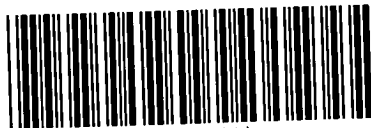


Company Registration No. 03479579 (England and Wales)

FIRSTPORT INSURANCE SERVICES LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

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FIRSTPORT INSURANCE SERVICES LIMITED

COMPANY INFORMATION

Directors	K Simmons O Saleh L J Amies	(Appointed 2 January 2020) (Appointed 20 February 2020)
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Secretary	FirstPort Secretarial Limited
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Company number	03479579
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Registered office	Queensway House 11 Queensway New Milton Hampshire United Kingdom BH25 5NR
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Bankers	NatWest Group 156 High Street Southampton Hampshire S014 2NP
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FIRSTPORT INSURANCE SERVICES LIMITED

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FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

FirstPort Insurance Services Limited (the "Company") is a sister company of Firstport, one of the UK's largest residential property services business, with over 40 years' experience and a large satisfied customer base. FirstPort is the operating business of the Drive Topco Limited group (the "Group").

Business Review

The Company operates in the niche insurance market of residential blocks of apartments and commercial premises related thereto, and a range of other products suited to our clients' needs. In addition, the Company provides contents insurance for those residing in retirement developments. FirstPort Insurance Services Limited is authorised and regulated by the Financial Conduct Authority (FCA reg No: 308484). The Company is the insurance broking business of the Group.

The Company's response to COVID-19 has proven the business to be both steadfast and adaptable. The business adapted its approach rapidly to make sure it could still deliver services to customers and clients in a safe and compliant way. An executive response group has been in place and meeting frequently since early March 2020 to manage the business' response to COVID-19. This group continues to meet weekly to ensure any adaptations to the business' approach in response to the changing situation and Government advice can be discussed, agreed, and implemented at pace.

Financial highlights

	2020	2019
Turnover (£'000)	2,284	2,085
EBITDA* (£'000)	1,192	1,455
EBITDA %	52%	70%
Cash at bank and in hand (£'000)	833	1,511
Net assets (£'000)	13,857	12,666

*EBITDA is defined as profit before interest, tax, depreciation and amortisation and excludes one off exceptional items.

Financial performance

Revenue for the year was £2.28m (2019: £2.09m) and EBITDA was £1.19m (2019: £1.46m). EBITDA margins have fallen during the period due to additional management charges incurred in the period.

Future developments

The Company is well positioned to achieve continued growth, with the Group's strong order book, pipeline, continually growing industry network, increasing brand recognition, and significantly improved brand reputation. The board are committed to transforming its technology and processes, and to empowering its people to deliver a truly market-leading service.

The Company is in a strong position to successfully meet evolving customer expectations, client demands, differentiate itself over competitors, and meet any regulatory expectations for an insurance broker.

Financial position

The Company has increased net assets to £13.9m (2019: £12.7m) as a result of its profitable performance. Cash at bank and in hand reduced to £0.8m at the end of 2020 (2019: £1.5m).

FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Corporate Social Responsibility

The Group recognises the importance of the way in which its portfolio companies operate and understands that our business operations must be carried out with consideration for the safety and well-being of our people, customers, business partners and the local communities in which they exist and with whom they interact.

Health and Safety

The Group takes its obligations for safety at its office, operational, and development sites very seriously, along with the risks to staff travelling between locations. These obligations extend to staff, residents, visitors, contractors, and members of the public. The risk is mitigated by having a robust health and safety culture with a safety risk register, actions to eliminate or mitigate risks where possible, and monitoring and reporting of accidents and near misses.

We are committed to ensuring staff, customers, members of the public, and anyone who interacts with the Group remain safe and well. Safe working practices are a constant focus for all our teams and we invest in safety training.

