

# Axco Insurance Information Services Limited

Annual report and financial statements for the year ended 30 June 2019

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Company Registration No: 03073807

## Axco Insurance Information Services Limited

### ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended  
30 June 2019

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# Axco Insurance Information Services Limited

## Annual report and financial statements for the year ended 30 June 2019

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# Axco Insurance Information Services Limited

## COMPANY INFORMATION

for the year ended 30 June 2019

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### DIRECTORS

P Ros (resigned 12 April 2019)  
M Morgan (appointed 12 April 2019)  
R Amos

### COMPANY SECRETARY

D Barton (resigned 17 May 2019)  
S Tahir (appointed 17 May 2019)

### COMPANY NUMBER

03073807

### REGISTERED OFFICE

5th Floor  
10 Whitechapel High Street  
London  
E1 8QS

### BUSINESS ADDRESS

5th Floor  
10 Whitechapel High Street  
London  
E1 8QS

### BANKING AGENT

Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

### SOLICITOR

Gowling WLG  
4 More London Riverside  
London  
SE1 2AU

Axco Insurance Information Services Limited is a private limited company limited by shares.

# Axco Insurance Information Services Limited

## STRATEGIC REPORT

for the year ended 30 June 2019

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The directors submit the Strategic Report of Axco Insurance Information Services Limited ('the Company') for the year ended 30 June 2019.

### PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's principal activities during the year continued to be the production and supply of technical insurance-related information. The Company is focussed on developing its business so as to maintain its market presence and share. The directors were satisfied with the Company's performance during the year, and they expect its activities to continue for the foreseeable future.

Revenue increased from £9,889,756 in 2018 to £10,018,120 in 2019, and operating profit increased from £2,414,240 in 2018 to £2,724,654 in 2019. Total net assets as at 30 June 2019 were £4,602,082 (2018: £3,352,609).

### BUSINESS OBJECTIVES AND STRATEGY

The Company seeks to deliver sustainable growing profit from its portfolio of products in a number of markets through continued commitment to building strong management teams, organisational effectiveness, investment in technology and tight cost control.

### PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the Company arise from rapidly changing technology, which gives rise to the need for constant development and investment. Further discussion of these risks and uncertainties, in the context of Wilmington plc as a whole, is provided in the group's annual report, which does not form part of this report.

### FINANCIAL RISK MANAGEMENT

Interest rate risk, liquidity risk and capital risk are managed on a group-wide basis by the Company's ultimate parent company, Wilmington plc. The Company operates in accordance with funding policies controlled by the executive directors of the ultimate parent company.

The Company is exposed to credit risk associated with selling on credit, which it manages through credit control procedures.

### KEY PERFORMANCE INDICATORS

The directors of Axco Insurance Information Services Limited and Wilmington plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis of key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Axco Insurance Information Services Limited. The development, performance and position of the divisions, which includes the Company, is discussed in the group's annual report, which does not form part of this report.

By order of the board



R Amos  
Director

20 December 2019

# Axco Insurance Information Services Limited

## DIRECTORS' REPORT

for the year ended 30 June 2019

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The directors submit their report and the financial statements of Axco Insurance Information Services Limited for the year ended 30 June 2019. Please refer to the Strategic Report on page 2 for the disclosure on the Company's financial risk management.

### DIVIDENDS AND FUTURE DEVELOPMENTS

The Company paid a dividend of £1,359,949 (2018: £3,211,455), which is £3.78 (2018: £8.93) per ordinary share. Refer to the Strategic Report for future developments.

### DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated were:

P Ros (resigned 12 April 2019)

M Morgan (appointed 12 April 2019 and resigned 27 August 2019)

M Milner (appointed 27 August 2019)

R Amos

### DIRECTORS THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision was in place for Directors throughout the year and at the date of the approval of the financial statements.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Axco Insurance Information Services Limited

## DIRECTORS' REPORT

for the year ended 30 June 2019

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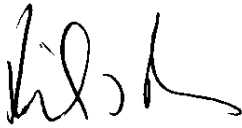
### EXEMPTION FROM AUDIT

For the year ending 30 June 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board



R Amos  
Director

20 December 2019

# Axco Insurance Information Services Limited

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

|  | <i>Note</i> | 2019<br>£          | 2018<br>£          |
|--|-------------|--------------------|--------------------|
| REVENUE  | 2           | 10,018,120         | 9,889,756          |
| Cost of sales  |             | <u>(5,403,055)</u> | <u>(5,537,919)</u> |
| Gross profit   |             | 4,615,065          | 4,351,837          |
| Administrative expenses                                      |             | (1,559,454)        | (1,937,597)        |
| Adjusting items  | 3           | (330,957)          | —                  |
| OPERATING PROFIT   |             | <u>2,724,654</u>   | <u>2,414,240</u>   |
| PROFIT BEFORE TAXATION                                       | 3           | 2,724,654          | 2,414,240          |
| Tax on profit on ordinary activities                         | 6           | <u>(115,231)</u>   | <u>(60,190)</u>    |
| PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR |             | <u>2,609,423</u>   | <u>2,354,050</u>   |

The revenue and operating profit for the year arises from the Company's continuing operations.

The Company has no other comprehensive income other than those included in the results above.

# Axco Insurance Information Services Limited

## BALANCE SHEET

as at 30 June 2019

Company Registration No. 03073807

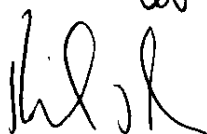
|  | Note | 2019<br>£          | 2018<br>£           |
|--|------|--------------------|---------------------|
| <b>FIXED ASSETS</b>                            |      |                    |                     |
| Intangible assets                              | 7    | <u>1,504,475</u>   | <u>1,283,392</u>    |
|  |      | 1,504,475          | 1,283,392           |
| <b>CURRENT ASSETS</b>                          |      |                    |                     |
| Debtors  | 8    | 11,470,542         | 14,650,790          |
| Cash at bank and in hand                       |      | <u>596,225</u>     | <u>1,032,300</u>    |
|  |      | 12,066,767         | 15,683,090          |
| Creditors: Amounts falling due within one year | 9    | <u>(8,969,160)</u> | <u>(13,613,873)</u> |
| <b>NET CURRENT ASSETS</b>                      |      | <u>3,097,607</u>   | <u>2,069,217</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   |      | <u>4,602,082</u>   | <u>3,352,609</u>    |
| <b>NET ASSETS</b>                              |      | <u>4,602,082</u>   | <u>3,352,609</u>    |
| <b>CAPITAL AND RESERVES</b>                    |      |                    |                     |
| Called up share capital                        | 11   | 359,450            | 359,450             |
| Share premium account                          |      | 25,550             | 25,550              |
| Retained earnings                              |      | <u>4,217,082</u>   | <u>2,967,609</u>    |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>               |      | <u>4,602,082</u>   | <u>3,352,609</u>    |

For the year ending 30 June 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements and related notes on pages 5 to 15 were approved by the board of directors and authorised for issue on 20 December 2019 and are signed on its behalf by



R Amos  
Director



# Axco Insurance Information Services Limited

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

Company Registration No. 03073807

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|   | Called up share<br>capital<br>£ | Share<br>premium<br>account<br>£ | Retained earnings<br>£ | Total<br>shareholders'<br>funds<br>£ |
|---|---------------------------------|----------------------------------|------------------------|--------------------------------------|
| At 1 July 2017  | 359,450                         | 25,550                           | 3,825,014              | 4,210,014                            |
| Profit and total comprehensive income for the<br>financial year | —                               | —                                | 2,354,050              | 2,354,050                            |
| Dividends   | —                               | —                                | (3,211,455)            | (3,211,455)                          |
| At 30 June 2018   | 359,450                         | 25,550                           | 2,967,609              | 3,352,609                            |
| Profit and total comprehensive income for the<br>financial year | —                               | —                                | 2,609,423              | 2,609,423                            |
| Dividends   | —                               | —                                | (1,359,950)            | (1,359,950)                          |
| At 30 June 2019   | 359,450                         | 25,550                           | 4,217,082              | 4,602,082                            |

