

Company Registration No. 05658734 (England and Wales)

Intelligent Claims Management Limited

Directors' Report and Unaudited Financial Statements

For the year ended 31 December 2020

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Intelligent Claims Management Limited

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Intelligent Claims Management Limited

Company Information

Directors	D J L Whitmore A L Wilford
Company number	05658734
Registered office	58 Mosley Street Manchester M2 3HZ United Kingdom

Intelligent Claims Management Limited

Directors' Report

For the year ended 31 December 2020

The Directors present their report, together with the unaudited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of Intelligent Claims Management Limited ("the Company") are to provide software, business and technology consulting services, administration and management services, SaaS solutions and other services to the technology sector. The Company is incorporated and domiciled in England and Wales.

Results, dividends and key performance indicators

The results for the year are set out on page 7. The Directors do not recommend the payment of a dividend in respect of the current year (2019: £nil).

Directors

The Directors in office at any time during the financial year and up to the date of this report are:

- D J L Whitmore
- A L Wilford

Employee involvement

The Company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information about matters of concern to employees is given through management meetings, information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Covid-19 pandemic dominated the year ended 31 December 2020 which meant that most employees moved to working remotely. The Directors' approach has been to focus on the safety and welfare of all employees, whilst protecting the financial continuity of the Company. The Company mobilised quickly to enable most employees to work from home, avoid travel and face to face meetings and comply with the Government's instructions and guidance. Where necessary, the Company invested in new technology to ensure home working was as effective as possible and have continued to build on that approach by accelerating smart working programmes to enable safe productive remote working.

The Company continues to communicate with all employees' through regular online meetings to support the challenges or concerns remote working is having on all employees.

Disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Modern slavery

The Company is committed to ensuring the prevention of modern slavery practices across the Company and in its supply chains. The Company has a zero-tolerance approach which reflects our commitment to acting ethically and with integrity in all our business relationships. Anti-slavery awareness has been incorporated within induction and annual training programmes.

Anti-bribery and corruption

The Slater and Gordon Group has a group-wide anti-bribery and corruption policy, which is in compliance with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance across the Group (including the Company).

Intelligent Claims Management Limited

Directors' Report (continued)

For the year ended 31 December 2020

Principal risks and uncertainties

The Directors are responsible for the Company's system of internal control and for reviewing its effectiveness whilst the role of management is to implement Company policies on risk management and control.

The Company is exposed to a number of risks and uncertainties which could have a material impact on its long-term performance. The Company recognises that effective risk management is fundamental in helping the Company to deliver its strategic objectives. The Company considers strategic, operational and financial risks on a regular basis and identifies actions to mitigate those risks.

The Board provides principles for overall risk management, as well as policies covering risks referred to above and specific areas such as investment of excess liquidity. The Company does not use derivative financial instruments for speculative purposes.

Technological change

The markets for the Company's services can be affected by technological changes, resulting in the introduction of new products and services, evolving industry standards and changes to consumer behaviour and expectations. The Company regularly monitors trends in technological advancement so as to anticipate and plan for future changes and maintains close relationships with businesses and organisations which it believes will keep it to the forefront of product and service development on a sustained basis.

Regulatory change

The activities of the Company and its ability to operate and contract in the manner that it has done in the past or expects to do in the future may be affected by the actions of regulatory bodies within the UK. Such action could affect the Company's profitability either directly or indirectly. The Company continuously monitors and assesses the likelihood, potential impact and opportunity provided by regulatory change and adapts its plans and activities accordingly.

Market conditions

The Company's operating revenues, operating expenditure and financing are denominated in GBP. Accordingly, the Company's exposure to foreign exchange risk is not significant.

Credit and liquidity management

The Company's principal financial assets are cash, trade receivables, and intercompany receivables.

The Company banks only with financial institutions with high quality standing or rating. The Company has no significant concentration of credit risk.

The Company maintains sufficient liquidity levels to ensure that funds are available for ongoing operations and future developments. The Company borrows from within the UK Group to fund its working capital needs as required. The majority of the Company's debts are internal receivables and are repayable on demand. The Company actively forecasts, manages and reports its working capital requirements to ensure that it has sufficient funds for its operations.

The Company does not enter into derivative transactions and does not trade in financial instruments. The Company has third party debt as part of the Super Senior Facility Agreement with the Group's shareholders.

