

Company Registration No. 07146827 (England and Wales)

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**MILES SMITH INVESTMENTS LIMITED**

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**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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# MILES SMITH INVESTMENTS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

### Overview

The principal activity of the company is to carry on business as an insurance intermediary providing insurance solutions sourced in Lloyd's of London and the wider London Market.

The Company is part of a group of companies controlled by Specialist Risk Investments Limited ('SRG') ('the Group').

The Company is a subsidiary of Miles Smith Limited, a company incorporated in the United Kingdom. The Company's parent is owned by Specialist Risk Investments Limited and management and has plans to expand through the acquisition of teams, individuals and other companies.

### Business Review

The Company has reported earnings before interest, taxation, depreciation and amortisation ('EBITDA') and other one off transactions for the year of £0 (2019: £0) as shown in the table below:

	2020	16 months to 31 December
	£	£
Loss for the financial year	-	-
Adjusting for:		
Interest	-	-
Taxation	-	-
Depreciation	-	-
Amortisation	-	-
Exceptional items	-	-
EBITDA for the year	-	-

The Company's retained profit after taxation for the year was £0 (2019: profit of £0).

This was due to the Company having a strong employee team, an excellent renewal portfolio and a strong pipeline of new business heading into the new financial year.

The Directors consider the outlook for the business to be strong.

# **MILES SMITH INVESTMENTS LIMITED**

## **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the company are common to other businesses in our industry and are described below:

**Market** - the company's performance is affected by both the general economic climate and stability in our marketplace, principally the UK corporate market; and the insurance rating environment which has cyclical trends and affects our earnings based on premium spend.

**Regulatory** - as a business regulated by the Financial Conduct Authority in the UK a breach of regulatory rules may lead to sanctions by the authorities. We are subject to new regulations which the regulator may introduce from time to time and which may impact on our infrastructure.

**Competition** - the London insurance market remains a highly competitive one with various competitors in each of our specialist fields.

**Interest rates** - Our profitability is impacted by the interest rates. Our net interest return is reduced in times of low interest rates, such as the unprecedented rates currently extant.

**Operational** - failure of its operational systems or those of a third party, business interpretation due to an external event, or loss of key staff may disrupt the company's ability to service its client's needs appropriately or may lead to information security issues.

**Financial** - the company's principal financial risks are credit risk arising from trade debtors, and liquidity risk. The financial exposure continues to be spread over a large number of customers. Company monies, including client monies are held in accounts at UK clearing banks.

**Group strategy** - the company places certain types of business with certain Lloyd's of London or certain other London Market insurers. The income of the company is dependent upon the group continuing to place business with these insurers, rather than other Lloyd's of London, London Market or other insurers.

**Brexit** - The UK decided to leave the EU on 31 January 2020, following clearance for the withdrawal deal from the House of Lords and formal ratification by both the UK and European Parliament. We are now in a planned 11-month transition period, during which the UK has ceased to be an EU member but will continue to follow its rules, including the continuation of how insurance laws and regulations are handled.

The COVID 19 outbreak and subsequent measures taken by various governments to contain the virus may impact the Company's ability to operate in some areas, with potential limited impacts on company profitability and cash flow, countered by extensive growth opportunities. Whilst the scale and duration of this pandemic remain uncertain the board of directors remain confident around the growth potential and future profitability of the company.

# MILES SMITH INVESTMENTS LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Financial key performance indicators

The company uses a number of performance measures to assess its success in meeting its objectives that include:

- Client performance - the company's success depends on its ability to satisfy its fellow group clients and consequently their ability to satisfy their client. The company believes that the provision of innovative risk solutions with a high level of service are key to sustaining and growing the business;
- Business retention rates;
- New business development;
- Complaint monitoring;
- Customer satisfaction survey, and
- Profitability- the current year's results are reported in the Directors' Report on page 1.

### Future developments and events after the balance sheet date

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. There have been no significant events since the balance sheet date which require disclosure.

This report is approved and authorised on behalf of the Board of Directors



.....  
Charles  
Love  
Director

.....  
03 MARCH 2021

# **MILES SMITH INVESTMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report on the affairs of Miles Smith Investments Limited ('the Company'), together with the financial statements for the year ended 31 December 2020.

### **Review of the business, future developments, events after the balance sheet date and principal risks and uncertainties**

The Group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of business activities, risks and future developments.

