

**BETTER HEALTH INSURANCE ADVICE LTD**

Reg No 08380903



**Annual Report and Financial Statements**

**For the year ended 30 June 2023**



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**Better Health Insurance Advice Ltd**

**Directors in office at the date of signing the financial statements**

David Priestley

Ian Slonim

Robert Watts

**Company Secretary at the date of signing the financial statements**

Jennifer Thorn

**Registered office**

Roddis House

4-12 Old Christchurch Road

Bournemouth

BH1 1LG

United Kingdom

**Registered number**

08380903

**Independent auditors**

KPMG LLP

Chartered Accountants and Statutory auditors

15 Canada Square

London

E145GL

United Kingdom

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

		30 June 2023	30 June 2022
	Note	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	20	2
Intangible assets	5	88	114
<b>Total non-current assets</b>		<b>108</b>	<b>116</b>
<b>Current assets</b>			
Trade and other receivables	6	44	57
Cash and cash equivalents		128	68
<b>Total Current Assets</b>		<b>172</b>	<b>125</b>
<b>Total assets</b>		<b>280</b>	<b>241</b>
<b>Equity</b>			
Ordinary shares	7	7000	7,000
Preference shares	8	500	500
Accumulated losses		(7517)	(7,523)
<b>Total equity</b>		<b>(17)</b>	<b>(23)</b>
<b>Non-Current liabilities</b>			
Amounts owed to related parties		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Provisions	9	23	42
Amounts owed to related parties		112	39
Trade and other liabilities	10	162	183
<b>Total Current liabilities</b>		<b>297</b>	<b>264</b>
<b>Total equity and liabilities</b>		<b>280</b>	<b>241</b>

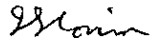
**Directors' responsibilities:**

For the year ending 30 June 2023, the Company was entitled to exemption from audit under S479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts 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 accounts.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

## Better Health Insurance Advice Ltd

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken. Approved and authorised by the Board on 26 February 2024 and signed on its behalf by



Ian Slonim

Director

Better Health Insurance Advice Ltd (Reg No: 08380903)

## **NOTES TO FINANCIAL STATEMENTS**

### **1 General Information**

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

Roddiss House

4-12 Old Christchurch Road

Bournemouth

BH1 1LG

### **2 Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the going concern basis as the immediate parent company Discovery Holdings Europe Limited has confirmed its continuing financial support to the Company for the foreseeable future and accordingly the directors believe it is appropriate to do so.

The directors have performed a going concern assessment which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent company, Discovery Holdings Europe Limited, to meet its liabilities as they fall due during the going concern assessment period.

That assessment is dependent on Discovery Holdings Europe Limited providing insignificant additional financial support during the going concern assessment period. Discovery Holdings Europe Limited has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2 (section 2.1).

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

#### **(i) New and amended standards adopted**

In the current year, there have been no new or revised Standards or Interpretations that have a significant impact on the company.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **(Accounting Policies (continued))**

#### **b) Going Concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making their assessment, the directors have taken into account the impact of COVID-19 and the inflationary environment on the company. The Company continues to receive support from its immediate parent company, Discovery Holdings Europe Limited. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **(c) Revenue Recognition**

Revenue consists of commission income from the sale of insurance policies. The pricing of the insurance policies is determined by the insurer following discussion with the Company's sales advisors.

The Company does not hold any insurance contracts with customers. The primary performance obligation under these insurance intermediary arrangements is to place an effective insurance policy. As all the Company's services are associated with the placement of an insurance contract, the commission income is recognised at a point in time on the policy effective date. Commission is received soon after the policy effective date.

Revenue is measured at the fair value of the consideration receivable less an estimate for any commission clawback on cancelled policies and excluding insurance premium tax and other sales related taxes.

Agreements with the customer is to act as their advisor on their medical insurance requirements and managing the placement of their medical insurance with an appropriate insurer as per the customer's instructions.

