

**The Policy Shop Insurance Services Limited**  
**Financial Statements**  
**31 December 2015**

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# **The Policy Shop Insurance Services Limited**

## **Officers and Professional Advisers**

### **The board of directors**

G Humphreys  
K J Barber  
K R Spencer  
M R Brittain

### **Company secretary**

C J Payne

### **Registered office**

45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

### **Auditor**

RSM UK Audit LLP  
Chartered accountant & statutory auditor  
Hanover House  
18 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1ED

# **The Policy Shop Insurance Services Limited**

## **Directors' Report**

**Period from 1 May 2015 to 31 December 2015**

The directors present their report and the financial statements of the company for the eight month period ended 31 December 2015.

### **Principal activity**

The principal activity of the company during the period was that of insurance agents. However, these operations were transferred to a fellow group member Insurance Factory Limited on 1 June 2015. The company has therefore ceased to trade and continues in operation only to collect and settle amounts due.

Following the transfer of the company's trade, its operations no longer constitute a going concern and the financial statements have been prepared on a basis other than that of a going concern.

### **Directors**

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

G Humphreys  
K J Barber  
K R Spencer  
M R Brittain  
R J Bence

(resigned 30 April 2016)

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

### **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 16 December 2016 and signed on behalf of the board by:



M R Brittain  
Director

Registered office:  
45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

# **The Policy Shop Insurance Services Limited**

## **Directors' Responsibilities Statement**

### **Period from 1 May 2015 to 31 December 2015**

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 period. 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 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 accounting 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.

# **The Policy Shop Insurance Services Limited**

## **Independent Auditor's Report to the Shareholders of The Policy Shop Insurance Services Limited**

**Period from 1 May 2015 to 31 December 2015**

We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Basis for qualified opinion on financial statements**

Our opinion on the current period's financial statements for the period ended 31 December 2015 is modified because of the possible effects of the matters set out below, that gave rise to our disclaimer of opinion on the financial statements for the year ended 30 April 2015, on the comparability of the current period's figures and the corresponding figures.

We were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements for the year ended 30 April 2015. Accordingly, we did not express an opinion on those financial statements. The basis for our disclaimer of opinion on the financial statements for the year ended 30 April 2015 was the significance of the limited audit evidence available to us in the following areas of the financial statements. As a result, we were unable to obtain sufficient appropriate audit evidence in relation to these areas.

#### *Turnover*

We were unable to obtain sufficient appropriate audit evidence to support Turnover of £4,256,712 for the year ended 30 April 2015 due to the absence of supporting invoices or other documentary evidence and the absence of management explanations due to the loss of key staff.

#### *Administrative Expenses*

We were unable to obtain sufficient appropriate audit evidence to support Administrative Expenses (including exceptional items) of £5,054,024 for the year ended 30 April 2015. This was due to the absence of payroll reports for the period from May 2014 to February 2015 or other documentary evidence to support the total payroll costs of £1,707,890 disclosed in note 6, the absence of purchase invoices or other documentary evidence to support other administrative expenses of £2,599,859 and the absence of sufficient appropriate audit evidence to support the exceptional write-offs of £746,275 disclosed in note 4.

#### *Trade Creditors*

Due to the absence of purchase invoices or other documentary evidence, we were unable to obtain sufficient appropriate audit evidence on the classification of the creditor balance of £855,643 as at 30 April 2015 as 'trade creditors'.

# **The Policy Shop Insurance Services Limited**

## **Independent Auditor's Report to the Shareholders of The Policy Shop Insurance Services Limited (continued)**

**Period from 1 May 2015 to 31 December 2015**

### **Qualified opinion on financial statements**

In our opinion, except for the possible effects on the corresponding figures of the matters described in the Basis for Qualified opinion paragraph, the financial statements:-

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the period 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.

### **Emphasis of matter – Basis of accounting and going concern**

We have considered the adequacy of the disclosures made in the accounting policies on pages 9 and 12 of the financial statements considering the company's basis of accounting and going concern. As explained in note 2, the company has ceased arranging new business and all new business is undertaken by a fellow subsidiary company. As required by Section 3 'Financial Statement Presentation' of FRS 102, the directors have prepared the financial statements on the basis that the company is no longer a going concern.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.

