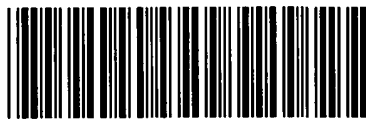


Registered number
07827708

Coverbox Limited
Report and Financial Statements
31 July 2016

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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 - Resigned 27/07/2016

Auditors

KPMG LLP
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

Registered office

Thorpe Park
239 Thorpe Road
Peterborough
Cambridgeshire
PE3 6LW

Registered number

07827708

Coverbox Limited
Registered number:
Directors' Report

07827708

The directors present their report and financial statements for the year ended 31 July 2016.

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. (2015 : 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 - Resigned 27/07/2016

Statement of Directors' responsibilities

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 (Financial Reporting Standard 102 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 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.

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.

Disclosure of information to auditors

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.

Coverbox Limited
Registered number: 07827708
Directors' Report (continued)

This report was approved by the board on ²⁶ April 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Neil Beckingham', with a large, stylized flourish at the end.

Neil Beckingham
Director

Registered Address

Thorpe Park
239 Thorpe Road
Peterborough
Cambridgeshire
PE3 6LW

Coverbox Limited
Independent auditors' report
to the members of Coverbox Limited

We have audited the financial statements of Coverbox Limited for the year ended 31 July 2016, set out on pages 5 to 13, which comprise the Income Statement, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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 auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 accounts

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

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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 accounts 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
Accountants and Statutory Auditors

Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

26 April 2017

Coverbox Limited
Profit and Loss Account and Other Comprehensive Income
for the year ended 31 July 2016

	Notes	2016 £	2015 £
Turnover	3	10,957	50,159
Cost of sales		(2,724)	(89,818)
Gross profit/(loss)		<u>8,233</u>	<u>(39,659)</u>
Administrative expenses		(66,387)	(2,109)
Operating loss	4	<u>(58,154)</u>	<u>(41,768)</u>
Interest payable and similar charges	6	-	(2,128)
Loss on ordinary activities before taxation		<u>(58,154)</u>	<u>(43,896)</u>
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		<u>(58,154)</u>	<u>(43,896)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(58,154)</u></u>	<u><u>(43,896)</u></u>

All results are derived from continuing operations.

Coverbox Limited
Balance Sheet
as at 31 July 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	8	<u>1,096</u>	<u>-</u>
		1,096	-
Current assets			
Debtors	9	249,900	5,543,797
Cash at bank and in hand		<u>2,083</u>	<u>124</u>
		251,983	5,543,921
Creditors: amounts falling due within one year	10	(1,798,132)	(7,030,820)
Net current liabilities		<u>(1,546,149)</u>	<u>(1,486,899)</u>
Total assets less current liabilities		<u>(1,545,053)</u>	<u>(1,486,899)</u>
Net liabilities		<u>(1,545,053)</u>	<u>(1,486,899)</u>
Capital and reserves			
Called up share capital	11	10,000	10,000
Profit and loss account		(1,555,053)	(1,496,899)
Shareholders' deficit		<u>(1,545,053)</u>	<u>(1,486,899)</u>



Neil Beckingham
Director

Approved by the board on 26 April 2017

Company registered number: 07827708

Coverbox Limited
Statement of Changes in Equity
for the year ended 31 July 2016

	Share capital	Profit and loss account	Total
	£	£	£
At 1 August 2014	10,000	(1,453,003)	(1,443,003)
Loss for the financial year		(43,896)	(43,896)
Total comprehensive income for the financial year	-	(43,896)	(43,896)
At 31 July 2015	<u>10,000</u>	<u>(1,496,899)</u>	<u>(1,486,899)</u>
 At 1 August 2015	 10,000	 (1,496,899)	 (1,486,899)
Loss for the financial year		(58,154)	(58,154)
Total comprehensive income for the financial year	-	(58,154)	(58,154)
 At 31 July 2016	 <u>10,000</u>	 <u>(1,555,053)</u>	 <u>(1,545,053)</u>

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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.

Coverbox Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at transition date rather than commencement date of the arrangement.
- Lease incentives – for leases commenced before 1 August 2014 the Company continued to account for lease incentives under previous UK GAAP.

The Company's parent undertaking, Coverbox Holdings Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of Coverbox Holdings Ltd are available to the public and may be obtained from Coverbox Holdings Ltd, Thorpe Park, 239 Thorpe Road, Peterborough, Cambridgeshire, PE3 6LW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Coverbox Holdings Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these 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.

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 3 years
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Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

2 Critical accounting estimates and judgements

In preparation of the financial statements for the period ended 31st July 2016 management has not been required to make any significant judgements or estimates.

