

Registration number: 03016409

Managing Agents Reference Assistance Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Managing Agents Reference Assistance Services Limited

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Managing Agents Reference Assistance Services Limited

Company Information

Directors	D C Ross D Coughill
Company secretary	D Clarke
Registered office	1 Minster Court Mincing Lane London EC3R 7AA
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Managing Agents Reference Assistance Services Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their Strategic Report for the year ended 31 December 2018 for Managing Agents Reference Assistance Services Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of The Ardonagh Group Limited ("the Group").

Principal activities and business review

The principal activity of the Company is the provision of products and services to the property letting industry.

In January 2018, the Company sold its rights to renewal book and running off legacy book of business. It has been in run-off from that date. It is the directors' intention to wind up the Company once the run-off process has been completed.

The results for the Company show turnover of £590 (2017: £648,902) and loss before tax of £119,675 (2017: profit £74,015) for the year. At 31 December 2018 the Company had net assets of £535,596 (2017: £312,883). The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors believe that the preparation of the financial statements on the non-going concern basis is appropriate.

Outlook

From January 2018, following the disposal of its renewal business to Uris Group Limited ("URIS"), a group of entities under common control, the Company is in run-off. Any remaining obligations will continue to be settled. It is the directors' intention to wind-up the Company once the run-off process has completed.

Key performance indicators

	Unit	2018	2017
Gross written premium (GWP)	£m	0.0	0.5
Turnover	£m	0.0	0.6
Administration expenses	£m	0.1	0.6
Turnover/GWP ratio	%	0.0	120.0
Administrative expenses/turnover ratio	%	0.0	100.0

Non-financial key performance indicators include staffing levels which have reduced by 44.4% throughout the year.

Managing Agents Reference Assistance Services Limited

Strategic Report for the Year Ended 31 December 2018

Principal risks and uncertainties

Risk management

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Group Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Group Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

As noted in the Outlook section the Company's operations are in run-off and the Company is managed on a non-going concern basis.

The principal risks and their mitigation are as follows:

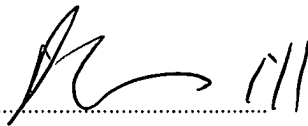
Liquidity risk

Group Treasury monitors rolling forecasts of the Company's liquidity requirements.

Regulatory and legal risk

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Company to reduce the risk of errors and non compliance.

Approved by the board on 30/9/2019 and signed on its behalf by:


.....

Director

DIANE COUGILL

Managing Agents Reference Assistance Services Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Directors of the Company

The directors, who held office during the year and up to the date of signing this report, were as follows:

M S Mugge (resigned 2 March 2018)

D C Ross

A Erotocritou (resigned 1 August 2019)

The following director was appointed after the year end:

D Cougill (appointed 1 August 2019)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2018 (2017: £Nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Risk Management' section on page 3.

Future developments

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 2.

Political donations

The Company has not made any political donations during the year (2017: £Nil).

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they have the appropriate skills and technical ability to perform. Once employed, a career plan is developed to ensure that suitable opportunities exist for each disabled person. Employees who become disabled during their working life will be retrained if necessary and wherever possible will be given help with any necessary rehabilitation and training. The Company is prepared to modify procedures or equipment, wherever practicable, so that full use can be made of an individual's abilities.

Employee involvement

Employees are key to the Company's success, so an appropriate remuneration package is offered which rewards an individual's performance and contribution to the organisation. The Company is also keen to encourage an individual's personal development to ensure that they have the skills required to undertake their role. The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Group as a whole. This is achieved by formal and informal meetings, circulation of the Company weekly communications email and Group news posted on the internal website.

Going concern

In January 2018, the Company sold its trading assets and was in run-off from that date. It is the directors' intentions to liquidate the Company. As a consequence, the financial statements have been prepared on a non-going concern basis.

Managing Agents Reference Assistance Services Limited

Directors' Report for the Year Ended 31 December 2018

Directors' liabilities

All directors of the Company and fellow Group companies benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, in place during the financial year and at the date of this report.

