Company Registration No. 03726678 (England and Wales)

SPORTSCOVER EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

LB GROUP
Number One
Vicarage Lane
Stratford
London
England
E15 4HF

SPORTSCOVER EUROPE LIMITED

COMPANY INFORMATION

Directors	Mr A G Morpeth	(Appointed 7 May 2021)
	Mr R C Hayes	(Appointed 7 May 2021)
	Mr C G Harman	(Appointed 7 May 2021)
	Mr S C Gowland	(Appointed 7 May 2021)
	Mr R J Draper	
	Mr M J Crannis	
Company number	03726678	
Registered office	8 Eagle Court London EC1M 5QD	
Auditor	LB Group (Stratford) Number One Vicarage Lane Stratford London England E15 4HF	

SPORTSCOVER EUROPE LIMITED

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SPORTSCOVER EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors have pleasure in presenting their reports together with the audited financial statements for the year ended 31 December 2020.

The principal activity of the company continues to be that of insurance agents.

Key Performance Indicators
The directors consider the following statistics to be the key performance indicators of the company as of the dates and periods indicated.

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Turnover	932,966	835,359
Profit/(Loss) before taxation	122,403	(157,806)
Profit/(Loss) after tax	122,403	(157,806)
Net current assets	227,742	52,371
Net assets	213,469	91,065

Key Developments and Financial Performance during the Year

Key Developments
There were no key developments in the year, As a continuation from 2019, the ultimate parent company of Sportscover Europe Limited entered into a Deed of Company Arrangement ("DOCA"). Under the terms of this arrangement the Directors of the parent company have actively sought a sale of the Sportscover Europe Limited business to a 3rd party.

Financial Performance
The company made a profit after tax of £122,403 during the year under review, an improvement of £280,209 over the prior year. Net assets as at 31 December 2020 were £213,469 (2019: £91,065).

The insurance business written related specifically to risks associated with amateur sports, personal accident, general liability, property and contingency business.

The company operated under binding authorities with the following syndicates at Lloyds: Antares Underwriting Syndicate 1274 and Munich Re Limited Syndicate 457. The company also had the following non-Lloyd's facilities: Allianz Global Limited and National Insurance and Guarantee Corporation Limited. Business from these syndicates / facilities formed the majority of the revenue base in 2020.

Turnover increased by 12% from £835,359 last year to £932,966.

Expenses decreased by 16% (2019: 15%) in the year, mainly for the decrease in rental expenses and wages throughout the year.

Future Developments
The company has plans to develop business in UK and Europe as new contracts have been secured and business development projects continue to come to fruition.

The business continues to operate on a Going Concern basis on a cash positive position during this period.

On the 10 May 2021, the company was sold to Sportscover Europe Holdings Limited, a newly formed company registered in the UK.

Financial Position at the Balance Sheet Date
The company's net assets at the year-end increased from £91,065 to £213,469 due to profits incurred in the year.

Subsequent to the year end, the business has generated profits for the period to July 2021 and has continued to improve its financial position further.

Covid-19 and brexit subsequent to the year end
The Directors have assessed the impact of Brexit on the future viability of the business and are confident that the market and sector in which it operates is sufficiently buffered from the impact of Brexit.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United Kingdom. The spread of COVID-19 has caused significant volatility in British and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on British and international economies. Despite these headwinds, the Company has performed well and the Directors remain optimistic for the the future prospects of the business.

Principal Risks and Uncertainties Facing the Company
Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually. These are listed in the Directors' report.

On behalf of the board

Mr M J Crannis
Director
27 September 2021

SPORTSCOVER EUROPE 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.

Company Number

The company registration number is 03726678.

Directors

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

Mr C P Nash	(Resigned 2 May 2021)
Mr A G Morpeth	(Appointed 7 May 2021)
Mr R C Hayes	(Appointed 7 May 2021)
Mr C G Harman	(Appointed 7 May 2021)
Mr S C Gowland	(Appointed 7 May 2021)
Mr R J Draper	
Mr M J Crannis	

Results and dividends

The audited financial statements and related notes for the year ended 31 December 2020 are set out on pages 10 to 26. The company's results for the year after taxation was a profit of £122,403 (2019: £157,806 loss).

The directors do not recommend the payment of a dividend (2019: £nil).

Qualifying Third Party Indemnity Provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of Sportscover Europe Limited.

Donations

During the year, the company made no donations for charitable or political purposes (2019: £nil).

