

**MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**

**Company Registration No. 01916098 (England and Wales)**

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A Gibbons Mr M B Owen
<b>Company number</b>	01916098
<b>Registered office</b>	7th Floor 20 Chapel Street Liverpool L3 9AG
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

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# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 JUNE 2021***

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The directors present the strategic report for the year ended 30 June 2021.

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

The principal activity of the company during the year remain those of insurance consultancy and insurance broking.

The company has continued to increase revenue from £445k to £465k in the year and net assets have remained strong at £52k (2020: £50k). Due to a strong year the directors agreed to pay a dividend to Mason Owen Financial Services Limited.

The company continues to develop within the intermediary sector specialising in the insurance of the merchant trades and related products.

The firm is authorised and regulated by the Financial Conduct Authority (FCA) independently from its parent company Mason Owen Financial Services Limited. Fees payable to a regulator, the Financial Conduct Authority (FCA), may see a continuing rise in regulatory fees in years to come as reviews are undertaken to the fee charging structure, in particular where a Firm holds Client Money.

The company has maintained membership of the British Insurance Brokers Association (BIBA), which provides valuable support to the business in terms of the ability to access new markets, to provide networking opportunities and in depth technical information concerning matters such as Regulation.

Staffing levels across the business have reduced during the current year with a total of 6 people employed in the Wirral office currently, however the average was still 8 throughout the year. The reduction was part due to retirement of one individual and another due to redundancy.

The flexibility of IT, investment in a new back office insurance management system and working arrangements have also provided additional strength to business continuity plans.

### **Principal risks and uncertainties**

#### **Exposure to credit risk**

The risk of non-payment by clients is assessed by the directors. The company aims to minimise the risk by management of credit limits and monthly reviews of debtor days.

#### **Coronavirus risk**

The uncertainty brought by covid 19 to the wider economy could impact upon the performance of the company if firms who utilise the services of the company do not survive the current economic conditions. These would not result in bad debts to the company, moreover a loss of renewal revenue. However, for those businesses still trading and who own property, which makes up the largest sector of the account, insurance cover will need to be maintained to protect their assets. A reduced number of market property transactions could affect the performance of the Legal Indemnity insurance team, but this is mitigated by the Property and Casualty classes within the wider business.

The company believes that the business remains in a strong position to withstand the effects of the impact on the economy due to the make up of the client base and the robust continuity plan that we have deployed and the prudent financial management that is employed and as the economy continues to recover, trading conditions continued to improve during the past financial year.

# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2021***

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### **Specific risks**

There is a continued risk given the current economic climate that clients could go out of business and that the market property transactions dry up completely meaning the Legal Indemnity account is decimated. However, our management team monitors our business plans on a regular basis and takes appropriate mitigating action to risks posed. Evidence in the past financial year have showed that the economy has found ways of continuing to trade through the challenges that have been faced so there has been little or no impact on the business following the first major lockdowns in the UK.

Whilst there has been uncertainty surrounding the UK's decision to withdraw from the EU, the initial friction following the implementation of the Brexit deal means that business may be affected in the short term, which continues to be evident from supply issues to the UK economy. These have not affected the business unduly during this accounting year.

### **Key performance indicators**

It is envisaged that when assessing the performance of the business against key performance indicators such as income, cost control and overall profitability, the company will continue to perform well and develop in line with its business plan.

### **Future developments**

In terms of general market conditions, rates continue to increase, markedly in certain products, due to restrictions in capacity and other mitigating factors. This has and will continue to have a positive effect on the income earned by the company as earnings are generally commission based. However, increased rates and terms could result in business being lost but it is envisaged that any reduction in client base may be mitigated by the overall increase in income and new clients obtained by the business.

Continuing pressure from other Statutory obligations have contributed to increasing compliance costs in the year, but the company remains positive about its growth strategy in the coming years.

On behalf of the board

Mr A Gibbons  
**Director**

6 January 2022

# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 JUNE 2021***

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The directors present their annual report and financial statements for the year ended 30 June 2021.

The report contains the statutory information disclosed in addition to that set out in the strategic report. Information relating to the principal activity, financial risk management policies and future developments, which would otherwise be included in the Directors Report, are included in the Strategic Report.

