

COMPANY REGISTRATION NUMBER 04398255

INSURANCE COMPLIANCE SERVICES LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2014

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INSURANCE COMPLIANCE SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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INSURANCE COMPLIANCE SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Company secretary

I J Gray

Registered office

Deakins Park
Deakins Mill Way
Egerton
Bolton
England
BL7 9RW

Bankers

Barclays Commercial Bank
51 Mosley Street
Manchester
England
M60 2AU

INSURANCE COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2014

PRINCIPAL ACTIVITIES 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 £173,630 (2013 £162,705) During the year, the directors paid a dividend of £142,000 (2013 £75,000)

DIRECTORS

The directors who served the company during the year were as follows

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

STATEMENT OF DIRECTORS RESPONSIBILITIES

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 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

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

INSURANCE COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT *(continued)*

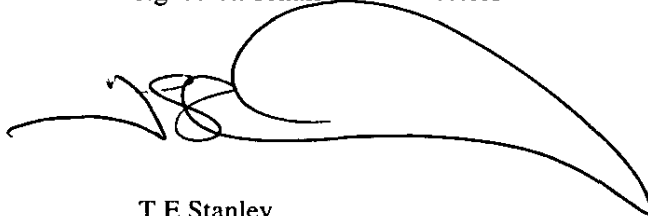
YEAR ENDED 31 DECEMBER 2014

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Registered office
Deakins Park
Deakins Mill Way
Egerton
Bolton
England
BL7 9RW

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'T E Stanley', written over a horizontal line.

T E Stanley

Director

Approved by the directors on 9 April 2015

INSURANCE COMPLIANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER		1,127,828	995,127
Cost of sales		<u>268,948</u>	<u>220,580</u>
GROSS PROFIT		858,880	774,547
Administrative expenses		<u>648,475</u>	612,194
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		210,405	162,353
Tax on profit on ordinary activities	4	<u>36,775</u>	(352)
PROFIT FOR THE FINANCIAL YEAR		<u>173,630</u>	<u>162,705</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

The accounting policies and notes on pages 7 to 15 form part of these financial statements.

INSURANCE COMPLIANCE SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	6	18,125	19,375
Tangible assets	7	<u>26,423</u>	<u>14,324</u>
		<u>44,548</u>	<u>33,699</u>
CURRENT ASSETS			
Debtors	8	165,699	85,364
Cash at bank		<u>167,713</u>	<u>161,964</u>
		333,412	247,328
CREDITORS: Amounts falling due within one year	9	<u>251,556</u>	<u>184,547</u>
NET CURRENT ASSETS		<u>81,856</u>	<u>62,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>126,404</u>	<u>96,480</u>
CREDITORS: Amounts falling due after more than one year	10	1,400	4,675
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	<u>1,569</u>	<u>–</u>
		<u>123,435</u>	<u>91,805</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	4,000	4,000
Other reserves	15	1,000	1,000
Profit and loss account	15	<u>118,435</u>	<u>86,805</u>
SHAREHOLDER'S FUNDS	15	<u>123,435</u>	<u>91,805</u>

For the year ended 31 December 2014 the company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to small companies

Directors' responsibilities

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Balance sheet continues on the following page

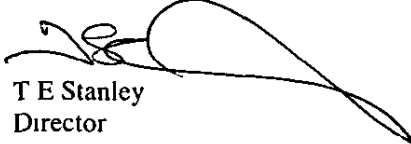
The accounting policies and notes on pages 7 to 15 form part of these financial statements

INSURANCE COMPLIANCE SERVICES LIMITED

BALANCE SHEET *(continued)*

31 DECEMBER 2014

These accounts were approved by the shareholder and authorised for issue on 9 April 2015, and are signed on their behalf by



T E Stanley
Director

Company Registration Number 04398255

The accounting policies and notes on pages 7 to 15 form part of these financial statements

INSURANCE COMPLIANCE SERVICES LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2014

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

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

Turnover

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

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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 5% per annum

Fixed assets

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

INSURANCE COMPLIANCE SERVICES LIMITED

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 31 DECEMBER 2014

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Computer Equipment	-	20% or 25% straight line
Office Equipment	-	25% straight line

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

Pension costs

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

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 on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date

Financial instruments

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 entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

INSURANCE COMPLIANCE SERVICES LIMITED

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 31 DECEMBER 2014

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.