Employees

The Group recognise that our people play a leading role in our service delivery and are central to how our brand is experienced in homes and in society. In 2020, we had the privilege of welcoming new colleagues from Mainstay and Chamonix, taking us to over 3,800 employees by the end of the year. While our people cover a wide range of skills and disciplines, they are united in their professionalism and dedication to doing the right thing for their customers.

The Group's commitment to our employees has again been recognised by the Top Employers Institute. Following a rigorous assessment in late 2020, the Group has been named one of the UK's 2021 Top Employers – a prestigious certification which we have now achieved for the third consecutive year. This accreditation, alongside our 4.2 out of 5 rating on employee review site, Glassdoor, sets FirstPort apart from our competitors as a true industry leader.

The Group operates a robust and active equal opportunity policy, and pride ourselves on our diverse workforce. Our employees successfully bring together different competencies, skills and specialisms, educational backgrounds, ethnicity, religious beliefs, and physical abilities, and we judge performance without prejudice or discrimination. All colleagues are welcomed and supported in our inclusive culture. Our policy enables and supports the recruitment of disabled workers. We provide assistance needed with initial training and we adapt the workplace as appropriate.

As a business, the Group consults and discusses with employees, both individually and collectively, about any matters likely to impact their interests. The Group values open communication, with important information and updates shared with employees through regular news bulletins, as well as monthly CEO and executive updates, to ensure all our employees are aware of any factors affecting our business.

The Group understands the importance of wellbeing, and that this has been more important than ever in such an unprecedented year. Employees' mental health and wellbeing are supported through our Employee Assistance Programme, as well as colleagues trained as Mental Health First Aiders. During COVID-19, regular communications and additional support have been provided to employees across the business, from sharing information on available mental health resources to tips for home-schooling parents.

FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Group places a great importance on making sure its employees are trained and develop their potential. The management process helps to regularly identify any additional training that may be required to help employees pursue and remain competent for their roles. An e-learning platform includes training modules designed to make sure we all act in a lawful and compliant way while conducting day to day duties; this includes data privacy, FCA regulatory training, anti-bribery and anti-money laundering, modern slavery and health and safety legislation. For high risk topics, employees are required to complete this training annually. To support employee growth online training modules also cover a range of development topics, from becoming a great leader through to how to mentor and coach others.

The Group's investment in its people has continued, despite the challenges presented by 2020, and e-learning has become even more important than ever with the leading on-boarding programme adapted for our online learning environment. A well-established mentor/mentee programme has continued, giving employees new opportunities to develop, learn new skills and progress their careers. We also continued to support our employees to pursue relevant professional qualifications, particularly with the Chartered Insurance Institute (CII) and the Institute of Residential Property Management (IRPM).

The Group welcomed the fifth annual intake onto the graduate scheme in September 2020, giving seven graduates the opportunity to become residential property managers at the end of their 12-month programme. Each graduate is given an executive mentor, providing invaluable senior support and guidance as they embark on their careers. Despite COVID-19, the Group is proud to welcome a similar size graduate cohort to normal and while the scheme had to be adapted to facilitate increased home working, the graduates are still performing well in their placements.

Ethical standards and principles

Ethics and transparency are integral to how we do business, and the cornerstones of our corporate principles. We have strong corporate policies and safeguards in place, and a track record of abiding by and promoting high ethical standards. All our employees are responsible for adhering to our business practices, which follow both the letter and the spirit of the law, as well as our Code of Conduct that reflects the highest standards of corporate and individual behaviour.

Environmental and social responsibility

We have a responsibility to positively affect the quality of life of our employees, their families and the wider communities in which we operate. We continue to support and encourage everyone who is involved with both local and national charities and welfare initiatives.

We recognise and take seriously our responsibility to positively impact the quality of life of our employees, their families, and the wider communities in which we operate. Following an employee vote in 2018, Centrepont, a leading youth homelessness charity, was selected as our corporate charity partner. Since our partnership began in December 2018, the Group has raised more than £91,000 for Centrepont.

FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal Risks & Uncertainties

Risk	Risk Description	Mitigation
Contract retention	The risk associated to the dependency on key client/customer contracts and the loss of contracts	<ul style="list-style-type: none"> • Delivery of high-quality customer service under standardised 'four pillars' approach • Maintaining a regular dialogue with individual and business customers • Commitment to the principles set out in its Customer Charter • New contract assessment considering the business's core skills and our established supply chain
Reputation	The risk of damage to brand name or reputation either through our people, our behaviours, or third parties acting on our behalf	<ul style="list-style-type: none"> • Improvement in customer service and clear complaints processes reduce the risk of issues escalating • Monitoring and responding to customer feedback on employees and third party supplier services • Whistle-blower hotline
Insurance market volatility and capacity	After a sustained period of reduced prices, many insurers are seeking to improve margins by restricting capacity and/or substantially increasing premiums meaning it may become more difficult to access cover at an acceptable price for our clients	<ul style="list-style-type: none"> • Strengthened direct relationships with key insurer partners • Enhanced dialogue with underwriters around portfolio performance and dynamics • Diversifying and enhancing our routes to market, both direct and with selected partners • Reducing over-reliance on any single insurer
Financial management	Failure to maintain appropriate financial controls throughout the business, including the management of debt covenants, credit risk, fraud risk and taxation	<ul style="list-style-type: none"> • Experienced finance team • Financial control environment • Close monitoring of financial performance, debt covenants and credit risk by senior management • Board oversight of financial performance
Systems dependence and business continuity	The risk associated with the non-delivery and future-proofing of our technology, including the potential impact of business interruption through systems and facilities	<ul style="list-style-type: none"> • Investment in appropriate technology and staff • IT governance structure • IT resilience and disaster recovery plans designed to restore service • Business continuity plan for each business operational office • Cyber security accreditation

FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal Risks & Uncertainties (continued)

Risk	Risk Description	Mitigation
Legal and regulatory compliance	The risk of failing to comply with relevant laws, regulations and Standards including FCA, AML, CCO, Gender Pay Reporting and Modern Slavery	<ul style="list-style-type: none">• Employment of qualified advisors both internally and externally who report regularly to the Board about all significant legislative changes in the UK• Development of internal policies and procedures to ensure adequate capture of legal and regulatory compliance issues• Maintenance of risk register for all current regulatory issues• Training programmes for staff• Maintenance of a Breach register for reportable FCA breaches and near-misses
People Risk	The risk that we fail to attract and retain high calibre employees in order to deliver on all aspects of our strategy	<ul style="list-style-type: none">• HR strategy encompassing recruitment, reward, retention, talent development and performance management• Succession planning for middle and senior management• Regular review of top talent in the organisation regardless of level by all executive members
Data protection and privacy risk	The risk of the loss or misuse of customer or employee data	<ul style="list-style-type: none">• Information security policies encompassing data protection• Investment in appropriate technology and staff• General data protection regulation (GDPR) steering committee• Breach register and ICO registration

FIRSTPORT INSURANCE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Governance and risk management

The Board and management team

The Company has a Board comprising of three directors and is ultimately owned and controlled by Drive Topco Limited. The Group has policies in place that are applicable and adhered to by the Company.

The Company's Board meets approximately four times per annum. Regulatory matters are reviewed and considered at Board meetings.

Internal control and risk management

The Company has a comprehensive internal control framework (ICF) utilising total risk profiling as well as policies and procedures in line with FCA regulatory requirements. All policies are reviewed annually and signed off by the Board. Annual reviews of products are carried out to ensure remain relevant for clients and fit for purpose, particular during the prevailing hard insurance market conditions.

Financial risk management

The Company's operations expose us to a variety of financial risks that include the effects of credit, liquidity, cashflow and interest rate risk. There are robust controls in place to limit any adverse impact on our Group's performance by monitoring potential financial risks. Given the business' size, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

The Group's exposure to interest rate risk was assessed by management and considered low. The Group have a large base of UK residential and commercial customers, which reduces the concentration of credit risk. Where the Group transacts with corporate customers, their credit control teams follow strict processes for managing and mitigating the risk of non-payment of charges.

