

Company Registration No. 04515272 (England and Wales)

FRESH INSURANCE SERVICES GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LB GROUP
Swift House
Ground Floor
18 Hoffmanns Way
Chelmsford
Essex
UK
CM1 1GU

FRESH INSURANCE SERVICES GROUP LIMITED

COMPANY INFORMATION

Directors	G McKernan W McKernan J Corrigan-Stuart J Boast (Appointed 18 August 2021)
Company number	04515272
Registered office	Ladybird Suite Burnt Meadow Road North Moons Moat Redditch Worcestershire B98 9PA
Auditor	LB Group Limited (Chelmsford) Swift House Ground Floor 18 Hoffmanns Way Chelmsford Essex UK CM1 1GU

FRESH INSURANCE SERVICES GROUP LIMITED

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FRESH INSURANCE SERVICES GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

On the 12 April 2021 the company successfully completed the disposal of the business and customer relating to the motor insurance books. The remaining business will operate with a right sized footprint and leverage the distribution network within the wider Kingfisher Group.

The company's results for the year ended 31 December 2021 for continuing operations report an operating profit of £869,528 (2020: Operating Loss £101,337). The company's key financial performance indicators, for the continuing business, during the period were as follows:

	2021	2020
Turnover	£1,987,256	£2,384,296
Operating Loss Before Other Operating Income	£(107,217)	£(1,101,381)
Turnover/Operating Loss (Excluding Other Operating Income)	-5%	-46%

Turnover for the continuing business decreased 17% as the home business continued to focus on direct channels and the niche end of the market. The Company has moved away from Price Comparison Websites (PCWs) to support insurance partners loss performance.

The costs of the remaining business contain several one-off restructuring costs in relation to the rightsizing of the cost base to align with the new footprint. The restructuring costs were focussed on updating infrastructure. The initiatives executed in prior years have led to the reducing operating loss before Other Operating Income of £107,217 from £1,101,381, this trend is expected to continue.

Financial position at the reporting date

The statement of financial position shows that the Company's net assets at the year-end have decreased from £336,516 as at 31 December 2020 to £329,385 as at 31 December 2021.

COVID-19 Pandemic

COVID 19 impacted operations over 2021 which have now stabilised. See the Directors report for details.

Future developments

The FCA fair pricing rules will impact the insurance sector in 2022. The impact will be seen most noticeably in intermediaries with differing pricing treatment between new and renewal business in personal lines. Fresh Insurance Services Group Limited will be fully compliant with all requirements relating to Fair Pricing and Fair Value by the 1 January 2022. Fresh Insurance Services Group Limited is well placed to take advantage of the impact in the sector as the business has a robust product understanding, product governance framework and pricing practices

FRESH INSURANCE SERVICES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The company's principal risks are considered to be:

Market risk: The influence of the internet and PCW continues to impact the UK business environment. Changes driven by the FCA Fair Pricing regulation will change the market dynamic. As Fresh has withdrawn from PCWs it is well placed to take advantage of the fluctuating market dynamics.

In addition, the market is dominated by a few large insurance companies. The company manages market risk by maintaining a broad panel of insurers and monitoring revenue trends.

Operating risk: The Company's exposure to losses arise from inadequate or failed internal processes, from fraud and failure of data systems and from external events. It is a critical requirement that our systems not only serve today but stay in line with the huge technological shifts the industry is experiencing. This is managed by having in place comprehensive policies for business continuity planning and robust compliance procedures. Ongoing investment into IT infrastructure, including cybercrime prevention, the call centre operation and our online journey is designed to minimise the risk in these areas.

Regulatory risk: Changes to the regulatory environment or requirements may result in intervention and financial or reputational loss. The company mitigates these risks by ensuring that its governance and culture identify changes or issues at an early stage and allow the implementation of appropriate strategies to ensure compliance. A dedicated Group compliance function maintains open communication channels with the FCA.

Inflation risk: The Company closely manages costs in relation to the business, inflationary increases are mitigated through ongoing negotiations with vendors. The Company's income pricing structures are reviewed to ensure they remain aligned to the inflation rate environment, providing further mitigation.

Liquidity risk: The Company manages its cash requirements centrally ensuring the Company has sufficient liquid resources to meet the operating needs of its business. Client's monies are held with approved banks and cleared funds have to be available before payment is made.

