

Registered number: 04398255

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	A D Alway J N Davey J Hambley
<b>Company secretary</b>	Cripps Secretaries Limited
<b>Registered number</b>	04398255
<b>Registered office</b>	Number 22 Mount Ephraim Tunbridge Wells Kent TN4 8AS
<b>Statutory auditor</b>	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

# **INSURANCE COMPLIANCE SERVICES LIMITED**

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# **INSURANCE COMPLIANCE SERVICES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their annual report and the financial statements for the year ended 31 March 2022. Comparatives are shown for the 3 months ending 31 March 2021.

### **Principal activity**

The principal activity of the company continued to be that of a company of providing regulatory support to insurance brokers and intermediaries.

### **Directors**

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

A D Alway  
J N Davey  
J Hambley

### **Qualifying third party indemnity provisions**

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

### **Disclosure of information to auditors**

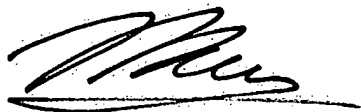
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

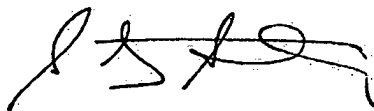
### **Auditors**

The auditors, PKF Littlejohn LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 November 2022 and signed on its behalf by:



**J N Davey**  
Director



**A D Alway**  
Director

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 to 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.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSURANCE COMPLIANCE SERVICES LIMITED**

#### **Opinion**

We have audited the financial statements of Insurance Compliance Services Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 March 2022 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSURANCE COMPLIANCE SERVICES LIMITED**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Other matters**

The comparative figures were not subject to audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSURANCE COMPLIANCE SERVICES LIMITED**

#### **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:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006 and UK Tax regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to; enquiries of management, review of board of directors minutes and review of regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud as those arising from management override of controls. We have addressed this risk by performing audit procedures which included testing of journals, evaluating the business rationale of any significant transactions that are unusual or outside normal course of business that came to our attention and preliminary and final analytical review to identify any unusual or expected financial relationships or variances.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INSURANCE COMPLIANCE SERVICES LIMITED**

#### **Use of our report**

This report is made solely to the Company's members, as a body, 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 members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Goldwin (Senior Statutory Auditor)

for and on behalf of  
**PKF Littlejohn LLP**

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 22 November 2022

# INSURANCE COMPLIANCE SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	31 March 2022 £	Unaudited 3 months ended 31 March 2021 £
Turnover	876,152	237,704
Cost of sales	(108,984)	(79,541)
<b>Gross profit</b>	<b>767,168</b>	<b>158,163</b>
Administrative expenses	(656,939)	(142,596)
<b>Operating profit</b>	<b>110,229</b>	<b>15,567</b>
Interest receivable and similar income	26	-
Interest payable and expenses	(18)	-
<b>Profit before tax</b>	<b>110,237</b>	<b>15,567</b>
Tax on profit	10,261	-
<b>Profit for the financial year</b>	<b>120,498</b>	<b>15,567</b>

The notes on pages 10 to 19 form part of these financial statements.

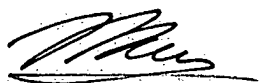
**INSURANCE COMPLIANCE SERVICES LIMITED**  
**REGISTERED NUMBER: 04398255**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

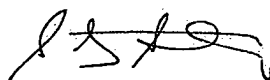
	Note	2022 £	Unaudited 2021 £
<b>Fixed assets</b>			
Intangible assets	5	4,265	4,940
Tangible assets	6	29,463	11,925
		<u>33,728</u>	<u>16,865</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	3,879	-
Debtors due within one year	7	142,839	29,212
Cash at bank and in hand		300,728	297,612
		<u>447,446</u>	<u>326,824</u>
Creditors falling due within one year	8	(178,382)	(142,194)
		<u>269,064</u>	<u>184,630</u>
<b>Net current assets</b>			
		<u>302,792</u>	<u>201,495</u>
<b>Total assets less current liabilities</b>			
<b>Provisions for liabilities</b>			
Deferred tax	9	-	(2,402)
		<u>-</u>	<u>(2,402)</u>
<b>Net assets</b>		<u>302,792</u>	<u>199,093</u>
<b>Capital and reserves</b>			
Called up share capital	10	4,089	4,089
Capital redemption reserve		1,000	1,000
Other reserves	12	2,894	-
Profit and loss account		294,809	194,004
<b>Shareholders' funds</b>		<u>302,792</u>	<u>199,093</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2022.



**J N Davey**  
Director



**A D Alway**  
Director

The notes on pages 10 to 19 form part of these financial statements.

# INSURANCE COMPLIANCE SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2021 (as previously stated)</b>	4,089	-	-	189,063	193,152
Prior year adjustment	-	-	-	(10,626)	(10,626)
<b>At 1 January 2021 (as restated)</b>	4,089	-	-	178,437	182,526
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	15,567	15,567
Other movement	-	1,000	-	-	1,000
<b>At 1 April 2021</b>	4,089	1,000	-	194,004	199,093
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	120,498	120,498
Share based payments	-	-	2,894	-	2,894
Dividends	-	-	-	(400,000)	(400,000)
Transfer of assets from fellow group subsidiary	-	-	-	380,307	380,307
<b>At 31 March 2022</b>	4,089	1,000	2,894	294,809	302,792

The notes on pages 10 to 19 form part of these financial statements.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **1. General information**

Insurance Compliance Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered address is Number 22 Mount Ephraim, Tunbridge Wells, England, TN4 8AS.

The principal activity of the company is the provision of insurance compliance services.

