

# Eldon Insurance Services Limited

## Report & Financial Statements

For the year ended 31 December 2014

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Company Registration No. 06334001

# **ELDON INSURANCE SERVICES LIMITED**

## **Report & Financial Statements**

For the year ended 31 December 2014

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### **Company information**

**Company Registration Number:** 06334001

**Registered Office:** Lysander House (2<sup>nd</sup> Floor)  
Catbrain Lane, Cribbs Causeway  
Bristol  
BS10 7TQ

**Directors:** J Banks  
E Bilney  
J Coetzee  
A Marshall

**Company Secretary:** P Walters

**Solicitors:** Lyons Davison  
51 Victoria Street  
Bristol  
BS1 6AD

**Auditors:** BDO LLP  
Registered Auditors & Chartered Accountants  
55 Baker Street  
London  
W1U 7EU  
United Kingdom

# **ELDON INSURANCE SERVICES LIMITED**

## **Report & Financial Statements**

For the year ended 31 December 2014

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# **ELDON INSURANCE SERVICES LIMITED**

## **Strategic Report**

For the year ended 31 December 2014

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### **Strategic report**

The Directors present this report and the audited financial statements for the year ended 31 December 2014.

Eldon Insurance Services Limited (the “Company”) is a limited company incorporated in the United Kingdom.

### **Principal activity and review of the business**

The principal activity of the Company in the year under review is the provision of insurance services, namely broking under the brands GoSkippy, Footprint and Business Choice Direct and also the provision of claims handling services.

During 2014, the Company continued in its strategy to pursue excellence in insurance services for its panel of UK insurers, encompassing both claims handling and brokerage services. The Company continued to build on the foundations it had laid during 2013 through its focused investment in its brokerage brands, as demonstrated by the impressive growth in turnover from £13m in 2013 to £30m in 2014. Of this growth, £16m relates to the brokerage businesses which grew to a turnover of £21m in 2014 (2013: £5m) highlighting the success of the young brands in a competitive market.

GoSkippy, providing motor insurance products on behalf of a panel of insurers, now in its third full year of operation, achieved growth of 86% in its policy count during 2014 with 211,000 policies sold (2013: 113,000 policies). Meanwhile Footprint, our bespoke van and motorbike brokerage grew its policy count to 19,000 policies sold since its inception in December 2013 and moves forward into its first full renewal cycle during 2015. Business Choice Direct, which provides commercial insurance and launched in January 2014 sold 8,000 policies during its first year of operation.

The Company achieved operating profit of £1.3m during 2014 (2013: £0.2m) and an operating margin of 4% (2013: 2%) which indicates the Company’s commitment to investing in its young brokerage brands to lay strong foundations for a sustainable renewals model. The brokerage strategy is to focus on the customer, provide an exceptional service and encourage customer loyalty to the brands.

At the same time, the Company is committed to providing excellent value for money to its customers and has therefore renewed its focus on costs during 2015. This has resulted in a consolidation of the cost base, streamlining processes and reducing the fixed cost base as a means of eliminating waste and increasing efficiency across all parts of the business.

The Company entered into its first affinity partnership with Debenhams during December 2014 and now offers motor and home insurance under the Debenhams brand. GoSkippy also extended its product suite to include home and life cover. The Directors recognise that this is an important first step in developing its panel of insurers and providing an exceptional product to its new and potential customers.

The claims handling function of the Company remains a key contributor to the business and to the wider insurance group and has continued to excel in 2014. The claims handling division achieved turnover of £8m during 2014 (2013: £7m). Operationally, the function continued to develop and improve the efficiency of its operations, including the on-going strategic improvements to its claims processing systems.

Eldon claims continues to be recognised by the insurance industry and was proud to be shortlisted as finalist in the Insurance Times Claims Excellence Awards 2015 for Outstanding Insurer Claims Team of the Year.

# ELDON INSURANCE SERVICES LIMITED

## Strategic Report

For the year ended 31 December 2014

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### Key performance indicators ("KPIs")

The Company uses a variety of Key Performance Indicators ("KPI's") to measure the performance of its business units. These include daily and monthly financial and non-financial KPI's, measured against budgeted targets which are set annually. Examples of such KPI's are policy count versus budget, quote to sale conversion rate, renewal retention rate, and income per policy, all of which vary across the brokerages. For the claims handling business, the key KPI's include monthly average cost per claim, which is a measure of the efficiency of its operations.