Due to the possible effects of the matters described in the Basis for Qualified opinion paragraph on the corresponding figures, we were unable to determine whether the directors were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

*RSM UK Audit LLP*

GARY PURDY (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Hanover House  
18 Mount Ephraim Road  
Tunbridge WELLS  
Kent  
TN11 1ED  
Date *16 December 2016*

# The Policy Shop Insurance Services Limited

## Statement of Comprehensive Income

Period from 1 May 2015 to 31 December 2015

	Note	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
<b>Turnover</b>	<b>3</b>	<b>413,368</b>	4,256,712
<b>Gross profit</b>		<b>413,368</b>	4,256,712
Administrative expenses		<b>362,455</b>	4,307,749
Exceptional bad debt and other write offs		<b>(33,270)</b>	746,275
<b>Operating profit/(loss)</b>	<b>4</b>	<b>84,183</b>	(797,312)
Other interest receivable and similar income		–	2,217
Interest payable and similar charges	<b>8</b>	<b>(67)</b>	(1,669)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>84,116</b>	(796,764)
Tax on profit/(loss) on ordinary activities	<b>9</b>	<b>(8,903)</b>	(9,432)
<b>Profit/(loss) for the financial period</b>		<b>93,019</b>	(787,332)
Capital contribution from parent company		–	1,660,000
<b>Total comprehensive income for the period</b>		<b>93,019</b>	872,668

The company's activities were discontinued during the year.

The notes on pages 9 to 17 form part of these financial statements.

# The Policy Shop Insurance Services Limited

## Statement of Financial Position

31 December 2015

	Note	31 Dec 15 £	30 Apr 15 £
<b>Fixed assets</b>			
Tangible assets	11	107,720	47,798
<b>Current assets</b>			
Debtors	12	1,740,749	1,929,020
Cash at bank and in hand		93,872	2,434
		<u>1,834,621</u>	<u>1,931,454</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>1,753,969</u>	<u>1,883,866</u>
<b>Net current assets</b>		<u>80,652</u>	<u>47,588</u>
<b>Total assets less current liabilities</b>		<u>188,372</u>	<u>95,386</u>
<b>Provisions</b>			
Deferred tax	15	—	33
<b>Net assets</b>		<u>188,372</u>	<u>95,353</u>
<b>Capital and reserves</b>			
Called up share capital	17	152	152
Share premium account	19	24,998	24,998
Other reserves	19	1,660,000	1,660,000
Profit and loss account	19	(1,496,778)	(1,589,797)
<b>Shareholders' funds</b>		<u>188,372</u>	<u>95,353</u>

These financial statements were approved by the board of directors and authorised for issue on ~~16 December 2016~~, and are signed on behalf of the board by:



M R Brittain  
Director

Company registration number: 04398937

The notes on pages 9 to 17 form part of these financial statements.

# The Policy Shop Insurance Services Limited

## Statement of Changes in Equity

Period from 1 May 2015 to 31 December 2015

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total £
<b>At 1 May 2014 (as previously reported)</b>	152	24,998	–	225,060	250,210
Prior period adjustments	–	–	–	(1,007,521)	(1,007,521)
<b>At 1 May 2014 (restated)</b>	<u>152</u>	<u>24,998</u>	<u>–</u>	<u>(782,461)</u>	<u>(757,311)</u>
Loss for the period				(787,332)	(787,332)
Other comprehensive income for the period:					
Capital contribution from parent company	–	–	1,660,000	–	1,660,000
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>1,660,000</u>	<u>(787,332)</u>	<u>872,668</u>
Dividends paid and payable <b>10</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(20,004)</u>	<u>(20,004)</u>
<b>Total investments by and distributions to owners</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(20,004)</u>	<u>(20,004)</u>
<b>At 30 April 2015</b>	152	24,998	1,660,000	(1,589,797)	<b>95,353</b>
Profit for the period	–	–	–	93,019	<b>93,019</b>
<b>Total comprehensive income for the period</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>93,019</u>	<u><b>93,019</b></u>
<b>At 31 December 2015</b>	<u>152</u>	<u>24,998</u>	<u>1,660,000</u>	<u>(1,496,778)</u>	<u><b>188,372</b></u>

The notes on pages 9 to 17 form part of these financial statements.

# **The Policy Shop Insurance Services Limited**

## **Notes to the Financial Statements**

**Period from 1 May 2015 to 31 December 2015**

### **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. Accounting policies**

#### **Basis of preparation and going concern**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS 102").

Following the acquisition of the company by the Markerstudy group in March 2015, the company ceased arranging new business with all new business being undertaken by Insurance Factory Limited, a fellow subsidiary company from 1 June 2015.

The financial statements have not been prepared under the going concern basis.

As disclosed in note 18, the company's remaining assets were transferred to Insurance Factory Limited on 1 January 2016.

No material adjustments arose as a result of ceasing to apply the going concern basis.

As noted on page 12, the company is reliant on support from Markerstudy Holdings Limited to meet its obligations as they fall due.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

#### **Change of accounting reference date**

The accounting reference date has been changed from 30 April to 31 December in order to bring this in line with the rest of the group. Consequently comparative figures are not entirely comparable.

