

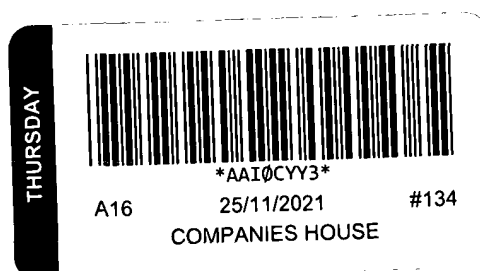


Registered number: 05052874

Jigsaw Insurance Services PLC
Annual Report and Financial Statements
For Year Ended 31 March 2021

PKF LITTLEJOHN LLP

Statutory auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD



Jigsaw Insurance Services PLC

Financial Statements

Year ended 31 March 2021

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Jigsaw Insurance Services PLC

Company Information

The Board of Directors	Mr N M Richards-Smith (Managing Director) Mr C R Jackson (Non-Executive Chairman) Mr R P Sharman (Sales Director) Mr P M Barrett (Finance Director) Mr C Asbury (IT Director)
Company Secretary	Mr P M Barrett
Business Address	4th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD
Registered Office	4th Floor, Clarendon House Victoria Avenue Harrogate HG1 1JD
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Bankers	Lloyds Bank PLC 8-11 Cambridge Street Harrogate HG1 1PQ
Solicitors	Clarions Solicitors Limited Elizabeth House 13-19 Queen Street Leeds LS1 2TW
Company Number	05052874

Jigsaw Insurance Services PLC

Group Strategic Report

Year ended 31 March 2021

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Business Review and Future Developments

The principal activity of the group in the year under review was the provision of vehicle breakdown and insurance services.

Group Result & Business Review

The year ended 31st March 2021 has seen the company continue to strengthen the business and has now seen continued improvements in trading for the fifth year in succession, which resulted in the Group increasing profit on ordinary activities before taxation to £2,374,915 compared to £1,501,292 in the previous year. Gross Sales (Gross Premiums written plus the value of the vehicle breakdown policies) decreased by 9.4% from £35.04m to £31.74m, though due to the make-up of our sales statutory turnover (commission and fees) decreased by 0.5% from £12,122,513 to £12,064,761, but because our sales mix changed to more of our higher commission products, there was a significant increase in our gross profit from £7.21m to £8.13m. This increased gross profit underpinned the 58% improvement in our pre-tax profit for the year.

The Group places considerable value on the involvement of its employees and continues to provide a framework for the development of staff.

Covid-19 and Future Outlook

The Covid-19 pandemic had a strong impact on the overall UK economy, but Jigsaw's Business Model proved resilient to the wider adverse effects on the economy.

The main impact of COVID-19 on trading was the reduction in our Gross Sales (Gross Premiums written plus the value of vehicle breakdown policies) mainly due to reductions in Motor Premiums written; however due to consistent retention rates, a growing Pet Book, reduced breakdown claims costs and other cost saving measures Operating Profit increased during 2020/21.

We implemented our Business Continuity plan so that the majority of our colleagues were able to work from home from 23rd March 2020 with the initial national lockdown. Over recent months we have invested a significant amount in re-designing our office to facilitate a hybrid working plan which allows colleagues to work either from home or the office, in a safe working environment. Our operational resilience has been proved to be very robust during periods of national lockdown over the last twenty months.

Trading will still continue to be challenging for the whole of 2021/22, as the Group continues to develop and grow its core businesses. However, results for the first seven months to 31st October 2021 are encouraging, with continued profitability throughout the period. Sales and Profit from our Breakdown and Pet Businesses continues to grow, though the current environment is more challenging for our Private Motor Insurance Business.

Principal Risks and Uncertainties

The Group operates a risk management system that evaluates and prioritises risks and uncertainties. This is principally a function of the Board of Directors lead by the Executive team.

The Group has a simple capital structure and its principal financial asset is cash. In addition, various other financial assets and liabilities (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the Group's operations.

The Group has no material exposure to market risk or currency risk. The Group monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

Additional risks and uncertainties, which are not currently known or are deemed immaterial, may also have a material impact on the Group. The following have been identified as the more significant risks to the Group:

Jigsaw Insurance Services PLC

Group Strategic Report *(continued)*

Year ended 31 March 2021

Principal Risks and Uncertainties *(continued)*

We are subject to a broad spectrum of regulatory requirements in each of the markets in which we operate and failure to comply with these regulatory requirements could result in us having to suspend either temporarily or permanently certain activities.

A significant reduction in our main routes to market could have a significant impact on customer and policy numbers.

If we were unable to access sufficient insurance capacity for our products, this could have a significant impact on future commission income.

Our reputation is heavily dependent on the quality of our customer service. Any failure to meet our service standards or negative media coverage of poor service could have a detrimental impact on customer and policy numbers.

