

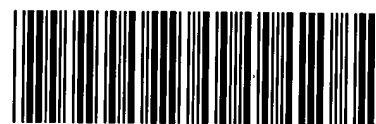
Registered number: 2217933

**MASON OWEN FINANCIAL SERVICES LIMITED**

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2018**

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**COMPANY INFORMATION**

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**Directors** M B Owen  
A Gibbons

**Company secretary** C E Shaw

**Registered number** 2217933

**Registered office** 20 Chapel Street  
Liverpool  
L3 9AG

**Independent auditor** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Royal Liver Building  
Liverpool  
L3 1PS

**Bankers** HSBC Bank Plc  
99-101 Lord Street  
Liverpool  
L2 6PG

**Solicitors** Hill Dickinson LLP  
No. 1 St Pauls Square  
Liverpool  
L3 9SJ

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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## MASON OWEN FINANCIAL SERVICES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

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#### Business review

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

The company continues to develop within the intermediary sector specialising in commercial property insurance and related products. The company also provides a valued complimentary service to the clients of Mason Owen & Partners Limited.

In coming years the company may see a continuing rise in fees payable to the regulator, the financial conduct authority (FCA), as a result of regular reviews 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 the networking opportunities and in depth technical information concerning matters such as regulation. The firm continues to be one of a minority of insurance brokers in the United Kingdom who have attained 'Chartered insurance Broker' status as a firm, with the Chartered Insurance Institute.

The firm's investment in Mason Owen (Specialist Risks) Limited has again shown a good return, resulting in a small profit. A continuing change in the focus of that business has assisted in the opening and running of the new office in Norwich. Staffing levels across the business have been stable during the current year despite some movements in and out.

The investments made in key staff in both Legal Indemnity Broking and General Business Development have proven to be successful and will continue to provide valuable growth in each of those areas of the business.

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

The company has produced a further profitable year, with income increasing from the previous year.

In terms of general market conditions, it is envisaged that there will be continued downward pressure of insurance rates for property classes but increases in casualty classes due to the changes to the discount rate. Uncertainty surrounding the UK's decision to withdraw from the EU may affect the business in the short term, continuing pressure from other statutory obligations such as GDPR and IDD have also contributed to increasing compliance costs in the current year.

Future costs will be impacted by the decision to move the business to new offices during 2018/9 to help facilitate further growth in the business.

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**


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**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.

This report was approved by the board and signed on its behalf.



**M B Owen**

Director

Date:

27/3/19

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## MASON OWEN FINANCIAL SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

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The directors present their report and the financial statements for the year ended 30 June 2018.

#### Directors

The directors who served during the year were:

M B Owen  
A Gibbons

#### Results and dividends

The profit for the year, after taxation, amounted to £61,054 (2017 - £67,006).

The directors have paid a dividend during the year of £100,000 (2016: £117,650).

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the company's auditor is unaware, and
- has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**A Gibbons**

Director

Date: 23<sup>rd</sup> March 2019



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES LIMITED

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### Opinion

We have audited the financial statements of Mason Owen Financial Services Limited (the 'company') for the year ended 30 June 2018, which comprise the Statement of income and retained earnings, the Statement of financial position and the 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, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the directors 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





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES  
LIMITED (CONTINUED)**

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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.

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

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

**Matter on which we are required to report under the Companies Act 2006**

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 or the Directors' report.

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

We have nothing to report in respect of the following matters in relation to which 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES  
LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 3, 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.

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.

**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.



Emma Stoddart  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants,  
Liverpool  
Date: 27 March 2019

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 30 JUNE 2018**

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	Note	2018 £	2017 £
Turnover	4	2,056,027	1,852,507
<b>Gross profit</b>		<u>2,056,027</u>	<u>1,852,507</u>
Administrative expenses		(1,979,801)	(1,770,557)
<b>Operating profit</b>	5	<u>76,226</u>	<u>81,950</u>
Interest receivable and similar income	9	8,941	11,579
Interest payable and expenses	10	-	(2,345)
<b>Profit before tax</b>		<u>85,167</u>	<u>91,184</u>
Tax on profit	11	(24,113)	(24,178)
<b>Profit after tax</b>		<u>61,054</u>	<u>67,006</u>
Retained earnings at the beginning of the year		667,066	717,710
Profit for the year		61,054	67,006
Dividends declared and paid		(100,000)	(117,650)
<b>Retained earnings at the end of the year</b>		<u>628,120</u>	<u>667,066</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