Risk Management

The company is exposed to a variety of financial and non-financial risks. The directors consider the key risks that could impact the business to be as follows:

Operational Risk

Operational risk is effectively managed by the controls and procedures in place at the company. One of the key risks under this heading is the loss of the office environment, which includes the computer systems, and the resulting impact on the company's ability to continue to trade. The directors have developed a business continuity plan that provides for the company to be fully operational within a 48 hour period in the event that its current offices are no longer available.

Liquidity Risk

In order to ensure that sufficient funds are available for on-going operations and to support future development, the company uses a mixture of group financing and working capital facilities.

Credit Risk

There is a risk that cash is not able to be collected for insurance policies written and as a consequence the company is unable to collect its commissions, which may result in it failing to meet its liabilities. The company manages this risk by only dealing with accredited brokers, who have been through a detailed approval process. Following accreditation, these brokers are also subject to subsequent financial and performance reviews.
Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

A significant amount of cash is held with the following institutions:

	Rating at 31 December 2020	**Balance at 31 December 2020**	**Rating at 31 December 2019**	**Balance at 31 December 2019**
Natwest	A	2,028,108	A	2,326,923

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Foreign exchange risk

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than its functional currency. The company policy is, where possible, to settle liabilities denominated in their functional currency (primarily Euro or Pound Sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Company.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is predominantly exposed to currency risk on commissions received from policies written and based in the Euro-zone. Apart from these particular cash-flows the Company aims to fund expenses in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

Post reporting date events

Subsequent to the year end the companies ultimate controlling party changed from Wild Goose Holdings PTY Ltd to Resolution Underwriting Holdings Limited and Whitburn Capital Limited (formerly ASPVSCE Limited).

Future developments

Information on future developments in the business of the company has been included in the Strategic Report on page 1.

Auditor

In accordance with the company's articles, a resolution proposing that LB Group (Stratford) be reappointed as auditor of the company will be put at a General Meeting.

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr M J Crannis
Director

27 September 2021

SPORTSCOVER EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 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.

SPORTSCOVER EUROPE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF SPORTSCOVER EUROPE LIMITED

Opinion

We have audited the financial statements of Sportscover Europe Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 December 2020 and of its profit for the year 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

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 where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

An overview of the scope of our audit, including the extent to which the audit was considered capable of detecting irregularities, including fraud

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements.

In identifying and assessing risks of material misstatement in respect of irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- at planning stage, we gained an understanding of the legal and regulatory framework applicable to the Company, the industry in which it operates and considered the risk of acts by the Company which were contrary to the applicable laws and regulations;
- we discussed with the directors the policies and procedures in place regarding compliance with laws and regulations;
- we discussed amongst the engagement team the identified laws and regulations, and remained alert to any indications of non-compliance; and
- during the audit, we focused on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the Company's regulatory and legal correspondence and review of minutes of directors' meetings in the year. We identified that the principal risks of non-compliance with laws and regulations related to breaches of laws and regulations that have a direct impact on the preparation of financial statements, such as the Companies Act 2006.

Our procedures in relation to fraud included but were not limited to:

- inquiries of management whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussions amongst the engagement team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the provisions for the settlement of future claims, and significant one-off or unusual transactions; and
- addressing the risk of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as there may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any 'key audit matters' relating to irregularities, including fraud. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under 'key audit matters' within this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Richard Lane (Senior Statutory Auditor)
For and on behalf of LB Group (Stratford)

28 September 2021

Chartered Accountants
Statutory Auditor

Number One
Vicarage Lane
Stratford
London
England
E15 4HF

SPORTSCOVER EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	3	932,996	835,359
Cost of sales		(27,149)	(19,374)
Gross profit		905,847	815,985
Administrative expenses		(816,166)	(975,266)
Other operating income		34,445	-
Operating profit/(loss)	4	124,126	(159,281)
Interest receivable and similar income	6	1,235	2,512
Interest payable and similar expenses	7	(2,958)	(1,036)
Profit/(loss) before taxation		122,403	(157,805)
Tax on profit/(loss)	8	-	-
Profit/(loss) for the financial year		122,403	(157,805)

The notes on pages 15 to 25 form part of these financial statements.

The company had no other recognised gains or losses in the current or proceeding period and therefore no comprehensive income statement has been presented.

