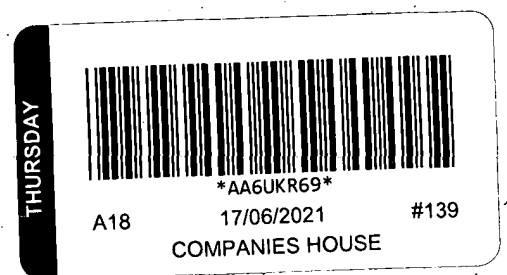


Company Registration No. 02673202 (England and Wales)

BIRCROFT INSURANCE SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020
PAGES FOR FILING WITH REGISTRAR



BIRCROFT INSURANCE SERVICES LIMITED

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BIRCROFT INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	5	35,162	30,126
Investments	6	1	1
		<u>35,163</u>	<u>30,127</u>
Current assets			
Debtors	9	2,534,680	1,869,829
Cash at bank and in hand		2,008,069	2,108,944
		<u>4,542,749</u>	<u>3,978,773</u>
Creditors: amounts falling due within one year	10	<u>(4,113,295)</u>	<u>(3,520,544)</u>
Net current assets		429,454	458,229
Net assets		<u>464,617</u>	<u>488,356</u>
Capital and reserves			
Called up share capital		250,000	250,000
Profit and loss reserves		214,617	238,356
Total equity		<u>464,617</u>	<u>488,356</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 8 June 2021 and are signed on its behalf by:

Mr I Lee
Director

Mr S Bird
Director

Company Registration No. 02673202

BIRCROFT INSURANCE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2018		250,000	208,014	458,014
Year ended 30 September 2019:				
Profit for the year		-	353,446	353,446
Other comprehensive income:				
Currency translation differences		-	1,896	1,896
Total comprehensive income for the year		-	355,342	355,342
Dividends		-	(325,000)	(325,000)
Balance at 30 September 2019		250,000	238,356	488,356
Year ended 30 September 2020:				
Profit and total comprehensive income for the year		-	416,261	416,261
Dividends		-	(440,000)	(440,000)
Balance at 30 September 2020		250,000	214,617	464,617

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Bircroft Insurance Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Alpha House, 24a Lime Street, London, EC3M 7HJ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

Please refer to the Directors report for the company's position on Going concern.

1.2 Turnover

Insurance commissions receivable are shown net of sub-agent commissions and are recognised on the later of the policy inception date and the completion of the placement process. Where there is an expectation of a future servicing requirement a proportionate element of income relating to the policy is deferred to cover the associated contractual obligation. If there is significant doubt as to whether the business will remain with the company for the full term of the insurance contract, the income arising is retained on the balance sheet and released to the profit and loss on a straight line basis over the life of the contract.

Profit shares are recognised, in the period to which they relate, when the contractual right to the income is established but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis to reflect the level of uncertainty involved.

1.3 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:

Leasehold improvements	over the term of the lease
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10% straight line

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.

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Interests in subsidiaries, and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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.

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, and client accounts held under a non-statutory trust agreement.

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.

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.

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

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.

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.

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.13 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.

1.14 Client money

The company recognises client money as an asset and an associated liability to the client.

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.

No critical judgements or estimates have been applied within these financial statements.

3 Employees

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

	2020 Number	2019 Number
Total	13	14

4 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	99,942	87,842

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2019	86,697	250,271	336,968
Additions	13,618	8,661	22,279
At 30 September 2020	100,315	258,932	359,247
Depreciation and impairment			
At 1 October 2019	83,156	223,686	306,842
Depreciation charged in the year	3,572	13,671	17,243
At 30 September 2020	86,728	237,357	324,085
Carrying amount			
At 30 September 2020	13,587	21,575	35,162
At 30 September 2019	3,541	26,585	30,126

6 Fixed asset investments

	2020 £	2019 £
Investments	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 October 2019 & 30 September 2020	1
Carrying amount	
At 30 September 2020	1
At 30 September 2019	1

7 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Bircroft Group Limited	England and Wales	Ordinary shares	100.00

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

7 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Bircroft Group Limited	1	

8 Cash at bank and in hand

Included in the balance at the year end are amounts totalling £1,801,956 (2019: £1,772,186) which are held on client accounts under a non-statutory trust agreement.

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,326,180	1,787,536
Other debtors	5,133	10,032
Prepayments and accrued income	203,367	72,261
	<u>2,534,680</u>	<u>1,869,829</u>

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,687,978	3,201,550
Corporation tax	99,942	87,841
Other taxation and social security	61,395	53,909
Other creditors	2,672	1,452
Accruals and deferred income	261,308	175,792
	<u>4,113,295</u>	<u>3,520,544</u>

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ketan Shah.
The auditor was KLSA LLP.

BIRCROFT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

12 Operating lease commitments

Lessee

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

2020	2019
£	£
1,430,500	1,275,457

13 Events after the reporting date

COVID-19:

The company has not been significantly affected by Covid -19 and the related lockdowns.

Brexit:

The UK left the EU end of 31 December 2020. Brexit has no major effect on the company. The company changed their approach to European business post the referendum.

14 Related party transactions

Remuneration of key management personnel

	2020	2019
	£	£
Aggregate compensation	427,274	409,908

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Other information

During the year, dividends paid to directors (including amounts paid to connected parties of the directors) amounted to £440,000 (2019: £325,000).

Included in turnover for the year ended 30 September 2020 is a total of £22,135 (2019: £8,473) representing the aggregate total of net commissions received from companies in which two directors of the company have an interest in. Agent commissions amounting to £51,960 (2019: £91,790) is due to these companies. At the year end, agents commissions of £59,766 (2019: £Nil) was due to these companies.

15 Parent company

The Directors consider there to be no party which has a controlling interest in Bircroft Insurance Services Limited.