The Covid-19 pandemic

Since March 2020, the UK has been impacted by the Covid-19 pandemic with continued social distancing restrictions in place. The Directors of the Company have assessed the ability for the ultimate parent undertaking, Slater and Gordon UK Holdings Limited ("the Group") to support the Company to continue on a going concern basis.

Intelligent Claims Management Limited

Directors' Report (continued)

For the year ended 31 December 2020

Going concern

The financial statements have been prepared on a going concern basis.

The Company is a member of the Slater and Gordon Consolidated Group whose ultimate parent entity is Slater and Gordon UK Holdings Limited. The Company is under common management of the Group and benefits from Group support when needed. In concluding that the going concern basis is appropriate, the Directors have relied upon a letter of support from Slater and Gordon UK Holdings Limited which confirms that funds will be made available to the Company as required for at least 12 months from the date of signing the financial statements.

At 31 December 2020, the Group had net assets of £107.9 million and cash of £13.8m million. The Group has prepared cash flow forecasts for the foreseeable future, based on key assumptions around the achievement of revenues, which demonstrate cash self-sufficiency in the Group. Management have considered the level of new instructions and the likely future value of this work together with the forecasts and projected cash flow patterns of the Group for the foreseeable future being a period of 12 months from the date of approval of these financial statements.

The Group manages its financing via a shareholder loan facility which, including accrued interest, is £33.8m as at 31 December 2020 and is fully drawn down (2019: £30.0m). The shareholders' loans due to expire on 22 December 2021 have been extended to 31 May 2024 under their existing terms. The Group also takes advantage of a working capital facility to ensure that the short-term liquidity of the business is also managed, and the Group can fulfil its obligations when they fall due. The working capital facility has £20.9m drawn at 31 December 2020 (2019: £16.5m).

On 14 December 2021, the Group agreed a new Super Senior Incremental Facility with its shareholders. The Group has committed to additional funding of £5.0m (Tranche A) and a further £5.0m is available but not yet committed (Tranche B). This facility is due to expire on 31 May 2024 and accrues interest at 10% PIK interest per annum.

The Group has considered the impacts the Covid-19 pandemic has had on the cashflow forecasts. The Group has based the FY21 and FY22 forecasts on a prudent level of intake growth as the economy continues to recover, with road traffic volumes returning to pre Covid-19 levels, the lifting of social restrictions and the reopening of court facilities, which could have a positive impact on revenue and cash received into the business.

Under the cashflow forecast, the Group would have significant headroom over its shareholder covenants at the lowest point at any given month end in FY21 and FY22. The 2022 cash receipts would need to fall by over 5% each month in 2022, for the cash balance to fall below the shareholder covenant at any given month end.

The Company's projections for the period to December 2022 including receipts and payments indicate that the Group expects to be able to discharge its obligations to all stakeholders. Business activity and cash flows are monitored on a regular weekly basis and continue to be satisfactory. Regular financial forecasts are prepared to monitor the Group's funding requirements through retained profits and borrowing facilities, and projected compliance with shareholders covenants.

Management have reasonable expectations that the Group has adequate resources to continue trading for the foreseeable future. Accordingly, management continue to adopt the going concern basis of accounting for preparing these financial statements.

Intelligent Claims Management Limited

Directors' Report (continued)

For the year ended 31 December 2020

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



A L Wilford
Director

21 December 2021
58 Mosley Street, Manchester, M2 3HZ

Intelligent Claims Management Limited

Statement of Comprehensive Income

For the year ended 31 December 2020

		Year ended 31 December 2020	Year ended 31 December 2019
	Notes	£'000	£'000
Revenue	2	3	118
Cost of sales		(1)	(1)
Gross profit		2	117
Administrative expenses		(33)	(46)
Exceptional items	3	800	-
Profit before tax	4	769	71
Tax on profit on ordinary activities	7	-	-
Total comprehensive income		769	71

The total comprehensive income for the current and preceding years arises wholly from the Company's continuing operations.

The notes on pages 10 to 15 are an integral part of these financial statements.

Intelligent Claims Management Limited

Statement of Financial Position

At 31 December 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non-current assets			
Property, plant and equipment	8	-	1
Total non-current assets		-	1
Current assets			
Trade and other receivables	9	24,897	27,133
Cash and cash equivalents		15	40
Total current assets		24,912	27,173
Total assets		24,912	27,174
Current liabilities			
Trade and other payables	10	(623)	(3,654)
Total liabilities		(623)	(3,654)
Net assets		24,289	23,520
Equity			
Called-up share capital	11	-	-
Retained earnings		24,289	23,520
Total shareholders' funds		24,289	23,520

The notes on pages 10 to 15 are an integral part of these financial statements.