SPORTSCOVER EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Profit/(loss) for the year	122,403	(157,805)
Other comprehensive income	-	-
Total comprehensive income for the year	122,403	(157,805)

SPORTSCOVER EUROPE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	**9**		31,290		38,694
Investments	**10**		2,321		-
			33,611		38,694
Current assets					
Debtors	**12**	382,944		287,761	
Cash at bank and in hand		2,028,490		2,327,316	
		2,411,434		2,615,077	
Creditors: amounts falling due within one year	**13**	(2,186,013)		(2,562,705)	
Net current assets			225,421		52,372
Total assets less current liabilities			259,032		91,066
Creditors: amounts falling due after more than one year	**14**		(45,563)		-
Net assets			213,469		91,066
Capital and reserves					
Called up share capital	**17**		441,100		441,100
Profit and loss reserves			(227,631)		(350,034)
Total equity			213,469		91,066

The financial statements were approved by the board of directors and authorised for issue on 27 September 2021 and are signed on its behalf by:

Mr M J Crannis
Director

Company Registration No. 03726678

SPORTSCOVER EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	441,100	(192,229)	248,871
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(157,805)	(157,805)
Balance at 31 December 2019	441,100	(350,034)	91,066
Period ended 31 December 2020:			
Profit and total comprehensive income for the period	-	122,403	122,403
Balance at 31 December 2020	441,100	(227,631)	213,469

SPORTSCOVER EUROPE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**21**		(342,304)		54,463
Interest paid			(2,958)		(1,036)
Net cash (outflow)/inflow from operating activities			(345,262)		53,427
Investing activities					
Purchase of tangible fixed assets		(2,478)		-	
Proceeds on disposal of subsidiaries		(2,321)		-	
Interest received		1,235		2,512	
Net cash (used in)/generated from investing activities			(3,564)		2,512
Financing activities					
Related party funding		-		27,366	
Proceeds of new bank loans		50,000		-	
Net cash generated from financing activities			50,000		27,366
Net (decrease)/increase in cash and cash equivalents			(298,826)		83,305
Cash and cash equivalents at beginning of year			2,327,316		2,244,011
Cash and cash equivalents at end of year			2,028,490		2,327,316

1 Accounting policies

Company information

Sportscover Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Eagle Court, London EC1M 5QD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. In making this assessment the directors have considered trading forecasts, future plans and management's growth projections. Furthermore, the directors have made reasonable provisions against relevant non-recoverable assets in the balance sheet of the business.

The directors of the business are confident in the Going Concern of the business and its ability to continue trading on an ongoing basis. This is based on the strength of the underlying business and the support of its parent company.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Income represents commission receivable from the placing of insurance business on behalf of insurance companies underwriting the risks. Commission income due for each insurance policy placed is recognised at the commencement of the insurance policy. Commission income is stated net of commissions due back on refunded premiums. Income is wholly attributable to the principal activity of the company.

A part of commission income is deferred as it is probable that the company will be required to render further services during the life of the policy. A claims handling provision has been recognised for probable future claims and will be recognised as revenue when the service has been completed.

Assets and liabilities relating to insurance transactions

The company acts as agent in placing the insurance business of its clients and is not generally liable as principal for amounts arising from such transactions. The company is entitled to retain any investment income arising from the cash flows attributable to these transactions and have therefore included debtors, creditors and cash balances relating to insurance transactions within the assets and liabilities of the company. Debtors balances included in respect of insurance transactions are not an indication of credit risk.

1 Accounting policies **(Continued)**

1.4 Tangible fixed assets

Tangible fixed assets 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.

Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the life of the asset
Fixtures and fittings	15% reducing balance
Computers	40% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense for the period comprises current and deferred tax (when applicable). Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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.

Current tax

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's subsidiaries operate and generate taxable income.

Deferred tax

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.11 Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

1 Accounting policies **(Continued)**

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Company has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the company's entity's functional currency using the average monthly exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

1.14 Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

1.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1 Accounting policies **(Continued)**

1.16 Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Claims

The company operates a claims fund on behalf of insurers. An amount equal to the cash at bank held on behalf of insurers is included within creditors due within one year.

2 Judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Claims handling provision

The company estimates the amount of income to be deferred to recognise the services which will be rendered over the life of the policy. The services concerned are claims handling. The estimate has been based on salary and related costs of the current claims team and the number of claims processed in the current financial year that relate to policies incepted in previous years. This is an estimate because claims can be made on all lines of business, except for Directors and Officers insurance, after the expiry of the policy. Claims can be made on our largest class of business over three years after the expiration of the policy.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Underwriting	932,996	835,359

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Other significant revenue		
Interest income	1,235	2,512
Grants received	34,445	-

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	791,523	641,659
Rest of Europe	141,473	193,700
	932,996	835,359