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. OPERATING PROFIT

Operating profit is stated after charging

	2014	2013
	£	£
Amortisation of intangible assets	1,250	1,250
Depreciation of owned fixed assets	<u>10,772</u>	<u>7,595</u>

2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2014	2013
	No	No
Number of administrative staff	4	4
Number of management staff	<u>4</u>	<u>4</u>
	<u>8</u>	<u>8</u>

The aggregate payroll costs of the above were

	2014	2013
	£	£
Wages and salaries	461,543	436,465
Social security costs	49,267	49,806
Other pension costs	<u>2,808</u>	<u>12,369</u>
	<u>513,618</u>	<u>498,640</u>

3. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2014	2013
	£	£
Aggregate remuneration	226,069	211,799
Value of company pension contributions to money purchase schemes	<u>1,383</u>	<u>—</u>
	<u>227,452</u>	<u>211,799</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2014	2013
	No	No
Money purchase schemes	<u>2</u>	<u>—</u>

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax		
UK Corporation tax based on the results for the year at 21.49% (2013 - 23.25%)	<u>33,540</u>	<u>-</u>
Total current tax	<u>33,540</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences (note 11)		
Capital allowances	<u>3,235</u>	<u>(352)</u>
Tax on profit on ordinary activities	<u>36,775</u>	<u>(352)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>210,405</u>	<u>162,353</u>
Profit on ordinary activities by rate of tax	45,223	37,745
Expenses not deductible for tax purposes	647	880
Capital allowances for period in excess of depreciation	(3,477)	609
Tax credits	(214)	-
Group relief surrendered	<u>(8,639)</u>	<u>(39,234)</u>
Total current tax (note 4(a))	<u>33,540</u>	<u>-</u>

5. DIVIDENDS

Equity dividends

	2014 £	2013 £
Paid during the year		
Equity dividends on ordinary shares	<u>142,000</u>	<u>75,000</u>

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2014 and 31 December 2014	<u>25,000</u>
AMORTISATION	
At 1 January 2014	5,625
Charge for the year	<u>1,250</u>
At 31 December 2014	<u>6,875</u>
NET BOOK VALUE	
At 31 December 2014	<u>18,125</u>
At 31 December 2013	<u>19,375</u>

7. TANGIBLE FIXED ASSETS

	Computer Equipment £	Office Equipment £	Total £
COST			
At 1 January 2014	92,470	30,524	122,994
Additions	22,871	–	22,871
Disposals	<u>(27,664)</u>	<u>(1,919)</u>	<u>(29,583)</u>
At 31 December 2014	<u>87,677</u>	<u>28,605</u>	<u>116,282</u>
DEPRECIATION			
At 1 January 2014	78,146	30,524	108,670
Charge for the year	10,772	–	10,772
On disposals	<u>(27,664)</u>	<u>(1,919)</u>	<u>(29,583)</u>
At 31 December 2014	<u>61,254</u>	<u>28,605</u>	<u>89,859</u>
NET BOOK VALUE			
At 31 December 2014	<u>26,423</u>	–	<u>26,423</u>
At 31 December 2013	<u>14,324</u>	–	<u>14,324</u>

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

8. DEBTORS

	2014	2013
	£	£
Trade debtors	136,295	55,607
Amounts owed by group undertakings	2,998	1,989
Other debtors	26,406	26,102
Deferred taxation (note 11)	-	1,666
	<u>165,699</u>	<u>85,364</u>

9. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	29,491	7,351
Corporation tax	33,540	26,877
Other taxation and social security	59,118	46,994
Other creditors	129,407	103,325
	<u>251,556</u>	<u>184,547</u>

10. CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Other creditors	<u>1,400</u>	<u>4,675</u>

11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2014	2013
	£	£
Included in debtors (note 8)	-	(1,666)
Included in provisions	<u>1,569</u>	<u>-</u>
	<u>1,569</u>	<u>(1,666)</u>

The movement in the deferred taxation account during the year was

	2014	2013
	£	£
Balance brought forward	(1,666)	(1,314)
Profit and loss account movement arising during the year	<u>3,235</u>	<u>(352)</u>
Balance carried forward	<u>1,569</u>	<u>(1,666)</u>

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

11. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	<u>1,569</u>	<u>(1,666)</u>
	<u>1,569</u>	<u>(1,666)</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2014 £	2013 £
Operating leases which expire		
Within 2 to 5 years	20,225	23,575
After more than 5 years	<u>2,792</u>	<u>-</u>
	<u>23,017</u>	<u>23,575</u>

13. 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

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

INSURANCE COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

15. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	Share capital	Capital redemption reserve	Profit and loss account	Total shareholder's funds
	£	£	£	£
Balance brought forward	4,000	1,000	86,805	91,805
Profit for the year	-	-	173,630	173,630
Equity dividends	-	-	(142,000)	(142,000)
Balance carried forward	<u>4,000</u>	<u>1,000</u>	<u>118,435</u>	<u>123,435</u>

16. ULTIMATE PARENT COMPANY

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.