Our ability to meet growth expectations and compete effectively is, in part, dependent on the skills, experience and performance of our personnel. The ability to attract, motivate or retain key talent could impact on our overall business performance.

The Group depends on the continued contribution of key management, and the loss of a significant member of the management team could adversely affect the business.

Key Performance Indicators

The directors monitor the Group's progress against its strategic objectives and the financial performance of the Group's operations on a regular basis. Details of the most significant key performance indicators (KPIs) used by the Group are as follows:

Gross Sales (growth)

The Group views changes in the market as an opportunity to grow, and to use its retained profits and its ability to develop and produce innovative products, services and solutions that satisfy emerging customer needs. Growth comes from taking considered risks, based on the state of the industry and the market that we operate in. The Group measures gross sales by reference to the gross premiums written under the various insurance products offered by the Group, plus the value and number of the vehicle breakdown policies entered into in the year.

Profitability

In order to be successful, the Group needs to achieve sufficient profits over a medium to long term to finance growth, create value for the Group's shareholders and provide resource to achieve any of the Group's other objectives.

Cash at bank and in hand

Increasing available cash is key to achieving our long term goals, whether making corporate acquisitions or acquiring books of business.

Section 172 Statement

In accordance with section 172 of the Companies Act 2006, in its decision making the Board considers the interests of the Group's employees and other stakeholders.

Our directors understand the importance of their section 172 duty to act in good faith to promote the success of the company. When making decisions, the interests of any key relevant stakeholders will always be considered, including employees, customers, investors and the community.

Jigsaw Insurance Services PLC

Group Strategic Report *(continued)*

Year ended 31 March 2021

Section 172 Statement *(continued)*

At the centre of our decision making are our core values on which are stakeholder considerations are intrinsically woven through every decision that we make:

- There for you;
- Keep it simple;
- Here to stay;
- Customers at our core; and
- Honesty first.

Our employees

Board Considerations

Our employees are our biggest asset, their hard work, dedication and commitment is the cornerstone of our success and intrinsic to our future. Over recent years we have been able to attract some talented individuals as well as benefitting from the experience, stability and support of all our employees, many of whom have been working for the company for many years.

The Board places health, wellbeing and safety at the heart of our decision making, such as access to external support with mental health counselling and provision of on-site flu vaccinations.

During the current COVID-19 pandemic, wherever possible our teams have worked at home and where this might not have been practical, we have been able to provide a safe working environment, as the wellbeing of our employees is a primary consideration.

At the end of the financial year, we undertook a refurbishment of our existing office space to provide a modern working environment suitable for a hybrid working pattern, which has been well received by all our employees.

Employee Communications

Keeping our teams abreast of developments in the company has been done through regular meeting between the Directors and Managers and this is then cascaded down to all colleagues.

During the Covid Pandemic, the Managing Director has sent regular updates to all employees of what actions have been taken to safeguard both employees and the Business.

Diversity and inclusion

Our preference wherever possible is to create development pathways within the business to allow for development of an individual's career, which also has the advantage of identifying individuals who have a strong cultural fit with the business. The Company advertises vacancies both internally and externally with the objective of filling vacancies with the best candidate for the role based upon attitude, skills, experience and knowledge.

The company operates an equal opportunities policy that looks to promote fairness and not to discriminate in any way. It is our policy to give equal opportunity to disabled persons where they have the ability to fulfil a role and where we are able to provide a role, we will support them.

Training and development

From the first day that a colleague joins our business it is our responsibility to ensure that they feel welcome and enabled to do their role to the best of their ability, we recruit people who we believe will fit well within our business and we have a mixture of both on the job training, internal and external training to ensure that they have the right tools to undertake their job.

Jigsaw Insurance Services PLC

Group Strategic Report *(continued)*

Year ended 31 March 2021

Training and development *(continued)*

New starters receive an induction into the business through our in house Training Academy, and on boarding into their role, and throughout a colleague's career at Jigsaw, there is continuous training and development.

Our Shareholders

Board Consideration

All Board decisions are made with the long term success of the business in mind, which ultimately is in the best long term interests of the members.

This requires a balance between returns today, in the form of dividends, and returns in the future through investment in systems and people that will help to grow profits and pay dividends in years to come. Where these issues conflict, protecting the strength of the business for the future will prevail.

Our Customers and Suppliers

Board Considerations

Our business model depends on strong partnerships with all our insurers, vehicle recovery agents and other suppliers in order to be able to fulfil the needs and requirements of our customers. To this extent during the COVID-19 crisis we supported our suppliers by ensuring that they were paid quickly to assist their cashflow through a tricky period.

Local Community

Board Considerations

The Board set aside a charitable fund as part of the budgeting process each year, based upon affordability and actively encourages monthly charity fund raising activities, aimed at local community projects or national charities where a colleague might have personal involvement due to support they might have received.

