

Express Insurance Services Limited

Annual Report For the year ended 31 December 2016

Company Registration Number: 4975199



Express Insurance Services Limited

Company registration number: 4975199

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Express Insurance Services Limited

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Directors and Advisers

Directors

| | |
|-----------------|---------------------------|
| Gregor Ball | (resigned 1 October 2016) |
| Jason Banwell | (resigned 1 October 2016) |
| Fernley Dyson | |
| James Furse | (resigned 1 October 2016) |
| Nicholas Lemans | (resigned 1 October 2016) |
| Anthony Middle | |
| Andrew Watson | (resigned 1 October 2016) |

Secretary

Rosemary Smith

Registered Address

Ageas House
Hampshire Corporate Park
Templars Way
Eastleigh
Hampshire
SO53 3YA

Independent Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

HSBC
165 High Street
Southampton
SO14 2NZ

Registered Number

4975199
Registered in England and Wales

Express Insurance Services Limited

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Report of the Directors

The directors submit their report, together with the audited financial statements, for the year ended 31 December 2016.

Business Review

The Board considers that, in view of the transfer of trade and assets of Express Insurance Services Limited ('the Company') to Ageas Retail Limited on 30 November 2014, the financial statements have not been prepared on a going concern basis. This conclusion has been reached having considered the provisions of FRS 102.3.8 Accounting Policies which requires entities to use the going concern basis, unless the directors intend to cease trading. The intention is to have the Company struck off the Register of Companies in the foreseeable future.

Full details of the Company's results are contained in the accounts on pages 3 to 13.

Exemption has been claimed under Section 414B of Companies Act 2006 not to prepare a Strategic Report.

Results and Dividends

The result of the year's operation is £nil (2015: loss of £0.3m).

Directors

The Members of the Board as at the date of these accounts are shown on page 1. All directors served throughout the year and to the date of this report except as highlighted on page 1.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the 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 auditors are aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board of Directors on 5 May 2017 and signed on its behalf by:



R Smith
Secretary

Express Insurance Services Limited

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Statement of profit or loss and other comprehensive income

for the year ended 31 December 2016

| | Note | 2016 £'000 | 2015 £'000 |
|--|------|---------------|---------------|
| Revenue | | - | (31) |
| Gross profit/(loss) | | <u>-</u> | <u>(31)</u> |
| Administrative expenses | 2 | - | (364) |
| Operating profit/(loss) | | <u>-</u> | <u>(395)</u> |
| Finance costs | 3 | - | (11) |
| Profit/(loss) before income taxes | | <u>-</u> | <u>(406)</u> |
| Income taxes | 4 | - | 87 |
| Profit/(loss) for the year | | <u>-</u> | <u>(319)</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) | | <u>-</u> | <u>(319)</u> |

All amounts relate to discontinued activities.

The notes to the financial statements on pages 6 to 13 are an integral part of these financial statements.

Express Insurance Services Limited

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Statement of financial position

as at 31 December 2016

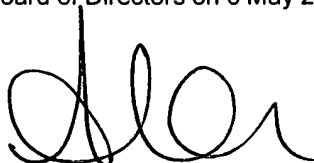
| | Note | 2016 £'000 | 2015 £'000 |
|---|------|---------------|---------------|
| Investments | 5 | - | 10 |
| Loans and borrowings | 6 | 9,141 | 9,131 |
| Current tax | 7 | 87 | 87 |
| Total assets | | <u>9,228</u> | <u>9,228</u> |
| Capital and reserves | | | |
| Share capital | 9 | 100 | 100 |
| Retained earnings | | <u>9,128</u> | <u>9,128</u> |
| Total share capital and reserves | | <u>9,228</u> | <u>9,228</u> |

The notes to the financial statements on pages 6 to 13 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 5 May 2017 and were signed on its behalf by:



F Dyson
Director



A Middle
Director

Express Insurance Services Limited

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Statement of changes in equity

for the year ended 31 December 2016

| | Share capital £'000 | Retained earnings £'000 | Total £'000 |
|--|---------------------------|-------------------------------|----------------|
| Balance as at 1 January 2015 | 100 | 9,447 | 9,547 |
| Loss for the year | - | (319) | (319) |
| Balance as at 31 December 2015 | <u>100</u> | <u>9,128</u> | <u>9,228</u> |
| Balance as at 1 January 2016 31 December 2016 | <u>100</u> | <u>9,128</u> | <u>9,228</u> |

The notes to the financial statements on pages 6 to 13 are an integral part of these financial statements.

Express Insurance Services Limited

Company registration number: 4975199

Notes to the financial statements

1 Accounting policies

Express Insurance Services Limited ('the Company') is a private company, limited by shares, domiciled and incorporated in England and Wales.

The financial statements were authorised for issue by the directors on 5 May 2017.

a) Statement of compliance

The financial statements have been prepared in accordance with FRS102. The financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under FRS102.

b) Basis of preparation

The Company has not prepared the financial statements on a going concern basis. The directors intend to take steps to dissolve the Company in the foreseeable future.

The directors have considered the accounting treatment of assets and liabilities in the balance sheet at 31 December 2016 and have concluded that no adjustments were necessary to the carrying value of those assets or liabilities.

The Company is a wholly owned subsidiary of ageas SA/NV and its results are included in the consolidated financial statements of that company. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS102.7.20.

The Company has taken advantage of the exemption in FRS102.33.1A from disclosing transactions with related parties that are part of ageas SA/NV or investees of the group.

c) Functional and presentation currency

The financial statements are presented in thousands of Pounds Sterling, which is the Company's functional currency.

d) Judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

e) Investments

Investments are recorded at cost less accumulated impairment. The carrying value of investments is reviewed at each reporting date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the profit and loss account in the year.

