

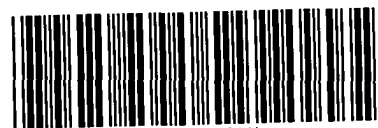
Classic Insurance Services Limited

Directors' report and financial statements

For the year ended 31 December 2013

Company No: 6525008

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CLASSIC INSURANCE SERVICES LIMITED

COMPANY INFORMATION

Company number 6525008

Registered office 41 Eastcheap
London
EC3M 1DT

Auditor Mazars LLP
Chartered Accountants & Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Bankers Barclays Bank
Level 11
1 Churchill Place
Canary Wharf
London
E14 5HP

CLASSIC INSURANCE SERVICES LIMITED

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CLASSIC INSURANCE SERVICES LIMITED

STRATEGIC REPORT

Strategic report for the year ended 31 December 2013

The Directors present their strategic report for Classic Insurance Services Limited (the Company) for the year ended 31 December 2013.

Review and analysis of the business during the current year

The Company's principal activities are the provision of insurance products. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's principal activities in the forthcoming year.

Key performance indicators

The results for the year and the financial position of the Company are as shown in the annexed financial statements.

- The Profit before taxation amounted to £94,590 (2012: Loss of £37,875).
- Brokerage increased to £571,390 (2012: £367,296).
- Investment income increased to £733 (2012: £67).
- Expenses increased to £477,173 (2012: £405,238).

Whilst these figures have benefited from some non-recurring business, the prospects for the foreseeable future for brokerage and profitability remain strong.

Development and financial performance during the year

The year ended 31 December 2013 was our second year of trading and our income increased by 55% to £571,390. In 2012, we reported a small loss primarily due to the decision of the board to invest in additional staff to cater for the faster than anticipated growth in our business. This was funded by a loan from our parent company, as disclosed in last year's accounts. We are pleased to report that for 2013 this loss has been transformed into a profit before tax of £94,590 and the loan has been repaid in full.

The company continues to develop among the lines envisaged by its founders as a niche insurance broker specialising in classic and prestige car insurance together with the provision of high value household and collectable insurance. Growth has been primarily fuelled by existing client recommendations which, when combined with our high levels of service and expertise, has created a very stable client base for continued growth in the foreseeable future.

Financial position at the reporting date

The balance sheet shows that the Company's net assets at the year-end has increased from a negative £29,399 to a positive £42,288.

The Company generated cash from operations of (£185,555). The Company repaid borrowings of £75,000 in the year. This resulted in net cash decreasing from £402,047 to £205,725 at the reporting date.

CLASSIC INSURANCE SERVICES LIMITED

STRATEGIC REPORT (Continued)

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

Competitor pressure

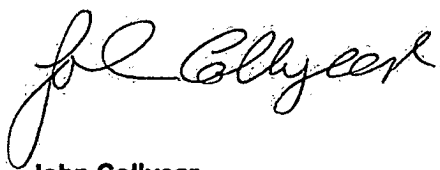
The market in which the company operates is competitive and could result in the loss of sales to competitors. Fortunately the company's business is broadly based and not reliant on any one account, whose loss might threaten the stability of the business. The company also manages this risk by providing quality products and excellent customer service.

Economic downturn

As with most businesses there is a risk to an economic downturn but we consider our risk to be small due to its highly specialist nature. It is perhaps interesting to note that our business has grown and prospered during recent economically challenging times.

Approval

This report was approved by the board on 30 May 2014 and signed on its behalf by:



John Collyear

Director

CLASSIC INSURANCE SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the Company for the year ended 31 December 2013.

Principal activities

The Company's principal activities are the provision of insurance products. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's principal activities in the forthcoming year.

Treasury operations and financial instruments

The Company transacts its business primarily in sterling, the remainder is in euros. The Company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Liquidity risk

The Company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of its business. Client money is held with approved banks and cleared funds have to be available before payment is made.

