

Classic Insurance Services Limited

Strategic report, Directors' report and financial statements

For the year ended 31 December 2017

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 2017

The Directors present their strategic report for Classic Insurance Services Limited (the Company) for the year ended 31 December 2017. As set out in the Directors' report and note 1.2 to the financial statements, due to a group restructure, all business was transferred to the company's immediate parent company Vantage Insurance Services Limited, effective 1 January 2018. Accordingly the Directors have adopted the break up basis of accounting for the current year and the remaining assets and liabilities have been disclosed at values at which they are expected to be realised.

Review and analysis of the business during the current year

The Company's principal activities are the provision of insurance products in the UK market. There have not been any significant changes in the Company's principal activities in the year under review. As noted above the company ceased trading with effect from 1 January 2018.

Key performance indicators

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

- Brokerage increased to £1,746,636 (2016: £1,422,994).
- Expenses increased to £1,123,293 (2016: £1,009,437).
- Operating Profit increased to £623,343 (2016: £413,557).
- Net Investment return decreased to an expense of £2,247 (2016: income of £11).
- The Profit before taxation amounted to £621,096 (2016: £413,568).

Development and financial performance during the year

The year ended 31 December 2017 was our sixth year of trading and our income increased by 23% to £1,746,636.

The Company continued during the current year to develop among the lines envisaged by its founders as a niche insurance broker specialising in classic car collections, prestige car insurance and classic motor trade insurance together, with the provision of high value household and collectable insurance. The growth in the business has been fuelled almost entirely by 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.

As noted above, the company ceased trading effective 1 January 2018.

Financial position at the reporting date

The Statement of Financial Position shows that the Company's net assets at the year-end have increased from £440,497 to £941,398.

CLASSIC INSURANCE SERVICES LIMITED

STRATEGIC REPORT (Continued)

Principal risks and uncertainties facing the business

In light of the transfer of the business to Vantage Insurance Services Limited, there will be no further ongoing business in the company and accordingly there will be no material risks faced by the company going forward.

Approval

This report was approved by the board on 24 September 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Collyear', written in a cursive style.

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 2017.

Principal activities

The Company's principal activities are the provision of insurance products.

Treasury operations and financial instruments

The Company transacts its business primarily in Sterling, with the remainder 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.

Brexit risk

Following the cessation of the business effective 1 January 2018 there will be no impact of Brexit on the Company.

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 and events after the balance sheet date

Subsequent to the balance sheet date, on 1 January 2018, the Company transferred its business to its immediate parent company Vantage Insurance Services Limited and ceased trading activities.

Furthermore, on May 11, 2018 the Company's parent, NSM Insurance Group, LLC, sold a majority equity stake to White Mountain Insurance Group, Ltd.

Dividends

The Directors paid dividends during the year ended 31 December 2017 of £nil (2016: £115,500).

CLASSIC INSURANCE SERVICES LIMITED

DIRECTORS' REPORT (Continued)

Directors

The Directors set out below held office during the year from 1 January 2017 to the date of this report, unless otherwise stated.

J R N Collyear

J M Cooper

J F Corrigan-Stuart

W Kanehann

G McKernan

W McKernan

J R Mitchell

C R Pearson

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 (2016: £nil).

Going concern

Due to a group restructure the company has made the decision to transfer the business to its parent company Vantage Insurance Services Limited, effective 1 January 2018 and to cease trading. The directors therefore consider it inappropriate to prepare the financial statements on a going concern basis and therefore have prepared these financial statements on a break-up basis. See note 1.2 for further details on the impact on the basis of accounting.

CLASSIC INSURANCE SERVICES LIMITED

DIRECTORS' REPORT (Continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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, following the purchase of the Company's parent by White Mountain Insurance Group, Ltd., have been requested to resign as auditors.

Approval

This report was approved by the board on 24 September 2018 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

Opinion

We have audited the financial statements of Classic Insurance Services Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of 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 financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

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 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

These financial statements have not been prepared on a going concern basis for the reason set out in note 1.2 to the financial statements. We have nothing to report in respect of our conclusions relating to going concern as the accounts have been appropriately prepared on the cessation basis and the appropriate disclosures have been made. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

CLASSIC INSURANCE SERVICES LIMITED

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

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities 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, 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 financial statements, the directors are responsible for assessing the 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 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.

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.

CLASSIC INSURANCE SERVICES LIMITED

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

Use of the audit 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.



Amanda Barker (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

Date: 25 September 2018

CLASSIC INSURANCE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		1,746,636	1,422,994
Administrative expenses		<u>(1,123,293)</u>	<u>(1,009,437)</u>
Operating Profit	3	623,343	413,557
Interest receivable and similar income	7	-	498
Interest payable	8	<u>(2,247)</u>	<u>(487)</u>
Profit on ordinary activities before taxation		621,096	413,568
Tax on profit on ordinary activities	9	<u>(120,194)</u>	<u>(83,142)</u>
Profit for the financial year		<u><u>500,902</u></u>	<u><u>330,426</u></u>

There are no items of other comprehensive income.