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 May 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 23. The financial statements of The Policy Shop Insurance Services Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

#### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of Markerstudy Holdings Limited. Details of how to obtain these financial statements can be found in note 22 of the financial statements. 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) No disclosure has been given for the aggregate remuneration of key management personnel.

# **The Policy Shop Insurance Services Limited**

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

**Period from 1 May 2015 to 31 December 2015**

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

#### **Revenue recognition**

The turnover shown in the profit and loss account comprises of commission and other income arising principally from the sale of insurance policies in the United Kingdom, recognised at the inception of the policy. No allowance is made for expected cancellations on the basis these have no overall effect on income at the point of cancellation.

#### **Income tax**

The taxation expenses represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax the company is expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation.

#### **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:

Plant & machinery - 33% straight line

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# **The Policy Shop Insurance Services Limited**

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

**Period from 1 May 2015 to 31 December 2015**

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

#### **Financial instruments**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Financial assets*

##### **Trade and other debtors**

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

#### *Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments 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 Company after deducting all of its liabilities.

##### **Trade and other creditors**

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

##### **Equity instruments**

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

##### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# The Policy Shop Insurance Services Limited

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

Period from 1 May 2015 to 31 December 2015

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

#### Going concern

As set out on page 9, the company transferred its business to a fellow group member on 1 June 2015 and therefore has ceased to operate as a going concern. The financial statements have therefore been prepared on a non-going concern basis. No material adjustments arose as a result of adopting a non-going concern basis of accounting.

The company is no longer expected to continue to generate positive cash flows on its own account. The company participates in the parent group's centralised treasury arrangements and its financing is inter dependent with that of other members of the parent group, and has amounts due to other members of the parent group of £969,107, and amounts due from other members of the parent group of £1,660,000 at the balance sheet date. Further, at the balance sheet date the company had net current assets of £80,652. Furthermore, the company has received a letter of support from the parent group confirming that any inter-company indebtedness will not be called upon and that the parent group will provide such support as is necessary for the company to continue to meet its obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements.

Based on the letter of support from the Markerstudy Holdings Limited, the directors have a reasonable expectation that the company will be able to meet its obligations as they fall due.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

How much of the income received should be deferred to match the period in which the majority of the claims cost activity is incurred.

#### Other key sources of estimation uncertainty

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 3. Turnover

Turnover arises from:

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Rendering of services	<u>413,368</u>	<u>4,256,712</u>

# The Policy Shop Insurance Services Limited

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

Period from 1 May 2015 to 31 December 2015

### 3. Turnover *(continued)*

Turnover is wholly attributable to the principal activity of the company, undertaken in the United Kingdom.

### 4. Operating profit/(loss)

Operating profit or loss is stated after charging:

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Depreciation of tangible assets	22,189	18,824
Defined contribution plans expense	(150)	6,526
Operating lease costs - plant and equipment	174	3,269
Operating lease costs - other	5,326	109,915
Exceptional bad debt and other write-offs:		
- Bad debts	-	559,449
- Fixed assets	-	38,606
- Former directors' loans	-	57,639
- Other	(33,270)	90,581
	<u>(33,270)</u>	<u>746,275</u>

### 5. Auditor's remuneration

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Fees payable for the audit of the financial statements	12,500	27,509
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	1,500	-

### 6. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	31 Dec 15 No	30 Apr 15 No
Administrative staff	7	74

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Wages and salaries	115,311	1,559,989
Social security costs	9,398	141,375
Other pension costs	(150)	6,526
	<u>124,559</u>	<u>1,707,890</u>

# The Policy Shop Insurance Services Limited

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

Period from 1 May 2015 to 31 December 2015

### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Remuneration	–	122,286
Company contributions to defined contribution pension plans	–	301
	<u>–</u>	<u>122,587</u>

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

	31 Dec 15 No	30 Apr 15 No
Defined contribution plans	–	2
	<u>–</u>	<u>2</u>

### 8. Interest payable and similar charges

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Interest on banks loans and overdrafts	–	1,669
Other interest payable and similar charges	67	–
	<u>67</u>	<u>1,669</u>

### 9. Tax on profit/(loss) on ordinary activities

#### Major components of tax income

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
<b>Current tax:</b>		
Adjustments in respect of prior periods	(7,727)	–
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,176)	(9,432)
<b>Tax on profit/(loss) on ordinary activities</b>	<u>(8,903)</u>	<u>(9,432)</u>

# The Policy Shop Insurance Services Limited

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

### Period from 1 May 2015 to 31 December 2015

#### 9. Tax on profit/(loss) on ordinary activities *(continued)*

##### Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the period is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.92%).

