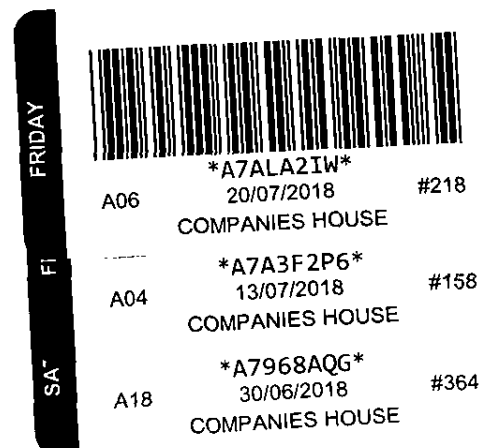


**Insurance Compliance Services Limited**  
**Unaudited Financial Statements**  
**31 December 2017**



# **Insurance Compliance Services Limited**

## **Financial Statements**

**Year ended 31 December 2017**

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# **Insurance Compliance Services Limited**

## **Officers and Professional Advisers**

### **The board of directors**

B Bradshaw  
J Hambley  
I J Gray  
J K Rhodes  
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 2017**

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2017.

#### **Directors**

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

S Medwin

I J Gray

J K Rhodes

T E Stanley

B Bradshaw

(Appointed 1 April 2017)

R B Woodward

(Resigned 31 March 2017)

#### **Small company provisions**

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

This report was approved by the board of directors on 20 June 2018 and signed on behalf of the board by:



B Bradshaw  
Director

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

# Insurance Compliance Services Limited

## Statement of Income and Retained Earnings

Year ended 31 December 2017

	Note	2017 £	2016 £
<b>Turnover</b>	<b>2</b>	<b>857,000</b>	987,660
Cost of sales		<u>(249,442)</u>	<u>(251,355)</u>
<b>Gross profit</b>		<b>607,558</b>	736,305
Administrative expenses		<u>(502,629)</u>	<u>(596,781)</u>
<b>Operating profit</b>	<b>3</b>	<b>104,929</b>	139,524
Other interest receivable and similar income		<u>—</u>	<u>17</u>
<b>Profit on ordinary activities before taxation</b>		<b>104,929</b>	139,541
Tax on profit on ordinary activities	<b>5</b>	<u>(20,641)</u>	<u>(28,093)</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>84,288</u></b>	<u>111,448</u>
Dividends paid and payable	<b>6</b>	<b>(100,000)</b>	(200,000)
<b>Retained earnings at the start of the year</b>		<b>97,009</b>	185,561
<b>Retained earnings at the end of the year</b>		<b><u>81,297</u></b>	<u>97,009</u>

All the activities of the company are from continuing operations.

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

The notes on pages 9 to 13 form part of these financial statements.

# Insurance Compliance Services Limited

## Statement of Financial Position

31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	7	17,984	20,369
Tangible assets	8	7,160	12,193
		<u>25,144</u>	<u>32,562</u>
<b>Current assets</b>			
Debtors	9	60,787	87,097
Cash at bank and in hand		161,867	188,930
		<u>222,654</u>	<u>276,027</u>
<b>Creditors: amounts falling due within one year</b>	10	(158,302)	(200,149)
<b>Net current assets</b>		<u>64,352</u>	<u>75,878</u>
<b>Total assets less current liabilities</b>		<u>89,496</u>	<u>108,440</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(3,110)	(3,110)
<b>Provisions</b>			
Pensions and similar obligations	13	–	(2,566)
Taxation including deferred tax	13	(89)	(755)
		<u>(89)</u>	<u>(3,321)</u>
<b>Net assets</b>		<u>86,297</u>	<u>102,009</u>
<b>Capital and reserves</b>			
Called up share capital	15	4,000	4,000
Capital redemption reserve	16	1,000	1,000
Profit and loss account	16	81,297	97,009
<b>Shareholder funds</b>		<u>86,297</u>	<u>102,009</u>

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- The shareholder has not required the company to obtain an audit of its financial statements 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 financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The statement of financial position  
continues on the following page.

The notes on pages 9 to 13 form part of these financial statements.

# **Insurance Compliance Services Limited**

## **Statement of Financial Position** *(continued)*

**31 December 2017**

These financial statements were approved by the board of directors and authorised for issue on 20 June 2018, and are signed on behalf of the board by:



B Bradshaw  
Director

Company registration number: 04398255

The notes on pages 9 to 13 form part of these financial statements.

# **Insurance Compliance Services Limited**

## **Accounting Policies**

**Year ended 31 December 2017**

### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

### **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.

### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Broker Direct Plc which can be obtained from:

Broker Direct Plc  
Deakins Park  
Deakins Mill Way  
Egerton  
Bolton  
BL79RW.

As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) Disclosures in respect of share-based payments have not been presented.

### **Revenue recognition**

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

### **Deferred tax**

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.