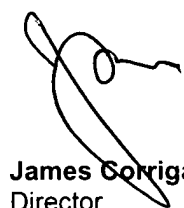
All amounts relate to discontinued operations following cessation of the business effective 1 January 2018.

The notes on pages 12 to 19 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	2017 £	£	2016 £	£
Fixed assets					
Tangible assets		-		22,146	
			-		22,146
Current assets					
Tangible current assets	11	63,374		-	
Debtors	12	1,149,935		346,133	
Cash at bank		67,201		349,220	
			1,280,510		695,353
Creditors: amounts falling due within one year	13		339,112		277,002
Net current assets			941,398		418,351
Total assets less current liabilities			941,398		440,497
Capital and reserves					
Called up share capital	14		200		200
Profit and loss account			941,198		440,297
Shareholders' funds			941,398		440,497

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 September 2018.



James Corrigan-Stuart
Director

The notes on pages 12 to 19 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Share Capital	Profit and Loss Account	Total
Balance at 1 January 2016	200	225,370	225,570
Total comprehensive income	-	330,426	330,426
Dividends	-	(115,500)	(115,500)
Balance at 31 December 2016	<u>200</u>	<u>440,296</u>	<u>440,496</u>
Balance at 1 January 2017	200	440,296	440,496
Total comprehensive income	-	500,902	500,902
Dividends	-	-	-
Balance at 31 December 2017	<u>200</u>	<u>941,198</u>	<u>941,398</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting Policies

1.1 Statement of compliance

Classic Insurance Services Limited is a private company limited by shares incorporated in the United Kingdom. The registered Office is 41 Eastcheap, London, EC3M 1DT.

The functional currency of the company is Pounds Sterling as this is the currency of the primary economic environment in which the company operates.

1.2 Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including FRS 102, "The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value of certain financial instruments as specified in the accounting policies below.

As set out in the Directors' report, due to a group restructure, the directors have decided to prepare the financial statements on a basis other than that of a going concern. The financial statements have been prepared on a breakup basis at the year end. In adopting the break up basis at the year end the following policies and procedures were implemented:

- at 31 December 2017 all fixed assets are considered as realisable, hence reclassified as current assets
- all assets have been disclosed at values at which they are expected to be realised
- all liabilities reflect the full amount at which they are expected to materialise.

1.3 Cash flow statement

As a wholly owned subsidiary of Vantage Holdings Limited, and a qualifying entity, the Company has taken advantage of the exemption offered by FRS 102 not to present a cash flow statement.

1.4 Turnover

Brokerage and commissions are accounted for and credited to income when they become receivable on receipt of an order. Revenue is adjusted for cancellations and mid-term adjustments where material. The Company has no post-placement obligations.

1.5 Insurance debtors and creditors

The Company 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 legal relationship with clients and underwriters, the Company has followed the recognition criteria of FRS102 by not recognising debtors, and creditors relating to insurance business.

1.6 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.

1.7 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.

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

1.8 Tangible assets

For all assets in respect of motor vehicles, office equipment, furniture and fittings, depreciation is provided at rates calculated to write off the cost of the assets, less estimated residual value, on a straight line basis over five years.

Other tangible assets in respect of computer hardware, software and website costs are depreciated on a straight line basis over three years.

1.9 Operating leases

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

1.10 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

The critical judgements and key sources of estimation uncertainty arising in the process of applying the Company's accounting policies, and that have the most significant effect on the amounts recognised in the financial statements, are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

3. Operating profit

	2017 £	2016 £
Operating profit is stated after charging:		
Depreciation on tangible assets	18,623	12,226
Operating Lease rentals		
Rent	22,250	21,250
Others	2,199	1,978
Auditor's remuneration (Note 4)	15,751	20,718
	<u>15,751</u>	<u>20,718</u>

4. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10,100	15,700
Fees payable to the Company's auditor and its associates in respect of other services	5,651	5,018
	<u>15,751</u>	<u>20,718</u>

5. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	669,033	586,314
Social security costs	72,276	64,191
Other pension costs	11,167	11,016
	<u>752,476</u>	<u>661,521</u>

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

	2017 No	2016 No
Directors	2	2
Permanent staff	14	10
	<u>16</u>	<u>12</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Directors' emoluments

Emoluments

	2017 £	2016 £
Emoluments	211,550	208,333
Contributions to money purchase pension schemes	841	1,009
	<u>212,391</u>	<u>209,342</u>

