

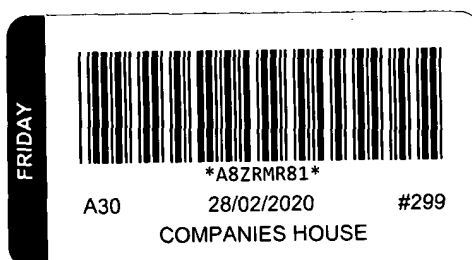
Motorplus Limited

Annual Report and Financial Statements

Period Ended

31 May 2019

Company Number 03092837



Motorplus Limited

Company Information

Directors	G Pulford J Tripp
Registered number	03092837
Registered office	Speed Medical House 16 Eaton Avenue Buckshaw Village Chorley Lancashire PR7 7NA
Trading address	Norfolk Tower 48 - 52 Surrey Street Norwich NR1 3PA
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Motorplus Limited

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Motorplus Limited

Strategic Report For the period ended 31 May 2019

The directors present their strategic report together with the audited financial statements for the 16 month period ended 31 May 2019.

Principal activities and business review

The principal activities of the company are the wholesaling of insurance products and the provision of claims handling services to the broker and insurer markets and previously the provision of insurance policies on an underwriting basis which was discontinued at the end of the previous financial year.

Motorplus offers a tailored, innovative claims management solution 24 hours a day, 365 days a year coupled with the company's high standard of customer service. The company focuses on its mission to give an excellent claims handling service with maximum efficiency making Motorplus an obvious choice for the customer.

The profit before taxation was £627,121 (2018 - £30,494).

The results for the period ended 31 May 2019 show that turnover rose by £5,021,681 in total (£356,700 annualised) compared to a decrease of £2,233,833 in year ended 31 January 2018. Gross profit margins have reduced from 18.5% in respect of continuing operations to 14.3% in period ended 31 May 2019. Other operating income of £330,000 (2018 - nil) arose following settlement of a claim against a panel firm of solicitors.

The current business model continues to perform well and is well placed to deal with any legislative changes that may arise in respect of the motor claims handling business.

Key performance indicators

Key performance indicators ('KPIs') used to monitor and manage the company's performance are set out below:

Number of policy sales 2,636,851 (2018 - 2,117,323)

The number of policy sales in the current period is 2,636,851 compared to 2,117,323 in 2018 which is an annualised decrease of 6.6% predominantly relating to motor policy sales. The majority of these did not have an attached premium therefore did not result in any decrease in income.

Number of claims handled 107,823 (2018 - 71,419)

The number of claims in the current period is 107,823 compared to 71,419 in 2018. The number of claims has increased by 18% with the majority of the increase coming from motor claims, reflecting the growth in existing customers and new business wins.

Principal risks and uncertainties

The company's objective is to manage appropriately all of the risks that arise from its activities. Risk management is a fundamental part of the company business activity and is an essential component in its planning process. Risk oversight and ownership sits with the board of directors who regularly review the key risks. The change to wholesaling legal expense insurance policies on a commission basis, rather than on a risk basis has substantially reduced the ongoing risk profile of the business.

Motorplus Limited

Strategic Report (continued) For the period ended 31 May 2019

Regulatory risk

The company is regulated by the Financial Conduct Authority ("FCA") and as such is exposed to regulatory compliance risk.

Additional risks

The company faces operational risks facing the company include errors and omissions, failing of business planning and IT security.

Financial risk management

The company's operations expose it to a variety of financial risks that include liquidity risk and interest rate cash flow risk. The company has in place a risk management program that seeks to limit adverse effect on the financial performance of the company. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has interest bearing assets and liabilities. Interest bearing assets include only cash balances, which earn interest at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Future developments and events since the period end

There have been no events subsequent to the period end.

This report was approved by the board on *26 February 2020* and signed on its behalf.



G Pulford
Director

Motorplus Limited

Directors' Report For the period ended 31 May 2019

The directors present their report and the audited financial statements for the period ended 31 May 2019.

The company extended its accounting period to 31 May 2019 to align to fellow group undertakings. The accounts represent the 16 month period from 1 February 2018 to 31 May 2019.

The prior period figures are not comparable as they represent a 12 month period from 1 February 2017 to 31 January 2018.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 to 2 of these financial statements.

Results and dividends

The profit for the period, after taxation, amounted to £542,238 (2018 - £89,343).

The company did not pay any dividends during the period (2018 - £Nil). The directors do not recommend payment of a final dividend.

Directors

The directors who served during the period were:

G Pulford
J Tripp

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Qualifying third party indemnity provision

During the preceding year, current period and up-to the date of signing these financial statements, the company had in force an indemnity provision in favour of the directors of Motorplus Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Matters covered in the strategic report

Disclosures required under s416(4) of the Companies Act are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Company.