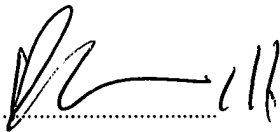
Disclosure of information to the auditor

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

Appointment of auditor

During the year ended 31 December 2017, a formal tender process took place, led by The Ardonagh Group Limited Audit Committee. As a result of this tender process the Audit Committee recommended, and The Ardonagh Group Limited board approved on behalf of the Company, the proposed appointment of Deloitte LLP as an external auditor for the financial year ended 31 December 2018. The auditor, Deloitte LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the board on 30/9/2018 and signed on its behalf by:


.....
Director

DANE COUGILL

Managing Agents Reference Assistance Services Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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 year. 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;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Managing Agents Reference Assistance Services Limited

Independent Auditor's Report to the Members of Managing Agents Reference Assistance Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Managing Agents Reference Assistance Services Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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 Financial Reporting Council's (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.

Emphasis of Matter- Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Managing Agents Reference Assistance Services Limited

Independent Auditor's Report to the Members of Managing Agents Reference Assistance Services Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 FRC's website at www.frc.org.uk/auditorsresponsibilities.

Managing Agents Reference Assistance Services Limited

Independent Auditor's Report to the Members of Managing Agents Reference Assistance Services Limited

Report on other legal and regulatory requirements

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.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

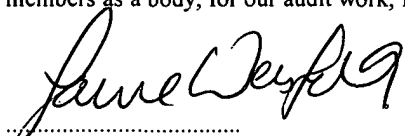
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



.....
Jamie Weisfeld (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 30 September 2019

Managing Agents Reference Assistance Services Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	(590)	648,902
Amortisation	11	(1,282)	(5,608)
Administrative expenses		<u>(65,344)</u>	<u>(569,279)</u>
Operating (loss)/profit	6	(67,216)	74,015
Losses on disposal of assets		<u>(52,459)</u>	<u>-</u>
(Loss)/profit before tax		(119,675)	74,015
Income tax credit/(expense)	9	<u>92,387</u>	<u>(77,177)</u>
Net loss for the year		<u><u>(27,288)</u></u>	<u><u>(3,162)</u></u>

The above results were derived from discontinued operations.

The notes on pages 13 to 22 form an integral part of these financial statements.

Managing Agents Reference Assistance Services Limited

(Registration number: 03016409)

Statement of Financial Position as at 31 December 2018

	Note	2018 £	2017 £
Assets			
Property, plant and equipment	10	-	240
Intangible assets	11	-	53,701
Deferred tax assets	9	64,286	-
		<u>64,286</u>	<u>53,941</u>
Trade and other receivables	12	956,662	780,674
Income tax asset	9	28,101	-
Cash and cash equivalents	13	99,431	308,081
		<u>1,084,194</u>	<u>1,088,755</u>
Total assets		<u><u>1,148,480</u></u>	<u><u>1,142,696</u></u>
Equity			
Called up share capital	14	271,300	21,300
Other reserves		1	-
Profit and loss account		264,295	291,583
		<u>535,596</u>	<u>312,883</u>
Trade and other payables	15	612,884	829,042
Income tax liability	9	-	771
Total liabilities		<u>612,884</u>	<u>829,813</u>
Total equity and liabilities		<u><u>1,148,480</u></u>	<u><u>1,142,696</u></u>

Approved by the board on 30/12/19 and signed on its behalf by:



Director

DIANE COUGILL

The notes on pages 13 to 22 form an integral part of these financial statements.

Managing Agents Reference Assistance Services Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Merger reserves £	Retained earnings £	Total £
At 1 January 2018	21,300	-	291,583	312,883
Net loss for the year	-	-	(27,288)	(27,288)
New share capital issued	250,000	-	-	250,000
On business combination	-	1	-	1
At 31 December 2018	<u>271,300</u>	<u>1</u>	<u>264,295</u>	<u>535,596</u>

In January 2018, the Company sold its trade to the URIS Group Limited, a fellow Group company, as a common control transaction. Aggregated consideration payable to the Company was £1 which resulted in the creation of a £1 merger reserve in the financial period.

	Share capital £	Merger reserves £	Retained earnings £	Total £
At 1 January 2017	21,300	-	294,745	316,045
Net loss for the year	-	-	(3,162)	(3,162)
At 31 December 2017	<u>21,300</u>	<u>-</u>	<u>291,583</u>	<u>312,883</u>

The notes on pages 13 to 22 form an integral part of these financial statements.

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Authorisation of financial statements

The Company is a private company limited by share capital incorporated and registered in England, United Kingdom. The address of the Company's registered office is 1 Minster Court, Mincing Lane, London, EC3R 7AA. The principal activity of the Company is disclosed on page 2 within the 'Strategic Report' section.