### Financial risk management objectives and policies

The Company uses financial instruments such as cash, loans, debtors and creditors in order to raise finance for the Company's operations. The existence of these instruments exposes the Company to financial risks which are detailed below:

#### *Liquidity / cash flow risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably. The Company monitors cash flow using sophisticated forecasting techniques to ensure that all liabilities are met when due.

#### *Interest rate risk*

The Group monitors its banking facilities and compliance with related covenants as required. Group monies are also monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

#### *Credit risk*

The principal credit risk for the Company arises from its trade debtors as part of the claims handling and broking operations. In order to manage credit risk the Directors have incorporated a range of credit control procedures to monitor debt levels and to ensure that any debts are collected as soon as reasonably possible.

### Future developments

The Directors consider the Company to be well positioned to build on the significant growth in turnover seen in the business during the year.

Focused growth in the brokerages is intended to continue during 2015 as part of the strategy to build volumes and brand awareness, generating customer loyalty and renewal business. As part of this focus on the customer, the Company continues to consider product enhancements.

The claims handling function will remain focused on its continuous improvements programme, and intends to develop further business lines by exploring new relationships with external insurers seeking an exceptional claims handling provider.

This report was approved by the Board and signed on its behalf by:



**A Banks**

Director

Date: 30/9/15

# **ELDON INSURANCE SERVICES LIMITED**

## **Report of the Directors**

For the year ended 31 December 2014

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### **Report of the Directors**

The Directors present this report and the audited financial statements for the year ended 31 December 2014.

The Strategic Report above sets out a review of the business including the Company's principal activity; the principal risks and uncertainties facing the business; the performance of the business during the year; and future developments.

### **Results & Dividends**

The profit for the year after taxation amounted to £1.0m (2013: £180,000). No dividends have been paid for the year (2013: £nil).

### **Directors**

The Directors who served during the year and to the date of signing the financial statements were:

E Bilney

J Banks

J Coetzee

A Marshall (appointed 29 January 2015)

### **Employee Involvement**

The Company supports the principle of equal opportunities. Its policy is that there should be no unfair discrimination on the grounds of sex, age, religion or race. Equal employment opportunities are available to all persons, including the disabled, having full regard to their particular skills and abilities.

The Directors believe in encouraging employees to become fully informed of the Company's activities and to be more closely involved in the business and provide ongoing training as necessary.

# ELDON INSURANCE SERVICES LIMITED

## Report of the Directors

For the year ended 31 December 2014

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### 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). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- 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 him 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.

### Provision of Information to the Auditor

Each person who is Director at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

### Auditor

The auditors are BDO LLP, who are eligible for re-appointment.

This report was approved by the Board and signed on its behalf by:



**A Banks**

Director

Date:

20/9/15

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ELDON INSURANCE SERVICES LIMITED**

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## **Independent Auditor's report**

We have audited the financial statements of Eldon Insurance Services Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its 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.

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

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



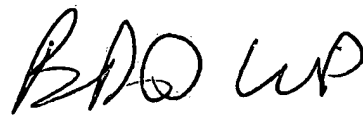
# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ELDON INSURANCE SERVICES LIMITED

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Roberts (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom  
Date *30 September 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# ELDON INSURANCE SERVICES LIMITED

## Profit and Loss Account

For the year ended 31 December 2014

Profit and loss account		NOTES	2014 £'000	2013 £'000
Turnover	2		30,298	12,809
Administration expenses	3		(28,992)	(12,581)
<b>Operating profit</b>			<b>1,306</b>	<b>228</b>
<b>Interest receivable</b>			<b>8</b>	<b>11</b>
<b>Profit on ordinary activities before tax</b>			<b>1,314</b>	<b>239</b>
Tax on profit on ordinary activities	6		(298)	(59)
<b>Profit for the financial year</b>	16		<b>1,016</b>	<b>180</b>

The notes on pages 9 to 17 are an integral part of these financial statements.