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Gibbons  
Mr M B Owen

### **Auditor**

DSG were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Gibbons  
**Director**

6 January 2022

# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2021***

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The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

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#### Opinion

We have audited the financial statements of Mason Owen Financial Services (Wirral) Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 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 opinion

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's 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 opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 financial statements are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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



# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

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

In the light of the 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 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 directors' responsibilities statement, 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's 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.

# **MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED**

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#### **Capability of the audit in detecting irregularities, including fraud**

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations, Health and Safety at Work Act, Data Protection Act, Motor Insurance compliance, Employers Liability Act and compliance with the Financial Services & Markets Act.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; reviewing post year end payments for evidence of claims pay outs and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior year financial statements were not subject to audit.

#### **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.

**Andrew Moss BA FCA (Senior Statutory Auditor)**

**For and on behalf of DSG**

6 January 2022

**Chartered Accountants**

**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	465,491	444,676
Administrative expenses		(344,117)	(341,816)
Other operating income		4,891	13,659
<b>Operating profit</b>	<b>4</b>	126,265	116,519
Interest receivable and similar income	<b>6</b>	6	121
<b>Profit before taxation</b>		126,271	116,640
Tax on profit	<b>7</b>	(23,818)	(22,329)
<b>Profit for the financial year</b>		102,453	94,311

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 JUNE 2021*

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	2021	2020
	£	£
Profit for the year	102,453	94,311
Other comprehensive income	-	-
Total comprehensive income for the year	<u>102,453</u>	<u>94,311</u>

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		5,999		6,070
<b>Current assets</b>					
Debtors	10	104,943		128,868	
Cash at bank and in hand		221,405		237,567	
		<u>326,348</u>		<u>366,435</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(280,429)</u>		<u>(323,040)</u>	
<b>Net current assets</b>			45,919		43,395
<b>Net assets</b>			<u>51,918</u>		<u>49,465</u>
<b>Capital and reserves</b>					
Called up share capital	14		1,000		1,000
Profit and loss reserves			50,918		48,465
<b>Total equity</b>			<u>51,918</u>		<u>49,465</u>

The financial statements were approved by the board of directors and authorised for issue on 6 January 2022 and are signed on its behalf by:

Mr A Gibbons  
**Director**

**Company Registration No. 01916098**

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 July 2019</b>		1,000	277,778	278,778
<b>Year ended 30 June 2020:</b>				
Profit and total comprehensive income for the year		-	94,311	94,311
Dividends	8	-	(323,624)	(323,624)
<b>Balance at 30 June 2020</b>		1,000	48,465	49,465
<b>Year ended 30 June 2021:</b>				
Profit and total comprehensive income for the year		-	102,453	102,453
Dividends	8	-	(100,000)	(100,000)
<b>Balance at 30 June 2021</b>		1,000	50,918	51,918

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

#### Company information

Mason Owen Financial Services (Wirral) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, 20 Chapel Street, Liverpool, L3 9AG.

The principal activity of the company is disclosed in the strategic report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mason Owen & Partners (Holdings) Limited. These consolidated financial statements are available from its registered office, 20 Chapel Street, Liverpool, L3 9AG.

#### 1.2 Going concern

After taking into account the current economic uncertainty including the potential implications that Brexit may have on consumer confidence, as well as reviewing the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The risks associated with covid-19 have been assessed by the directors and it has been concluded that the business is in good shape to be able to withstand the effects on the UK economy. Cash flow models have been done on a conservative basis and they have shown that the business can retain liquidity and fulfil the statutory solvency obligations laid down by the Financial Conduct Authority.

The company therefore continues to adopt the going concern basis in preparing its financial statement.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover comprises revenue recognised by the company in relation to commission relating to insurance premiums finalised with insurers and confirmed by the client within the accounting period, net of commission shared to third parties and is recognised at the point the policy is agreed with the customer. Commission on returns, additional premiums and adjustments are brought into the accounts when these occur. Profit shares from insurance companies are recognised on a received basis.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### 1.15 Fiduciary funds

Fiduciary funds are required to be kept in certain regulated bank accounts subject to rules contained in the Financial Conduct Authority CASS 5 Sourcebook which emphasise capital preservation and liquidity. Such funds are not available to service the company's debt or for other corporate purposes.