Disclosure of information to auditor

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

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

Motorplus Limited

Directors' Report (continued) For the period ended 31 May 2019

Auditor

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

This report was approved by the board on 26 February 2020 and signed on its behalf.



G Pulford
Director

Motorplus Limited

Directors' Responsibilities Statement For the period ended 31 May 2019

The directors are responsible for preparing the strategic report, the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Motorplus Limited

Independent Auditor's Report to the Members of Motorplus Limited

Opinion

We have audited the financial statements of Motorplus Limited ("the Company") for the 16 month period ended 31 May 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Motorplus Limited

Independent Auditor's Report to the Members of Motorplus Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Motorplus Limited

Independent Auditor's Report to the Members of Motorplus Limited (continued)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

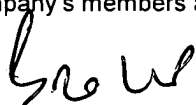
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

28 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Motorplus Limited

Statement of Comprehensive Income For the period ended 31 May 2019

		Continuing operations Period ended 31 May 2019 £	Dis- continued operations Period ended 31 May 2019 £	Total Period ended 31 May 2019 £	Continuing operations Year ended 31 January 2018 £	Dis- continued operations Year ended 31 January 2018 £	Total Year ended 31 January 2018 £
	Note						
Turnover	4	18,659,918	-	18,659,918	13,218,945	419,292	13,638,237
Cost of sales		(15,992,123)	-	(15,992,123)	(10,774,619)	(937,595)	(11,712,214)
Gross profit		2,667,795	-	2,667,795	2,444,326	(518,303)	1,926,023
Administrative expenses		(2,374,265)	-	(2,374,265)	(1,895,995)	-	(1,895,995)
Other operating income	5	330,000	-	330,000	-	-	-
Operating profit	6	623,530	-	623,530	548,331	(518,303)	30,028
Interest receivable and similar income		3,591	-	3,591	466	-	466
Profit before tax		627,121	-	627,121	548,797	(518,303)	30,494
Tax on profit	10	(84,883)	-	(84,883)	58,849	-	58,849
Profit for the financial period		542,238	-	542,238	607,646	(518,303)	89,343

There was no other comprehensive income in the current or prior period.

The notes on pages 12 to 27 form part of these financial statements.

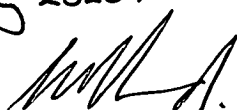
Motorplus Limited
Registered number:03092837

Statement of Financial Position
As at 31 May 2019

	Note	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	154,060	244,079
		<u>154,060</u>	<u>244,079</u>
Current assets			
Debtors: amounts falling due within one year	13	6,135,965	6,305,286
Cash at bank and in hand		168,379	364,284
		<u>6,304,344</u>	<u>6,669,570</u>
Creditors: amounts falling due within one year	14	(2,714,186)	(2,909,900)
Net current assets		<u>3,590,158</u>	<u>3,759,670</u>
Total assets less current liabilities		<u>3,744,218</u>	<u>4,003,749</u>
Provisions for liabilities			
Deferred tax	15	(17,386)	(33,335)
Other provisions	16	(1,552,031)	(2,337,851)
		<u>(1,569,417)</u>	<u>(2,371,186)</u>
Net assets		<u><u>2,174,801</u></u>	<u><u>1,632,563</u></u>
Capital and reserves			
Called up share capital	17	25,000	25,000
Profit and loss account	18	2,149,801	1,607,563
Shareholders equity		<u><u>2,174,801</u></u>	<u><u>1,632,563</u></u>

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

26 February 2020.



G Pulford
Director

The notes on pages 12 to 27 form part of these financial statements.

Motorplus Limited

Statement of Changes in Equity For the period ended 31 May 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2018	25,000	1,607,563	1,632,563
Comprehensive income for the period			
Profit for the period	-	542,238	542,238
Total comprehensive income for the period	-	542,238	542,238
At 31 May 2019	25,000	2,149,801	2,174,801

Statement of Changes in Equity For the period ended 31 January 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2017	25,000	1,518,220	1,543,220
Comprehensive income for the year			
Profit for the year	-	89,343	89,343
Total comprehensive income for the year	-	89,343	89,343
At 31 January 2018	25,000	1,607,563	1,632,563

The notes on pages 12 to 27 form part of these financial statements.

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

1. General information

Motorplus Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The functional currency of Motorplus Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of 116 Cardamon Limited as at 31 May 2019 and these financial statements may be obtained from Speed Medical House, 16 Eaton Avenue, Chorley, Lancashire, PR7 7NA.