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

	2017 £	2016 £
Emoluments	115,000	110,000
	<u>115,000</u>	<u>110,000</u>

	2017 No	2016 No
Accrued benefits under money purchase pension schemes	1	1
	<u>1</u>	<u>1</u>

7. Interest receivable and other similar income

	2017 £	2016 £
Bank interest	-	498
	<u>-</u>	<u>498</u>

8. Interest payable and other similar expense

	2017 £	2016 £
Bank interest	2,247	487
	<u>2,247</u>	<u>487</u>

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

9. Taxation

	2017 £	2016 £
UK Corporation tax on profits of the period	121,953	87,340
Adjustments in respect of previous periods	29	1,882
	<hr/>	<hr/>
Current tax charge for period	121,982	89,222
Deferred tax (Note 10)	(1,788)	(6,080)
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	120,194	83,142
	<hr/>	<hr/>

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 (19.25 %). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	621,096	413,568
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20 %)	119,561	82,684

Effects of:

Expenses not deductible for tax purposes	140	497
Other timing differences	-	(2,032)
Rate differences	464	110
Prior year under / (over) provision	29	1,882
	<hr/>	<hr/>
Current tax charge for period	120,194	83,142
	<hr/>	<hr/>

The UK corporation tax rate reduced from 20% to 19% with effect from 1 April 2017, and will be further reduced from 19% to 17% with effect from 1 April 2020.

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

10. Deferred tax asset

Included within debtors due within one year:

	2017 £	2016 £
Accelerated depreciation	1,501	(568)
Other timing differences	2,375	2,656

Total recognised deferred tax asset	3,876	2,088
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	2017 £	2016 £
At 1 January	2,088	(3,992)
Movement for the year (Note 9)	1,788	6,080
At 31 December	3,876	2,088

11. Tangible current assets

	Motor Vehicles £	Fixtures & Fittings £	Software Research & Development £	Total £
Cost				
At 1 January 2017	33,888	15,454	14,701	64,043
Additions	-	-	59,850	59,850
At 31 December 2017	33,888	15,454	74,551	123,893
Depreciation				
At 1 January 2017	30,274	7,212	4,410	41,896
Charge for the year	3,614	3,091	11,918	18,623
At 31 December 2017	33,888	10,303	16,328	60,519
Net book value				
At 31 December 2017	-	5,151	58,223	63,374
At 31 December 2016	3,614	8,242	10,290	22,146

Tangible fixed assets have been reclassified as tangible current assets following the cessation of business effective 1 January 2018.

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

12. Debtors: amounts falling due within one year

	2017 £	2016 £
Insurance debtors	266,881	244,136
Other debtors	45,393	17,174
Prepayments and accrued income	79,513	70,086
Deferred tax asset	3,876	2,088
Due from group undertakings	754,272	12,649
	<u>1,149,935</u>	<u>346,133</u>

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Corporation tax	124,019	89,405
Other creditors	47,109	47,582
Accruals and deferred income	154,648	138,576
Amounts due to group undertakings	13,336	-
Bank Loans and Overdrafts	-	1,439
	<u>339,112</u>	<u>277,002</u>

14. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary voting shares of £0.10 each	100	100
1,000 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.

15. Dividends

The directors paid dividends during the year ended 31 December 2017 of £nil (2016: £115,500).

16. Operating lease commitments

At 31 December 2017 the company had the following total future minimum lease payments under non-cancellable operating leases:

CLASSIC INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2017

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Operating leases which expire:				
Not later than 1 year	-	-	-	855
Later than 1 year and not later than 5 years	41,250	63,500	2,476	3,853
	<u>41,250</u>	<u>63,500</u>	<u>2,476</u>	<u>4,708</u>

Following the transfer of the business to Vantage Insurance Services Limited effective 1 January 2018 the above commitments will be the responsibility of Vantage Insurance Services Limited from that date.

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 £11,167 (2016: £11,016).

18. Related party transactions

At the year end the Company was 100% owned by Vantage Insurance Services Limited ("VISL"), a company registered in England. (2016: 100%)

The Company undertook the following transactions with related parties:

Related party	Description of transactions during the year	Value of transactions during the year	Amount owed from/(to) at 31 December
		£	£
2017 VISL	General expenses paid on behalf of subsidiary	(21,713)	(13,315)
2016 VISL	General expenses paid on behalf of subsidiary	8,982	8,377

There were no related party transactions with VISL's parent company Vantage Holdings Limited ("VHL").

19. Ultimate holding company

The Company's ultimate parent undertaking is NSM Insurance Group LLC, a company registered in the USA.

Furthermore, on May 11, 2018 the Company's parent, NSM Insurance Group, LLC, sold a majority equity stake to White Mountain Insurance Group, Ltd.

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 EC3M 1DT.