This report was approved by the board of directors on 19th November 2021 and signed on behalf of the board by:



Mr P M Barrett
Director

Jigsaw Insurance Services PLC

Directors' Report

Year ended 31 March 2021

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 March 2021.

Principal activities and business review

The principal activity of the Company was that of a holding company.

The principal activities of the Group are the provision of vehicle breakdown and insurance services.

A review of the Group's activities and performance for the year and its prospects for 2021 to 2022 is contained in the Group Strategic Report in pages 2 to 5.

Directors

The Directors who served during the year were as follows:

Mr N M Richards-Smith
Mr C R Jackson
Mr R P Sharman
Mr P M Barrett
Mr C Astbury

Results and dividends

The Group's profit for the year, after taxation, amounted to £1,919,106 (2020: £1,263,998). Particulars of dividends paid in 2021 are detailed in note 12 to the financial statements.

Future developments

A review of the business and future prospects is set out in the Group Strategic Report on pages 2 to 5.

Financial risk management

The Group has a simple capital structure and its principal financial asset is cash. In addition, various other financial assets and liabilities (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

The Group has no material exposure to market risk or currency risk.

The Group monitors credit risk closely and considers that its current policy of credit checks meets its objectives of managing exposure to credit risk.

The Group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations.

Jigsaw Insurance Services PLC

Directors' Report *(continued)*

Year ended 31 March 2021

Going concern

The Group achieved a profit in the year and is in a positive net asset position at the year end. The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and for at least the next 12 months.

Accordingly, the Directors have a reasonable expectation that the Group will continue in operational existence and thus adopt the going concern basis of accounting in preparing the financial statements.

Post year-end the developments and the circumstances around the continued COVID-19 Pandemic have been assessed by the Directors. In making this assessment the Directors have considered the continued impact of COVID-19 on the Group's results, its clients and insurers and other suppliers and do not believe a material uncertainty exists in respect of going concern and the impact of COVID-19. The period of assessment covers a period of twelve months from the date of the approval of these financial statements. As such the Directors are satisfied that the Group and company remains a going concern and the financial statements have been prepared on the going concern basis.

Provision of information auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 19th November 2021 and signed on its behalf.



Mr P M Barrett
Director

Jigsaw Insurance Services PLC

Directors' Responsibilities Statement

Year ended 31 March 2021

The Directors are responsible for preparing the Group Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Jigsaw Insurance Services PLC

Independent Auditor's Report to the Members of Jigsaw Insurance Services PLC

Year ended 31 March 2021

Opinion

We have audited the group financial statements of Jigsaw Insurance Services Plc (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, Parent Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 director's 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 group's or parent 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 group and parent company 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.

Jigsaw Insurance Services PLC

Independent Auditor's Report to the Members of Jigsaw Insurance Services PLC (continued)

Year ended 31 March 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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:

Jigsaw Insurance Services PLC

Independent Auditor's Report to the Members of Jigsaw Insurance Services PLC (continued)

Year ended 31 March 2021

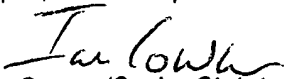
- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from FCA regulations that impact the company and the appointed representative subsidiaries, and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and UK tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Review of legal expenses incurred in the year
 - Review of Board minutes and subsequent discussions with management on any pertinent matters noted.
 - Review of any legal and regulatory correspondence in the period.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the risk of material misstatement due to fraud related revenue recognition.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

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.


Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

22 November 2021

Jigsaw Insurance Services PLC

Consolidated Profit and Loss Account

Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	5	12,064,761	12,122,513
Cost of sales		<u>(3,932,896)</u>	<u>(4,908,290)</u>
Gross profit		8,131,865	7,214,223
Administrative expenses		<u>(5,756,491)</u>	<u>(5,716,380)</u>
Operating profit	6	2,375,374	1,497,843
Other interest receivable and similar income	10	1,965	4,394
Interest payable and similar expenses	11	<u>(2,424)</u>	<u>(945)</u>
Profit on ordinary activities before taxation		2,374,915	1,501,292
Tax on profit on ordinary activities	13	<u>(455,809)</u>	<u>(237,294)</u>
Profit for the financial year and total comprehensive income		<u>1,919,106</u>	<u>1,263,998</u>

All the activities of the group are from continuing operations.

The Group has no other comprehensive income other than the amounts recognised in the consolidated profit and loss account.

The notes on pages 18 to 34 form part of these financial statements.