These financial statements for the year ended 31 December 2018 were authorised for issue by the board on 30/9/19 and the Statement of Financial Position was signed on the board's behalf by DIANE COUGILL.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

IFRS 9, IFRS 15 and other new standards are applicable for financial reporting periods starting on 1 January 2018 or later. These new standards did not have a material impact on the Company.

These financial statements have been prepared on a non-going concern basis. The financial statements are presented in GBP sterling (£), which is also the Company's functional currency.

Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101 where relevant:

- the requirements of IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement apart from those which are relevant for the financial statements which are held at fair value not held as part of a trading portfolio;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant & equipment and intangible assets;
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Critical accounting policies and estimates disclosure on page 16.

Going Concern

At 31 December 2018 the Company had net assets of £535,596 (2017: £312,883). In January 2018, the Company disposed of its trade. It is the directors' intention to wind up the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a non-going concern basis.

Taxation

Current tax

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, deferred tax is reversed. Deferred tax assets and deferred tax liabilities are only offset if there is a legally enforceable right to set off current tax assets against current tax liabilities. Deferred tax asset and the deferred tax liability can only be offset when they relate to income taxes levied by the same taxation authority. Where deferred tax is offset on different taxable entities this is allowed when it is intending either to settle current tax assets or liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

The tax expense for the year comprises current and deferred tax. Income tax is recognised in Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Property, plant and equipment

Derecognition of tangible assets

Property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in Statement of Comprehensive Income when the asset is derecognised.

Intangible assets

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Comprehensive Income when the asset is derecognised.

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include cash and trade and other receivables. Trade and other receivables represent amounts due from related parties.

Trade receivables are recognised initially at fair value and subsequently at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, dispute, default or delinquency in payments are considered indicators that the receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial liabilities

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities are trade and other payables.

Trade and other payables represent amounts due to related parties. They are initially recognised at fair value and are subsequently measured at amortised cost.

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Critical judgements in applying accounting policies

Deferred tax assets

Significant judgement is required in determining the asset recognised in respect of deferred tax. A deferred tax asset is recognised for temporary timing differences, and management's best estimate is used to determine the extent that it is probable that taxable profit will be available in the future, against which the temporary differences can be utilised, and the amount of this taxable profit. Deferred tax assets are measured at the tax rates in accordance with the tax laws that have been enacted or substantively enacted by the end of the reporting year. The deferred tax asset as at 31 December 2018 is £64,286 (2017: £Nil), see note 9.

4 Discontinued operations

As part of the wider group divisionalisation strategy the Company disposed of its operations to an entity under common control.

Being common control transactions, these transfers are outside the scope of IFRS 3 Business Combinations. Assets and liabilities are transferred at book value using the predecessor accounting model in line with the Group's policy.

The Company transferred out the rights to its renewal book of business for the consideration of £1. There were no assets nor liabilities transferred as a result of the disposal.

5 Turnover

The analysis of the Company's turnover for the year from discontinued operations is as follows:

	2018	2017
	£	£
Commission and fees	(58)	278,219
Tenant referencing income	(532)	370,683
	<u>(590)</u>	<u>648,902</u>

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

6 Operating (loss)/profit

Arrived at after charging

	2018	2017
	£	£
Depreciation expense	200	659
Amortisation expense	1,282	5,608
Operating lease expense - property	-	9,376
Loss on disposal of property, plant and equipment	40	-
Management charges paid to parent	<u>-</u>	<u>177,128</u>

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, The Ardonagh Group Limited.

In 2017, management fees of £177,128 related to central recharges. Centralised IT, property and staff costs were recharged by the parent to other companies in the Group.

7 Staff costs

The aggregate payroll costs were as follows:

	2018	2017
	£	£
Wages and salaries	15,920	223,004
Social security costs	1,653	19,649
Pension costs, defined contribution scheme	<u>-</u>	<u>2,650</u>
	<u>17,573</u>	<u>245,303</u>

The average monthly number of persons employed by the Company during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Administration	1	3
Sales	<u>-</u>	<u>6</u>
	<u>1</u>	<u>9</u>

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited

9 Income tax

Tax credited/(expense) in the Statement of Comprehensive Income

	2018 £	2017 £
Current taxation		
UK corporation tax	28,101	(771)
Deferred taxation		
Arising from origination and reversal of temporary differences	64,286	(76,478)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	72
Total deferred taxation	<u>64,286</u>	<u>(76,406)</u>
Tax credit/(expense) in the Statement of Comprehensive Income	<u><u>92,387</u></u>	<u><u>(77,177)</u></u>

