

Registered number
07827708

Coverbox Limited
Report and Accounts
31 July 2015

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Coverbox Limited
Report and accounts
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Coverbox Limited
Company Information

Directors

J.C. Barnsley

R.W. Jefferson

N.D. Beckingham

A.J. Bennett

V.M. Small - appointed 1 November 2014

Auditors

KPMG LLP

Quayside House

110 Quayside

Newcastle Upon Tyne

NE1 3DX

Registered office

Thorpe Park

239 Thorpe Road

Peterborough

PE3 6JY

Registered number

07827708

Coverbox Limited
Registered number:
Directors' Report

07827708

The directors present their report and financial statements for the year ended 31 July 2015.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

Principal activities

The principal activities of the company are those of an insurance intermediary providing telematics insurance to private individuals.

Dividends

The directors do not recommend the payment of a dividend. (2014 : NIL)

Directors

The following persons served as directors during the year:

J.C. Barnsley
R.W. Jefferson
N.D. Beckingham
A.J. Bennett
V.M. Small - appointed 1 November 2014

Directors' Responsibilities Statement

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

Coverbox Limited
Registered number:
Directors' Report

07827708

Disclosure of information to the auditor

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 17th March 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'N D Beckingham', written over a horizontal line.

N D Beckingham
Director

**Independent auditor's report
to the members of Coverbox Limited**

We have audited the financial statements of Coverbox Limited for the year ended 31 July 2015 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Nick Plumb
(Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants

24 March 2016

Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

Coverbox Limited
Profit and Loss Account
for the year ended 31 July 2015

	Notes	2015 £	2014 £
Turnover	2	50,159	54,210
Cost of sales		(89,818)	(276,500)
Gross loss		<u>(39,659)</u>	<u>(222,290)</u>
Administrative expenses		(2,109)	(18,811)
Operating loss	3	<u>(41,768)</u>	<u>(241,101)</u>
Interest payable	5	(2,128)	(17,114)
Loss on ordinary activities before taxation		<u>(43,896)</u>	<u>(258,215)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(43,896)</u>	<u>(258,215)</u>

Continuing operations

All of the above activities are classed as continuing.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss of £43,896 (2014: £258,215) attributable to the shareholders for the year ended 31 July 2015.

The notes on pages 7 to 9 form an integral part of the financial statements.

Coverbox Limited
Balance Sheet
as at 31 July 2015

	Notes	2015 £	2014 £
Current assets			
Debtors	7	5,543,797	4,824,640
Cash at bank and in hand		124	-
		<u>5,543,921</u>	<u>4,824,640</u>
Creditors: amounts falling due within one year	8	(7,030,820)	(6,267,643)
Net current liabilities		<u>(1,486,899)</u>	<u>(1,443,003)</u>
Total assets less current liabilities		<u>(1,486,899)</u>	<u>(1,443,003)</u>
Net liabilities		<u>(1,486,899)</u>	<u>(1,443,003)</u>
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account	10	(1,496,899)	(1,453,003)
Shareholders' Deficit	11	<u>(1,486,899)</u>	<u>(1,443,003)</u>



N D Beckingham
 Director
 Approved by the board on 17th March 2016

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The financial statements have been prepared on a going concern basis due to the financial support received from a related party, MNFI Limited Partnership, which will enable the business to meet its liabilities as they fall due for at least the next 12 months from the date these financial statements are signed.

Under FRS1 the Company is exempt from the requirement to prepare cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Turnover

Turnover represents brokerage and fees on telematic car insurance and associated products and services. Turnover is recognised on inception of each policy. Turnover is reduced by provisions made in respect of net amounts likely to be repayable on cancellation of policies.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Related Party Disclosures

As the Company is a wholly owned subsidiary of Coverbox Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

2 Analysis of turnover	2015	2014
	£	£
By activity:		
Insurance Intermediary	<u>50,159</u>	<u>54,210</u>
By geographical market:		
UK	<u>50,159</u>	<u>54,210</u>
3 Operating loss	2015	2014
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	-	-
Auditor's remuneration for audit services	<u>1,500</u>	<u>4,530</u>
4 Staff Costs		
There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year, or in the previous year, in respect of their services to the company.		
5 Interest payable	2015	2014
	£	£
Bank loans and overdrafts	<u>2,128</u>	<u>17,114</u>
	<u>2,128</u>	<u>17,114</u>