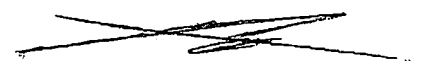
Jigsaw Insurance Services PLC

Consolidated Balance Sheet

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	137,933	134,473
Tangible assets	15	286,071	236,024
		<u>424,004</u>	<u>370,497</u>
Current assets			
Debtors: Amounts falling due within one year	17	8,300,977	8,502,839
Cash at bank and in hand	18	5,894,837	3,139,797
		<u>14,195,814</u>	<u>11,642,636</u>
Creditors: amounts falling due within one year	19	<u>(9,954,040)</u>	<u>(9,007,659)</u>
Net current assets		<u>4,241,774</u>	<u>2,634,977</u>
Total assets less current liabilities		<u>4,665,778</u>	<u>3,005,474</u>
Provisions			
Taxation including deferred tax	21	(51,912)	(39,613)
Net assets		<u>4,613,866</u>	<u>2,965,861</u>
Capital and reserves			
Called up share capital	24	102,802	102,802
Share premium account	25	701,607	701,607
Capital redemption reserve	25	2,581	2,581
Share option reserve	25	57,789	57,789
Profit and loss account	25	3,749,087	2,101,082
Shareholders funds		<u>4,613,866</u>	<u>2,965,861</u>

These financial statements were approved by the board of directors and authorised for issue on 19 November 2021, and are signed on behalf of the board by:



Mr N M Richards-Smith
Director

Company registration number: 05052874

The notes on pages 18 to 34 form part of these financial statements.

Jigsaw Insurance Services PLC

Parent Company Balance Sheet

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	142,455	119,195
Investments	16	213,003	213,003
		<u>355,458</u>	<u>332,198</u>
Current assets			
Debtors: Amounts falling due within one year	17	1,856,801	650,006
Cash at bank and in hand		155,565	419,634
		<u>2,012,366</u>	<u>1,069,640</u>
Creditors: amounts falling due within one year	19	<u>(815,688)</u>	<u>(492,021)</u>
Net current assets		<u>1,196,678</u>	<u>577,619</u>
Total assets less current liabilities		<u>1,552,136</u>	<u>909,817</u>
Provisions			
Taxation including deferred tax	21	(24,626)	(17,416)
Net assets		<u>1,527,510</u>	<u>892,401</u>
Capital and reserves			
Called up share capital	24	102,802	102,802
Share premium account	25	701,607	701,607
Capital redemption reserve	25	2,581	2,581
Share option reserve	25	57,789	57,789
Profit and loss account	25	662,731	27,622
Shareholders funds		<u>1,527,510</u>	<u>892,401</u>

The profit for the financial year of the parent company was £906,210 (2020: £179,966).

These financial statements were approved by the board of directors and authorised for issue on 19 November 2021, and are signed on behalf of the board by:



Mr N M Richards-Smith
Director

Company registration number: 05052874

The notes on pages 18 to 34 form part of these financial statements.

Jigsaw Insurance Services PLC
Consolidated Statement of Changes in Equity
Year ended 31 March 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 April 2019	101,969	677,607	2,581	57,789	1,102,403	1,942,349
Profit for the year	—	—	—	—	1,263,998	1,263,998
Issue of shares	833	24,000	—	—	—	24,833
Dividends paid 12	—	—	—	—	(265,319)	(265,319)
At 31 March 2020	<u>102,802</u>	<u>701,607</u>	<u>2,581</u>	<u>57,789</u>	<u>2,101,082</u>	<u>2,965,861</u>
Profit for the year	—	—	—	—	1,919,106	1,919,106
Dividends paid 12	—	—	—	—	(271,101)	(271,101)
At 31 March 2021	<u>102,802</u>	<u>701,607</u>	<u>2,581</u>	<u>57,789</u>	<u>3,749,087</u>	<u><u>4,613,866</u></u>

The notes on pages 18 to 34 form part of these financial statements.

Jigsaw Insurance Services PLC
Company Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Share option reserve £	Profit and loss account £	Total £
At 1 April 2019	101,969	677,607	2,581	57,789	112,975	952,921
Profit for the year	–	–	–	–	179,966	179,966
Issue of shares	833	24,000	–	–	–	24,833
Dividends paid 12	–	–	–	–	(265,319)	(265,319)
At 31 March 2020	<u>102,802</u>	<u>701,607</u>	<u>2,581</u>	<u>57,789</u>	<u>27,622</u>	<u>892,401</u>
Profit for the year	–	–	–	–	906,210	906,210
Dividends paid 12	–	–	–	–	(271,101)	(271,101)
At 31 March 2021	<u>102,802</u>	<u>701,607</u>	<u>2,581</u>	<u>57,789</u>	<u>662,731</u>	<u>1,527,510</u>

The notes on pages 18 to 34 form part of these financial statements.