Interest rate risk

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

Credit risk

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

Future developments

We believe our products are the best in the market and we continue to develop unique and innovative solutions which also differentiate us from our competitors.

Overall, the directors believe that the Company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand, and at the date of writing this report the first four months of 2014 have shown an increase in our rate of growth and the board has great optimism for the future of the Company.

Events after the balance sheet date

There have been no significant or subsequent events after the balance sheet date.

Dividends

The directors did not recommend or pay any dividends during the year ended 31 December 2013 (2012: £nil).

CLASSIC INSURANCE SERVICES LIMITED

DIRECTORS' REPORT (Continued)

Directors

The directors set out below held office during the year from 1 January 2013 to the date of this report, unless otherwise stated.

J R N Collyear

J M Cooper

J F Corrigan-Stuart

P R H Friend

J R Mitchell

C R Pearson Appointed 1 November 2013

Directors' indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Employment of disabled persons

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the Company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee involvement

Quarterly meetings are held between senior management and individual employees to discuss matters of concern and employees are kept well-informed about the progress and position of the Company.

Political donations and expenditure

During the year the Company made no political donations (2012: £nil).

Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

For further information regarding the directors' assessment of the going concern status of the Company, refer to the accounting policies Note 1 in the financial statements.

CLASSIC INSURANCE SERVICES LIMITED

DIRECTORS' REPORT (Continued)

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 Company.

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 the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement as to disclosure of information to auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware. As a director, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the directors are unaware.

Auditors

Mazars LLP have expressed their willingness to continue in office as auditors.

Approval

This report was approved by the board on 30 May 2014 and signed on its behalf by:



John Collyear

Director

CLASSIC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASSIC INSURANCE SERVICES LIMITED

We have audited the financial statements of Classic Insurance Services Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement 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).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2013 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CLASSIC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASSIC INSURANCE SERVICES LIMITED (Continued)

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.



Markham Grice (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

3 June 2014

CLASSIC INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 December 2013

	Note	2013 £	2012 £
Turnover		571,390	367,296
Administrative expenses		477,173	405,238
Operating Profit/(Loss)	2	94,217	(37,942)
Interest receivable and similar income	6	733	67
Profit/(Loss) on ordinary activities before taxation		94,950	(37,875)
Tax on profit/(loss) on ordinary activities	7	(20,214)	8,276
Profit/(Loss) for the financial year	14	74,736	(29,599)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 and 2012 other than those included in the Profit and Loss Account.

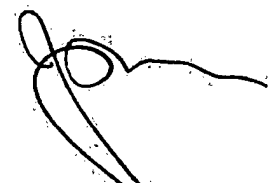
The notes on pages 11 to 18 form part of these financial statements.

CLASSIC INSURANCE SERVICES LIMITED

BALANCE SHEET AS AT 31 December 2013

	Note	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	9	13,603		7,249	-
			13,603		7,249
Current assets					
Debtors	10	434,568		288,397	
Cash at bank	11	205,726		402,047	
			640,294		690,444
Creditors: amounts falling due within one year	12		608,560		727,092
Net current (liabilities)/ assets			31,734		(36,648)
Total assets less current liabilities			45,337		(29,399)
Capital and reserves					
Called up share capital	13		200		200
Profit and loss account	14		45,137		(29,599)
Shareholders' funds	15		45,337		(29,399)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 May 2014.



James Corrigan-Stuart
Director

The notes on pages 11 to 18 form part of these financial statements.

CLASSIC INSURANCE SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 December 2013

		2013		2012	
	Note	£	£	£	£
Net cash flow from operating activities	16(a)		(185,555)		411,779
Returns on investment and servicing of finance					
Interest paid		(2)		-	
Interest received		735		67	
			733		67
Taxation					
Corporation tax paid			-		-
Capital expenditure and financial investments					
Purchase of tangible fixed assets			(11,499)		(9,999)
Share Capital			-		199
(Decrease)/Increase in cash	16(b)		<u>(196,321)</u>		<u>402,046</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2013

1. Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards and under the historical cost convention. The particular accounting policies adopted are described below.