#### **(d) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The current tax charge is based on taxable profits and losses for the year after adjustments in respect of prior years.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and the carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Current and deferred tax is recognised in the statement of comprehensive income.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Accounting Policies (continued)**

the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority.

### **(e) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Depreciation is charged to the Statement of comprehensive income on a straight-line basis over the estimated useful life of the assets which range from 2 to 5 years. The depreciation rates are:

Office Equipment	Up to a maximum of 3 years
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The useful lives of the assets are reviewed at each Statement of financial position date and adjusted if appropriate.

### **(f) Intangible assets**

Intangible assets are recognised in the Statement of financial position if it is probable that the relevant future economic benefits attributable to the asset will flow to the Company and its cost can be measured reliably.

*Internally developed software is capitalised as an intangible asset and amortised over its estimated useful life when it is either identified as separable (i.e. capable of being separated from the entity and sold, transferred, rented, or exchanged) or it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable.*

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets. Impairment losses are calculated and recorded on an individual basis.

The estimated useful life of internally developed software currently being amortised is 7 years.

### **(g) Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least at each statement of financial position date. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price (fair value less costs to sell) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit, or group of units, to which the asset belongs.

### **(h) Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand only.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **Accounting Policies (continued)**

#### **(i) Provisions**

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources or economic benefit will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation. Once a provision is recognised, it is measured as the amount that would be paid to settle the obligation. This includes discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability, if this effect is material.

#### **(j) Clawback provision**

The commercial commission arrangements vary by product, as do the cancellation rates experienced. As such the clawback provision is constructed with reference to product level data, by calculating projected cancellation rates based on historical clawback data. For PMI the projected cancellation rates are applied to both the new business commission income as well the renewal commission income.

#### **(k) Financial assets and liabilities**

##### **Financial assets**

On initial recognition, financial assets are classified as being subsequently measured at either amortised cost or fair value dependent upon the Company's business model for managing the asset and its cash flow.

characteristics. Financial assets are not reclassified following initial recognition unless the Company changes its business model for managing financial assets.

Financial assets are deemed to be held under one of three business models:

- Hold to collect, where the business objective is to hold the asset to collect the contractual cash flows;
- Hold to collect and sell, where the business objective is to hold the asset to collect the contractual cash flows and to sell the financial assets; and
- Other.

Unless specifically designated to be held at fair value through profit or loss, a financial asset is measured at amortised cost if it is held within a hold to collect business model and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is measured using the effective interest method. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of comprehensive income.

Financial assets held within a hold to collect and sell business model are measured at fair value through OCI if the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not currently have any such assets.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Accounting Policies (continued)**

#### **Impairment of financial assets**

The Company recognises lifetime expected credit losses at the point of initial recognition for trade receivables. These are assessed with reference to past default rates, also reflecting forward looking information such as local economic or market conditions and using a provision matrix where appropriate. For other financial assets measured at amortised cost, a loss allowance is recognised for expected credit losses taking into account changes in the level of credit risk. Where credit risk is considered to be low, the loss allowance is limited to expected losses arising from default events that are possible within 12 months from the balance sheet date.

Impairments (where applicable) are charged to the Statement of comprehensive income, through the operating expenses line.

#### **Financial liabilities**

Financial liabilities are classified as either:

- Financial liabilities at amortised cost (trade payables and loans with standard interest rates); or
- Financial liabilities at fair value through profit and loss the company does not hold any such financial liabilities

The Company measures financial liabilities at amortised cost unless either: it is held for trading and is therefore required to be measured at FVPL; or the Company elects to measure the liability at FVPL. All financial liabilities are measured at amortised cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of comprehensive income.

#### **Group Accounts**

The financial statements present information about the company as an individual undertaking and not about its group.

