

Insurance Compliance Services Limited
Unaudited Financial statements
For the year ended 31 December 2012



Company No. 04398255

Company information

Company registration number : 04398255

Registered office : Deakins Park
The Hall Coppice
Egerton
Bolton
BL7 9RW

Directors : I J Gray
T E Stanley
R B Woodward
S Medwin
N V Williams
J K Rhodes

Secretary : I J Gray

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Report of the Directors

The directors present their report together with the financial statements for the year ended 31 December 2012

Principal activity and business review

The principal activity of the company is that of the provision of compliance consultancy services to the insurance industry

There was a profit for the financial year after taxation of £87,692 (2011 £158,308) During the year, the directors paid a dividend of £230,000 (2011 £30,000)

Directors

The directors of the company are listed below All served on the Board throughout the period unless otherwise stated

T E Stanley
I J Gray
R B Woodward
S Medwin
N V Williams
J K Rhodes

Going concern

The directors consider it is appropriate to adopt the going concern basis in preparing these financial statements In accordance with current best practice further commentary in this regard is set out in the Accounting Policies accompanying the financial statements

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

In so far as each of the directors is aware

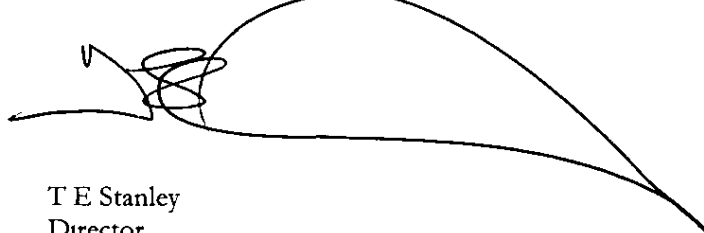
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above the printed name and title.

T E Stanley
Director

7th June 2013

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards

The directors have reviewed the accounting policies in accordance with Financial Reporting Standard 18 "Accounting Policies" and have concluded that no changes were required from the previous year

The principal accounting policies of the company are set out below

Going concern

Financial Reporting Standards and United Kingdom Generally Accepted Accounting Practice require directors to satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare financial statements on a going concern basis. These requirements are not intended to, and do not, guarantee that a company will remain a going concern until the next annual financial statements are issued.

After due consideration, the Directors conclude that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Turnover

Turnover is the amount receivable by the company for services provided, exclusive of value added tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful economic lives. The rates generally applicable are:

Office equipment	- 25 % straight line
Computer equipment and software development costs	- 25 % straight line

Goodwill

Purchased goodwill arising on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Positive goodwill is capitalised and classified as an asset on the balance sheet and is amortised on a straight line basis over its estimated economic life, being twenty years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary if circumstances indicate that its carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Principal accounting policies (continued)

Contributions to pension funds

Defined contribution schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Report Standard 1 "Cash Flow Statements (Revised 1996)" not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Broker Direct Plc and the company is included in the consolidated financial statements of that company

Leased assets

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Currently, all leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the term of the lease

Profit and loss account

	Note	2012 £	2011 £
Turnover	1	937,325	956,262
Cost of Sales		(211,206)	(218,014)
Gross profit		<u>726,119</u>	<u>738,248</u>
Administrative expenses		<u>(586,580)</u>	<u>(574,437)</u>
Profit on ordinary activities before taxation	1	139,539	163,811
Tax on profit on ordinary activities	3	<u>(51,847)</u>	<u>(5,503)</u>
Profit for the financial year	12	<u><u>87,692</u></u>	<u><u>158,308</u></u>

The above activities all relate to continuing activities

There were no recognised gains or losses other than the profit for the year set out above

Balance sheet

	Note	2012 £	2011 £
Fixed assets			
Intangible fixed assets	5	20,625	21,875
Tangible assets	6	<u>21,919</u>	<u>28,589</u>
		42,544	50,464
Current assets			
Cash in hand		85,804	184,959
Debtors	7	<u>74,938</u>	<u>84,922</u>
		160,742	269,881
Creditors: amounts falling due within one year	8	<u>(194,036)</u>	<u>(166,247)</u>
Net current assets / (liabilities)		(33,294)	103,634
Total assets less current liabilities		9,250	154,098
Creditors: amounts falling due after one year	9	<u>(5,150)</u>	<u>(7,690)</u>
Net assets		<u>4,100</u>	<u>146,408</u>
Capital and reserves			
Called up share capital	11	4,000	4,000
Capital redemption reserve	12	1,000	1,000
Profit and loss account	12	<u>(900)</u>	<u>141,408</u>
Shareholders' funds	13	<u>4,100</u>	<u>146,408</u>

Audit Exemption

For the year ending 31 December 2012, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' Responsibilities:

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

The financial statements were approved by the Board of Directors on 7th June 2013 and signed on their behalf by


T E Stanley
Director

Company No. 04398255

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the company which is carried out entirely within the United Kingdom

	2012	2011
The turnover and profit on ordinary activities before taxation is stated after charging	£	£
Depreciation of tangible fixed assets	9,939	13,663
Amortisation	1,250	1,250
Auditors' remuneration	-	5,150
Other operating lease rentals	<u>23,987</u>	<u>22,943</u>

2 Directors and employees

	2012	2011
	£	£
Staff costs during the year		
Wages and salaries	393,602	355,703
Social security costs	46,877	42,744
Pension	9,586	11,566
	<u>450,065</u>	<u>410,013</u>

	2012	2011
The average monthly number of employees during the year was	Number	Number
Management	4	4
Other	4	3
	<u>8</u>	<u>7</u>

Remuneration in respect of directors was as follows

	2012	2011
	£	£
Emoluments	<u>190,468</u>	<u>196,321</u>

Notes to the financial statements (continued)