All amounts relate to continuing operations and are stated on a historical cost basis.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# ELDON INSURANCE SERVICES LIMITED

## Balance Sheet

For the year ended 31 December 2014

Balance sheet	NOTES	2014 £'000	2014 £'000	2013 £'000	2013 £'000
<b>Fixed assets</b>					
Intangible assets	7	16		-	
Tangible assets	8	1,268		1,524	
Investments	9	10		-	
			1,294		1,524
<b>Current assets</b>					
Debtors	10	15,931		15,214	
Cash at bank		2,138		2,834	
			18,069		18,048
<b>Creditors:</b>					
Amounts falling due within one year	12		(16,350)		(17,717)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			1,719		331
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,013		1,855
<b>Creditors:</b>					
Amounts falling due after one year	13		(1,207)		(1,065)
<b>NET ASSETS / (LIABILITIES)</b>			1,806		790
<b>Capital and reserves</b>					
Ordinary share capital	15, 16		2,200		2,200
Profit and loss account	16		(394)		(1,410)
<b>Shareholders' funds</b>	16		1,806		790

The notes on pages 9 to 17 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were authorised for issue by:



A Banks

Director

Date: 30/9/15

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

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### Notes to the financial statements

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice).

##### 1.2 Going concern basis

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are monitored on a monthly basis and the techniques used to monitor these are noted in the Directors' report. The Company has sufficient financial resources together with renewing income from customers to meet its operating requirements.

The Company is required to maintain a minimum level of capital in accordance with Financial Conduct Authority regulations. As at 31 December 2014, the capital requirement was calculated at £1.515 million (2013: £0.641 million), resulting in a capital surplus of £0.291 million (2013: £0.310 million).

The Directors believe that the Company continues to have adequate resources to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future and continues to demonstrate a positive cash flow position to maintain its current liabilities and expenses. Accordingly, the going concern basis is used in preparing the financial statements.

##### 1.3 Cash flow statement

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the Group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of insurance broking services supplied, exclusive of value added tax and trade discounts. Recognition of commission received for the handling of claims is deferred over the amount of time that the claims are expected to settle. The deferral period is based on estimated length of the claims process and the Directors anticipate that this will periodically be reviewed in line with the expected future efficiency of claims handling. Broking fees and commissions from third parties are recognised on an accruals basis.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

- Fixtures & fittings: 5 years, straight line
- Office equipment: 5 years, straight line
- Computer equipment: 3 years, straight line
- Motor vehicles: 3 years, straight line

##### 1.6 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

- Software development costs: 3 years, straight line

##### 1.7 Investments

Investments in loans are stated at amortised cost.

##### 1.8 Leases

Payments made under operating leases are charged to the income statement on a straight-line basis over the period

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

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of the lease.

Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

### **1.9 Taxation and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

### **1.10 Pensions**

The Company makes a non-contributory stakeholder pension available to all employees. Included within staff costs are contributions made by employees to the salary sacrifice pension scheme.

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 2. Turnover

All turnover arose in the United Kingdom.

### 3. Operating profit

Operating profit is stated after charging:

	2014 £'000	2013 £'000
Staff costs (note 4):	15,568	7,766
Depreciation of tangible fixed assets	891	840
Amortisation of intangible fixed assets	8	-
Auditor's remuneration:		
- audit services	32	26
Operating lease charges	182	182
Finance lease charges	24	29

### 4. Staff costs

Staff costs during the year were as follows:

	2014 £'000	2013 £'000
Wages and salaries	14,110	6,978
Social security costs	1,408	771
Other pension costs	51	17
	15,569	7,766

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

	2014	2013
Administration staff	543	302
Management staff	36	29
	579	331

### 5. Directors' remuneration

	2014 £'000	2013 £'000
Directors' emoluments	422	428
Company contributions to money purchase pension schemes	1	2
	423	430

There were 2 Directors to whom retirement benefits are accruing under money purchase schemes (2013: 3) during the year.

The total amount payable to the highest paid Director in respect of emoluments was £282,000 (2013: £189,000). Company pension contributions of £1,000 (2013: £1,000) were made to a money purchase pension scheme on their behalf.