For the year ended 31 December 2020, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps adequate accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Sections 393, 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements were approved by the board of Directors and authorised for issue on 21 December 2021.



A L Wilford
Director

Company Registration No. 05658734

Intelligent Claims Management Limited

Statement of Changes in Equity

For the year ended 31 December 2020

	Called-up share capital £'000	Retained earnings £'000	Total £'000
Balance as at 31 December 2018	-	23,449	23,449
Total comprehensive income for the year	-	71	71
Balance as at 31 December 2019	-	23,520	23,520
Total comprehensive income for the year	-	769	769
Balance as at 31 December 2020	-	24,289	24,289

The notes on pages 10 to 15 are an integral part of these financial statements.

Intelligent Claims Management Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1. Accounting policies

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

Intelligent Claims Management Limited (the "Company") is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company is shown on page 2.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements in accordance with International Financial Reporting Standards (IFRS's) as issued by the IASB.

These financial statements are separate financial statements. The consolidated financial statements of Slater and Gordon UK Holdings Limited are available to the public and can be obtained as set out in note 13.

The Company's financial statements are prepared in Pounds Sterling (GBP), its functional currency. All values are rounded to the nearest thousand pounds (£000) except when otherwise indicated. These financial statements have been prepared under the historical cost convention.

b) Compliance with accounting standards

FRS 101 sets out amendments to IASB-adopted IFRS's that are necessary to achieve compliance with the Act and related Regulations. The Company adopted the following amendments to IFRS's from 1 January 2020:

Amendments to IFRS 3	<i>Definition of a 'business'</i>
Amendments to IAS 1 and IAS 8	<i>Definition of 'material'</i>
Conceptual Framework	<i>Amendments to References to the Conceptual Framework in IFRS's</i>

The adoption of the amendments listed above did not have any impact on the amounts recognised in prior and current periods. No impact is expected in future periods.

The following disclosure exemptions from the requirements of IFRS's have been adopted in the preparation of these financial statements, in accordance with FRS 101:

- Information relating to the Company's objectives, policies and processes for managing capital has not been given.
- IAS 1 "*Presentation of financial statements*", a statement of cash flows has not been presented.
- The categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed.
- The valuation techniques applied to assets and liabilities held at fair value have not been disclosed.
- IAS 24 "*Related party disclosures*", including related party transactions between two or more wholly owned members of the group have not been disclosed.
- Comparative period reconciliation for property, plant and equipment.

Where relevant, equivalent disclosures have been given in the Group accounts of Slater and Gordon UK Holdings Limited.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

c) Amendments to IFRS's in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following amendments to IFRS's that have been issued but are not yet effective:

IFRS 17	<i>Insurance Contracts (effective from 1 January 2023)</i>
Amendments to IAS 37	<i>Provisions, Contingent Liabilities and Contingent Assets (effective from 1 January 2022)</i>
Amendments to IAS 1	<i>Presentation of financial statements (effective from 1 January 2023)</i>
Annual improvements to IFRS 2018-2020	<i>Effective from 1 January 2022</i>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest rate benchmark reform (effective from 1 January 2021)</i>

The Directors do not expect that the amendments to the Standards listed above will have a material impact on the financial statements of the Company in future periods.

d) Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. During the current and prior year there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

e) Revenue

The Company provides software, business and technology consulting services, administration and management services, SaaS solutions and other services. The Company receives its income through Software ILF (Initial Licence Fee), SaaS (Software as a Service), consulting fees and other success based one-time fees.

Revenue is measured at the fair value of the consideration received and represents amounts receivable for services provided in the ordinary course of business, net of discounts and sales taxes.

f) Taxation

Income tax

The tax expense for the year comprises of current and deferred tax and is recognised in the statement of comprehensive income. Under certain circumstances, tax is recognised either in other comprehensive income or directly in equity, depending on the item that the tax relates to.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the United Kingdom where the Company operates and generates taxable income.

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are determined using the current income tax charge defined above and is shown net in the statement of financial position. Deferred tax assets are recognised to the extent that it is highly probable that future taxable profits will be available against which the temporary differences can be utilised and is shown net in the statement of financial position. The deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1. Accounting policies (continued)

f) Taxation (continued)

Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT, except where the VAT incurred is not recoverable from Her Majesty's Revenue and Customs ("HMRC") and is therefore recognised as part of the asset's cost or as part of the expense item. Receivables and payables are stated inclusive of VAT.