Interest rate risk: The Company operations are subject to the risk of interest rate fluctuations only as it affects interest earning assets.

Credit risk: Investment of cash surpluses are made through banks which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Debtor balances are monitored on an on-going basis and provision is made for doubtful debts where necessary.

On behalf of the board

J F Corrigan-Stuart

Director

19 December 2022

FRESH INSURANCE SERVICES GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and audited financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of insurance agents and brokers.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

G McKernan

W McKernan

N Frost

(Resigned 20 September 2021)

J Corrigan-Stuart

J Boast

(Appointed 18 August 2021)

Research and development

During the period, the company continued development of loss ratio models by the use of data warehousing to mitigate risk and maximise capacity.

Post reporting date events

During the year the Company made no political donations (2020: £nil).

Auditor

LB Group Limited (Chelmsford) were reappointed as auditor to the company.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

FRESH INSURANCE SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Impact of COVID 19 pandemic

COVID 19 impacted operations over 2021 which have now stabilised. The directors continued to monitor the impact of COVID 19 on the Company and the wider market.

On behalf of the board

J Corrigan-Stuart

Director

19 December 2022

FRESH INSURANCE SERVICES GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

FRESH INSURANCE SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRESH INSURANCE SERVICES GROUP LIMITED

Opinion

We have audited the financial statements of Fresh Insurance Services Group Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 December 2021 and of its loss 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 *Auditor's 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 UK, including the FRC'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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

FRESH INSURANCE SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRESH INSURANCE SERVICES GROUP LIMITED

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 strategic report or 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

FRESH INSURANCE SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRESH INSURANCE SERVICES GROUP LIMITED

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including, but not limited to, fraud and non-compliance with laws and regulations was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the insurance brokerage sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, FCA compliance, employment legislation and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing returns submitted to the FCA and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Reviewed the internal controls in place, specifically around payroll and bank transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates around provisions were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing returns submitted to the FCA and correspondence with the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

FRESH INSURANCE SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRESH INSURANCE SERVICES GROUP 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 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.

Michael Warman

Senior Statutory Auditor

For and on behalf of LB Group Limited (Chelmsford)

20 December 2022

Chartered Accountants

Statutory Auditor

Swift House
Ground Floor
18 Hoffmanns Way
Chelmsford
Essex
UK
CM1 1GU

FRESH INSURANCE SERVICES GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Continuing operations	Discontinued operations	31 December 2021	Continuing operations	Discontinued operations	31 December 2020
		£	£	£	£	£	£
Turnover	3	1,987,256	1,149,000	3,136,256	2,384,296	7,579,000	9,963,296
Administrative expenses		(2,255,728)	(3,075,000)	(5,330,728)	(3,485,677)	(9,799,000)	(13,284,677)
Other operating income		1,138,000	-	1,138,000	44	220,000	220,044
Operating Profit/(Loss)	5	869,528	(1,926,000)	(1,056,472)	(1,101,337)	(2,000,000)	(3,101,337)
Interest receivable and similar income	10	(1,712)	-	(1,712)	19,066	8,000	27,066
Interest payable and similar expenses	11	(15)	-	(15)	(16,281)	-	(16,281)
Intercompany loan waived	4	-	-	-	1,605,669	-	1,605,669
Profit/(loss) on disposal of operations		-	-	-	-	-	-
- Discontinued Operation		-	1,222,328	1,222,328	-	-	-
Profit/(loss) before taxation		867,801	(703,672)	164,129	507,117	(1,992,000)	(1,484,883)
Tax on profit/(loss)	13	(171,260)	-	(171,260)	-	-	-
Loss for the financial year		696,541	(703,672)	(7,131)	507,117	(1,992,000)	(1,484,883)

There was no other comprehensive income in 2021 (2020: £Nil)