The Company is part of the Drive Topco Limited group's cash management and forecasting processes which are in place to manage cash flow and liquidity within the existing Group financing arrangements.

Approval of Strategic Report

This Annual Report comprises a strategic report for the Company which has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors and signed on behalf of the Board.



O Saleh
Director

11 June 2021

FIRSTPORT INSURANCE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is being an intermediary in the provision of insurance services.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

K Simmons

O Saleh

(Appointed 2 January 2020)

L J Amies

(Appointed 20 February 2020)

Directors' insurance

The Company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the Company. This is a qualifying third party indemnity provisions made for the benefit of its directors during the year. This provision remains in force at the reporting date.

Results and dividends

The results for the year are set out in the profit and loss account on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2019: £nil).

Employees

Information on employees is included in the Strategic report on page 2 and 3.

Future developments

The future developments of the business are discussed in the Strategic report on page 1.

Financial risk management

Information on financial risk management is included in the Strategic report on page 6.

Going concern

Refer to the accounting policies (note 1.4) for a review of going concern.

FIRSTPORT INSURANCE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

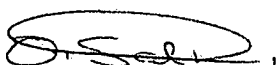
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

On behalf of the Board



O Saleh
Director

11 June 2021

FIRSTPORT INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

PROFIT AND LOSS ACCOUNT

	Note	2020 £	2019 £
Turnover	3	2,284,088	2,085,129
Administrative expenses		(1,085,876)	(630,598)
Operating profit	4	1,198,212	1,454,531
Interest receivable and similar income		77	69
Interest payable and similar expenses	7	(6,990)	-
Profit before taxation		1,191,299	1,454,600
Tax on profit	8	(441)	(1,398)
Profit for the financial year		1,190,858	1,453,202

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

	2020 £	2019 £
Profit for the year	1,190,858	1,453,202
Other comprehensive income	-	-
Total comprehensive income for the year	1,190,858	1,453,202

FIRSTPORT INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Note	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		-		671
Current assets					
Debtors	10	13,795,149		11,968,557	
Cash at bank and in hand	11	832,831		1,510,742	
		<u>14,627,980</u>		<u>13,479,299</u>	
Creditors: amounts falling due within one year	12	<u>(771,386)</u>		<u>(814,234)</u>	
Net current assets			13,856,594		12,665,065
Net assets			<u>13,856,594</u>		<u>12,665,736</u>
Capital and reserves					
Called up share capital	15		100,000		100,000
Profit and loss account			<u>13,756,594</u>		<u>12,565,736</u>
Total equity			<u>13,856,594</u>		<u>12,665,736</u>

For the financial year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The notes on pages 12 to 26 and integral part of these financial statements.

The financial statements on pages 9 to 26 were approved by the board of directors and authorised for issue on 11 June 2021 and are signed on its behalf by:



O Saleh
Director

Company Registration No. 03479579

FIRSTPORT INSURANCE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2019	100,000	11,112,534	11,212,534
Year ended 31 December 2019:			
Total comprehensive income for the year	-	1,453,202	1,453,202
Balance at 31 December 2019	100,000	12,565,736	12,665,736
Year ended 31 December 2020:			
Total comprehensive income for the year	-	1,190,858	1,190,858
Balance at 31 December 2020	100,000	13,756,594	13,856,594

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

General information

FirstPort Insurance Services Limited is a private company limited by shares domiciled and incorporated in the United Kingdom. The registered office is Queensway House, 11 Queensway, New Milton, Hampshire, United Kingdom, BH25 5NR.

The Company is an intermediary in the provision of insurance services within the UK.

1.1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.2 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.

1.3 Basis of preparation

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Drive Topco Limited and its results are included in the consolidated financial statements of that entity.