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 6. Taxation

	2014 £'000	2013 £'000
<b>Current tax:</b>		
UK corporation tax on profits for the year	185	2
<b>Deferred tax (note 10):</b>		
Origination and reversal of timing differences	113	57
<b>Tax on profit on ordinary activities</b>	<b>298</b>	<b>59</b>

The tax assessed for the year is higher (2013: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 20%). The differences are explained below:

	2014 £'000	2013 £'000
<b>Profit on ordinary activities before tax</b>	<b>1,314</b>	<b>239</b>
Profit on ordinary activities before tax multiplied by the standard rate in the UK of 21.5% (2013: 20%)	283	48
<b>Effects of:</b>		
Fixed asset differences		1
Expenses not deductible for tax purposes	22	10
Depreciation in excess of capital allowances	(13)	18
Other short term timing differences	(15)	14
Utilisation of tax losses and other deductions	(92)	(89)
<b>Current tax charge for the year</b>	<b>185</b>	<b>2</b>

### Factors affecting current and future tax charges

During the year there were no factors that affected current and future tax charges

### 7. Intangible fixed assets

	Software development costs £'000
<b>Cost:</b>	
At 1 January 2014	-
Additions	24
At 31 December 2014	24
<b>Depreciation:</b>	
At 1 January 2014	-
Charge for year	8
At 31 December 2014	8
<b>Net book value:</b>	
At 31 December 2014	16
At 31 December 2013	-

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 8. Tangible fixed assets

	Office equipment £'000	Fixtures & fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost:</b>					
At 1 January 2014	188	255	3,761	314	4,518
Additions	-	59	486	90	635
At 31 December 2014	<u>188</u>	<u>314</u>	<u>4,247</u>	<u>404</u>	<u>5,153</u>
<b>Depreciation:</b>					
At 1 January 2014	157	100	2,626	111	2,994
Charge for year	14	53	689	135	891
At 31 December 2014	<u>171</u>	<u>153</u>	<u>3,315</u>	<u>246</u>	<u>3,885</u>
<b>Net book value:</b>					
At 31 December 2014	<u>17</u>	<u>161</u>	<u>932</u>	<u>158</u>	<u>1,268</u>
At 31 December 2013	<u>31</u>	<u>155</u>	<u>1,135</u>	<u>203</u>	<u>1,524</u>

Assets held under finance leases and capitalised in motor vehicles:

	2014 £'000	2013 £'000
Cost	284	194
Accumulated depreciation	(149)	(54)
Net book amount	<u>135</u>	<u>140</u>

### 9. Investments

	2014 £'000	2013 £'000
Loans to third parties	10	-
	<u>10</u>	<u>-</u>

### 10. Debtors

	2014 £'000	2013 £'000
Trade debtors	3,925	4,899
Amounts owed by related parties (note 18)	10,543	9,693
Prepayments & accrued income	1,300	346
Deferred tax (note 11)	163	276
	<u>15,931</u>	<u>15,214</u>

Amounts owed by related parties are unsecured, interest free and are repayable on demand.

All debtors fall due within one year except for the deferred tax asset of £163,000 (2013: £276,000), the realisation of which is dependent on the timing of future profits.



# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 11. Deferred tax

	2014 £'000	2013 £'000
At 1 January	276	333
Credit/(charge) for the year	(113)	(57)
At 31 December	163	276

The deferred tax balance comprises:

	2014 £'000	2013 £'000
Fixed asset timing differences	163	184
Short term timing differences		14
Losses and other deductions		78
	163	276

### 12. Creditors: Amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	6,228	621
Amounts owed to related parties (note 18)	2,928	12,354
Finance lease (note 14)	80	31
Accruals and deferred income	6,876	4,044
Corporation tax	188	3
Other creditors	50	664
	16,350	17,717

Amounts owed to related parties are unsecured, interest free and are repayable on demand.

### 13. Creditors: Amounts falling due after one year

	2014 £'000	2013 £'000
Finance lease (note 14)	111	119
Accruals and deferred income	1,096	946
	1,207	1,065

Amounts owed to related parties are unsecured, interest free and are repayable on demand.