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# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 30 June 2019

### GENERAL INFORMATION

Axco Insurance Information Services Limited ('the Company') produces and supplies technical insurance-related information. The Company is a private company and is incorporated and domiciled in the UK. The address of the registered office is 10 Whitechapel High Street, London, E1 8QS.

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
  - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 40A-D (requirements for a third statement of financial position).
- Paragraph 18A of IAS 24, 'Related party disclosures', related to key management services provided by a separate management entity.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### REVENUE

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and other sales-related taxes.

Revenue is recognised at a point in time when a performance obligation is satisfied by transferring a good or service to the customer. An asset is transferred when the customer obtains control of that asset. Revenue is recognised over time when a performance obligation is satisfied by the customer simultaneously receiving and consuming the benefits over the period of the contract. When payment is received in advance of a performance obligation being satisfied it is recorded on the balance sheet as deferred revenue. Revenue is then recognised at the point in time or over the period that the performance obligation is satisfied.

#### GOING CONCERN

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons the directors continue to adopt the going concern basis in preparing the financial statements.

#### INTANGIBLE FIXED ASSETS

Goodwill is not amortised, but it is reviewed for impairment at least annually. Goodwill is allocated to cash generating units ('CGUs') for the purpose of impairment testing, so that the value in use is determined by reference to the discounted cash flows of the CGU. The cash flows considered are the expected pre-tax cash flows of the CGU, for projections over a three year period extrapolated using estimated long-term growth rates. The recoverable amount of the CGU, as for any asset, is the higher of the value in use and the fair value less costs to sell. If a CGU is impaired, the impairment losses are allocated firstly against goodwill, and then on a pro-rata basis against intangible and other assets. An impairment of goodwill cannot be reversed.

Capitalised development (internally generated intangible assets) are only capitalised where they meet all of the following criteria stipulated by IAS38:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the intangible asset and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits.
- The expenditure attributable to the intangible asset during its development can be measured reliably.
- Internally generated intangible assets are capitalised at their directly attributable cost. Development costs not meeting the criteria for capitalisation are expensed as incurred.

Internally generated intangible assets are amortised from the moment at which they become available for use. Amortisation rates applicable to internally generated intangible assets are 3 years. Amortisation is included within administrative expenses.

#### TANGIBLE FIXED ASSETS

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided so as to write off the cost of a tangible asset, less its estimated residual value, over its useful economic life, as follows:

|   |                                |
|---|--------------------------------|
| Computer equipment                      | straight line over 3 years     |
| Fixtures, fittings and office equipment | straight line over 3 - 5 years |

#### TAXATION

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 30 June 2019

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### TAXATION (CONTINUED)

A deferred tax asset is recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Current tax for the current and prior years is provided at the amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. None of the deferred tax balance relates to unprovided deferred tax.

#### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

#### PENSIONS

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. Contributions are charged to the statement of comprehensive income in the period in which they are incurred.

#### DIVIDENDS

Dividends are recognised in the financial statements when the shareholders' right to receive payment is established. Dividend income from subsidiary undertakings is recognised in the financial statements when subsidiaries have declared interim or final dividends.

#### CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (a) Impairment of trade debtors

Trade debtors are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant), less provisions made for doubtful receivables. Provisions are made specifically, where there is evidence of a risk of non-payment taking into account ageing, previous losses experienced and general economic conditions.