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Going concern

The operations of the Company are managed as part of the Drive Topco Limited Group ("Group"). The Company is funded via the Group's bank facilities and therefore manages its day-to-day working capital requirements in line with the Group's facilities. The ability of the Group to service its debt obligations is critical to the ongoing trading of the business and the Directors have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect our ability to meet our liabilities. The Group has a considerable number of on-going management contracts and accordingly the forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

As part of assessing the ability to continue as a going concern, the Group has also considered the ongoing impact of the COVID-19 pandemic and any related potential economic downturn on its business. During this assessment, management conducted various scenario analysis with sufficient depth and duration, considering different levels of revenue reduction, working capital implications and mitigating actions available to management. In 2020, the impact of COVID-19 was felt in the Group's transactional revenue lines which is reliant on the property market. This involves the Group's lettings and resales services. Management have created a "severe" downside scenario which modelled the effect of reductions to revenue up to June 2022. The model assumed that all transactional revenue will be lost and no cost reduction efforts would be made. In this "severe" scenario, sufficient liquidity and headroom on the Group's covenants were demonstrated. Even though the COVID-19 pandemic has presented a high level of uncertainty to all businesses, FirstPort operates as a resilient business and has the capabilities to continue to operate for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Group generated cash in 2020 and ended the year with £7,585k cash with an unutilised £7.5m revolving credit facility.

The Directors of the Company have received confirmation that Drive Topco Limited intends to provide financial support for a period of at least 12 months from the date of signing these financial statements. As with any Company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least the period of twelve months following the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's ultimate parent, Drive Topco Limited, which includes any cash flows of the company;

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Drive Topco Limited;

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Drive Topco Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Drive Topco Limited has control, joint control or significant influence over both the company and the related entities.

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the Company and value added taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.

(i) Insurance commission

Commissions earned on the placing of insurance products on behalf of third parties are recognised when the Company has completed its services under the arrangements which is the inception date of the underlying insurance policy. Any commission adjustments for additional and return premiums are recognised as they occur.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligations to employees.

(ii) Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Office fixtures & fittings	Straight line over 3 to 5 years
----------------------------	---------------------------------

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in other operating income.

1.10 Fixed asset investments

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

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

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

1.12 Insurance broking assets and liabilities

Insurance broking debtors and creditors are recorded in the balance sheet at their gross amount unless net settlement is legally enforceable.

Fiduciary cash arising from insurance broking activities is included within cash and cash equivalents.

1.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Financial instruments

The Company has elected to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and bank overdrafts, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.15 Share capital

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

1.16 Related parties

The Company discloses transactions with related parties not wholly owned by Drive Topco Limited. It does not disclose transactions with other group companies wholly owned by Drive Topco Limited.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgement.

(b) Key accounting estimates and assumptions

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.

(i) Deferred tax assets

The recognition of deferred tax assets, particularly relating to previously incurred losses, requires estimation, including in relation to the future taxable profits of the entities that incurred the losses, the types of losses and future income, the utilisation of capital allowances in any year, and the extent of group relief transfers to be made across the Group.

3 Turnover

The Company's turnover is all derived from its principal activity in the UK, that being an intermediary in the provision of insurance services.

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of tangible assets	670	342
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Office and management	13	13
	<u> </u>	<u> </u>

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	465,308	462,488
Social security costs	48,436	46,313
Other pension costs	21,624	16,471
	<u>535,368</u>	<u>525,272</u>

6 Directors' remuneration

	2020 £	2019 £
Aggregate emoluments	108,732	109,073
Compensation for loss of office	-	274,009
	<u>108,732</u>	<u>383,082</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to two (2019: one).

Two of the three directors of the Company were remunerated by the Company.