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 14. Finance lease

Future minimum payments under the finance lease are as follows:

	2014 £'000	2013 £'000
Within one year	94	46
In more than one year, but not more than five years	121	133
After five years	-	-
Total gross payments	215	179
Less finance charges included above	(24)	(29)
	191	150

### 15. Share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid 2,200,000 Ordinary shares of £1 each	2,200	2,200

### 16. Reconciliation of movement in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2013	-	(1,590)	(1,590)
Issue of share capital	2,200	-	2,200
Profit for the year	-	180	180
Balance at 31 December 2013	2,200	(1,410)	790
Balance at 1 January 2014	2,200	(1,410)	790
Profit for the year	-	1,016	1,016
Balance at 31 December 2014	2,200	(394)	1,806

### 16. Investment in subsidiary

The Company wholly owns Blue Steel Enterprises Limited ("Blue Steel"), with a holding of 100 Ordinary shares of £1 each. Blue Steel is incorporated in the UK and its address is 2<sup>nd</sup> Floor, Lysander House, Cribbs Causeway, Bristol BS10 7TQ. Blue Steel's company number is 08256125. The net assets in Blue Steel as at 31 December 2014 totalled £100. The value of the Company's investment in Blue Steel at 31 December 2014 was £100. Blue Steel is exempt from the requirement for an audit of its accounts under section 479A of the Companies Act 2006. Blue Steel is included in the consolidated accounts of the Company's ultimate parent, ICS Risk Solutions Limited (see note 19), so the Company is not required to prepare consolidated accounts itself under FRS 2.

# ELDON INSURANCE SERVICES LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2014

### 17. Other financial commitments

Annual commitment under non-cancellable operating lease expiring:

	2014 £'000	2013 £'000
Less than one year	-	-
In more than one year, but not more than five years	182	182
More than five years	-	-
	<u>182</u>	<u>182</u>

### 18. Related party transactions

The following transactions were carried out with related parties during the year:

Sale of services to entities sharing key management	2014 £'000	2013 £'000
Southern Rock Insurance Company Limited	<u>24,611</u>	<u>9,040</u>
	<u>24,611</u>	<u>9,040</u>

Purchase of services from entities sharing key management	2014 £'000	2013 £'000
ICS Risk Solutions Limited	253	-
Rock Services Limited	<u>26,069</u>	<u>11,358</u>
	<u>26,322</u>	<u>11,358</u>

Year end balances arising from transactions with group undertakings	2014 £'000 Due from	2014 £'000 Due to	2014 £'000 Net	2013 £'000 Net
ICS Risk Solutions Limited	<u>6,077</u>	-	<u>6,077</u>	<u>8,279</u>
	<u>6,077</u>	-	<u>6,077</u>	<u>8,279</u>

Year end balances arising from transactions with entities sharing key management	2014 £'000 Due from	2014 £'000 Due to	2014 £'000 Net	2013 £'000 Net
eDevelopment (2) Limited	-	(2,450)	(2,450)	(5,637)
Precision Risk Services Limited	-	(307)	(307)	(538)
Precision Risk and Intelligence Limited	-	-	-	(698)
Rock Holdings Limited	-	-	-	1,414
Rock Services Limited	4,466	-	4,466	(4,733)
Southern Rock Insurance Company Limited	-	(171)	(171)	(748)
	<u>4,466</u>	<u>(2,928)</u>	<u>1,538</u>	<u>(10,940)</u>

Included in the amounts due from ICS is a £2m loan which is unsecured, repayable no later than 2038 and with interest charged at 3% per annum.

# **ELDON INSURANCE SERVICES LIMITED**

## **Notes to the Financial Statements**

For the year ended 31 December 2014

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### **19. Ultimate parent undertaking and controlling party**

The immediate and ultimate parent undertaking is ICS Risk Solutions Limited ("ICS"), a company registered in the Isle of Man. The registered address of ICS is 2<sup>nd</sup> Floor, Murdoch Chambers, South Quay, Douglas, Isle of Man, IM1 5AS.

The results of the Company are included in the unaudited consolidated financial statements of ICS, which are publicly available from 2<sup>nd</sup> Floor, Lysander House, Catbrain Lane, Cribbs Causeway, Bristol BS10 7TQ.

The ultimate controlling party of ICS is Arron Banks, by virtue of his majority shareholding in the company.