Express Insurance Services Limited

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Notes to the financial statements

1 Accounting policies (continued)

f) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an stand alone basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Notes to the financial statements

1 Accounting policies (continued)

g) Revenue

Revenue comprises commissions and other income arising principally from the sale of insurance policies in the United Kingdom, recognised at the inception of the policy. An allowance is made for expected cancellations.

There was no turnover in 2016 due to all policies sold or renewed after 30 November 2014 being sold by Ageas Retail Limited. Subsequent mid-term adjustments, write offs and cancellations on policies inception before this date were accounted for during 2015.

h) Financial instruments

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Company classifies cash and short term deposits, trade, insurance and other receivables, including amounts due from related companies, as loans and receivables. Management has determined that their carrying amounts reasonably approximate their fair values as they are mostly short term in nature.

Loans and receivables are recognised at cost, plus any attributable transaction costs. Loans and receivables are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset.

Financial liabilities include payables to related parties and interest-bearing loans and borrowings and other payables. Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Interest-bearing loans and borrowings are recognised at cost less attributable transaction costs.

Management has determined that the carrying amounts of bank overdrafts and other payables reasonably approximate their fair values because these liabilities are mostly short term in nature or are repriced frequently. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled or if the contract is settled.

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Notes to the financial statements

1 Accounting policies (continued)

i) Income tax and deferred tax

Income tax in the statement of comprehensive income for the year comprises current and deferred tax, and is recognised except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The following temporary differences are not provided for: initial recognition of assets or liabilities that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

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Notes to the financial statements

2 Administrative expenses

| | 2016 £'000 | 2015 £'000 |
|--------------------------------------|---------------|---------------|
| Wages, salaries and redundancy costs | - | 263 |
| Goods and services | - | 111 |
| Others costs | - | (10) |
| Total operating expenses | - | 364 |

Auditor's remuneration

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 2 | 6 |

Audit fees are borne by Ageas Retail Limited.

3 Finance costs

Finance costs comprise interest payable on borrowings and are expensed as incurred in the statement of comprehensive income in the period to which they relate.

| | 2016 £'000 | 2015 £'000 |
|------------------|---------------|---------------|
| Interest payable | - | 11 |

Express Insurance Services Limited

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Notes to the financial statements

4 Income tax

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| (a) Recognised in the statement of comprehensive income | | |
| Current tax credit | | |
| UK corporation tax on profits for the period | - | 87 |
| Tax credit on profit on ordinary activities | - | 87 |

From 1 April 2015, the main rate of UK corporation tax rate is 20%. The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015 and reduced the corporation tax rate to 19% (effective from 1 April 2017). The Finance Act 2016 was substantively enacted on 6 September 2016 and further reduces the corporation tax rate to 17% (effective 1 April 2020).

(b) Reconciliation of effective tax rate

The tax assessed on the prior year is higher than the standard rate of corporation tax in the United Kingdom of 20.25%.

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Profit/(loss) on ordinary activities before tax | - | (406) |
| Standard rate of corporation tax in year | 20.00% | 20.25% |
| Expected tax charge based on the standard rate of corporation tax in the UK | - | 82 |
| Effect of variable tax rates | - | 5 |
| | - | 87 |

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Notes to the financial statements

5 Investments

The Company has a holding in Ageas Legal LLP of £10, being a 14.3% share in the partnership. Ageas Legal LLP ('the LLP') is a limited liability partnership registered in England & Wales. The principal activity of the LLP is that of a holding entity of a legal services partnership.

Partnership profit share

In 2015 a review of the profit allocation of Ageas Legal LLP was undertaken and, as a consequence, the Company no longer receives a share of the profits of the partnership.

Investment in Quote Searcher Limited

The investment in Quote Searcher Limited of £10,000 was transferred at cost to Ageas Retail Limited during 2016.

6 Loans and borrowings

| | 2016 £'000 | 2015 £'000 |
|---------------------------------|---------------|---------------|
| Loan to fellow group subsidiary | <u>9,141</u> | <u>9,131</u> |

7 Current tax

The current tax asset in both the current and prior year relates to corporation tax recoverable in respect of a loss carry back claim from 2015 to 2014.

8 Related party transactions

Transactions with directors

The directors received no emoluments for their services as directors of the Company during the year (2015: £nil). There are no share options, pension schemes, or long term incentive schemes operated by the Company.

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Notes to the financial statements

9 Share capital

| Ordinary Shares | |
|-----------------|-------|
| 2016 | 2015 |
| £'000 | £'000 |

Issued and fully paid at 1 January and 31 December

| | |
|------------|------------|
| <u>100</u> | <u>100</u> |
|------------|------------|

At 31 December 2016, the authorised share capital is 100,000 ordinary shares (2015: 100,000), which have a par value of £1 per ordinary share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Parent company

The Company's immediate parent undertaking is Kwik-Fit Insurance Services Limited, a company registered in Scotland.

The Company's results are consolidated into the accounts of ageas SA/NV, the ultimate holding company, which is incorporated in Belgium.

Copies of the above accounts can be obtained from the Company Secretary, Ageas (UK) Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

Express Insurance Services Limited

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Statement of Directors' Responsibilities in respect of the Report of the Directors and the Financial Statements

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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Independent Auditor's report to the members of Express Insurance Services Limited

We have audited the financial statements of Express Insurance Services Limited for the year ended 31 December 2016 set out on pages 3 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 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 explained more fully in the Statement of Directors' Responsibilities set out on page 14, 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 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: www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on a going concern basis for the reason set out in that note.

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Independent Auditor's report to the members of Express Insurance Services Limited (continued)

Opinion on other matters 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.


Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Report of the Directors:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Jonathan Bell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

8 June 2017