The remuneration of one of the three directors was incurred by Drive Bidco Limited, a fellow group subsidiary as their services to the Company are merely incidental to their employment in other divisional companies. This has not been included in the amounts disclosed in the table above.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Aggregate emoluments	67,132	86,900
Compensation for loss of office		274,009
	<u>67,132</u>	<u>360,909</u>

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Other interest	6,990	-
	<u>6,990</u>	<u>-</u>

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Tax on profit

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	1,209	1,565
Changes in tax rates	(768)	(165)
Adjustment in respect of prior years	-	(2)
Total deferred tax	441	1,398

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020	2019
	£	£
Profit before taxation	1,191,299	1,454,600
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	226,347	276,374
Adjustments in respect of prior years	-	(2)
Effect of change in tax rates and laws	(768)	(165)
Group relief	(367,576)	(408,424)
Transfer pricing	142,438	133,615
Taxation charge for the year	441	1,398

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would rise from 19% to 25%. As this law is yet to be substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Deferred tax balances at 31 December 2020 were measured at 19% (2019: 17%) for items that are expected to be charged or credited to the profit and loss account in the next financial year.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Tangible assets

	Office fixtures & fittings £
Cost	
At 1 January 2020	353,216
At 31 December 2020	353,216
Accumulated depreciation	
At 1 January 2020	352,545
Depreciation charged in the year	671
At 31 December 2020	353,216
Carrying amount	
At 31 December 2020	-
At 31 December 2019	671

10 Debtors

	2020 £	2019 £
Trade debtors	475,223	162,111
Deferred tax asset (note 13)	6,088	6,529
Amounts owed by group undertakings	13,243,201	11,784,416
Prepayments and accrued income	70,637	15,501
	<u>13,795,149</u>	<u>11,968,557</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Cash at bank and in hand

Included in cash and cash equivalents are monies held on behalf of insurers in statutory trust accounts totalling £295,920 (2019: £638,132).

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	674,425	727,211
Amounts owed to group undertakings	60,000	60,000
Accruals and deferred income	36,961	27,023
	<u>771,386</u>	<u>814,234</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
Fixed asset timing differences	<u>6,088</u>	<u>6,529</u>
Movements in the year:		2020 £
Asset at 1 January 2020		6,529
Charge to profit or loss account		(441)
Asset at 31 December 2020		<u>6,088</u>

The Company has an unrecognised deferred tax asset of £nil (2019: £nil).

14 Retirement benefit schemes

Defined contribution schemes

The Group operates a defined contribution pension scheme for all qualifying employees in the Group.

The charge to profit and loss in respect of the defined contribution scheme was £21,624 (2019: £16,471).

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100,000 (2019: 100,000) shares of £1 each	100,000	100,000

The Ordinary shares carry one vote per share, the right to receive dividends and the right to a return of capital.

16 Contingent liabilities

The Company is party to a Group Debenture secured over all of its assets in favour of Lucid Trustee Services Limited as a Security Agent acting on behalf of NatWest and Pembertons. The Borrower is FirstPort Limited, a subsidiary company. The loan balance, excluding deferred financing cost, and accrued interest payable outstanding at the balance sheet date were £97,700k and £1,205k respectively (2019: £64,200k and £1,022k).

17 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Drive Topco Limited.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Drive Topco Limited.

18 Controlling party

The immediate parent undertaking is Knight Square Limited.

In the opinion of the directors, the ultimate controlling party is funds managed by Equistone Partners Europe Limited. Equistone Partners Europe Limited is registered in England and Wales.

Drive Topco Limited, a company registered in the United Kingdom under registration number 12043031, is the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared.

The consolidated financial statements of Drive Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ or from the Company's registered office at Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.

19 Events after the reporting date

There have been no events after the balance sheet date that have taken place that has materially affected the Company.

FIRSTPORT INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Subsidiaries

Details of the Company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct
Sonata Insurance Services Limited	United Kingdom No. 06704179	Dormant	Ordinary shares	100.00

The registered address for Sonata Insurance Services Limited is Queensway House, 11 Queensway, New Milton, Hampshire, UK, BH25 5NR.