The net amount of VAT payable to HMRC is included as part of current payables in the statement of financial position.

g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, commencing from the time the asset is ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation method
Computer equipment	4 years	Straight Line

An asset's residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting year.

h) Trade and other receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value.

Collectability of intercompany and related party balances is reviewed at each reporting period. Management considers whether an impairment is required based upon recoverability. Debts that are known to be uncollectable are written off when identified.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held on call with banks and short-term deposits with an original maturity of three months or less.

j) Trade and other payables

Trade and other payables are obligations to pay for services that have been provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less.

2. Revenue

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Provision of services	3	118

The revenue of the Company for the year has been derived wholly from activities undertaken in the United Kingdom.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3. Exceptional items

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
VAT (note 10)	800	-

4. Profit before tax

Profit before tax is stated after charging:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Depreciation of property, plant and equipment (note 8)	1	1

5. Employee information

5.1 Employee benefits

The aggregate employee expense comprised:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Wages and salaries	42	237
Social security costs	3	22
Pension costs	1	5
	46	264

5.2 Employee numbers

The average number of people employed by the Company during the year was:

	Year ended 31 December 2020 Number	Year ended 31 December 2019 Number
Average headcount	1	4

6. Director's remuneration

The emoluments of the Directors for the year ended 31 December 2020 were £nil (2019: £nil). Directors' emoluments for both the current and prior year were settled on behalf of the Company by a group company, Slater and Gordon (UK) 1 Limited.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7. Taxation

Factors affecting the tax charge for the year:

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Profit on ordinary activities before taxation	769	71
At the statutory income tax rate of 19%	146	13
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</i>		
Utilisation of previous tax losses	(146)	(13)
Total tax for the year	-	-

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, the 2020 Budget announced that this reduction in rate would be reversed with 19% being maintained from 1 April 2020.

An increase to the UK corporation tax rate from 19% to 25% was announced in the 2021 Budget and was substantively enacted on 24 May 2021.

8. Property, plant and equipment

	Computer equipment £'000
Cost	
At 31 December 2019 & 2020	10
Depreciation	
At 31 December 2019	9
Charge in the year	1
At 31 December 2020	10
Net book value	
At 31 December 2020	-
At 31 December 2019	1

9. Trade and other receivables

	31 December 2020	31 December 2019
	£'000	£'000
Trade receivables	4	4
Amounts owed by immediate parent	12,283	12,259
Amounts owed by related parties	12,610	14,868
Prepayments	-	2
	24,897	27,133

The fair value of the trade receivables and prepayments is considered to be equal to their carrying value.

Amounts owed by immediate parent and related parties do not attract interest and are repayable on demand.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10. Trade and other payables

	31 December 2020 £'000	31 December 2019 £'000
Provisions	437	3,620
VAT payable	186	34
	623	3,654

During the year ended 31 December 2020, the Company reached a settlement arrangement with HMRC, paying £2.4m and releasing £0.8m reported as exceptional items.

11. Share capital

	31 December 2020 £'000	31 December 2019 £'000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	-	-
	-	-

12. Contingent liabilities

The Company is party to a GBP currency Super Senior Facility Agreement ("SSFA") dated 22 December 2017, amended 14 December 2021, pursuant to which the Company's direct parent company, Slater & Gordon (UK) 1 Limited, is a borrower having fully drawn the facility. The principal and accrued interest under the facility at 31 December 2020 were £33.8m (2019: £30.0m). Pursuant to the terms of the SSFA, the Company has given a cross-guarantee (along with other UK Group companies) in relation to all liabilities outstanding under the SSFA in favour of the Finance Parties (as defined under the SSFA), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company.

The Company is also party to a debenture dated 22 December 2017 (the "Debenture"), amended 14 December 2021, pursuant to which the Company (together with other UK Group companies) covenants with GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties (as defined in the Debenture), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company) that it will on demand pay all liabilities outstanding under the SSFA (and associated finance documents) when they are due and payable and grants security over all of its assets in favour of GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties).

13. Ultimate parent company

The immediate parent is Slater & Gordon (UK) 1 Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Slater and Gordon UK Holdings Limited, a company incorporated in England and Wales and is both the smallest and largest parent company preparing group financial statements. Copies of the consolidated accounts of Slater and Gordon UK Holdings Limited can be obtained from 58 Mosley Street, Manchester, England, M2 3HZ.