# Insurance Compliance Services Limited

## Accounting Policies *(continued)*

Year ended 31 December 2017

### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

### **Amortisation**

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

Goodwill	-	5% per annum
IT Development	-	Straight line over 5 years

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

### **Tangible assets**

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

### **Depreciation**

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

Computer equipment	-	Straight line over 4 or 5 years
Furniture and Office equipment	-	Straight line over 4 years

### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# **Insurance Compliance Services Limited**

## **Accounting Policies *(continued)***

**Year ended 31 December 2017**

### **Defined contribution plans**

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

# Insurance Compliance Services Limited

## Notes to the Financial Statements

Year ended 31 December 2017

### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 2. Turnover

Turnover arises from:

	2017 £	2016 £
Rendering of services	<u>857,000</u>	<u>987,660</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

### 3. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	2,585	3,089
Depreciation of tangible assets	5,222	5,650
Defined contribution plans expense	<u>15,814</u>	<u>34,853</u>

### 4. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	128,926	170,670
Company contributions to defined contribution pension plans	<u>14,131</u>	<u>32,940</u>
	<u>143,057</u>	<u>203,610</u>

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

	2017 No	2016 No
Defined contribution plans	<u>2</u>	<u>2</u>

### 5. Tax on profit on ordinary activities

#### Major components of tax expense

	2017 £	2016 £
<b>Current tax:</b>		
UK current tax expense	21,307	28,251
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(666)	(158)
<b>Tax on profit on ordinary activities</b>	<u>20,641</u>	<u>28,093</u>

# Insurance Compliance Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

### 5. Tax on profit on ordinary activities *(continued)*

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<b>104,929</b>	139,541
Profit on ordinary activities by rate of tax	<b>20,195</b>	27,908
Effect of expenses not deductible for tax purposes	<b>358</b>	217
Effect of reduction in opening deferred tax on change of rate	<b>88</b>	(32)
Tax on profit on ordinary activities	<b>20,641</b>	28,093

### 6. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Equity dividends on ordinary shares	<b>100,000</b>	200,000

### 7. Intangible assets

	Goodwill £	IT Development £	Total £
<b>Cost</b>			
At 1 January 2017	25,000	39,444	<b>64,444</b>
Additions	—	200	<b>200</b>
<b>At 31 December 2017</b>	<b>25,000</b>	<b>39,644</b>	<b>64,644</b>
<b>Amortisation</b>			
At 1 January 2017	9,374	34,701	<b>44,075</b>
Charge for the year	1,250	1,335	<b>2,585</b>
<b>At 31 December 2017</b>	<b>10,624</b>	<b>36,036</b>	<b>46,660</b>
<b>Carrying amount</b>			
<b>At 31 December 2017</b>	<b>14,376</b>	<b>3,608</b>	<b>17,984</b>
At 31 December 2016	15,626	4,743	20,369

Information technology asset costs associated with website development have been reclassified from tangible to intangible assets during the year.

# Insurance Compliance Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

### 8. Tangible assets

	Computer Equipment £	Equipment and Furniture £	Total £
<b>Cost</b>			
At 1 January 2017	54,962	29,645	<b>84,607</b>
Additions	425	460	<b>885</b>
Disposals	—	(29,645)	<b>(29,645)</b>
<b>At 31 December 2017</b>	<b>55,387</b>	<b>460</b>	<b>55,847</b>
<b>Depreciation</b>			
At 1 January 2017	43,565	28,849	<b>72,414</b>
Charge for the year	5,103	119	<b>5,222</b>
Disposals	—	(28,949)	<b>(28,949)</b>
<b>At 31 December 2017</b>	<b>48,668</b>	<b>19</b>	<b>48,687</b>
<b>Carrying amount</b>			
<b>At 31 December 2017</b>	<b>6,719</b>	<b>441</b>	<b>7,160</b>
At 31 December 2016	11,397	796	12,193

Information technology asset costs associated with website development have been reclassified from tangible to intangible assets during the year.

### 9. Debtors

	2017 £	2016 £
Trade debtors	<b>44,069</b>	68,846
Other debtors	<b>16,718</b>	18,251
	<b>60,787</b>	<b>87,097</b>

### 10. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	<b>45,203</b>	39,080
Corporation tax	<b>21,307</b>	28,251
Social security and other taxes	<b>33,067</b>	40,755
Other creditors	<b>58,725</b>	92,063
	<b>158,302</b>	<b>200,149</b>

### 11. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<b>3,110</b>	3,110

# Insurance Compliance Services Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

### 12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions (note 13)	<u>89</u>	<u>755</u>

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

	2017	2016
	£	£
Accelerated capital allowances	<u>89</u>	<u>755</u>

### 13. Provisions

	Deferred tax (note 12)
	£
At 1 January 2017	755
Additions	<u>(666)</u>
At 31 December 2017	<u>89</u>

### 14. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £15,814 (2016: £34,853).

### 15. Called up share capital

#### Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

### 16. Reserves

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 17. Related party transactions

The company is exempt from the requirements of FRS 102 Section 33 "Related Party Disclosures" to disclose transactions with Broker Direct Plc and its group of companies on the grounds that all companies are wholly owned members of the group headed by Broker Direct Plc.

# **Insurance Compliance Services Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2017**

### **18. Controlling party**

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.