1.2 Turnover

Turnover consists principally of brokerage and commissions on insurance policies and claims adjustment fees. Brokerage is accounted for on the debit note date. Commissions are credited to income when they become receivable.

Where there is an expectation of future servicing of the contract of insurance beyond the balance sheet date, an element of the related income is deferred to cover the cost of this contractual obligation.

1.3 Taxation

The charge for taxation is based on the profit for the year at current rates of taxation and any under-provision or overprovision in respect of prior periods.

1.4 Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.5 Tangible fixed assets

For the car fixed asset, depreciation is provided at a rate calculated to write off the cost of the asset, less estimated residual value, on a straight line basis over two years.

1.6 Operating leases

Rentals payable under operating leases are charged in a straight line basis over the term of the lease.

1.7 Pensions

Classic Insurance Services Limited operates a defined contribution pension scheme. Contributions to the pension scheme are charged to the profit and loss account in the year to which they relate.

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FOR THE YEAR ENDED 31 December 2013**

2. Operating (loss)/profit

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation on tangible fixed assets	5,145	2,750
Auditor's remuneration (Note 3)	15,563	15,809
	<u>15,563</u>	<u>15,809</u>

3. Auditor's remuneration

	2013 £	2012 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	15,000	15,614
Fees payable to the Company's auditor and its associates in respect of: other services	563	195
	<u>15,563</u>	<u>15,809</u>

4. Staff costs

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	304,968	236,946
Social security costs	25,377	20,531
Other pension costs	2,720	2,440
	<u>333,065</u>	<u>259,917</u>

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

	2013 No	2012 No
Directors	2	2
Permanent staff	5	5
	<u>7</u>	<u>7</u>

CLASSIC INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 December 2013**

5. Directors' emoluments

Emoluments

	2013 £	2012 £
Emoluments	91,615	52,400
	<u>91,615</u>	<u>52,400</u>

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	2013 £	2012 £
Emoluments	63,039	41,200
	<u>63,039</u>	<u>41,200</u>

	2013 No	2012 No
Accrued benefits under money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>

6. Interest receivable and other similar income

	2013 £	2012 £
Bank interest	733	67
	<u>733</u>	<u>67</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FOR THE YEAR ENDED 31 December 2013**

7. Taxation

	2013 £	2012 £
UK Corporation tax on profits of the period	13,135	-
Adjustments in respect of previous periods	-	-
	<u>13,135</u>	<u>-</u>
Current tax charge for period	13,135	-
Deferred tax (Note 8)	7,079	(8,276)
	<u>20,214</u>	<u>(8,276)</u>
Tax charge on profit on ordinary activities	<u>20,214</u>	<u>(8,276)</u>

Factors affecting tax charge for period

The effective tax rate for the period is higher than the standard rate of corporation tax in the UK (20%). The differences are explained below:

	2013 £	2012 £
Profit /(Loss) on ordinary activities before tax	<u>94,950</u>	<u>(37,875)</u>
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012: 24.5%)	18,990	(9,279)

Effects of:

Expenses not deductible for tax purposes	144	464
Depreciation in excess of capital allowances	793	495
Other timing differences	-	-
Group relief for no payment	-	-
Rate differences	-	-
Creation/(utilisation) of tax losses	(6,792)	8,320
Prior year under / over provision	-	-
	<u>13,135</u>	<u>-</u>
Current tax charge for period	<u>13,135</u>	<u>-</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FOR THE YEAR ENDED 31 December 2013**

8. Deferred tax asset

Included within debtors due within one year:

	2013 £	2012 £
Accelerated depreciation	1,197	465
Other timing differences	-	-
Losses carried forward	-	7,811
Capital losses carried forward	-	-
Total recognised deferred tax asset	1,197	8,276