Jigsaw Insurance Services PLC
Consolidated Statement of Cash Flows
Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,919,106	1,263,998
<i>Adjustments for:</i>		
Depreciation of tangible assets	111,636	96,878
Amortisation of intangible assets	51,331	40,373
Interest receivable and similar income	(1,965)	(4,394)
Interest payable and similar expenses	2,424	945
Loss on disposal of tangible assets	4,210	–
Tax on profit on ordinary activities	455,809	237,294
<i>Changes in:</i>		
Trade and other debtors	201,862	(1,147,392)
Trade and other creditors	453,076	277,268
Cash generated from operations	3,197,489	764,970
Interest received	1,965	4,394
Interest paid	(2,424)	(945)
Tax paid	(100,205)	(36,131)
Net cash from operating activities	<u>3,096,825</u>	<u>732,288</u>
Cash flows from investing activities		
Purchase of tangible assets	(165,893)	(142,726)
Investment in intangible assets	(54,791)	(134,315)
Net cash used in investing activities	<u>(220,684)</u>	<u>(277,041)</u>
Cash flows from financing activities		
Dividends paid	(271,101)	(265,319)
Proceeds from borrowings	150,000	–
Proceeds from issue of ordinary shares	–	24,833
Net cash used in financing activities	<u>(121,101)</u>	<u>(240,486)</u>
Net increase in cash and cash equivalents	2,755,040	214,761
Cash and cash equivalents at beginning of year	3,139,797	2,925,036
Cash and cash equivalents at end of year	<u>5,894,837</u>	<u>3,139,797</u>

The notes on pages 18 to 34 form part of these financial statements.

Jigsaw Insurance Services PLC

Notes to the Financial Statements

Year ended 31 March 2021

1. Statement of compliance

The Group and individual financial statements of Jigsaw Insurance Services PLC have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. General information

Jigsaw Insurance Services PLC is a Public Limited Company and is incorporated and domiciled in England. The Group operate in the vehicle breakdown and insurance industry. The address of its registered office is 4th Floor, Clarendon House, Victoria Avenue, Harrogate, North Yorkshire, HG1 1JD.

3. Summary of significant accounting policies

Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

The following accounting policies have been applied:

Going concern

The Group achieved a profit in the year and is in a positive net asset position at the year end. The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and for at least the next 12 months.

Accordingly, the Directors have a reasonable expectation that the Group will continue in operational existence and hence adopt the going concern basis of accounting in preparing the financial statements.

Post year-end the developments and circumstances around the continued COVID-19 Pandemic have been assessed by the Directors. In making this assessment the Directors have considered the continued impact of COVID-19 on the Group's results, its clients and insurers and other suppliers and do not believe a material uncertainty exists in respect of going concern and the impact of COVID-19. The period of assessment covers a period of twelve months from the date of the approval of these financial statements. As such the Directors are satisfied that the group and company remains a going concern and the financial statements have been prepared on the going concern basis.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2021.

A subsidiary is an entity that is controlled by the Group. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence but not control. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of the associates are accounted for using the equity method of accounting.

Revenue recognition

Turnover is derived from ordinary activities, stated net of VAT and comprises the sale of vehicle breakdown assistance contracts, commissions and fees due on insurance policies sold during the year and claims administration services.

Income is recognised at the earlier of the date of breakdown cover being provided to the customer or when the provision of breakdown cover has been completed and confirmed to the customer.

Brokerage in respect of insurance business is recognised when the Group's contractual right to such income is established and to the extent that the group's relevant obligations under the contracts concerned have been performed. Credit is generally taken at the earlier of either the date of the policy incepting or when the policy placement has been completed and confirmed to the client, subject to a deferral of brokerage in respect of post-placement services that constitute obligations of the group under those contracts.

Coverholder's commission arising from the exercise of an underwriting agency by the company is recognised when the right to such commission is established through a contract.

Profit commission arising from the placement of insurance contracts or the exercise of an underwriting agency by the group is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

Income from claims administration services are recognised when the right to such income is established through a contract and in line with the provision of services to which they relate.

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Goodwill

Goodwill is the difference between amounts paid in the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 10 years.

Goodwill is assessed for impairment when there are indicators of impairment. Any provision for impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of development costs is calculated on a straight-line basis over the estimated life of 5 years.

The carrying values are reviewed for impairment if events or changes in circumstances indicate that they may not be recoverable.

Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an asset when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Profit and Loss account.

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:

Improvements to leasehold property	- Over the period of the lease
Software and website development	- 5 years
Equipment	- 25% reducing balance

Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

Investments in associates are held at cost less accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Dividends

Dividends on ordinary shares are recognised in the group's financial statements in the period in which the dividends are approved by the shareholders of the Company (generally in the case of the final dividend) or paid (in the case of interim dividends).

Cost of sales

Cost of sales in relation to vehicle breakdown comprises the total of amounts paid or payable in respect of breakdown assistance obligations and commissions due on the obligations, including an estimate of future amounts payable under assistance contracts in force at the year end.

Cost of sales in relation to insurance business comprises commissions and fees payable to third party intermediaries relating to the provision of such business and costs to cover post placement obligations under these contracts.