4 Operating profit/(loss)

	2020	2019
Operating profit/(loss) for the period is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	10,130	27,329
Government grants	(34,445)	-
Depreciation of owned tangible fixed assets	9,882	16,427
Operating lease charges	71,825	134,599

5 Employees

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

	2020	2019
	Number	Number
Directors	1	1
Underwriting and claims	7	7
Administration	3	3
Total	11	11

5 Employees **(Continued)**

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	476,780	478,182
Social security costs	51,957	52,632
Pension costs	29,163	28,358
	557,900	559,172

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	1,235	2,512

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	2,958	1,036

8 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	122,403	(157,805)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	23,257	(29,983)
Tax losses carried forward	-	29,983
Profits offset by losses brought forward	(23,257)	-
Taxation charge in the financial statements	-	-

9 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2020	41,908	63,306	57,421	162,635
Additions	-	2,478	-	2,478
Disposals	(41,908)	-	-	(41,908)
At 31 December 2020	-	65,784	57,421	123,205
Depreciation and impairment				
At 1 January 2020	38,373	31,695	53,873	123,941
Depreciation charged in the year	3,535	4,927	1,420	9,882
Eliminated in respect of disposals	(41,908)	-	-	(41,908)
At 31 December 2020	-	36,622	55,293	91,915
Carrying amount				
At 31 December 2020	-	29,162	2,128	31,290
At 31 December 2019	3,535	31,611	3,548	38,694

10 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	11	2,321	-

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2020	-
Additions	2,321
At 31 December 2020	2,321
Carrying amount	
At 31 December 2020	2,321
At 31 December 2019	-

11 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held Direct
Sporstcover Europe UAB	Lithuania	Direct	100.00

12 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Other debtors	343,142	164,522
Prepayments and accrued income	39,802	123,239
	382,944	287,761

13 Creditors: amounts falling due within one year

		2020	2019
	Notes	**£**	**£**
Bank loans	15	4,437	-
Trade creditors		46,561	78,443
Taxation and social security		50,982	17,099
Other creditors		2,040,003	2,415,419
Accruals and deferred income		44,030	51,744
		2,186,013	2,562,705

Included in cash is an amount of £1,797,857 (2019: £2,241,048) which represents cash balances relating to insurance transactions.

The company has no overdraft facility as at 31 December 2020.

14 Creditors: amounts falling due after more than one year

		2020	2019
	Notes	**£**	**£**
Bank loans and overdrafts	15	45,563	-

Amounts included above which fall due after five years are as follows:

Payable by instalments	6,161	-

15 Loans and overdrafts

	2020	2019
	£	£
Bank loans	50,000	-
Payable within one year	4,437	-
Payable after one year	45,563	-

16 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	29,163	28,358

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2020	2019	2020	2019
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	441,100	441,100	441,100	441,100

18 Operating lease commitments

Lessee

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

	2020	2019
	£	£
Within one year	28,638	77,519

19 Events after the reporting date

Subsequent to the year end the Company was purchased by Sportscover Europe Holdings Limited (formerly known as SPVSCE Limited).

At this point the immediate parent company became Sportscover Europe Holdings Limited (formerly known as SPVSCE Limited) and Wild Goose Holdings PTY Ltd ceased to be the ultimate controlling party.

20 Related party transactions

20 Related party transactions **(Continued)**

The parent company is Sportscover Europe Holdings Limited, a company incorporated in the UK. The ultimate controlling parties of Sportscover Europe Holdings Limited are Resolution Underwriting Holdings Limited and Whitburn Capital Limited (formerly ASPVSCE Limited).

At the balance sheet date, the following balances were held with related party companies: Amounts due to related parties: Active Underwriting Specialists Limited £87,579 (2019: £15,540); Sportscover Australia Pty Ltd £100,836 (2019: £59,887) and Peter Nash £nil (2019: £27,365). All related party balances are interest free and all are repayable on demand.

21 Cash (absorbed by)/generated from operations

	2020 £	2019 £
Profit/(loss) for the year after tax	122,403	(157,806)
Adjustments for:		
Finance costs	2,958	1,036
Investment income	(1,235)	(2,512)
Depreciation and impairment of tangible fixed assets	9,882	16,425
Movements in working capital:		
(Increase)/decrease in debtors	(95,183)	158,580
(Decrease)/increase in creditors	(381,129)	38,740
Cash (absorbed by)/generated from operations	(342,304)	54,463

22 Analysis of changes in net funds

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	2,327,316	(298,826)	2,028,490
Borrowings excluding overdrafts	-	(50,000)	(50,000)
	2,327,316	(348,826)	1,978,490