### **Principal activities**

The principal activities of the Company, along with a review of the business, details of future developments, events after the balance sheet date and the principal risks and uncertainties can be found in the strategic report on pages 3 to 5.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Charles Love  
Warren Downey

### **Results and dividends**

The results for the year are set out on page 12.

No ordinary dividends were paid during the year (2019: £nil). The directors do not recommend payment of a final dividend.

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. The Company's parent undertaking, Specialist Risk Investments Limited, also provides additional cover for the directors against personal financial exposure under a directors' and officers' liability insurance policy.

### **Audit exemption**

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

# **MILES SMITH INVESTMENTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Going Concern**

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

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

### **Political Donations**

The Company made no political contributions during the year.

This report is approved and authorised on behalf of the Board of Directors



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Charles Love  
Director

03 MARCH 2022

# **MILES SMITH INVESTMENTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the profit or loss of the company for that year.

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

- select suitable accounting policies for the company's financial statements 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.



# MILES SMITH INVESTMENTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	16 months to 31 December 2019
	Notes	£	£
Turnover	3	-	-
Administrative expenses		-	-
Other operating income			
<b>Operating loss</b>		-	-
Dividend income receivable from group companies		-	
Finance costs (net)	7		
Exceptional items		-	
<b>Loss before taxation</b>		-	-
Taxation	8	-	-
<b>Loss for the financial year</b>		-	-

# MILES SMITH INVESTMENTS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		As at 31 December 2020		As at 31 December 2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments in subsidiaries	12		-		-
Other investments			-		-
			<u>-</u>		<u>-</u>
<b>Current assets</b>			-		-
Debtors	14	-		-	
Cash	15	60		60	
Creditors due within one year	16	(11)		(11)	
Provisions for liabilities due within one year	17	-		-	
		<u>-</u>		<u>-</u>	
<b>Net current assets</b>			49		49
			<u>49</u>		<u>49</u>
<b>Total assets less current liabilities</b>			49		49
Creditors falling due after more than one year	16		-		-
Provisions for liabilities falling due after more than one year	17		-		-
			<u>-</u>		<u>-</u>
<b>Net assets</b>			49		49
			<u>49</u>		<u>49</u>
<b>Capital and reserves</b>					
Called-up share capital	20		2		2
Share premium account	21		-		-
Other reserves	21		-		-
Profit and loss account			47		47
<b>Total equity</b>			<u>49</u>		<u>49</u>
			<u>49</u>		<u>49</u>

The balance sheet continues on the following page

## MILES SMITH INVESTMENTS LIMITED

### STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2020

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

#### Directors responsibilities:

- The shareholder has not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.
- Preparing financial statements which give a true and fair view of the state of affairs of the Company at Notes to accounts and of its profit and loss for the then ended in accordance with the requirements of section 394 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

The financial statements of Miles Smith Investments Limited (registered number 07146827) were approved by the board of directors and authorised for issue on .....02 MARCH 2021 and are signed on its behalf by:



.....  
Charles Love  
Director

.....  
Miles Smith Investments Limited, 1 America Square, 17 Crosswall, London EC3N 2LB

# MILES SMITH INVESTMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2020

		Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£	£
<b>Balance at 01 September 2018</b>		2	-	-	47	49
<b>Period ended 31 December 2019</b>						
Profit and total comprehensive income for the year		-	-	-	-	-
Issue of share capital	20	-	-	-	-	-
Dividends payable	9	-	-	-	-	-
Other		-	-	-	-	-
<b>Balance at 31 December 2019</b>		2	-	-	47	49
<b>Year ended 31 December 2020</b>						
Profit and total comprehensive income for the year		-	-	-	-	-
Issue of share capital	20	-	-	-	-	-
Dividends payable	9	-	-	-	-	-
Other		-	-	-	-	-
<b>Balance at 31 December 2020</b>		2	-	-	47	49

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

Miles Smith Investments Limited is a privately owned company limited by shares incorporated in England and Wales. The registered office is 1 America Square, 17 Crosswall, London EC3N 2LB.

The Company's principal activities are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

This information is included in the consolidated financial statements of Specialist Risk Investments Limited (formerly Miles Smith Group Holdings Limited) as at 31 December 2019 and these financial statements may be obtained from Companies House..

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary of Specialist Risk Investments Limited and its results are included in the consolidated financial statements of that company. These financial statements therefore present information about the Company as an individual entity.

# **MILES SMITH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies (continued)**

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The Directors' report also describes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to other external risks.