Insurance assets and liabilities

The Group acts as an agent in broking the insurable risks of its clients and generally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the Group's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries it has shown cash, debtors and creditors relating to insurance business as assets and liabilities of the Group.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Share based payments

The Group provides share-based payment arrangements to certain employees, the fair value of the options at the date of grant is charged to Profit and loss over the vesting period within administrative expenses, the corresponding entry is treated as a capital contribution within other reserves. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

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

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

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Post placement activities provision

The Group has an obligation to provide services following the placement of insurance policies under certain contracts and under breakdown and roadside assistance contracts, including the handling of claims arising on these contracts. The cost of these services depends on a number of factors, including the number, nature and complexity of claims received and anticipated cost base for handling such claims. In order to recognise the post placement obligation an amount of income is deferred. The amount of income deferred is estimated by management after taking into account the factors noted previously. The assumptions reflect historical experience, current trends and management's best estimate.

At 31 March 2021, the Group has deferred £830,000 (2020: £726,000) in respect of post placement activities; this amount is included within accruals and deferred income.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

4. Critical accounting judgements and estimation uncertainty *(continued)*

Accrued profit commission receivable

The Group is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Group is dependent upon the underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Group for a period of time following completion of the contract on which profit commission is earned. Due to the unexpired risk on those contracts, the uncertain assessment of any final losses, including an assessment of any IBNR, and the impact of any loss deficit clauses, the Directors are not able to reliably estimate profit commission due at 31 March 2021 and have therefore not recognised such income.

Current value of investments

The Directors have assessed the current value of the investment in Follifoot Lane Limited at the year end and can confirm that no amounts have been or are expected to be recovered, accordingly, the investment continues to be fully impaired.

Goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate or a decision taken either to sell or close down certain operations. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. No impairment is required at 31 March 2021.

Recoverability of trade debtors

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where an impairment provision is required. When assessing recoverability the directors have considered factors such as the ageing of the debts, past experience of recoverability, and the credit profile of individual customers.

5. Turnover

Turnover arises from:

	2021	2020
	£	£
Breakdown and roadside assistance	6,403,868	6,571,948
Insurance commissions	5,660,893	5,550,565
	<u>12,064,761</u>	<u>12,122,513</u>

The whole of the turnover is attributable to the principal activity of the Group and is wholly undertaken in the United Kingdom.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Operating Profit

Operating profit is stated after charging:

	2021	2020
	£	£
Amortisation of intangible assets	51,331	40,373
Depreciation of tangible assets	111,636	96,878
Defined contribution pension cost	117,626	107,329
Operating lease charges - land and buildings	174,226	186,717
Operating lease charges - motor expenses	22,060	5,712
Wages and salaries	<u>4,072,582</u>	<u>3,946,865</u>

7. Auditor's remuneration

The total remuneration incurred by Jigsaw Insurance Services PLC, excluding VAT, was:

	2021	2020
	£	£
Audit of financial statements	14,750	18,695
Audit of subsidiaries	<u>32,180</u>	<u>32,380</u>
	<u>46,930</u>	<u>51,075</u>

8. Staff costs

The average monthly number of employees, including Directors, during the year was as follows:

	2021	2020
	No.	No.
Administrative staff	122	120
Management staff	<u>4</u>	<u>4</u>
	<u>126</u>	<u>124</u>

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

	2021	2020
	£	£
Wages and salaries	3,605,133	3,504,866
Social security costs	349,823	334,670
Other pension costs	<u>117,626</u>	<u>107,329</u>
	<u>4,072,582</u>	<u>3,946,865</u>

9. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	627,677	641,979
Company contributions to defined contribution pension plans	<u>43,575</u>	<u>42,984</u>
	<u>671,252</u>	<u>684,963</u>

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	169,702	175,398
Company contributions to defined contribution pension plans	12,375	12,241
	<u>182,077</u>	<u>187,639</u>

Post-employment benefits are accruing for 4 directors (2020: 4) under defined contribution pension schemes.

10. Other interest receivable and similar income

	2021	2020
	£	£
Interest on bank deposits	1,965	4,221
Other interest receivable and similar income	—	173
	<u>1,965</u>	<u>4,394</u>

11. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar charges	3,174	195
Interest on bank loans and overdrafts	(750)	750
	<u>2,424</u>	<u>945</u>

12. Dividends

	2021	2020
	£	£
Dividends paid	<u>271,101</u>	<u>265,319</u>

13. Taxation

Major components of tax income

	2021	2020
	£	£
Current tax:		
UK current tax	443,366	191,196
Adjustments in respect of prior periods	144	(7,372)
Total current tax	<u>443,510</u>	<u>183,824</u>

Deferred tax:

	2021	2020
	£	£
Origination and reversal of timing differences	12,299	53,470
Tax on profit on ordinary activities	<u>455,809</u>	<u>237,294</u>

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

13. Taxation *(continued)*

Reconciliation of tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	2,374,915	1,501,292
Profit on ordinary activities multiplied by the standard rate of tax	451,234	285,245
Effect of expenses not deductible for tax purposes	4,431	4,431
Rate difference	–	(32)
Adjustment to tax charge in respect of prior period	144	(7,372)
Utilisation of tax losses	–	(89,452)
Adjustment to deferred tax charge in respect of prior periods	–	44,474
Tax on profit on ordinary activities	455,809	237,294

Factors that may affect future tax charges

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, effective from 1 April 2023.

