Registered number: 04398255

# INSURANCE COMPLIANCE SERVICES LIMITED

## UNAUDITED

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2023

**INSURANCE COMPLIANCE SERVICES LIMITED**

**COMPANY INFORMATION**

| | |
|---|---|
| **Directors** | A D Alway<br>J N Davey<br>J Hambley |
| **Registered number** | 04398255 |
| **Registered office** | Number 22 Mount Ephraim<br>Tunbridge Wells<br>Kent<br>TN4 8AS |

INSURANCE COMPLIANCE SERVICES LIMITED

## CONTENTS

INSURANCE COMPLIANCE SERVICES LIMITED

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

## 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 served during the year were:

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.

This report was approved by the board and signed on its behalf.

**J N Davey**
*Director*

**A D Alway**
*Director*

**DIRECTORS' RESPONSIBILITIES STATEMENT**
**FOR THE YEAR ENDED 31 MARCH 2023**

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

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2023

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Turnover | **1,641,142** | *876,152* |
| Cost of sales | **(109,004)** | *(108,984)* |
| **Gross profit** | **1,532,138** | *767,168* |
| Administrative expenses | **(1,143,899)** | *(656,939)* |
| **Operating profit** | **388,239** | *110,229* |
| Interest receivable and similar income | **345** | *26* |
| Interest payable and similar expenses | **(139)** | *(18)* |
| **Profit before tax** | **388,445** | *110,237* |
| Tax on profit | **23,304** | *10,261* |
| **Profit for the financial year** | **411,749** | *120,498* |

The notes on pages 7 to 17 form part of these financial statements.

INSURANCE COMPLIANCE SERVICES LIMITED
REGISTERED NUMBER: 04398255

## BALANCE SHEET
## AS AT 31 MARCH 2023

| | Note | | 2023<br>£ | | 2022<br>£ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 4 | | **5,991** | | *4,265* |
| Tangible assets | 5 | | **17,857** | | *29,463* |
| | | | **23,848** | | *33,728* |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 6 | **10,819** | | *3,879* | |
| Debtors: amounts falling due within one year | 6 | **293,814** | | *142,839* | |
| Cash at bank and in hand | | **305,242** | | *300,728* | |
| | | **609,875** | | *447,446* | |
| Creditors: amounts falling due within one year | 7 | **(212,792)** | | *(178,382)* | |
| **Net current assets** | | | **397,083** | | *269,064* |
| **Total assets less current liabilities** | | | **420,931** | | *302,792* |
| **Net assets** | | | **420,931** | | *302,792* |
| **Capital and reserves** | | | | | |
| Called up share capital | 9 | | **4,089** | | *4,089* |
| Capital redemption reserve | | | **1,000** | | *1,000* |
| Other reserves | | | **9,284** | | *2,894* |
| Profit and loss account | | | **406,558** | | *294,809* |
| | | | **420,931** | | *302,792* |

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

***BALANCE SHEET (CONTINUED)***
**AS AT 31 MARCH 2023**

For the year ended 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.The comparatives have also not been subject to an audit under the same exemption.

The Members have not required the Company to obtain an audit of the accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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 have been prepared in accordance with the provisions applicable to companies* subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

17/10/23

**J N Davey**
Director

**A D Alway**
Director

Date:

The notes on pages 7 to 17 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2023

| | Called up share capital | Capital redemption reserve | Other reserves | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **At 1 April 2021** | 4,089 | 1,000 | - | 194,004 | 199,093 |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 120,498 | 120,498 |
| Transfer of assets from fellow subsidiary | - | - | - | 380,307 | 380,307 |
| Share based payment charge | - | - | 2,894 | - | 2,894 |
| Dividends | - | - | - | (400,000) | (400,000) |
| **At 1 April 2022** | 4,089 | 1,000 | 2,894 | 294,809 | 302,792 |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 411,749 | 411,749 |
| Share based payment charge | - | - | 6,390 | - | 6,390 |
| Dividends | - | - | - | (300,000) | (300,000) |
| **At 31 March 2023** | 4,089 | 1,000 | 9,284 | 406,558 | 420,931 |

The notes on pages 7 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2023**

## 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 is that of a company of providing regulatory support to insurance brokers and intermediaries.

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.

**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.

**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 profit or loss 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 |

## 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 profit or loss.

### 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 value, 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.

**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 value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

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

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

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

## 2. Accounting policies (continued)

### 2.15 Financial instruments (continued)

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### 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 16 (2022: 9).