The differences are reconciled below:

	2018 £	2017 £
(Loss)/profit before tax	<u>(119,675)</u>	<u>74,015</u>
Corporation tax at standard rate at 19% (2017: 19.25%)	22,738	(14,248)
Fixed asset differences	(9,375)	-
Decrease from tax losses for which no deferred tax asset was recognised	-	(64,576)
Deferred tax expense from unrecognised temporary difference from a prior period	9,114	72
Deferred tax (credit)/expense relating to changes in tax rates or laws	(7,563)	1,575
Deferred tax expense from unrecognised tax loss	<u>77,473</u>	<u>-</u>
Total tax credit/(charge)	<u><u>92,387</u></u>	<u><u>(77,177)</u></u>

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Income tax (continued)

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This reduction, from the existing rate of 19%, will reduce the Company's future current tax charge / credit accordingly. The deferred tax asset below has been calculated using these rates.

Deferred tax

	Asset £
2018	
Accelerated tax depreciation	<u>64,286</u>
2017	
Accelerated tax depreciation	<u>-</u>

Deferred tax movement during the year:

	At 1 January 2018 £	Recognised in income £	At 31 December 2018 £
Accelerated tax depreciation	<u>-</u>	<u>64,286</u>	<u>64,286</u>

Deferred tax movement during the prior year:

	At 1 January 2017 £	Recognised in income £	At 31 December 2017 £
Accelerated tax depreciation	<u>76,406</u>	<u>(76,406)</u>	<u>-</u>

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Property, plant and equipment

	Leasehold improvements £	Computer hardware £	Total £
Cost or valuation			
At 1 January 2018	4,814	4,681	9,495
Disposals	(4,814)	-	(4,814)
At 31 December 2018	-	4,681	4,681
Depreciation			
At 1 January 2018	4,574	4,681	9,255
Charge for the year	200	-	200
Eliminated on disposal	(4,774)	-	(4,774)
At 31 December 2018	-	4,681	4,681
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	240	-	240

11 Intangible assets

	Goodwill £	Computer software £	Total £
Cost or valuation			
At 1 January 2018	49,100	361,349	410,449
Disposals	(49,100)	(9,960)	(59,060)
At 31 December 2018	-	351,389	351,389
Amortisation			
At 1 January 2018	-	356,748	356,748
Amortisation charge	-	1,282	1,282
Amortisation eliminated on disposals	-	(6,641)	(6,641)
At 31 December 2018	-	351,389	351,389
Carrying amount			
At 31 December 2018	-	-	-
At 31 December 2017	49,100	4,601	53,701

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Trade and other receivables

	2018	2017
	£	£
Trade receivables in relation to insurance transactions	-	20,716
Receivables from other Group companies	956,662	759,958
Total current trade and other receivables	<u>956,662</u>	<u>780,674</u>

The directors believe that the remaining intercompany receivables are recoverable. The balances are unsecured, interest free and repayable on demand.

13 Cash and cash equivalents

	2018	2017
	£	£
Cash at bank	<u>99,431</u>	<u>308,081</u>

Cash at bank includes £Nil (2017: £204,617) insurer money and £99,431 (2017: £99,431) in office accounts which are considered restricted and not available to pay the general debts of the Company.

14 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	<u>271,300</u>	<u>271,300</u>	<u>21,300</u>	<u>21,300</u>

On 28 August 2018, the Company issued 250,000 Ordinary Shares at nominal value of £1 each for an aggregated consideration of £250,000.

Managing Agents Reference Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

15 Trade and other payables

	2018 £	2017 £
Current trade and other payables		
Trade payables in relation to insurance transactions	456	148,132
Accrued expenses	-	49,321
Amounts due to other Group companies	612,428	608,782
Social security and other taxes	-	22,807
	<u>612,884</u>	<u>829,042</u>

Amounts due to other Group companies are unsecured, interest free and payable on demand.

16 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

17 Parent and ultimate parent undertaking

The Group's majority shareholder and controlling party is HPS Investment Partners LLC. At 31 December 2018, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address 44 Esplanade, St Helier, Jersey, JE4 9WG). The Ardonagh Group Limited is the largest group in which the results are consolidated. The parent company of the smallest group, which includes the Company and for which group financial statements are prepared, is Ardonagh Midco 3 plc, a company incorporated in Great Britain. Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

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