14. Intangible assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 April 2020	167,068	134,315	301,383
Additions	–	54,791	54,791
At 31 March 2021	167,068	189,106	356,174
Amortisation			
At 1 April 2020	140,047	26,863	166,910
Charge for the year	13,510	37,821	51,331
At 31 March 2021	153,557	64,684	218,241
Carrying amount			
At 31 March 2021	13,511	124,422	137,933
At 31 March 2020	27,021	107,452	134,473

The goodwill is being amortised evenly over the directors' estimate of its expected useful life of 10 years.

Development costs are being amortised evenly over the directors' estimate of its expected useful life of 5 years.

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

15. Tangible assets

Group	Improvements to Leasehold Property	Software and Website Development	Equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	187,477	383,005	389,437	959,919
Additions	–	89,063	76,830	165,893
Disposals	(179,972)	(39,364)	(21,564)	(240,900)
At 31 March 2021	7,505	432,704	444,703	884,912
Depreciation				
At 1 April 2020	179,156	265,894	278,845	723,895
Charge for the year	1,501	62,276	47,859	111,636
Disposals	(177,655)	(39,364)	(19,671)	(236,690)
At 31 March 2021	3,002	288,806	307,033	598,841
Net Book Value				
At 31 March 2021	4,503	143,898	137,670	286,071
At 31 March 2020	8,321	117,111	110,592	236,024

Company	Improvements to Leasehold Property	Software and Website Development	Equipment	Total
	£	£	£	£
Cost				
At 1 April 2020	187,477	5,664	346,387	539,528
Additions	–	–	76,830	76,830
Disposals	(179,972)	(5,664)	(21,564)	(207,200)
At 31 March 2021	7,505	–	401,653	409,158
Depreciation				
At 1 April 2020	179,156	5,664	235,513	420,333
Charge for the year	1,501	–	47,859	49,360
Disposals	(177,655)	(5,664)	(19,671)	(202,990)
At 31 March 2021	3,002	–	263,701	266,703
Net Book Value				
At 31 March 2021	4,503	–	137,952	142,455
At 31 March 2020	8,321	–	110,874	119,195

16. Investments

Group	Interests in other undertakings
	£
Cost	
At 1 April 2020 and 31 March 2021	250,000
Impairment	
At 1 April 2020 and 31 March 2021	250,000
Net book value	
At 31 March 2021	–
At 31 March 2020	–

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

16. Investments *(continued)*

Company	Shares in group undertakings £	Interests in other undertakings £	Total £
Cost			
At 1 April 2020 and 31 March 2021	<u>213,003</u>	<u>250,000</u>	<u>463,003</u>
Impairment			
At 1 April 2020 and 31 March 2021	<u>–</u>	<u>250,000</u>	<u>250,000</u>
Net book value			
At 31 March 2021	<u>213,003</u>	<u>–</u>	<u>213,003</u>
At 31 March 2020	<u>213,003</u>	<u>–</u>	<u>213,003</u>

Subsidiaries and associates

Details of the investments in which the Group and the parent company have an interest of 20% or more are as follows:

Subsidiary undertakings	Country of incorporation	Nature of business	Interest
NCI Consultants Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
NCI Insurance Services Limited	England & Wales	Insurance Broking	100% Ordinary Shares
Vehicle Rescue Network Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
Sterling Rock Limited	England & Wales	Vehicle Rescue	100% Ordinary Shares
NCI Biker Rescue Limited	England & Wales	Non-Trading	100% Ordinary Shares
Other undertakings			
Follifoot Lane Limited	England & Wales	Investment Company	33% Ordinary Shares

17. Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	7,830,581	8,136,453	–	–
Amounts owed by group undertakings	–	–	1,658,007	398,890
Prepayments and accrued income	278,252	295,482	193,573	209,808
Directors loan account	3,131	1,176	3,131	1,176
Other debtors	189,013	69,728	2,090	40,132
	<u>8,300,977</u>	<u>8,502,839</u>	<u>1,856,801</u>	<u>650,006</u>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Jigsaw Insurance Services PLC

Notes to the Financial Statements (continued)

Year ended 31 March 2021

18. Cash and Cash Equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>5,894,837</u>	<u>3,139,797</u>

Cash at bank and in hand includes £2,735,630 (2020: £1,899,231) held in insurer trust money bank accounts, which is not available to the Group for working capital purposes.