The directors have reviewed the financial statements taking into consideration the Company's Net Current Assets of £49 (2019: £49) as well as assessing the Company's future viability to continue with its principal activity. The review included assessing the Group structure, existing financing arrangements and future plans. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Turnover**

Turnover represents brokerage, profit commission and fees net of any commission payable to third parties. It arises on the placement of insurance contracts by the Company.

Brokerage is recognised when the company's contractual right to such income is established and to the extent that the Company's relevant obligations under the contracts concerned have been performed. For most of the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of insurance concerned, subject to a deferral of brokerage in respect of post-placement services that constitutes obligations of the company under those contracts.

Where the amount of brokerage is dependent on the achievement of contractual targets, the minimum amounts under the contract are recognised on inception, and the incremental amounts arising are recognised when their targets concerned are achieved.

Where the amount of brokerage is dependent on the results of the business placed, the minimum amounts under the contract are recognised at inception, and any incremental amounts are recognised only to the extent that a reliable estimate of the amounts concerned can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

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

Revenue that has been credited in the Company's books, but not yet recognised as income in accordance with the policies described above, is credited to the deferred income account within accruals and deferred income in the Company's balance sheet.

Revenue that is recognised in accordance with this policy before it has been credited in the Company's books is included in insurance debtors in the Company's balance sheet.

In the case of proportional treaty insurance business and binding authorities, brokerage is recognised when the accounts are received. Fees are credited to the profit and loss account when invoiced to the client.

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### Insurance broking assets and liabilities

Insurance brokers act as agents in placing the insurance risk of their clients with insurers and are not liable as principles for amounts arising from such transactions. Notwithstanding these legal relationships, debtors, creditors and cash balances arising from insurance broking transactions are shown as assets and liabilities within these accounts. This recognises that the insurance broker is entitled to retain the investment income arising from the cash flows attributable to these transactions. Money received in respect of these transactions is held in non-statutory trust bank accounts or insurer trust bank accounts in accordance with the requirements of the Financial Conduct Authority.

#### Other operating income

Other operating income is recognised at the time of the provision of the service.

#### Intangible fixed assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Amortisation is provided on the following bases:

Goodwill	N/A
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##### Other intangible assets

Intangible fixed assets are shown at purchase cost and amortised through the profit and loss account in equal instalments over the estimated useful life of the asset as follows:

Computer software:	N/A
Intellectual property:	N/A
Research and design:	N/A
Software licenses:	N/A
Website:	N/A
Customer relationships:	N/A

Cost associated with assets under construction are held within tangible fixed assets as they are incurred and qualify for depreciation at such time that they are complete.

Provision is made for any impairment.

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property:	N/A
Office equipment:	N/A
Motor vehicles:	N/A
Fixture and fittings:	N/A
Computer equipment:	N/A
Leasehold improvements:	N/A

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### **Financial instruments**

The company holds basic financial instruments, which comprise bank balances, trade and other debtors and creditors, loans from banks, loans to related parties and investments in non-puttable ordinary shares. The company has applied the measurement and recognition provisions of Section 11 Basic Financial Instruments of FRS 102.

#### **Valuation of investments**

Investments in subsidiaries are measured at cost less any provision for impairment.

Investments in unlisted Group shares, whose market value cannot be reliably determined, are stated at historic cost less any provision for impairment.

Investments held as fixed assets, are measured at cost less any provision for impairment.

#### **Debtors**

Short term debtors which are receivable within one year are initially measured at the transaction price expected to be received and are assessed for indicators of impairment at the end of each reporting year.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



# **MILES SMITH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies (continued)**

#### **Creditors**

Short term creditors which are payable within one year are initially measured at the transaction price expected to be paid and are assessed for indicators of impairment at the end of each reporting year. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

#### **Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### **Foreign currency translation Functional and presentation currency**

The company's functional and presentational currency is GBP.

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

#### **Operating leases**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

#### Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- a) The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- b) Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- c) Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### Share based payments

Certain employees are allowed to acquire shares of Specialist Risk Investments Limited (formerly Miles Smith Group Holdings Limited) (the company's parent undertaking) under share option schemes, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period the option is deemed to vest. The fair value of the options granted is measured using a Black Scholes model, taking account of the terms and conditions upon which, the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest where forfeiture is due to performance criteria not being met during the life of the option.

# **MILES SMITH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies (continued)**

#### **Employee benefit trust**

The company operates an Employee Benefit Trust (EBT) for the benefit of its employees. Ordinary B shares of Specialist Risk Investments Limited (formerly Miles Smith Group Holdings Limited) (the company's parent undertaking) are granted to employees at the discretion of the company which is deemed to be the sponsoring entity.