**MASON OWEN FINANCIAL SERVICES LIMITED**  
**REGISTERED NUMBER:2217933**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	7,370	-
Tangible assets	13	7,570	2,654
Investments	14	80	80
		<u>15,020</u>	<u>2,734</u>
<b>Current assets</b>			
Debtors	15	1,721,612	1,218,271
Cash at bank and in hand	16	3,126,733	1,177,832
		<u>4,848,345</u>	<u>2,396,103</u>
Creditors: amounts falling due within one year	17	(4,232,956)	(1,730,771)
<b>Net current assets</b>		<u>615,389</u>	<u>665,332</u>
<b>Total assets less current liabilities</b>		<u>630,409</u>	<u>668,066</u>
<b>Provisions for liabilities</b>			
Deferred tax	19	(1,015)	-
		<u>(1,015)</u>	<u>-</u>
<b>Net assets</b>		<u><u>629,394</u></u>	<u><u>668,066</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Profit and loss account	21	628,394	667,066
		<u><u>629,394</u></u>	<u><u>668,066</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

  
A Gibbons  
Director

27th March 2019

The notes on pages 10 to 24 form part of these financial statements.

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## MASON OWEN FINANCIAL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 1. Company information

Mason Owen Financial Services Limited is a private company limited by shares and incorporated in the United Kingdom. Its registered head office is located at 20 Chapel Street, Liverpool, England, L3 9AG.

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The accounts for Mason Owen Financial Services Limited have been prepared on an individual basis and have not been consolidated with Mason Owen (Specialist Risk) Limited. Both entities have been included in the ultimate parent company consolidation, Mason Owen and Partners (Holdings) Limited.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mason Owen & Partners (Holdings) Limited as at 30 June 2018 and these financial statements may be obtained from the ultimate parent undertaking at 20 Chapel Street, Liverpool L3 9AG.

##### 2.3 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 and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover comprises revenue recognised by the company in respect of 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. Commissions on returns, additional premiums and adjustments are brought into account when these occur. Profit shares from insurance companies are recognised on a received basis.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- over 4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**2.7 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## MASON OWEN FINANCIAL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Insurance broking debtors and creditors

The company acts as an agent in broking the insurable risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the company's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by the insurance intermediaries, it has followed generally accepted accounting practices by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself.

In the ordinary course of insurance broking business, settlement is required to be made with certain markets, market settlement bureau or insurance intermediaries on the basis of the net balance due to the market, bureau or intermediary in question, rather than the amounts to or from individual third parties which it represents.

Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

##### 2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial

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## MASON OWEN FINANCIAL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.11 Financial instruments (continued)

position when there is an 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.

##### 2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.13 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.15 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.16 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.



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## MASON OWEN FINANCIAL SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position. The provision in the financial statements relates to a deferred tax liability which has arisen as a result of timing differences. date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position. The provision in the financial statements relates to a deferred tax liability which has arisen as a result of timing differences..

##### 2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statments where these judgements and estimates have been made include:

- The deferred tax liability
- The useful economic life of intangible assets

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Commission received	<u>2,056,027</u>	<u>1,852,507</u>

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 commissions shared with third parties.

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MASON OWEN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	2,818	3,425
Operating lease rentals: Motor vehicles	22,173	19,171
Defined contribution pension cost	158,757	151,174

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	2,574	2,500

Fees payable to the company's auditor and its associates in respect of:

Other services relating to taxation	2,318	2,250
Other assurance services	10,100	9,800
	12,418	12,050

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	1,152,934	1,030,556
Social security costs	127,492	116,525
Cost of defined contribution scheme	158,757	151,174
	1,439,183	1,298,255

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MASON OWEN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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The average monthly number of employees, including the directors, during the year was as follows:

2018 No.	2017 No.
25	25

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	157,528	146,249
Company contributions to defined contribution pension schemes	21,632	21,312
	<u>179,160</u>	<u>167,561</u>

9. Interest receivable

	2018 £	2017 £
Interest receivable from group companies	6,400	8,000
Other interest receivable	2,541	3,579
	<u>8,941</u>	<u>11,579</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	-	2,345