The company's functional and presentational currency is pound Sterling (GBP) and rounded to the nearest £.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The Directors believe that adequate cash resources will be available to cover the Company's requirements for working capital for the next twelve months and for the foreseeable future and to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.4 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.5 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.6 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.7 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

## INSURANCE COMPLIANCE SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 2. Accounting policies (continued)

##### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

##### 2.9 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

IT Development	-	5	years straight line
Goodwill	-	5	years straight line

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.10 Tangible fixed assets**

Tangible fixed assets under the cost model 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- Straight line over 4 or 5 years
Office equipment	- Straight line over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

##### **2.11 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **2. Accounting policies (continued)**

##### **2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.15 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

##### **2.16 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.

#### **3. Employees**

The average monthly number of persons employed during the year was 9 (2021: 5).

# INSURANCE COMPLIANCE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 4. Directors' remuneration

	31 March 2022 £	Unaudited 3 months ended 31 March 2021 £
Directors' emoluments	63,670	87,499
Company contributions to defined contribution pension schemes	2,821	1,420
	<u>66,491</u>	<u>88,919</u>

### 5. Intangible assets

	IT Development £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2021	46,638	25,000	71,638
Additions	1,045	-	1,045
At 31 March 2022	<u>47,683</u>	<u>25,000</u>	<u>72,683</u>
<b>Amortisation</b>			
At 1 April 2021	41,698	25,000	66,698
Charge for the year on owned assets	1,720	-	1,720
At 31 March 2022	<u>43,418</u>	<u>25,000</u>	<u>68,418</u>
<b>Net book value</b>			
At 31 March 2022	<u>4,265</u>	<u>-</u>	<u>4,265</u>
At 31 March 2021	<u>4,940</u>	<u>-</u>	<u>4,940</u>

# INSURANCE COMPLIANCE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 6. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	460	71,920	72,380
Additions	208	21,445	21,653
At 31 March 2022	<u>668</u>	<u>93,365</u>	<u>94,033</u>
<b>Depreciation</b>			
At 1 April 2021	393	60,062	60,455
Charge for the year on owned assets	102	4,013	4,115
At 31 March 2022	<u>495</u>	<u>64,075</u>	<u>64,570</u>
<b>Net book value</b>			
At 31 March 2022	<u>173</u>	<u>29,290</u>	<u>29,463</u>
At 31 March 2021	<u>67</u>	<u>11,858</u>	<u>11,925</u>

### 7. Debtors

	2022 £	2021 £
<b>Due after more than one year</b>		
Other debtors	3,879	-
	<u>3,879</u>	<u>-</u>
<b>Due within one year</b>		
Trade debtors	43,231	18,971
Amounts owed by group undertakings	49,953	-
Prepayments and accrued income	41,796	10,241
Deferred taxation (note 9)	7,859	-
	<u>142,839</u>	<u>29,212</u>

Amounts owed by group undertakings are unsecured, attract no interest and are deemed repayable on demand.

# INSURANCE COMPLIANCE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	7,734	7,385
Amounts owed to group undertakings	-	8,060
Corporation tax	18,484	20,520
Other taxation and social security	92,162	47,701
Other creditors	213	28,386
Accruals and deferred income	59,789	30,142
	<u>178,382</u>	<u>142,194</u>

Amounts owed to group undertakings are unsecured, attract no interest and are repayable on demand.

### 9. Deferred taxation

	2022 £	2021 £
At beginning of year	(2,402)	(2,402)
Charged to statement of comprehensive income	10,261	-
<b>At end of year</b>	<u>7,859</u>	<u>(2,402)</u>

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	7,859	(2,402)
	<u>7,859</u>	<u>(2,402)</u>

### 10. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
4,000 (2021 - 4,000) Ordinary shares of £1.00 each	4,000	4,000
445 (2020 - 445) Ordinary B shares of £0.20 each	89	89
	<u>4,089</u>	<u>4,089</u>

# INSURANCE COMPLIANCE SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 11. Share based payments

The Company is part of the UKGI Group Ltd (the ultimate parent company (note 15)) Enterprise Management Incentive (EMI) Share Option Plan where the employees of the Company were granted share options. Each option granted vests on an exit event and has a maximum of 10 years. The method of settlement is for the employee to pay cash and receive equity.

The valuation of share options and employee share purchase plans involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of options and forfeiture rates. These have been calculated using the Black Schools model.

	Weighted average exercise price (pence) 2022	Number 2022
<b>UKGI Group Ltd EMI Share Option Plan</b>		
Outstanding at the beginning of the year		-
Granted during the year	182	33,000
Exercised during the year		-
Expired during the year		-
<b>Outstanding at the end of the year</b>	<b>182</b>	<b>33,000</b>
		2022 Black Schools
Option pricing model used		
Weighted average share price (pence)		182
Exercise price (pence)		182
Weighted average contractual life (days)		1383
Expected volatility		30.00%
Expected dividend growth rate		0.00%
Risk-free interest rate		1.25%
	2022 £	2021 £
	2,894	-

### 12. Other reserves

Other reserves represent the Company's equity-settled share based payments reserves (note 11). £2,894 (2021 - £Nil) was credited to other reserves in respect of the share based payments charged for the year.

## **INSURANCE COMPLIANCE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **13. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £16,295 (2021: £3,904). Contributions totalling £213 (2021: £7,552) were due to the funds at the Balance Sheet date and are included in creditors.

#### **14. Related party transactions**

The company is taking exemption under paragraph 33.1A of FRS 102 not to disclose intra-group transactions with wholly owned subsidiaries and its parent company.

#### **15. Controlling party**

At the balance sheet date, the company was controlled by its ultimate parent company UKGI Group Ltd. The registered address of UKGI Group Ltd is Number 22 Mount Ephraim, Tunbridge Wells, England, TN4 8AS. The company is included in the consolidated financial statements of UKGI Group Ltd, and are available from Companies House.

In the opinion of the directors there is no single ultimate controlling party.