The Company assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For trade debtors, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) NEW STANDARDS AND INTERPRETATIONS APPLIED

The following new standards, amendments and interpretations have been adopted in the current year:

| <b>International Financial Reporting Standards (IFRS/IAS)</b> |  | Effective for<br>accounting periods<br>starting after |
|---|--|---|
| IFRS 2  | Classification and Measurement of Share Based Payment Transactions –<br>Amendments to IFRS 2 | 1 January 2018  |
| IFRS 9  | Financial Instruments  | 1 January 2018  |
| IFRS 15   | Revenue from Contracts with Customers  | 1 January 2018  |

The adoption of these new standards, amendments and interpretations has not led to any material impact on the financial position or performance of the company.

### NEW STANDARDS AND INTERPRETATIONS NOT APPLIED

The International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) have issued new standards and interpretations with an effective date after the year starting 1 July 2019.

| <b>International Financial Reporting Standards (IFRS/IAS)</b> |  | Effective for<br>accounting periods<br>starting after |
|---|--|---|
| IFRS 16   | Leases*  | 1 January 2019  |
| IAS 28  | Long-term Interests in Associates and Joint Ventures | 1 January 2019  |
| IFRIC Interpretation 23                                       | Uncertainty over Income Tax Treatments               | 1 January 2019  |

\*Standard endorsed by the EU

Management is currently assessing the impact of the above new standards. During the year to 30 June 2020 the company will put in place necessary processes to capture all of the adjustments and additional disclosures required for those standards taking effect before this date. There are no other IFRSs or IFRS IC interpretations that are not yet effective that would be expected to have a material impact on the company.

## 2 REVENUE

Revenue is attributable to one class of business.

|   | 2019<br>£         | 2018<br>£        |
|---|-------------------|------------------|
| The Company's turnover by geographical area was as follows: |                   |                  |
| United Kingdom  | 3,008,300         | 2,969,753        |
| Europe other than United Kingdom                            | 1,726,724         | 1,704,599        |
| North America   | 4,222,725         | 4,168,619        |
| Rest of World   | 1,060,371         | 1,046,785        |
|   | <u>10,018,120</u> | <u>9,889,756</u> |

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

|   |  |           |           |
|---|--|-----------|-----------|
| 3 | PROFIT BEFORE TAXATION                           | 2019<br>£ | 2018<br>£ |
|   | Profit before taxation is stated after charging: |           |           |
|   | Depreciation of owned tangible assets            | —         | 26,563    |
|   | Amortisation of capitalised development costs    | 334,758   | 275,043   |
|   | Adjusting items                                  | 330,957   | —         |
|   | Operating lease costs                            | —         | 263,972   |
|   | Foreign exchange loss                            | 50,924    | 35,354    |
|   | Fees for taxation compliance                     | 5,643     | 9,010     |

Adjusting items relate wholly to the impairment of a loan receivable from Axco Digital Insurer Ratings PTE. Ltd (Singapore) in the year. Axco Digital Insurer Ratings PTE. Ltd (Singapore) was launched in the year as a joint venture to service the Insurtech sector. However, it did not reach commercial feasibility and consequently, it was shut down.

|   |   |           |                |
|---|---|-----------|----------------|
| 4 | DIRECTORS' EMOLUMENTS                                   | 2019<br>£ | 2018<br>£      |
|   | Emoluments (excluding shares)                           | —         | 185,364        |
|   | Company contributions to money purchase pension schemes | —         | 8,871          |
|   |   | <u>—</u>  | <u>194,235</u> |
|   | Highest paid director:                                  | 2019<br>£ | 2018<br>£      |
|   | Emoluments (excluding shares)                           | —         | 185,364        |
|   | Company contributions to money purchase pension schemes | —         | 8,871          |
|   |   | <u>—</u>  | <u>194,235</u> |

Three (2018: three) of the Company's directors are remunerated by Wilmington plc, their emoluments are disclosed in the financial statements of that company. None (2018: one) of the Company's directors were remunerated by the Company.