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2015

6 Taxation

	2015	2014
	£	£
Analysis of charge in period		
Tax on loss on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015	2014
	£	£
Loss on ordinary activities before tax	(43,896)	(258,215)
Standard rate of corporation tax in the UK	20.7%	22.3%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(9,072)	(57,659)
Effects of:		
Expenses not deductible for tax purposes	1,033	1,117
Capital allowances for period in excess of depreciation	-	-
Losses carried forward	8,039	56,542
Current tax charge for period	-	-

During the period, the UK rate of corporation tax reduced from 21% to 20%. The 20.7% above therefore represents a banded rate.

Factors that may affect future tax charges

At the period end, the company has the following unrecognised deferred tax assets:

	2015	2014
	£	£
Losses available to carry forward	442,162	433,413
Depreciation in excess of capital allowances	40,918	48,941
	483,080	482,354

No deferred tax asset has been recognised at 31 July 2015 due to the uncertainty over its future recoverability. The company has an unrecognised deferred tax asset of £483,080 (2014: £482,354) in relation to losses (£442,162; 2014: £433,413) and disclaimed capital allowances (£40,918; 2014: £48,941).

Reductions in the UK corporation tax rate from 23% to 21% (effective from 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly and reduce the unrecognised deferred tax asset at 31 July 2015 (which has been calculated based on the rate of 20% substantively enacted at the balance sheet date).

7 Debtors

	2015	2014
	£	£
Amounts owed by group and related undertakings	5,539,197	4,803,373
Other debtors	-	16,667
Prepayments and accrued income	4,600	4,600
	5,543,797	4,824,640

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2015

8 Creditors: amounts falling due within one year	2015	2014
	£	£
Bank loans and overdrafts	-	237,599
Trade creditors	-	7,800
Amounts owed to group undertakings	4,242,486	3,936,409
Due to related parties	2,785,835	2,083,835
Accruals and deferred income	2,499	2,000
	<u>7,030,820</u>	<u>6,267,643</u>

The overdraft is repayable on demand, bears interest at current rate, and is secured by a guarantee from the Company's Directors.

Amounts due to group undertakings and related parties are unsecured, interest free and repayable on demand.

9 Share capital	2015	2014
	£	£
Allotted, called up and fully paid:		
10,000 (2014:10,000) Ordinary shares of £1	<u>10,000</u>	<u>10,000</u>

10 Profit and loss account	2015	2014
	£	£
Balance brought forward	(1,453,003)	(1,194,788)
Loss for the financial year	(43,896)	(258,215)
Balance carried forward	<u>(1,496,899)</u>	<u>(1,453,003)</u>

11 Reconciliation of movement in shareholders' funds	2015	2014
	£	£
At 1 August	(1,443,003)	(1,184,788)
Loss for the financial year	(43,896)	(258,215)
At 31 July	<u>(1,486,899)</u>	<u>(1,443,003)</u>

12 Related party transactions

At the end of the year MNFI Limited Partnership had loaned the company £2,720,835 (2014: £2,083,835) which had not been repaid at the year end. The loan was provided to assist with the cashflow requirements in the early stages of the business. This is a related party transaction as the partners of MNFI Limited Partnership are directors of Coverbox Limited and shareholders of the ultimate parent company.

At the end of the year Coverbox owed £65,000 to Insure Telematics Solutions. This is a related party transaction because the directors of ITS are also directors of Coverbox Limited and some are shareholders of the ultimate parent.

At the year end Coverbox was owed £249,000 by Birkswell Reinsurance Brokers. This is a related party transaction as Birkswell Reinsurance Brokers are the ultimate parent undertaking of the company.

13 Ultimate controlling party

The immediate parent undertaking is Coverbox Holdings Limited, a company registered in the United Kingdom and is the smallest and largest group to consolidate these financial statements. The financial statements of the company can be obtained from Thorpe Park, 239 Thorpe Road, Peterborough, PE3 6JY.

The company's ultimate parent undertaking is Birkswell Reinsurance Brokers Limited, a company registered in Guernsey.