3 Analysis of turnover

	2016 £	2015 £
Insurance intermediary commissions	10,957	50,159
	<u>10,957</u>	<u>50,159</u>
By geographical market:		
UK	10,957	50,159
	<u>-10,957</u>	<u>50,159</u>

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

4 Operating loss	2016 £	2015 £
This is stated after charging:		
Depreciation of owned fixed assets	199	-
Auditor's remuneration for audit services	3,276	1,500
Auditor's remuneration for other services	2,003	-
	<u>2,003</u>	<u>-</u>

5 Staff costs and numbers	2016 £	2015 £
Wages and salaries	24,314	-
Social security costs	2,982	-
	<u>27,296</u>	<u>-</u>

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.

Average number of employees during the year	Number	Number
Administration	1	-
	<u>1</u>	<u>-</u>

6 Interest payable and similar charges	2016 £	2015 £
Bank loans and overdrafts	-	2,128
	<u>-</u>	<u>2,128</u>

7 Taxation	2016 £	2015 £
Total tax expense recognised in the profit and loss account		
Current tax:		
Current tax on income for the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
Effect of increased tax rate on opening liability	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profits on ordinary activities	<u>-</u>	<u>-</u>

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

Reconciliation of effective tax rate

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

	2016 £	2015 £
Loss on ordinary activities before tax	(58,154)	(43,896)
Standard rate of corporation tax	20.0%	20.7%
Loss on ordinary activities at standard rate	(11,631)	(9,072)
Effects of:		
Deferred tax not recognised	10,108	7,779
Adjust deferred tax balances to standard rate	1,123	260
Expenses not deductible for tax	400	1,033
Total tax charge for period	-	-

Factors that may affect future tax charges

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

Losses available to carry forward	408,918	442,162
Depreciation in excess of capital allowances	36,862	40,918
Unrecognised deferred tax asset	445,780	483,080

No deferred tax asset has been recognised at 31 July 2016 due to the uncertainty over its future recoverability. The company has an unrecognised deferred tax asset of £445,780 (2015: £483,080) in relation to losses (£408,918; 2015: £442,162) and disclaimed capital allowances (£36,862; 2015: £40,918).

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly and reduce the unrecognised deferred tax asset at 31 July 2016 (which has been calculated based on the rate of 18% substantively enacted at the balance sheet date).

8 Tangible fixed assets

	Plant and machinery At cost £	Total £
Cost or valuation		
At 1 August 2015	-	-
Additions	1,295	1,295
At 31 July 2016	1,295	1,295
Depreciation		
At 1 August 2015	-	-
Charge for the year	199	199
At 31 July 2016	199	199
Carrying amount		
At 31 July 2016	1,096	1,096
At 31 July 2015	-	-

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

9 Debtors	2016	2015
	£	£
Amounts owed by group undertakings	249,900	5,539,197
Prepayments and accrued income	-	4,600
	<u>249,900</u>	<u>5,543,797</u>

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

10 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	2,862	-
Amounts owed to group undertakings		4,242,486
Due to related parties	1,786,288	2,785,835
Other creditors	3,075	-
Accruals and deferred income	5,907	2,499
	<u>1,798,132</u>	<u>7,030,820</u>

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

11 Share capital	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	10,000	10,000	10,000
			<u>10,000</u>	<u>10,000</u>

12 Related party transactions

As the Company is a wholly owned subsidiary of Birkswell Reinsurance Brokers Limited, the Company has taken advantage of the exemption contained in section 33 of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group.

At 31.07.16 there was credit balance with the related company MNFI of £1,536,387.85.

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.

13 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 6LW.

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

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

Coverbox Limited is a limited company incorporated in England.

16 Principal place of business

The address of the company's principal place of business and registered office is:

Thorpe Park
239 Thorpe Road
Peterborough
Cambridgeshire
PE3 6LW

Coverbox Limited
Notes to the Accounts
for the year ended 31 July 2016

17 Reconciliations on adoption of FRS 102

Profit and loss for the year ended 31 July 2015	£
Loss under former UK GAAP	(43,896)
Loss under FRS 102	<u>(43,896)</u>
Balance sheet at 31 July 2015	£
Equity under former UK GAAP	(1,486,899)
Equity under FRS 102	<u>(1,486,899)</u>
Balance sheet at 1 August 2014	£
Equity under former UK GAAP	(1,443,003)
Equity under FRS 102	<u>(1,443,003)</u>

No adjustments have been made as a result of the transition to FRS102.