19. Creditors: amounts falling due within one year

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank loans and overdrafts	150,000	—	150,000	—
Trade creditors	7,270,536	7,347,002	117,041	197,267
Accruals and deferred income	1,191,728	1,062,285	187,550	139,365
Corporation tax	637,752	294,447	—	—
Social security and other taxes	464,874	185,134	320,909	90,752
Other creditors	239,150	118,791	40,188	64,637
	<u>9,954,040</u>	<u>9,007,659</u>	<u>815,688</u>	<u>492,021</u>

Bank loans of £150,000 disclosed under creditors falling due within one year are secured by the Group. The bank loan was repaid in full on the 22 October 2021.

20. Deferred tax

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Included in provisions (note 21)	<u>(51,912)</u>	<u>(39,613)</u>	<u>(24,626)</u>	<u>(17,416)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Accelerated capital allowances	<u>(51,912)</u>	<u>(39,613)</u>	<u>(24,626)</u>	<u>(17,416)</u>

21. Provisions

Group	Deferred tax (note 20) £
At 1 April 2020	39,613
Charge for year	12,299
At 31 March 2021	<u>51,912</u>
Company	Deferred tax (note 20) £
At 1 April 2020	17,416
Charge for year	7,210
At 31 March 2021	<u>24,626</u>

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

22. Post-employment benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £117,626 (2020: £107,329).

23. Share based payments

The Company has granted options over shares in the company to a number of directors. Any options granted are exercisable on the third anniversary of the date of grant. No share options were granted in the year.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding at the end of the year are as follows:

Grant Date	Expiry Date	No. of Ordinary Shares and Price		
		49.5p	110.5p	Total
5 Feb 2013	4 Feb 2023	119,950	–	119,950
24 Sep 2013	23 Sep 2023	–	8,358	8,358
		119,950	8,358	128,308

These options have been valued, using the Black Scholes method, using the following assumptions:

Grant date	5 Feb 2013	24 Sep 2013
Expiry dated	4 Feb 2023	23 Sep 2023
Contract term (years)	10	10
Vesting period (years)	3	3
Exercise price	49.5p	110.5p
Share price at granting	49.5p	110.5p
Annual risk free rate (%)	2%	2%
Annual expected dividend yield (%)	0%	0%
Volatility	50%	50%
Fair value per option	30.17p	67.35p

The Group and Company recognised a charge to expenses of £nil (2020: £nil) relating to equity-settled share-based payment transactions during the year.

The volatility measured at the standard deviation of continuously compounded share returns was based on expectations about volatility and the correlation of share prices in the ISDX market.

24. Share capital

Allotted, called-up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>10,280,231</u>	<u>102,802</u>	<u>10,280,231</u>	<u>102,802</u>

There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

25. Reserves

Capital redemption reserve - this represents the nominal value of shares repurchased by the company.

Share premium account – includes any premium received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Jigsaw Insurance Services PLC

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

25. Reserves *(continued)*

Share option reserve - this reserve records the value of any share options issued that remain unexercised at the balance sheet date.

Profit and loss account - this represents cumulative profits and losses net of dividends and other adjustments.

26. Analysis of changes in net funds

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	3,139,797	2,755,040	5,894,837
Debt due after one year	—	(150,000)	(150,000)
	<u>3,139,797</u>	<u>2,605,040</u>	<u>5,744,837</u>

27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group and Company	Motor vehicles		Land and buildings	
	2021	2020	2021	2020
	£	£	£	£
Within one year	33,011	9,598	193,236	192,029
One to five years	45,606	19,656	772,944	—
	<u>78,617</u>	<u>29,254</u>	<u>966,180</u>	<u>192,029</u>

28. Directors' advances, credits and guarantees

During the year the Directors entered into the following advances and credits with the Company and its subsidiary undertakings:

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr R P Sharman	1,151	1,822	(15)	2,958
Mr P M Barrett	15	148	—	163
Mr C Astbury	10	—	—	10
	<u>1,176</u>	<u>1,970</u>	<u>(15)</u>	<u>3,131</u>

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr N Richards-Smith	1,633	688	(1,170)	1,151
Mr R Sharman	768	364	(1,117)	15
Mr C Astbury	10	5,000	(5,000)	10
	<u>2,411</u>	<u>6,052</u>	<u>(7,287)</u>	<u>1,176</u>

Jigsaw Insurance Services PLC
Notes to the Financial Statements *(continued)*
Year ended 31 March 2021

29. Related party transactions

The Company's other related party transactions were with wholly owned subsidiaries and so have not been disclosed.

30. Controlling party

In the opinion of the Directors there is no overall controlling party.