FRESH INSURANCE SERVICES GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	15		4,114		183,172
Tangible assets	16		149,124		274,786
			<u>153,238</u>		<u>457,958</u>
Current assets					
Debtors	18	1,945,897		4,554,560	
Cash at bank and in hand		802,576		2,045,004	
		<u>2,748,473</u>		<u>6,599,564</u>	
Creditors: amounts falling due within one year	20	<u>(2,340,026)</u>		<u>(3,248,570)</u>	
Net current assets			<u>408,447</u>		<u>3,350,994</u>
Total assets less current liabilities			<u>561,685</u>		<u>3,808,952</u>
Creditors: amounts falling due after more than one year	21		-		(1,138,000)
Provisions for liabilities					
Provisions	22	<u>232,300</u>	<u>(232,300)</u>	<u>2,334,436</u>	<u>(2,334,436)</u>
Net assets			<u>329,385</u>		<u>336,516</u>
Capital and reserves					
Called up share capital	25		84,142		84,142
Share premium account			827,220		827,220
Profit and loss reserves			<u>(581,977)</u>		<u>(574,846)</u>
Total equity			<u>329,385</u>		<u>336,516</u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2022 and are signed on its behalf by:

J Corrigan-Stuart
Director

Company Registration No. 04515272

FRESH INSURANCE SERVICES GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	84,142	827,220	910,037	1,821,399
Period ended 31 December 2020:				
Loss and total comprehensive income for the period	-	-	(1,484,883)	(1,484,883)
Balance at 31 December 2020	84,142	827,220	(574,846)	336,516
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(7,131)	(7,131)
Balance at 31 December 2021	84,142	827,220	(581,977)	329,385

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Fresh Insurance Services Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ladybird Suite Burnt Meadow Road, North Moons Moat, Redditch, Worcestershire, B98 9PA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and comprehensive income of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures:
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company is a wholly-owned subsidiary of NSM Insurance Group LLC, a company registered in Delaware, USA, and is included in the consolidated financial statements of this company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006. The financial statements for NSM Insurance Group LLC can be obtained from; NSM Insurance Group Corporate Headquarters, 555 North Lane, Suite 6060, Conshohocken, PA 19428.

As a wholly-owned subsidiary of NSM Insurance Group LLC, and a qualifying entity, the Company has taken advantage of the exemption offered by FRS 102 "Related Party Disclosures" not to disclose transactions with wholly owned subsidiary undertakings.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The wider group has agreed to provide the necessary financial support for a suitable period enabling the directors to continue to adopt the going concern assumption.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.3 Turnover

Turnover comprises commission receivable, fees for the arrangement of insurances, and other ancillary income derived from the business of insurance broking.

Turnover from affinity relationships comprises commission receivable from a broker, acting on behalf of an Insurance Company, who has no access to the non-standard Home insurance products the Company provides.

The Company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the companies activities.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% straight line
Furniture and fittings	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 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 to all of its financial instruments.

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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

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

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Provisions

PCL liability arises in relation to insurance policies sold to clients who purchase the policy through financing arrangements through Premium Credit Limited ("PCL"). In the event that clients default on their repayments to Premium Credit the company is obligated to repay Premium Credit any monies paid to the Company in relation to outstanding instalments and the liability represents future amounts to be refunded based on previous history of default. The Company would be entitled to recover such amounts from the client and therefore a corresponding asset matching the liability has been raised and included within other debtors. In so far as any amounts are deemed unlikely to be recovered they are included in the bad debt provision. As at the period end any potential repayment to PCL would take place within 12 months.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Revenue from insurance broking	3,136,254	9,963,296
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Interest income	(1,712)	27,066
Grants received	-	220,044
	<u> </u>	<u> </u>

4 Exceptional items

At 31 December 2020 an intercompany waiver was received from fellow group companies of £1,605,669. In relation to the company financial statements the value is deemed material to the extent that it is disclosed separately on the face of the profit and loss account.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	-	(220,044)
Fees payable to the company's auditor for the audit of the company's financial statements	32,500	42,500
Depreciation of owned tangible fixed assets	159,979	133,380
Amortisation of intangible assets	97,865	127,067
Impairment of intangible assets	81,192	-
Operating lease charges	132,895	89,963
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Administration and support	44	44
Sales	27	95
	<u> </u>	<u> </u>
Total	71	139
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,948,616	5,734,079
Social security costs	164,411	526,630
Pension costs	36,080	165,729
	<u> </u>	<u> </u>
	2,149,107	6,426,438
	<u> </u>	<u> </u>
Redundancy payments made or committed	9,160	286,490
	<u> </u>	<u> </u>

7 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	32,500	42,500
For Non-Audit Services	3,500	3,500
	<u> </u>	<u> </u>
	36,000	46,000
	<u> </u>	<u> </u>

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	-	50,523
Company pension contributions to defined contribution schemes	-	22,781
	<u>-</u>	<u>73,304</u>

9 Government grants

The amount of grants recognised in the financial statements was £nil (2020 - £220,043). The grants relate to the Coronavirus Job Retention Scheme. The company did not benefit from any other form of government support.