2.3 Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance and cash collection profile together with other means of managing cash outflows, show that the company has sufficient resources and facilities to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover represents premium commissions earned on the sale of insurance policies and claims handling fees. For products which Motorplus wholesales as a broker, the revenue recognised is the net commission.

Premium income

For insurance policies where the company does not bear the underwriting risk, premiums are recognised as turnover when due from the customer.

For insurance policies where the company bears the underwriting risk, the premiums are recognised in the profit and loss account as earned on a pro-rata basis over the term of the related policy coverage. The portion of the premiums relating to the unexpired term of the coverage is recorded as deferred income in the balance sheet. This activity was discontinued at the end of the year ended 31 January 2017.

Referral income

Referral income is recognised when the performance obligation is complete and the revenue can be reliably measured.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.7 Finance costs

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

2.8 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It has been amortised to the profit and loss account over its estimated economic life.

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.10 Debtors

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

2.11 Cash and cash equivalents

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

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

2. Accounting policies (continued)

2.12 Financial instruments

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

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

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

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

2.14 Pensions

Defined contribution pension plan

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

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

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

2. Accounting policies (continued)

2.15 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.16 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements and key sources of estimation uncertainty in applying the company's accounting policies:

Claims provision valuation

Judgement is required on the adequacy of claims provisioning on risk products held. The company makes provisions for liabilities using best estimate techniques in particular based on experience of claims and reliable measurement information. The provision has increased in the year as higher claims have been experienced which the directors attribute to the business activity being in run off.

Insurance policy cancellation rates

Judgement is required on the adequacy of the insurance policy cancellation provision. The company makes provisions for cancelled policies using reliable past source data and communicating closely with policy underwriters for quantification of open policies at the balance sheet date.

4. Turnover

Turnover consists of sales made relating to the principal activities of the company in the United Kingdom.

All turnover arose within the United Kingdom.

5. Other operating income

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Other operating income	330,000	-

Other operating income relates to compensation received following the settlement of a claim against a former panel solicitor practice.

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

6. Operating profit

The operating profit is stated after charging:

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Research & development charged as an expense	-	85,155
Other operating lease rentals	127,764	187,552

7. Auditor's remuneration

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	20,000	17,500
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	2,500	2,500

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

8. Employees

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

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Wages and salaries	5,392,204	3,990,349
Social security costs	476,204	350,882
Cost of defined contribution scheme	130,214	98,554
	<u>5,998,622</u>	<u>4,439,785</u>

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

	Period ended 31 May 2019 No.	Year ended 31 January 2018 No.
Head office	42	43
Production, selling and distribution	122	119
	<u>164</u>	<u>162</u>

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

9. Directors' remuneration

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Directors' emoluments	428,040	300,538
Company contributions to defined contribution pension schemes	16,800	5,475
	<u>444,840</u>	<u>306,013</u>

During the period retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £268,040 (2018 - £180,538).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,800 (2018 - £5,475).

10. Taxation

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Corporation tax		
Current tax on profits for the year	103,262	-
Adjustments in respect of previous periods	(2,430)	(87,136)
Total current tax	<u>100,832</u>	<u>(87,136)</u>
Deferred tax		
Origination and reversal of timing differences	(15,949)	28,287
Total deferred tax	<u>(15,949)</u>	<u>28,287</u>
Taxation on profit on ordinary activities	<u>84,883</u>	<u>(58,849)</u>

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19.16%). The differences are explained below:

	Period ended 31 May 2019 £	Year ended 31 January 2018 £
Profit on ordinary activities before tax	627,121	30,494
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.16%)	119,153	5,843
Expenses not deductible for tax purposes	2,423	2,804
Other permanent differences	-	72
Group relief	(36,139)	-
Adjustments to tax charge in respect of prior periods	(2,430)	(87,136)
Losses carried back	-	23,165
Adjust closing deferred tax to averagerate of 19.16%	(2,045)	(4,239)
Adjust opening deferred tax to averagerate of 19.16%	3,921	642
Total tax (credit)/charge for the year	84,883	(58,849)

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20.00% to 17.00% (19.00% effective from 1 April 2017 and 17.00% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax liability at 31 May 2019 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

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Notes to the Financial Statements For the period ended 31 May 2019

11. Intangible assets

	Goodwill £
Cost	
At 1 February 2018	1,250,000
At 31 May 2019	1,250,000
Amortisation	
At 1 February 2018	1,250,000
At 31 May 2019	1,250,000
Net book value	
At 31 May 2019	-
At 31 January 2018	-

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

12. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 February 2018	1,535,264
Additions	18,155
At 31 May 2019	<u>1,553,419</u>
Depreciation	
At 1 February 2018	1,291,185
Charge for the period on owned assets	108,174
At 31 May 2019	<u>1,399,359</u>
Net book value	
At 31 May 2019	<u>154,060</u>
At 31 January 2018	<u>244,079</u>

13. Debtors: Amounts falling due within one year

	31 May 2019 £	31 January 2018 £
Trade debtors	1,252,792	1,740,121
Amounts owed by group undertakings	2,285,168	2,301,383
Other debtors	138,500	84,866
Prepayments and accrued income	2,459,505	2,178,916
	<u>6,135,965</u>	<u>6,305,286</u>

Amounts owed by group undertakings are repayable on demand and interest free.