Two directors (2018: four) were entitled to shares under a long term incentive plan. One director (2018: two) accrued benefits under money purchase pension schemes during the year.

|   |  |                  |                  |
|---|--|------------------|------------------|
| 5 | STAFF COSTS  | 2019<br>£        | 2018<br>£        |
|   | Wages and salaries*  | 2,510,637        | 2,573,277        |
|   | Social security costs  | 274,215          | 277,949          |
|   | Other pension costs  | 84,204           | 73,310           |
|   |  | <u>2,869,056</u> | <u>2,924,536</u> |
|   | Monthly average number of employees during the year, including directors | 2019<br>Number   | 2018<br>Number   |
|   | Administration   | 6                | 7                |
|   | Sales and marketing  | 13               | 16               |
|   | Production   | 34               | 29               |
|   |  | <u>53</u>        | <u>52</u>        |

\* Wages and Salaries exclude £38,050 (2018: £22,039) redundancy costs

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

|   |   |                |               |
|---|---|----------------|---------------|
| 6 | TAX ON PROFIT                             | 2019<br>£      | 2018<br>£     |
|   | Current taxation:                         |                |               |
|   | UK corporation tax on profits of the year | 518,402        | 461,140       |
|   | Group relief                              | (265,350)      | (328,275)     |
|   | Adjustments in respect of prior years     | (137,821)      | (72,675)      |
|   | Tax on profit on ordinary activities      | <u>115,231</u> | <u>60,190</u> |

Factors affecting the tax charge for the year:

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

|   |                  |                  |
|---|------------------|------------------|
|   | 2019<br>£        | 2018<br>£        |
| Profit before taxation  | <u>2,724,654</u> | <u>2,414,240</u> |
| Profit multiplied by the standard rate of UK corporation tax of 19.00% (2018: 19.00%) | 517,684          | 458,706          |
| Effects of:   |                  |                  |
| Adjustments in respect of prior years   | (137,821)        | (72,675)         |
| Group relief  | (265,350)        | (328,275)        |
| Disallowable expenses   | 718              | 2,434            |
| Total tax charge for the year   | <u>115,231</u>   | <u>60,190</u>    |

### Factors affecting current and future tax charges

It was announced on 23 November 2016 that the UK corporation tax rate will be reduced from 19% to 17% from 1 April 2020.

Adjustments in respect of prior years relate to the application of group relief.

## 7 INTANGIBLE ASSETS

|                                 | Goodwill<br>£    | Capitalised<br>development<br>£ | Total<br>£       |
|---------------------------------|------------------|---------------------------------|------------------|
| <b>COST</b>                     |                  |                                 |                  |
| At 1 July 2018                  | 1,473,153        | 1,591,736                       | 3,064,889        |
| Additions                       | —                | 555,841                         | 555,841          |
| At 30 June 2019                 | <u>1,473,153</u> | <u>2,147,577</u>                | <u>3,620,730</u> |
| <b>ACCUMULATED AMORTISATION</b> |                  |                                 |                  |
| At 1 July 2018                  | 662,918          | 1,118,579                       | 1,781,497        |
| Charge for year                 | —                | 334,758                         | 334,758          |
| At 30 June 2019                 | <u>662,918</u>   | <u>1,453,337</u>                | <u>2,116,255</u> |
| <b>CARRYING AMOUNT</b>          |                  |                                 |                  |
| At 30 June 2019                 | <u>810,235</u>   | <u>694,240</u>                  | <u>1,504,475</u> |
| At 30 June 2018                 | <u>810,235</u>   | <u>473,157</u>                  | <u>1,283,392</u> |

# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

|   |                                    |                   |                   |
|---|------------------------------------|-------------------|-------------------|
| 8 | DEBTORS                            | 2019              | 2018              |
|   |                                    | £                 | £                 |
|   | Amounts due within one year:       |                   |                   |
|   | Amounts owed by group undertakings | 9,404,149         | 11,214,294        |
|   | Trade debtors                      | 1,802,353         | 3,373,874         |
|   | Prepayments and accrued income     | 253,441           | 62,062            |
|   | Other debtors                      | —                 | 560               |
|   | Corporation tax                    | 10,599            | —                 |
|   |                                    | <u>11,470,542</u> | <u>14,650,790</u> |