10 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	(1,712)	27,066
	<u>(1,712)</u>	<u>27,066</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	(1,712)	27,066
	<u>(1,712)</u>	<u>27,066</u>

11 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	11,521
Other finance costs:		
Other interest	15	4,760
	<u>15</u>	<u>16,281</u>

12 Discontinued operations

Discontinued Operation

As part of the entities strategy to concentrate resources on higher margin and more profitable areas of the business, the entity sold it's rights to the Motor Policies book during the period. Which contributed post tax losses of £703,672 (2020:£1,992,000). The profit on disposal of £1,222,328 was recognised within the profit and loss account. Costs in relation to the transaction were incurred by the parent entity and are not being recharged.

13 Taxation

2021 £	2020 £
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FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Taxation

(Continued)

	2021 £	2020 £
Deferred tax		
Origination and reversal of timing differences	171,260	-

Of the charge to current tax in relation to discontinued operations, £0 relates to tax on profits and £0 arose on disposal.

The actual charge for the year can be reconciled to the expected credit for the year based on the profit before taxation and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	164,129	(1,484,883)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	31,185	(282,128)
Tax effect of expenses that are not deductible in determining taxable profit	(233,285)	362
Unutilised tax losses carried forward	-	301,795
Adjustments in respect of prior years	170,034	-
Deferred tax adjustments in respect of prior years	(28,916)	106
Tax rate changes	-	(20,135)
Cchargeable gains	232,242	-
Taxation charge for the year	171,260	-

14 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Intangible assets	15	81,192	-
Recognised in:			
Administrative expenses		81,192	-

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Intangible fixed assets

	Software £
Cost	
At 1 January 2021 and 31 December 2021	689,770
Amortisation and impairment	
At 1 January 2021	506,599
Amortisation charged for the year	97,865
Impairment losses	81,192
At 31 December 2021	685,656
Carrying amount	
At 31 December 2021	4,114
At 31 December 2020	183,172

More information on impairment movements in the year is given in note 14.

16 Tangible fixed assets

	Office equipment £	Furniture and fittings £	Total £
Cost			
At 1 January 2021	545,274	139,568	684,842
Additions	55,148	10,776	65,924
Disposals	-	(38,847)	(38,847)
At 31 December 2021	600,422	111,497	711,919
Depreciation and impairment			
At 1 January 2021	331,484	78,573	410,057
Depreciation charged in the year	110,821	49,158	159,979
Eliminated in respect of disposals	-	(7,241)	(7,241)
At 31 December 2021	442,305	120,490	562,795
Carrying amount			
At 31 December 2021	158,117	(8,993)	149,124
At 31 December 2020	213,791	60,995	274,786

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Subsidiaries

(Continued)

Name of undertaking	Address	Class of shares held	% Held Direct
Autosaint Limited	United Kingdom	Ordinary	100.00
Ladybird Insurance Brokers Limited	United Kingdom	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Ladybird Suite, Burnt Meadow Road, North Moons Moat Industrial Estate, Redditch, Worcestershire B98 9PA

The principal activity of Ladybird Insurance Brokers Limited is insurance broking, though dormant during the period and prior periods.

The principal activity of Autosaint Limited is insurance broking, though dormant throughout the period and prior periods. Its financial period end is 31 May.