The impairment loss recognised in the company profit or loss for the period in respect of bad and doubtful trade debtors was £7,961 (2018 - £519).

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

14. Creditors: Amounts falling due within one year

	31 May 2019 £	31 January 2018 £
Trade creditors	840,206	1,136,722
Amounts owed to related parties	950,000	950,000
Corporation tax	103,262	-
Other taxation and social security	357,134	485,729
Other creditors	122,809	25,055
Accruals and deferred income	340,775	312,394
	<u>2,714,186</u>	<u>2,909,900</u>

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

15. Deferred taxation

	2019 £
At beginning of year	33,335
Charged to profit or loss	(15,949)
At end of year	<u>17,386</u>

The provision for deferred taxation is made up as follows:

	31 May 2019 £	31 January 2018 £
Accelerated capital allowances	21,670	35,646
Short term timing differences	(4,284)	(2,311)
	<u>17,386</u>	<u>33,335</u>

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Notes to the Financial Statements For the period ended 31 May 2019

16. Provisions

	Claims provision £
At 1 February 2018	2,337,851
Utilised in period	(785,820)
At 31 May 2019	1,552,031

The claims provision is an estimation of the costs arising from claims outstanding at the year end in respect of which the company has the intention to settle. The ultimate liability is dependent on the level of claims currently notified and claims that are yet to be notified. As the company has ceased to sell insurance policies upon which it could be liable to a future underwriting risk, this provision will reduce and be eliminated over time.

17. Share capital

	31 May 2019 £	31 January 2018 £
Allotted, called up and fully paid		
25,000 (2018 - 25,000) ordinary shares of £1.00 each	25,000	25,000

18. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

19. Discontinued operations

Towards the end of the year ended 31 January 2017 the company changed the way in which it sold some of its legal insurance products. Previously it took on the claims risk associated with those policies. Now it simply acts as a broker of the policies and receives a commission for so doing and does not incur any claims liabilities. Sales identified from the previous method have been disclosed as discontinued operations within the profit and loss account. The run off of the claims liability associated with these past policy sales detrimentally affected the trading results for the prior year, with an operating loss on these discontinued operations of £Nil (2018 - £518,303).

Motorplus Limited

Notes to the Financial Statements For the period ended 31 May 2019

20. Client balances

At the balance sheet date, the company held client money of £7,967 (2018 - £4,981). Neither the asset nor corresponding liability are recognised in the financial statements because the company does not retain the risks and rewards of ownership.

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in trustee administered funds. The charge for the period was £130,214 (2018 - £98,554). At 31 May 2019, there were pension contributions payable of £25,199 (2018 - £25,055).

22. Commitments under operating leases

At 31 May 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 May 2019 £	31 January 2018 £
Not later than 1 year	133,292	199,104
Later than 1 year and not later than 5 years	196,989	382,494
	<u>330,281</u>	<u>581,598</u>

23. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings are publicly available.

Dr Rajnish Luthra

Dr Rajnish Luthra is the ultimate controlling party by virtue of his majority shareholding in the company's ultimate parent company, 116 Cardamon Limited. During the period, Dr Rajnish Luthra received a salary of £63,083 (2018: £50,000).

Speed Medical Examination Services Limited

Speed Medical Examination Services Limited is a related party by virtue of common directorship and ultimate controlling ownership. At the period end there is an amount due to Speed Medical Examination Services Limited of £950,000 (2018 - £950,000). Sales in the period to Speed Medical Examination Services Limited were £388,190 (2018 - £540,774).

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Notes to the Financial Statements For the period ended 31 May 2019

24. Controlling party

The ultimate controlling party at the balance sheet date was Dr Rajnish Luthra by virtue of his shareholding in 116 Cardamon Limited, a company incorporated in England and Wales. 116 Cardamon Limited is the company's ultimate parent company and the smallest and largest group in which the company's results are consolidated. The accounts for 116 Cardamon group can be obtained from the same registered address as Motorplus Limited as set out on the company information page.