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	24,113	24,178
	<u>24,113</u>	<u>24,178</u>
<b>Total current tax</b>	<u>24,113</u>	<u>24,178</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	85,167	91,184
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	16,181	18,009
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,233	5,614
Capital allowances for year in excess of depreciation	(301)	555
<b>Total tax charge for the year</b>	<u>24,113</u>	<u>24,178</u>

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MASON OWEN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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12. Intangible assets

	Computer software £
<b>Cost</b>	
Additions	7,785
At 30 June 2018	<u>7,785</u>
<b>Amortisation</b>	
Charge for the year	415
At 30 June 2018	<u>415</u>
<b>Net book value</b>	
At 30 June 2018	<u><u>7,370</u></u>
At 30 June 2017	<u><u>-</u></u>

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NOTES TO THE FINANCIAL STATEMENTS  
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13. Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 July 2017	13,803
Additions	7,734
At 30 June 2018	<u>21,537</u>
<b>Depreciation</b>	
At 1 July 2017	11,149
Charge for the year on owned assets	2,818
At 30 June 2018	<u>13,967</u>
<b>Net book value</b>	
At 30 June 2018	<u><u>7,570</u></u>
At 30 June 2017	<u><u>2,654</u></u>

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**14. Fixed asset investments**

	Trade investments £
<b>Cost</b>	
At 1 July 2017	80

**15. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Loan amounts owed by group undertakings	50,000	60,000
	<u>50,000</u>	<u>60,000</u>
<b>Due within one year</b>		
Insurance broking debtors	1,445,521	1,077,897
Amounts owed by group undertakings	221,505	80,374
Other debtors	4,586	-
	<u>1,721,612</u>	<u>1,218,271</u>

The loan is repayable by 30 June 2024. Interest is charged at 8%. The loan is unsecured.

No impairment loss was recognised against trade debtors in either year.

**16. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	3,126,733	1,177,831
	<u>3,126,733</u>	<u>1,177,831</u>

Insurance broking accounts comprise monies held on behalf of clients, amounts held at 30 June 2018 amounted to £953,810 (2017: £436,772)

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MASON OWEN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Insurance broking creditors	3,331,186	1,301,011
Amounts owed to group undertakings	410,446	89,087
Corporation tax	47,351	24,178
Accruals and deferred income	443,973	316,495
	<u>4,232,956</u>	<u>1,730,771</u>

18. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>4,798,344</u>	<u>2,396,102</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(4,185,604)</u>	<u>(1,706,593)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings.

19. Deferred taxation

	2018 £
Charged to profit or loss	(1,015)
At end of year	<u>(1,015)</u>



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**MASON OWEN FINANCIAL SERVICES LIMITED**

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FOR THE YEAR ENDED 30 JUNE 2018**

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**19. Deferred taxation (continued)**

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Origination and reversal of timing differences	(1,097)	-
Adjustments in respect of prior periods	82	-
	<u>(1,015)</u>	<u>-</u>

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MASON OWEN FINANCIAL SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**20. Share capital**

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Allotted, called up and fully paid shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**21. Reserves**

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - the profit and loss account includes all current and prior period retained profits.

**22. Contingent liabilities**

The company has given unlimited multilateral and cross guarantees in respect of bank borrowings of all group undertakings and is a member of a VAT group. The maximum liability in respect of bank borrowings is £83,806 (2017: £101,800). In the opinion of the directors, no contingent liabilities will arise under these arrangements.

**23. Capital commitments**

The directors have confirmed that the company had no capital commitments at 30 June 2018 or 30 June 2017.

**24. Commitments under operating leases**

At 30 June 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

**25. Related party transactions**

The company has taken advantage of the exemption allowed by section 33 of FRS102 not to disclose transactions with other group companies as it is a wholly owned subsidiary of Mason Owen & Partners (Holdings) Limited and consolidated financial statements are publicly available at Companies House.

Key management personnel remuneration (which includes directors remuneration) totalled £210,749 (2017: £200,200).

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**MASON OWEN FINANCIAL SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**26. Controlling party**

The immediate parent undertaking is Mason Owen & Partners Limited.

The ultimate parent undertaking is Mason Owen & Partners (Holdings) Limited. Copies of the group accounts may be obtained from the ultimate parent undertaking at 20 Chapel Street, Liverpool, L3 9AG.