18 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	161,345	1,883,651
Amounts owed by group undertakings	1,094,669	13
Other debtors	453,910	2,191,373
Prepayments and accrued income	235,973	308,263
	<u>1,945,897</u>	<u>4,383,300</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 23)	-	171,260
	<u>-</u>	<u>171,260</u>
Total debtors	<u>1,945,897</u>	<u>4,554,560</u>

19 Cash at bank and in hand

In accordance with the regulations of the Financial Conduct Authority, all insurance funds are held in non-statutory accounts. At 31 December 2021, the funds held in such accounts totalled £720,523.39 (2020: £1,709,480.20). It should be noted that within these accounts are significant funds due to the company in relation to commission.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	461,099	2,645,947
Amounts owed to group undertakings	565,757	-
Taxation and social security	78,400	10,140
Other creditors	795,290	17,672
Accruals and deferred income	439,480	574,811
	<u>2,340,026</u>	<u>3,248,570</u>

21 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Long term incentive plan	-	1,138,000
	<u>-</u>	<u>1,138,000</u>

The long term incentive is in respect of the purchase of the company by its now parent, Kingfisher UK Holdings Ltd. During the year £1,138,000 was written off to the profit and loss as a business performance was not met under the incentive plan.

22 Provisions for liabilities

	2021 £	2020 £
PCL liability	94,645	2,265,133
Dilapidation provision	137,655	69,303
	<u>232,300</u>	<u>2,334,436</u>

Movements on provisions:

	PCL liability £	Dilapidation provision £	Total £
At 1 January 2021	2,265,133	69,303	2,334,436
Additional provisions in the year	(2,170,488)	68,352	(2,102,136)
At 31 December 2021	<u>94,645</u>	<u>137,655</u>	<u>232,300</u>

A description of the PCL liability is included in note 2 to the financial statements.

Dilapidation provision of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The estimated final cost is capitalised and amortised to the profit and loss over the life of the lease. The provision is expected to be utilised between 2020 and 2023 as the lease terminates.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2021 £	Assets 2020 £
Balances:		
Losses carried forward	-	171,260
	<u> </u>	<u> </u>
Movements in the year:		2021 £
Asset at 1 January 2021		(171,260)
Charge to profit or loss		171,260
		<u> </u>
Liability at 31 December 2021		-
		<u> </u>

24 Defined contribution schemes

	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	36,080	165,729
	<u> </u>	<u> </u>

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £36,080 (2020 - £165,729).

Contributions totalling £40,586 (2020 - £nil) were payable to the scheme at the end of the period and are included in creditors.

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Allotted, called up and fully paid shares		
25,750 "A" Ordinary of £1 each	25,750	25,750
12,392 "B" Ordinary of £1 each	12,392	12,392
3,000 "C" Ordinary of £1 each	3,000	3,000
15,000 "D" Ordinary of £1 each	15,000	15,000
1,500 "E" Ordinary of £1 each	1,500	1,500
3,750 "F" Ordinary of £1 each	3,750	3,750
500 "G" Ordinary of £1 each	500	500
500 "H" Ordinary of £1 each	500	500
10,000 "I" Ordinary of £1 each	10,000	10,000
11,750 "J" Ordinary of £1 each	11,750	11,750
	<u>84,142</u>	<u>84,142</u>

The ordinary "A" to "H" classes of shares have a right to receive a dividend at the discretion of the directors, have equal voting rights, and equal rights to a distribution in the event of winding up of the company. The ordinary "I" class shares have a right to receive a dividend at the discretion of the director, have full voting rights, and rights to a distribution based on certain conditions in the event of a winding up of the company.

From the listed shares above, only ordinary J class shares remain unpaid.

26 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	45,624	45,625
Later than one year and not later than five years	7,604	102,656
	<u>53,228</u>	<u>148,281</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £193,555 (2020 - £89,963).

27 Events after the reporting date

After the balance sheet date, ultimate control of the entity passed from White Mountain Insurance Group Ltd to Carlyle Partners VIII Holdings III, L.P. (Delaware Partnership).

FRESH INSURANCE SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

28 Ultimate controlling party

Control of the company is held by Kingfisher UK Holdings Limited, a company registered and operating in the United Kingdom, who hold 100% of the issued Ordinary shares of £1.00 each.

At the reporting date, the ultimate parent is White Mountain Insurance Group Ltd, a company registered on both the New York Stock Exchange and the Bermuda Stock Exchange.

The financial statements of the company are consolidated in the financial statements of NSM Insurance Group LLC. These consolidated accounts are available from its register office.

At the reporting date, the largest group of undertakings for which group financial statements are drawn up is White Mountains Insurance Group Ltd and the smallest is NSM Insurance Group LLC.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.