	2013 £	2012 £
At 1 January	8,276	-
Movement for the year (Note 7)	(7,079)	8,276
At 31 December	1,197	8,276

9. Tangible fixed assets

	Car £	Total £
Cost		
At 1 January 2013	9,999	9,999
Additions	11,499	11,499
At 31 December 2013	21,498	21,498
Depreciation		
At 1 January 2013	2,750	2,750
Charge for the year	5,145	5,145
At 31 December 2013	7,895	7,895
Net book value		
At 31 December 2013	13,603	13,603
At 31 December 2012	7,249	7,249

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 December 2013

10. Debtors: amounts falling due within one year

	2013 £	2012 £
Insurance debtors	429,551	245,047
Prepayments and accrued income	3,820	35,074
Deferred tax asset	1,197	8,276
	<u>434,568</u>	<u>288,397</u>

11. Cash at bank and in hand

In accordance with the regulations of the Financial Conduct Authority, all insurance funds are held in non-statutory trust accounts. At 31 December 2013, the funds held in such accounts totalled £53,657 (2012: £398,994).

12. Creditors: amounts falling due within one year

	2013 £	2012 £
Insurance creditors	514,243	581,317
Corporation tax	13,135	-
Other creditors	306	316
Other taxation and social security	13,962	6,197
Accruals and deferred income	60,786	60,225
Amounts due to group undertakings	6,128	79,037
	<u>608,560</u>	<u>727,092</u>

13. Share capital

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary voting shares of £0.10 each	100	100
999 Ordinary non-voting shares of £0.10 each	100	100
	<u>200</u>	<u>200</u>

Ordinary voting shares give the shareholder the right to vote and influence the Company but they are not entitled to a share of the profits. Ordinary non-voting shareholders do not have a right to vote, but are entitled to a share of dividends payable.

CLASSIC INSURANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 December 2013**

14. Profit and loss account

	2013 £	2012 £
At 1 January 2013	(29,599)	-
Profit/(Loss) for the year	74,736	(29,599)
At 31 December 2013	<u>45,137</u>	<u>(29,599)</u>

15. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds/(deficit)	(29,399)	-
Profit for the year	74,736	(29,399)
Closing shareholders' funds/(deficit)	<u>45,337</u>	<u>(29,399)</u>

16. (a) Reconciliation of operating profit to net cash flow from operating activities

	2013 £	2012 £
Operating Profit/(Loss)	94,217	(37,942)
Depreciation	5,145	2,750
Increase in debtors	(153,250)	(280,121)
(Decrease)/Increase in creditors	(131,667)	727,092
Net cash inflow from operating activities	<u>(185,555)</u>	<u>411,779</u>

(b) Analysis of changes in net funds

	At 1 January 2013 £	Cash flow Movement £	At 31 December 2013 £
Non-statutory trust and fiduciary cash balances	398,994	(210,337)	188,657
Other cash at bank and in hand	3,053	14,016	17,069
Bank overdraft	-	-	-
	<u>402,047</u>	<u>(196,321)</u>	<u>205,726</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 December 2013

17. Pension commitments

The Company operates a defined contribution scheme for an employee. The assets of the scheme are held separately from those of the Company in an independently administered fund. Pension contributions made during the year were £2,720 (2012: £2,440).

18. Related party transactions

Classic is a 51% owned subsidiary of Vantage Insurance Services Limited. At the year end the Company owed Vantage Insurance Services Limited £nil (2012: £75,000) in respect of a start-up loan and £6,128 (2012: £4,037) in respect of general intercompany expenses.

19. Ultimate holding company

The Company's immediate parent is Vantage Insurance Services Limited, a company registered in England. The ultimate parent undertaking is Vantage Holdings Limited, a company registered in England.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Vantage Holdings Limited. Copies of the group financial statements are available on request from 41 Eastcheap, London EC1M 1DT.