	Period from 1 May 15 to 31 Dec 15 £	Year to 30 Apr 15 £
Profit/(loss) on ordinary activities before taxation	<b>84,116</b>	(796,764)
Profit/(loss) on ordinary activities by rate of tax	<b>16,823</b>	166,666
Adjustment to tax charge in respect of prior periods	<b>(7,727)</b>	–
Effect of expenses not deductible for tax purposes	–	(12,758)
Effect of capital allowances and depreciation	–	(9,826)
Utilisation of tax losses	–	(10,383)
Unused tax losses	–	(133,699)
Rounding on tax charge	<b>(1)</b>	–
Adjust deferred tax rate	<b>11,098</b>	–
Deferred tax	–	(9,432)
Deferred tax not recognised	<b>(29,096)</b>	–
Tax on profit/(loss) on ordinary activities	<b>(8,903)</b>	(9,432)

#### 10. Dividends

	31 Dec 15 £	30 Apr 15 £
Dividends paid during the period	–	20,004

#### 11. Tangible assets

	Plant and machinery £	Total £
<b>Cost</b>		
At 1 May 2015	49,263	<b>49,263</b>
Additions	82,111	<b>82,111</b>
<b>At 31 December 2015</b>	<b>131,374</b>	<b>131,374</b>
<b>Depreciation</b>		
At 1 May 2015	1,465	<b>1,465</b>
Charge for the period	22,189	<b>22,189</b>
<b>At 31 December 2015</b>	<b>23,654</b>	<b>23,654</b>
<b>Carrying amount</b>		
<b>At 31 December 2015</b>	<b>107,720</b>	<b>107,720</b>
At 30 April 2015	47,798	47,798

# The Policy Shop Insurance Services Limited

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

Period from 1 May 2015 to 31 December 2015

### 12. Debtors

	31 Dec 15 £	30 Apr 15 £
Trade debtors	–	114,439
Amounts owed by group undertakings	1,660,000	1,660,000
Deferred tax asset	1,143	–
Prepayments and accrued income	–	1,177
Corporation tax repayable	79,606	71,879
Other debtors	–	81,525
	<u>1,740,749</u>	<u>1,929,020</u>

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

	31 Dec 15 £	30 Apr 15 £
Trade creditors	750,567	855,643
Amounts owed to group undertakings	969,107	917,853
Accruals and deferred income	34,295	72,015
Social security and other taxes	–	38,355
	<u>1,753,969</u>	<u>1,883,866</u>

Included within trade creditors are insurer creditors of £728,470 (30 April 2015: £Nil) which are due to fellow subsidiaries of the Markerstudy Holdings Limited group.

### 14. Deferred tax

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

	31 Dec 15 £	30 Apr 15 £
Included in debtors (note 12)	1,143	–
Included in provisions (note 15)	–	(33)
	<u>1,143</u>	<u>(33)</u>

### 15. Provisions

	Total £
At 1 May 2015	33
Movement during the period	(33)
At 31 December 2015	<u>–</u>

### 16. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £(150) (2015: £6,526).

# The Policy Shop Insurance Services Limited

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

Period from 1 May 2015 to 31 December 2015

### 17. Called up share capital

Issued, called up and fully paid

	31 Dec 15		30 Apr 15	
	No	£	No	£
Ordinary shares of £1 each	151	151	151	151
Ordinary Class 2 shares of £1 each	1	1	1	1
	<u>152</u>	<u>152</u>	<u>152</u>	<u>152</u>

### 18. Post balance sheet events

On 1 January 2016, the tangible fixed assets were transferred to Insurance Factory Limited, a fellow subsidiary company of Markerstudy Holdings Limited.

### 19. Reserves

Share premium account - This reserve records the amount in excess of the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses, net of equity dividends paid.

Other reserve - Capital contribution from parent company.

### 20. Company information

The Policy Shop Insurance Services Limited is a company limited by shares incorporated in England and Wales. The registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

The company's principal activity was the provision of insurance agent services.

### 21. Related party transactions

The company has taken advantage of the exemptions available under section 33 of Financial Reporting Standard 102 from the requirement to disclosure transactions with group companies where these are fellow 100% owned subsidiaries.

### 22. Controlling party

The immediate and ultimate parent undertaking is Markerstudy Holdings Limited, a company registered in Gibraltar. Copies of the immediate parent company's consolidated financial statements may be obtained from 846-848 Europort, Gibraltar. Markerstudy Holdings Limited is controlled by K R Spencer.

### 23. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 May 2014.

No transitional adjustments were required in equity or profit or loss for the year.