#### 1.16 Insurance broking debtors and creditors

The company acts as agent in placing the insurable risks of its clients with insurers and, as such, is not principal to the contracts under which the right to receive premiums from clients, or reimbursement of insured losses from insurers, arise. However, the company is contractually entitled to demand premiums from clients and may be liable to insurers for any uncollected amounts arising from such transactions.

In recognition of this relationship, uncollected premiums from insurance broking transactions or payments due to insurers are included as assets and liabilities of the company in spite of the fact that they represent fiduciary funds. Such assets and liabilities are reflected at individual client or insurer level with the balance of premium due to the company or from the company includes the commission or fees owed to or due to be repaid by the company.

In certain exceptional circumstances, the company advances premiums or refunds to insurers or clients prior to collection of fiduciary funds. To the extent that these advances result in an increased credit risk this is reflected in the recognition and adjustment of fiduciary funds where provision is made for the transaction.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Commission received	465,491	444,676

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to commission relating to insurance premiums finalised with insurers and confirmed with the client within the accounting period, net of commission shared with third parties.

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(4,891)	(13,659)
Fees payable to the company's auditor for the audit of the company's financial statements	3,500	3,500
Depreciation of owned tangible fixed assets	2,023	2,023
(Profit)/loss on disposal of tangible fixed assets	-	8,026
Operating lease charges	12,500	15,000
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021	2020
Number	Number
8	8
<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	233,369	224,809
Social security costs	20,510	11,759
Pension costs	12,634	14,331
	<u>          </u>	<u>          </u>
	266,513	250,899
	<u>          </u>	<u>          </u>

Wages and salaries are recharged from other companies within the group.

### 6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest receivable from group companies	6	121
	<u>          </u>	<u>          </u>

### 7 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	23,818	22,329
	<u>          </u>	<u>          </u>

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 7 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	126,271	116,640
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	23,991	22,162
Tax effect of expenses that are not deductible in determining taxable profit	3	1,552
Permanent capital allowances in excess of depreciation	(176)	(1,385)
Taxation charge for the year	23,818	22,329

### 8 Dividends

	2021 £	2020 £
Final paid	100,000	323,624

### 9 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 July 2020	8,093
Additions	1,952
At 30 June 2021	10,045
<b>Depreciation and Impairment</b>	
At 1 July 2020	2,023
Depreciation charged in the year	2,023
At 30 June 2021	4,046
<b>Carrying amount</b>	
At 30 June 2021	5,999
At 30 June 2020	6,070

# MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

<b>10 Debtors</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	104,943	128,868
	<u>          </u>	<u>          </u>

## 11 Cash and cash equivalents

Insurance broking accounts includes monies held on behalf of clients, amounts held at 30 June 2021 amounted to £188,161 (2020: £146,297).

<b>12 Creditors: amounts falling due within one year</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Insurance broking creditors	172,242	201,596
Amounts owed to group undertakings	85,857	82,045
Corporation tax	22,330	22,329
Accruals and deferred income	-	17,070
	<u>          </u>	<u>          </u>
	<u>280,429</u>	<u>323,040</u>

## 13 Retirement benefit schemes

<b>Defined contribution schemes</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Charge to profit or loss in respect of defined contribution schemes	12,634	14,331
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

## 14 Share capital

<b>Ordinary share capital</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Issued and fully paid</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
of £1 each	1,000	1,000	1,000	1,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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#### 15 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	15,000	15,000
Between two and five years	30,000	45,000
	<u>45,000</u>	<u>60,000</u>

#### 16 Related party transactions

There were no transactions during the year with related parties other than group companies. The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

#### 17 Ultimate controlling party

The immediate parent company is Mason Owen Financial Services Limited.

The ultimate parent company is Mason Owen & Partners (Holdings) Limited. This is the smallest and largest group into which the results of this entity are consolidated. Copies of the group accounts can be obtained from the same registered address as the entity.

The ultimate controlling party is Mr M B Owen.



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