Costs incurred by the EBT purchasing shares are shown within investments. Neither the purchase nor sale of shares lead to a gain or loss in the profit and loss account.

The assets and liabilities of the EBT have been included in the company's accounts in accordance with FRS 102 Section 9.34-9.37: 'Accounting for intermediate parent arrangements' on the basis that the EBT is under the de facto control of the company. Any assets held by the EBT cease to be recognised on the company Statement of Financial Position when the assets vest unconditionally in identified beneficiaries.

# **MILES SMITH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **2 Judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements that the directors have made 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.

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Turnover

Turnover analysed by geographical market	2020 £	16 months to 31 December 2019 £
United Kingdom	-	-
Europe	-	-
United States	-	-
Rest of the world	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### 4 Operating loss

Operating profit for the year is stated after charging/(crediting):

	2020 £	16 months to 31 December 2019 £
Amortisation of intangible assets	-	-
Depreciation of tangible assets	-	-
Operating leases	-	-
(Profit)/loss on foreign exchange	-	-
(Profit)/loss on sale of fixed assets	-	-
Bank interest receivable	-	-
Audit of the financial statements	-	-
Other auditor related fees	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## MILES SMITH INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	16 months to 31 December 2019 Number
Directors and managers	-	-
Underwriters	-	-
Brokers	-	-
Administration	-	-
Sales and distribution	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	2020 £	16 months to 31 December 2019 £
Wages and salaries	-	505,809
Social security costs	-	26,870
Pension costs	-	37,744
	<u>-</u>	<u>570,423</u>
	<u>-</u>	<u>570,423</u>

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Directors' remuneration

	2020 £	16 months to 31 December 2019 £
Emoluments	-	-
Company contributions to money pension schemes	-	-
Loans	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

There were no directors for whom retirement benefits are accruing under defined contribution schemes (2019: ).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	16 months to 31 December 2019 £
Emoluments	-	-
Company contributions to money pension schemes	-	-
Loans	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### 7 Finance costs (net)

	2020 £	16 months to 31 December 2019 £
Interest receivable:		
Interest receivable from group companies	-	-
Interest on Directors Loans	-	-
Other interest receivable	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Finance costs (net) (continued)

Interest payable:	2020 £	16 months to 31 December 2019 £
Interest payable to group undertakings	-	-
Unwinding of discount - deferred consideration	-	-
Interest on other loans	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### 8 Taxation

	2020 £	16 months to 31 December 2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	-
Adjustments in respect of prior periods	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Adjustment in respect of prior periods	-	-
Effect of increased/decreased tax rate on opening balance	-	-
Other	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>



# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Taxation (continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020 £	16 months to 31 December 2019 £
Profit before taxation	-	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	-	-
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Amounts not recognised for taxation	-	-
Group relief	-	-
Adjustments in respect of prior years	-	-
Impact of tax rate changes	-	-
Movement in unrecognised deferred tax	-	-
Accelerated capital allowances	-	-
Other non reversing timing differences	-	-
Other	-	-
Total tax charge for the year	-	-

### 9 Dividends

	2020 £	16 months to 31 December 2019 £
Final paid	-	-

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Intangible assets

	Computer software	Intellectual property	Research and developme nt	Software licences	Website	Books of business	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 31 December 2019	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-	-
<b>Amortisation</b>							
At 31 December 2019	-	-	-	-	-	-	-
Amortisation charged in the year	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-	-
<b>Carrying amount</b>							
At 31 December 2020	-	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	-	-

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Tangible assets

	Freehold property	Office equipment	Motor vehicles	Fixture and fittings	Compute r equipme nt	Leasehold improvement s	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 31 December 2019	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-	-
<b>Depreciation</b>							
At 31 December 2019	-	-	-	-	-	-	-
Depreciation charged in the year	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-	-
<b>Carrying amount</b>							
At 31 December 2020	-	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	-	-

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Fixed asset investments

#### Investments

	Notes	As at 31 December 2020 £	As at 31 December 2019 £
Investments in subsidiaries	13	-	-

#### Movements in fixed asset investments

	Shares £
<b>Period ended 31 December 2019:</b>	
At 01 September 2018	-
Additions	-
Disposals	-
Impairment	-
<b>At 31 December 2019</b>	-
<b>Year ended 31 December 2020:</b>	
Additions	-
Disposals	-
Impairment	-
<b>At 31 December 2020</b>	-
<b>Carrying amount</b>	
At 31 December 2020	-
At 31 December 2019	-

## **MILES SMITH INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **13 Subsidiaries**

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect

## MILES SMITH INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 14 Debtors

	As at 31 December 2020 £	As at 31 December 2019 £
Trade Debtors	-	-
Amounts due from group undertakings	-	-
Loan	-	-
Corporation Tax	-	-
Deferred taxation (see note 18)	-	-
Prepayments	-	-
Loans to directors	-	-
Other Debtors	-	-
	<u>-</u>	<u>-</u>

There are no balances due after more than one year.