3 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK corporation tax at 24.5% (2011: 26.49%)	13,547	7,000
Adjustment in respect of prior periods	38,927	(4,063)
Total current tax	<u>52,474</u>	<u>2,937</u>
Deferred tax		
Origination and reversal of timing differences	(898)	3,503
Adjustments in respect of prior periods	175	-
Effect of tax rate change on opening balances	96	109
Total deferred tax (note 10)	<u>(627)</u>	<u>3,612</u>
Tax on profit on ordinary activities	<u>51,847</u>	<u>3,612</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the United Kingdom of 24.5% (2011: 26.49%). The differences are explained as follows:

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>139,539</u>	<u>163,811</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 24.5% (2011: 26.49%)	34,183	43,394
Effect of:		
Expenses not deductible for tax purposes	470	875
Group relief surrendered	(20,986)	(36,841)
Adjustment in respect of prior year	38,927	-
Tax credits	(1,018)	(2,081)
Difference between depreciation and capital allowances	898	1,402
	<u>52,474</u>	<u>6,749</u>

Notes to the financial statements (continued)

4 Dividends

Dividend on shares classed as equity

	2012 £	2011 £
Paid during the year		
Equity dividends on ordinary shares	<u>230,000</u>	<u>30,000</u>
	<u>230,000</u>	<u>30,000</u>
Proposed after the year end (not recognised as a liability)		
Equity dividends on ordinary shares	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

5 Intangible fixed assets

	Goodwill on business acquired £	Total £
Cost		
At 1 January 2012	<u>25,000</u>	<u>25,000</u>
At 31 December 2012	<u>25,000</u>	<u>25,000</u>
Amortisation		
At 1 January 2012	3,125	3,125
Provided in the year	<u>1,250</u>	<u>1,250</u>
At 31 December 2012	<u>4,375</u>	<u>4,375</u>
Net book amount		
At 31 December 2012	<u>20,625</u>	<u>20,625</u>
At 31 December 2011	<u>21,875</u>	<u>21,875</u>

Notes to the financial statements (continued)

6 Tangible fixed assets

	Office equipment £	Computer equipment and software development costs £	Total £
Cost			
At 1 January 2012	30,524	89,201	119,725
Additions	-	3,269	3,269
Disposals	-	-	-
At 31 December 2012	<u>30,524</u>	<u>92,470</u>	<u>122,994</u>
Depreciation			
At 1 January 2012	30,524	60,612	91,136
Charge for the year	-	9,939	9,939
Released on disposal	-	-	-
At 31 December 2012	<u>30,524</u>	<u>70,551</u>	<u>101,075</u>
Net book amount			
At 31 December 2012	<u>-</u>	<u>21,919</u>	<u>21,919</u>
At 31 December 2011	<u>-</u>	<u>28,589</u>	<u>28,589</u>

7 Debtors

	2012 £	2011 £
Trade debtors	37,334	55,476
Deferred tax asset (note 10)	1,314	687
Amounts owed from group undertakings	1,296	-
Prepayments and accrued income	34,994	28,759
	<u>74,938</u>	<u>84,922</u>

8 Creditors : amounts falling due within one year

	2012 £	2011 £
Trade creditors	7,047	16,190
Corporation tax	59,223	6,749
Social security and other taxes	28,619	45,284
Amounts owed to group undertakings	-	420
Accruals and deferred income	99,147	97,604
	<u>194,036</u>	<u>166,247</u>

Notes to the financial statements (continued)

9 Creditors : falling due after one year

	2012 £	2011 £
Deferred income	<u>5,150</u>	<u>7,690</u>

10 Provisions for liabilities

Deferred taxation

The movement in the deferred taxation asset/(provision) during the year was

	Deferred taxation £
At 1 January 2012	687
Charge to profit and loss account for the year	<u>627</u>
At 31 December 2012	<u>1,314</u>

Deferred taxation provided in the financial statements is set out below

	2012 £	2011 £
Accelerated capital allowances	<u>1,314</u>	<u>687</u>

11 Share capital

	31 December 2012 £	31 December 2011 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
4,000 Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>

Notes to the financial statements (continued)

12 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 1 January 2012	1,000	141,408
Profit for the year	-	87,692
Dividends paid (note 5)	-	(230,000)
At 31 December 2012	<u>1,000</u>	<u>(900)</u>

13 Reconciliation of movements in shareholders' funds

	31 December 2012	31 December 2011
	£	£
Profit for the financial period	87,692	158,308
Dividends paid	(230,000)	(30,000)
Opening shareholders' funds	<u>146,408</u>	<u>18,100</u>
Closing shareholders' funds	<u>4,100</u>	<u>146,408</u>

14 Related party transactions

As a wholly owned subsidiary of the group headed by Broker Direct Plc, the company is exempt from the requirements of Financial Reporting Standard 8 "Related Party Disclosures" to disclose transactions with Broker Direct Plc and its group of companies on the grounds that the consolidated financial statements are publicly available from Companies House

15 Lease commitments

Operating lease commitments amounting to £3,320 (2011 £3,320) in relation to office equipment are due within one year. The lease expires between one and five years.

Operating lease commitments amounting to £20,667 (2011 £21,750) in relation to office rent are due within one year. The lease expires between one and five years.

16 Other financial commitments and guarantees

There is a fixed and floating charge over all of its assets, as security over the borrowings of Broker Direct Retail Holdings Limited, a fellow group company.

17 Parent company and ultimate controlling entity

Broker Direct Acquisitions Limited is the company's parent company by virtue of its 100% ownership of the company's share capital. Broker Direct Plc is the ultimate controlling party by virtue of its 100% share ownership of Broker Direct Acquisitions Limited.