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

|   |  |                  |                   |
|---|--|------------------|-------------------|
| 9 | CREDITORS: Amounts falling due within one year | 2019             | 2018              |
|   |  | £                | £                 |
|   | Accruals and deferred income                   | 5,429,183        | 5,827,774         |
|   | Amounts owed to group undertakings             | 3,269,418        | 7,322,758         |
|   | Corporation tax                                | —                | 169,436           |
|   | Trade creditors                                | 85,087           | 126,225           |
|   | Other creditors                                | 440              | —                 |
|   | Deferred tax liability                         | 95,558           | 95,558            |
|   | Other taxation and social security             | 89,474           | 72,122            |
|   |  | <u>8,969,160</u> | <u>13,613,873</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Amounts owed to group undertakings include balances that correspond to third party invoices that were issued in the name of the Company, but which have or will be settled by Wilmington Shared Services Limited on behalf of the Company. Wilmington Shared Services Limited provides services to the Company and other group companies, and the outstanding third-party invoices arising from that activity are classified as trade creditors in its financial statements, which can be obtained at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk).

|    |                               |               |               |
|----|-------------------------------|---------------|---------------|
| 10 | DEFERRED TAX LIABILITY        | 2019          | 2018          |
|    |                               | £             | £             |
|    | Balance at 1 July and 30 June | <u>95,558</u> | <u>95,558</u> |

The deferred tax liability relates to temporary differences on capitalised development costs.

|    |                                  |                |                |                |                |
|----|----------------------------------|----------------|----------------|----------------|----------------|
| 11 | CALLED UP SHARE CAPITAL          | 2019           | 2018           | 2019           | 2018           |
|    |                                  | Number         | Number         | £              | £              |
|    | Allotted, issued and fully paid: |                |                |                |                |
|    | Ordinary shares of £1 each       | <u>359,450</u> | <u>359,450</u> | <u>359,450</u> | <u>359,450</u> |

|    |           |      |      |
|----|-----------|------|------|
| 12 | DIVIDENDS | 2019 | 2018 |
|    |           | £    | £    |

Dividends for which the Company became liable during the year:

|   |                  |                  |
|---|------------------|------------------|
| Dividends paid per ordinary share                               |                  |                  |
| 2019: £3.78 per ordinary share (2018: £8.93 per ordinary share) | <u>1,359,949</u> | <u>3,211,455</u> |



# Axco Insurance Information Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 30 June 2019

### 13 CONTINGENT LIABILITIES

The company has entered into a guarantee in respect of the ultimate parent company's committed revolving credit facility of £65,000,000. The initial agreement expired July 2020; this has been extended in the year to July 2023 with an option to extend to 3 October 2024. At 30 June 2019, the company had a contingent liability of £41,789,822 (2018: £50,379,500) in respect of drawdowns from this facility.

### 14 ULTIMATE PARENT UNDERTAKING

The Company is controlled by Wilmington Publishing & Information Limited, its immediate parent.

The ultimate parent company, and the parent undertaking of the largest and smallest group for which consolidated financial statements are prepared, is Wilmington plc, which is incorporated in the UK and for which financial statements are available from 10 Whitechapel High Street, London, E1 8QS.

### 15 RELATED PARTY TRANSACTIONS

Wilmington plc, together with its other wholly owned subsidiaries, offers certain group-wide purchasing facilities to the Company and other subsidiaries whereby the actual costs are recharged. Transactions during the year with other group entities were cost recharges and cash movements.

The Company is a wholly owned subsidiary of a group that prepares publicly available consolidated financial statements, namely the group headed by Wilmington plc, so it has taken advantage of the exemption IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.