
Tangible assets	<u>12</u>	<u>649,684</u>	<u>448,628</u>
		9,449,685	9,981,962
<b>Current assets</b>			
Debtors	<u>13</u>	3,819,716	5,569,921
Cash at bank and in hand		<u>1,775,157</u>	<u>1,970,745</u>
		5,594,873	7,540,666
<b>Creditors: Amounts falling due within one year</b>	<u>15</u>	<u>(9,628,660)</u>	<u>(13,631,828)</u>
<b>Net current liabilities</b>		<u>(4,033,787)</u>	<u>(6,091,162)</u>
<b>Total assets less current liabilities</b>		5,415,898	3,890,800
<b>Provisions for liabilities</b>	<u>16</u>	<u>(190,215)</u>	<u>(141,215)</u>
<b>Net assets</b>		<u><u>5,225,683</u></u>	<u><u>3,749,585</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>5,225,583</u>	<u>3,749,485</u>
<b>Total equity</b>		<u><u>5,225,683</u></u>	<u><u>3,749,585</u></u>

Approved and authorised by the Board on 29 June 2023 and signed on its behalf by:

.....  
C J Hall  
Director

# Lifestyle Policy Limited

## Statement of Cash Flows for the Year Ended 30 September 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,476,098	1,423,539
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	770,166	740,161
Finance income	<u>5</u>	(92,595)	(61,227)
Finance costs	<u>6</u>	8,045	6,660
Corporation tax expense	<u>10</u>	512,505	507,741
		<u>2,674,219</u>	<u>2,616,874</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	<u>13</u>	1,750,205	(1,103,878)
(Decrease)/increase in trade creditors	<u>15</u>	(4,004,441)	1,484,437
Increase in provisions	<u>16</u>	-	89,215
		<u>419,983</u>	<u>3,086,648</u>
Cash generated from operations			
Corporation taxes paid	<u>10</u>	(462,232)	(715,014)
Net cash flow from operating activities		<u>(42,249)</u>	<u>2,371,634</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>5</u>	92,595	61,227
Acquisitions of tangible assets		<u>(237,889)</u>	<u>(455,456)</u>
Net cash flows from investing activities		(145,294)	(394,229)
<b>Cash flows from financing activities</b>			
Interest paid	<u>6</u>	(8,045)	(6,660)
Net (decrease)/increase in cash and cash equivalents		(195,588)	1,970,745
Cash and cash equivalents at 1 October		<u>1,970,745</u>	<u>-</u>
Cash and cash equivalents at 30 September		<u><u>1,775,157</u></u>	<u><u>1,970,745</u></u>

# **Lifestyle Policy Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2022**

### **1 General information**

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

The address of its registered office is:

Thorpe Underwood Hall

PO Box 100

Great Ouseburn

York

YO26 9SZ

### **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 '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.

#### **Key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Useful economic lives of intangible assets**

The annual amortisation charge for intangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. The carrying amount is £8,800,001 (2021 -£9,533,334).

##### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount is £649,684 (2021 -£448,628).

#### **Revenue recognition**

Turnover represents commissions received which are recognised when debit notes are issued taking into account the inception date and period of insurance net of insurance premium tax. Amendments to commissions arising from return and additional premiums and adjustments are taken into account as and when they occur.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

# **Lifestyle Policy Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2022**

### **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, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold improvements	4% straight line basis
Plant and machinery	10% straight line basis
Furniture, fittings and equipment	10% straight line basis

### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	6.7% straight line basis

### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

### **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.

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 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 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Commissions	6,997,518	8,121,328
Other revenue	978	-
	<u>6,998,496</u>	<u>8,121,328</u>

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 4 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	36,833	6,828
Amortisation expense	733,333	733,333

### 5 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	92,595	61,227

### 6 Interest payable and similar expenses

	2022	2021
	£	£
Interest expense on other finance liabilities	8,045	6,660

### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	1,690,925	1,590,470
Social security costs	159,784	129,207
Pension costs, defined contribution scheme	45,482	43,340
	1,896,191	1,763,017

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	25	18
Sales	40	41
	65	59

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	144,535	219,701
Contributions paid to money purchase schemes	3,010	6,719
	147,545	226,420

