

**MI Commercial Risks Limited (formerly known as R&Q Commercial
Risk Services Limited)**

**Annual Report and Financial Statements
Year Ended 31 December 2021**

Registration number: 07313009

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MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 9

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Company Information

Directors S Astley
 A Coates
 D R Moore
 M M Pyke
 J C Wheddon

Company secretary S Astley

Registered office Affinity House
 Bindon Road
 Taunton
 Somerset
 TA2 6AA

Auditors PKF Francis Clark
 Statutory Auditor
 Ground Floor
 Blackbrook Gate 1
 Blackbrook Business Park
 Taunton
 Somerset
 TA1 2PX

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)


Balance Sheet

31 December 2021

			(As restated)
	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	155,054	176,578
Tangible assets	6	4,005	-
		<u>159,059</u>	<u>176,578</u>
Current assets			
Debtors	7	4,172,275	2,949,908
Cash at bank and in hand		3,831,669	2,077,333
		<u>8,003,944</u>	<u>5,027,241</u>
Creditors: Amounts falling due within one year	8	<u>(7,739,335)</u>	<u>(5,412,157)</u>
Net current assets/(liabilities)		<u>264,609</u>	<u>(384,916)</u>
Net assets/(liabilities)		<u>423,668</u>	<u>(208,338)</u>
Capital and reserves			
Called up share capital		7,500	7,500
Profit and loss account		<u>416,168</u>	<u>(215,838)</u>
Shareholders' funds/(deficit)		<u>423,668</u>	<u>(208,338)</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on ~~04/04/22~~ 04/04/22... and signed on its behalf by:



 S Astley
 Director

Company Registration Number: 07313009

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The company was formerly known as R&Q Commercial Risk Services Limited.

The address of its registered office is:

Affinity House
Bindon Road
Taunton
Somerset
TA2 6AA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

Changes in accounting policy

The company's accounting policy in respect of revenue recognition has been changed in order to align it with the rest of the Lloyd & Whyte Group Limited group.

Previously, commission receivable was recognised either when payment was made to an insurance company or on receipt of a commission statement from an insurance company. Comparative financial information for the year ended 31 December 2020 has been restated in line with the rest of the group and as described in the turnover accounting policy below.

In addition, the company did not previously recognise insurance broking assets and liabilities on its balance sheet, other than the statutory trust bank account. Comparative financial information for the year ended 31 December 2020 has been restated in line with the rest of the group and as described in the insurance broking assets and liabilities policy below.

The financial impact of these financial impact of these restatements at 31 December 2020 is to increase turnover by £93,572, decrease accruals by £93,572, increase trade debtors by £2,491,421 and to increase trade creditors by £2,491,421. The overall impact on the profit for the financial year is an increase to profit of £93,572 for the period ended 31 December 2020 and an increase of £93,572 in the net assets of the company as at 31 December 2020.

Key judgements and sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic 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 affected only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key judgement in the financial statements is going concern. In forming this opinion, and in particular, the directors have considered the profitable performance of the company and the wider Lloyd & Whyte group both during the year and subsequent to the year end, and the forecasted financial performance.

The directors are satisfied that there are no key sources of estimation uncertainty as at 31 December 2021.

Revenue recognition

Turnover represents amounts chargeable, net of Insurance Premium Tax and premiums due to insurers, in respect of services to customers. The turnover shown in the profit or loss account is recognised on a receivable basis and represents net brokerage earned and fees due with reference to the commencement date of the insurance policy taken out by clients. All of the activities of the company are carried out in the United Kingdom.

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 operated and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software costs	20% straight line

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, as follows:

Asset class	Depreciation method and rate
Office equipment	20% reducing balance

Defined contribution pension obligation

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Insurance assets and liabilities

Insurance transactions are recorded in the books of the company when the invoice is sent to the client. Monies received from clients are held in a separate Statutory Trust Client Bank Account prior to the settlement of the liability to the insurance company and the transfer of brokerage to the company's 'office' account.

These insurance ledger balances are included in the accounts of the company with amounts owing from clients included in trade debtors, the client bank account included in cash at bank and the insurance company liabilities included in trade creditors.

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intercompany debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 Staff numbers

There were no persons employed by the company during the year. Throughout the financial year, employees were wholly remunerated by other group companies.

4 Exceptional items

Exceptional income of £1,128,932 (2020 - £nil) relates to the write off of amounts due to the previous parent.

Exceptional income of £1,354,455 (2020 - £nil) from the previous parent relates to bonuses due to be paid relating to pre acquisition.

Exceptional expenditure of £1,354,455 (2020 - £nil) relates to one off bonuses paid to staff.

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

5 Intangible assets

	Software £	Total £
Cost or valuation		
At 1 January 2021	398,676	398,676
Additions acquired separately	27,105	27,105
At 31 December 2021	425,781	425,781
Amortisation		
At 1 January 2021	222,098	222,098
Amortisation charge	48,629	48,629
At 31 December 2021	270,727	270,727
Carrying amount		
At 31 December 2021	155,054	155,054
At 31 December 2020	176,578	176,578

6 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
Additions	4,380	4,380
At 31 December 2021	4,380	4,380
Depreciation		
Charge for the year	375	375
At 31 December 2021	375	375
Carrying amount		
At 31 December 2021	4,005	4,005

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

7 Debtors

		(As restated)
	2021	2020
	£	£
Trade debtors	4,013,734	2,817,766
Prepayments	158,541	121,804
Other debtors	-	10,338
	<u>4,172,275</u>	<u>2,949,908</u>

8 Creditors

Creditors: amounts falling due within one year

		(As restated)
	2021	2020
	£	£
Trade creditors	7,100,550	4,406,340
Amounts owed to group undertakings	471,915	988,234
Other creditors	135,576	-
Accruals and deferred income	31,294	17,583
	<u>7,739,335</u>	<u>5,412,157</u>

9 Insurance broking assets and liabilities

Insurance broking assets and liabilities are included in the balance sheet of the company and are disclosed as follows:

Included in debtors are £4,013,734 (2020 - £2,817,766) relating to insurance ledger debtors. Included in cash at bank is £3,760,075 (2020 - £2,076,902) in respect of client money held. Included in trade creditors is £7,041,967 (2020 - £4,406,340) owing to insurance companies and agents.

10 Financial commitments, guarantees and contingencies

The total amount of guarantees not included in the balance sheet is £24,684,190 (2020 - £Nil). The guarantee relates to the company's assets, along with the assets of the rest of the group companies, being subject to a fixed and floating charge in respect of a loan facility entered into by its parent company. The company was not party to the guarantee in the prior year as it was not a member of the group.

MI Commercial Risks Limited (formerly known as R&Q Commercial Risk Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2021

11 Parent and ultimate parent undertaking

The company's immediate parent is Stride Limited, incorporated in England & Wales.

The ultimate parent is Lloyd & Whyte Group Limited, incorporated in England & Wales.

The ultimate controlling party is M M Pyke, by virtue of his majority shareholding in the ultimate parent company.

The parent of the smallest group in which these financial statements are consolidated is Lloyd & Whyte Group Limited, incorporated in England & Wales.

The address of Lloyd & Whyte Group Limited is:
Affinity House, Bindon Road, Taunton, TA2 6AA

12 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Nicholas Farrant BA MSc FCA, who signed for and on behalf of PKF Francis Clark on5/4/2022