#### 15 Cash

	As at 31 December 2020 £	As at 31 December 2019 £
Insurance related	-	-
Own cash	60	60
	<u>60</u>	<u>60</u>

Insurance related cash balances represents amounts held by the Company arising due to the Company's insurance broking operations.

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 16 Creditors

	As at 31 December 2020 £	As at 31 December 2019 £
<b>Amounts falling due within one year:</b>		
Trade creditors	-	-
Accruals & Deferred Income	-	-
Amounts due to group undertakings	11	11
Loan	-	-
Corporation Tax	-	-
Other taxation and social security	-	-
Other creditors	-	-
	<u>11</u>	<u>11</u>

#### Amounts falling due after more than one year:

Amounts due to group undertakings	-	-
Loan	-	-
Other	-	-
	<u>-</u>	<u>-</u>

This loan is repayable as follows:

	As at 31 December 2020 £	As at 31 December 2019 £
Within one year	-	-
Between one and five years	-	-
In over five years	-	-
	<u>-</u>	<u>-</u>

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 17 Provisions

	As at 31 December 2020 £	As at 31 December 2019 £
Dilapidations provision	-	-
Deferred consideration	-	-
Forward currency contact provision	-	-
Deferred taxation (see note 18)	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

	Dilapidations provision	Deferred consideration £	Forward currency contact provision	Deferred taxation £	Total £
At 31 December 2019	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-
Utilisation of provisions	-	-	-	-	-
Charged to the profit and loss	-	-	-	-	-
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The provisions are payable as follows:

	Within 1 year £	Between 1 and 2 years £	Between 2 and 5 £	More than 5 years £	Total £
Dilapidations provision	-	-	-	-	-
Deferred consideration	-	-	-	-	-
Forward currency contact provision	-	-	-	-	-
Deferred taxation	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 18 Deferred taxation

	As at 31 December 2020 £	As at 31 December 2019 £
Short-term timing differences	-	-
Fixed-asset timing differences	-	-
	<u>-</u>	<u>-</u>

	As at 31 December 2020 £
<b>Movements in the period:</b>	
Liability at 31 December 2019	-
Adjustment in respect of prior years	-
Deferred tax charge for the period	-
Liability at 31 December 2020	<u>-</u>

### 19 Retirement benefits

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £nil (2019: £37,744).

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Share capital

	As at 31 December 2020 £	As at 31 December 2019 £
Ordinary	2	2
	<u>2</u>	<u>2</u>

The Company has one class of ordinary shares (2019: one class) which carry no right to fixed income.

### 21 Reserves

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

#### Other reserves

Other reserves consist of:

	Reserve 4 £	Reserve 3 £	Reserve 2 £	Reserve 1 £	Total £
Balance at 31 December 2019	-	-	-	-	-
Movement 1	-	-	-	-	-
Movement 2	-	-	-	-	-
Movement 3	-	-	-	-	-
Movement 4	-	-	-	-	-
Balance at 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# MILES SMITH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 22 Operating leases

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	As at 31 December 2020 £	As at 31 December 2019 £
Within one year	-	-
Between one and five years	-	-
In over five years	-	-
	<u>-</u>	<u>-</u>

### 23 Related party transactions

#### Group Company's

The Company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" and has not disclosed transactions with Group undertakings.

There are no other related party transactions.

### 24 Post balance sheet events

The directors are not aware of any major changes post the balance sheet date at the date of signing the financial statements.

### 25 Controlling party

The Directors consider Specialist Risk Investments Limited (incorporated in the United Kingdom) to be the Company's ultimate parent undertaking and controlling party. The Director's consider , whose registered office is x, to be the Company's immediate parent undertaking.

The parent company of the smallest and largest Group to include the Company within its consolidated financial statements is Specialist Risk Investments Limited. Copies of these financial statements are available on the Companies House website.