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

### 9 Auditors' remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>21,600</u>	<u>-</u>

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	464,000	456,067
UK corporation tax adjustment to prior periods	<u>(495)</u>	<u>(326)</u>
	<u>463,505</u>	<u>455,741</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	49,000	41,888
Arising from changes in tax rates and laws	<u>-</u>	<u>10,112</u>
Total deferred taxation	<u>49,000</u>	<u>52,000</u>
Tax expense in the income statement	<u>512,505</u>	<u>507,741</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>1,988,603</u>	<u>1,931,280</u>
Corporation tax at standard rate	377,835	366,943
Increase/(decrease) from effect of different UK tax rates on some earnings	11,676	(703)
Effect of expense not deductible in determining taxable profit (tax loss)	139,109	150,376
Tax decrease from effect of capital allowances and depreciation	<u>(16,115)</u>	<u>(8,875)</u>
Total tax charge	<u>512,505</u>	<u>507,741</u>

## **Lifestyle Policy Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2022**

#### **Deferred tax**

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2022</b>	
Depreciation in excess of capital allowances	102,000
Other timing differences	(1,000)
	<u>101,000</u>
	<b>Liability £</b>
<b>2021</b>	
Depreciation in excess of capital allowances	54,000
Other timing differences	(1,000)
	<u>53,000</u>

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £67,807 (2021 - £37,242).

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 11 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 October 2021	11,000,000	11,000,000
At 30 September 2022	11,000,000	11,000,000
<b>Amortisation</b>		
At 1 October 2021	1,466,666	1,466,666
Amortisation charge	733,333	733,333
At 30 September 2022	2,199,999	2,199,999
<b>Carrying amount</b>		
At 30 September 2022	8,800,001	8,800,001
At 30 September 2021	9,533,334	9,533,334

### 12 Tangible assets

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>				
At 1 October 2021	382,940	57,477	15,039	455,456
Additions	26,425	211,464	-	237,889
At 30 September 2022	409,365	268,941	15,039	693,345
<b>Depreciation</b>				
At 1 October 2021	3,829	2,874	125	6,828
Charge for the year	15,484	19,845	1,504	36,833
At 30 September 2022	19,313	22,719	1,629	43,661
<b>Carrying amount</b>				
At 30 September 2022	390,052	246,222	13,410	649,684
At 30 September 2021	379,111	54,603	14,914	448,628

Included within the net book value of land and buildings above is £390,052 (2021 - £379,111) in respect of long leasehold land and buildings.

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 13 Debtors

	2022	2021
	£	£
Current		
Trade debtors	2,247	-
Other debtors	3,805,213	5,569,921
Prepayments	12,256	-
	<u>3,819,716</u>	<u>5,569,921</u>

### 14 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank	<u>1,775,157</u>	<u>1,970,745</u>

### 15 Creditors

	Note	2022	2021
		£	£
Due within one year			
Trade creditors		92,886	49,906
Social security and other taxes		84,999	65,692
Other creditors		8,712,348	12,907,580
Accruals		274,427	145,923
Corporation tax liability	10	<u>464,000</u>	<u>462,727</u>
		<u>9,628,660</u>	<u>13,631,828</u>

Within trade creditors there is £91,869 (2021 - £49,906) that relates to related parties and is included within the related party disclosure note.

### 16 Provisions for liabilities

	Deferred tax	Other provisions	Total
	£	£	£
At 1 October 2021	52,000	89,215	141,215
Increase (decrease) in existing provisions	<u>49,000</u>	<u>-</u>	<u>49,000</u>
At 30 September 2022	<u>101,000</u>	<u>89,215</u>	<u>190,215</u>

The other provision relates to ongoing enquiries raised by HMRC into the company.

As the enquiry is still open and ongoing, the timing of the outflow of tax and the actual overall liability are both uncertain. However, the directors have made a provision which they feel is probable, based on their assessment of the circumstances of the enquiry and the facts available.

# Lifestyle Policy Limited

## Notes to the Financial Statements for the Year Ended 30 September 2022

### 17 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £45,482 (2021 - £43,340).

### 18 Share capital

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

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

### 19 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	108,135	215,522

The amount of non-cancellable operating lease payments recognised as an expense during the year was £109,229 (2021 - £217,689).

### 20 Related party transactions

#### Income and receivables from related parties

	Other related parties
	£
<b>2022</b>	
Receipt of services	7,931,973
Amounts receivable from related party	3,805,213
<b>2021</b>	
Receipt of services	8,582,473
Amounts receivable from related party	5,592,102

## **Lifestyle Policy Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2022**

#### **Expenditure with and payables to related parties**

	<b>Other related parties £</b>
<b>2022</b>	
Rendering of services	<u>1,781,814</u>
Amounts payable to related party	<u>8,804,218</u>
	<b>Other related parties £</b>
<b>2021</b>	
Rendering of services	<u>4,820,597</u>
Amounts payable to related party	<u>12,957,486</u>

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