**4. Intangible assets**

| | IT Development £ | Goodwill £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2022 | 47,683 | 25,000 | 72,683 |
| Additions | 7,335 | - | 7,335 |
| At 31 March 2023 | 55,018 | 25,000 | 80,018 |
| **Amortisation** | | | |
| At 1 April 2022 | 43,418 | 25,000 | 68,418 |
| Charge for the year on owned assets | 5,609 | - | 5,609 |
| At 31 March 2023 | 49,027 | 25,000 | 74,027 |
| **Net book value** | | | |
| At 31 March 2023 | 5,991 | - | 5,991 |
| *At 31 March 2022* | *4,265* | - | *4,265* |

## 5. Tangible fixed assets

| | Fixtures and fittings £ | Office equipment £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2022 | 668 | 93,365 | 94,033 |
| Additions | 467 | - | 467 |
| At 31 March 2023 | 1,135 | 93,365 | 94,500 |
| **Depreciation** | | | |
| At 1 April 2022 | 495 | 64,075 | 64,570 |
| Charge for the year on owned assets | 173 | 11,900 | 12,073 |
| At 31 March 2023 | 668 | 75,975 | 76,643 |
| **Net book value** | | | |
| At 31 March 2023 | 467 | 17,390 | 17,857 |
| *At 31 March 2022* | *173* | *29,290* | *29,463* |

## 6. Debtors

| | 2023 £ | *2022 £* |
|---|---|---|
| **Due after more than one year** | | |
| Other debtors | 10,819 | *3,879* |
| | 10,819 | *3,879* |

| | 2023 £ | *2022 £* |
|---|---|---|
| **Due within one year** | | |
| Trade debtors | 63,233 | *43,231* |
| Amounts owed by group undertakings | 200,000 | *49,953* |
| Prepayments and accrued income | 16,020 | *41,796* |
| Deferred taxation | 14,561 | *7,859* |
| | 293,814 | *142,839* |

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

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2023**

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

| | 2023 £ | 2022 £ |
|---|---|---|
| Trade creditors | **6,521** | *7,734* |
| Corporation tax | **-** | *18,484* |
| Other taxation and social security | **99,932** | *92,162* |
| Other creditors | **245** | *213* |
| Accruals and deferred income | **106,094** | *59,789* |
| | **212,792** | *178,382* |

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

## 8. Deferred taxation

| | 2023 £ | 2022 £ |
|---|---|---|
| *At beginning of year* | **7,859** | *(2,402)* |
| Charged to statement of comprehensive income | **6,702** | *10,261* |
| **At end of year** | **14,561** | *7,859* |

The deferred tax asset is made up as follows:

| | 2023 £ | 2022 £ |
|---|---|---|
| Accelerated capital allowances | **14,561** | *7,859* |
| | **14,561** | *7,859* |

## 9. Share capital

| | 2023 £ | 2022 £ |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 4,000 *(2022 - 4,000)* Ordinary shares of £1.00 each | **4,000** | *4,000* |
| 445 *(2022 - 445)* Ordinary B shares of £0.20 each | **89** | *89* |
| | **4,089** | *4,089* |

## 10. 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) 2023 | Number 2023 | *Weighted average exercise price (pence) 2022* | *Number 2022* |
|---|---|---|---|---|
| **UKGI Group Ltd EMI Share Option Plan** | | | | |
| Outstanding at the beginning of the year | 182 | 33,000 | | - |
| Granted during the year | | - | *182* | *33,000* |
| Exercised during the year | | - | | - |
| Expired during the year | | - | | - |
| **Outstanding at the end of the year** | 182 | 33,000 | *182* | *33,000* |

| | 2023 | *2022* |
|---|---|---|
| Option pricing model used | | *Black Schools* |
| 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%* |

| | 2023 £ | *2022 £* |
|---|---|---|
| Equity-settled Schemes | 6,390 | *2,894* |

## 11. Other reserves

Other reserves represent the Company's equity-settled share based payments reserves (note 10). £6,390 (2022 - £2,894) was credited to other reserves in respect of the share based payments charged for the year.

## 12. 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 £27,611 (2022: £16,295). Contributions totalling £245 (2022: £213) were due to the funds at the Balance Sheet date and are included in creditors.

## 13. 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.

During the year, the company granted a director an unsecured term loan facility of a total principal amount not exceeding £30,000 which can be drawn down over separate monthly instalments of £550.50 each.

The loan attracts interest of 2% above the base rate of the Bank of England, per annum.

The loan and any accrued interest outstanding is repayable in full on the Final Repayment Date (which is the date upon which the Option is exercised in accordance with the rules of the UKGI Group Ltd EMI Share Option Plan and the Option Agreement) using the exercise proceeds from the director's share options in the UKGI Group Limited EMI share option plan.

In the event that the sum of the Exercise Proceeds available following exercise of the Option is less than the outstanding Repayment Amount, the company shall accept the Exercise Proceeds available in full and final satisfaction of the Repayment Amount and waive all rights or entitlements to require the director to repay the excess (the excess being the difference between the available Exercise Proceeds and the Repayment Amount outstanding at such time).

The amount outstanding at year end, included in the other debtors balance was £10,830 which includes accrued interest amounting to £371.

The director may repay to the Repayment Amount outstanding from time to time in full or in part at any time prior to the Final Repayment Date, following notice to the company specifying the amount of the repayment.

## 14. 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.