### **2.1 Critical accounting estimates and judgements in applying accounting policies**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities affected in future reporting periods. Assumptions are based on historical experience and expectations of future outcomes and anticipated changes in the environment. Assumptions are regularly reviewed in light of emerging experience and adjusted where required. Management have assessed that none of the estimates below are expected to give rise to a material adjustment to carrying amounts in future periods.

## NOTES TO THE FINANCIAL STATEMENTS

## Accounting Policies (continued)

## (a) Capitalised software development costs

The estimates and assumptions surrounding the useful economic life of capitalised software development costs and the date at which amortisation commences is subject to a degree of judgment. The Company assesses the useful economic life and amortisation commencement date separately for each project being capitalised with reference to the nature and expected use of the asset. An annual impairment review is performed to assess the future economic benefit and recoverability of the related assets.

## (b) Clawback provision

There is a degree of estimation inherent in the calculation of the commission clawback provision, specifically in the cancellation rates projected forward. The projected cancellation rates used are based on historical clawback data with commercial judgement applied where there are reasons that these rates are expected to vary in the future. These rates are then applied to the new business commission income.

## 3. Staff numbers

The average number of persons employed by the company (including directors) during the year, was 45 (2022: 46).

## 4. Property, Plant and Equipment

	Office Equipment	Total
	£'000	£'000
<b>Cost</b>		
As at 01 July 2021	48	48
Acquisitions during the year	2	2
<b>As at 30 June 2022</b>	<b>50</b>	<b>50</b>
<b>Accumulated depreciation</b>		
As at 01 July 2021	44	44
Depreciation charge for the year	4	4
<b>As at 30 June 2022</b>	<b>48</b>	<b>48</b>
<b>Net book amount at 30 June 2022</b>	<b>2</b>	<b>2</b>
<b>Cost</b>		
As at 01 July 2022	50	50
Acquisitions during the year	21	21
<b>As at 30 June 2023</b>	<b>71</b>	<b>71</b>
<b>Accumulated depreciation</b>		
As at 01 July 2022	48	48
Depreciation charge for the year	3	3
<b>As at 30 June 2023</b>	<b>51</b>	<b>51</b>
<b>Net book amount at 30 June 2023</b>	<b>20</b>	<b>20</b>

Depreciation expenses are included in operating expenses in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible Assets

	Software Development	Total
	£'000	£'000
<b>Cost</b>		
As at 01 July 2021	145	145
Acquisitions during the year	39	39
Disposals during the year	-	-
<b>As at 30 June 2022</b>	<b>184</b>	<b>184</b>
<b>Accumulated amortisation</b>		
As at 01 July 2021	45	45
Amortisation charge for the year	25	25
Disposals during the year	-	-
<b>As at 30 June 2022</b>	<b>70</b>	<b>70</b>
<b>Cost</b>		
As at 01 July 2022	184	184
Acquisitions during the year	-	-
Disposals during the year	-	-
<b>As at 30 June 2023</b>	<b>184</b>	<b>184</b>
<b>Accumulated amortisation</b>		
As at 01 July 2022		
Amortisation charge for the year	70	70
Disposals during the year	26	26
<b>As at 30 June 2023</b>	<b>96</b>	<b>96</b>
<b>Net book amount as at 30 June 2023</b>	<b>88</b>	<b>88</b>

6. Trade and other receivables

	At 30 June 2023	At 30 June 2022
	£'000	£'000
Commissions receivable	25	45
Prepayments	19	12
<b>Total trade and other receivables</b>	<b>44</b>	<b>57</b>

NOTES TO THE FINANCIAL STATEMENTS

7. Ordinary shares

	At 30 June 2023 Number of shares	At 30 June 2023 £'000	At 30 June 2022 Number of shares	At 30 June 2022 £'000
<b>Ordinary shares</b>				
<i>Authorised</i>				
Ordinary shares of £1 each	No Maximum	No Maximum	No Maximum	No Maximum
<i>Called up, issued and fully paid</i>				
Ordinary shares of £1 each	7,000,000	7,000	7,000,000	7,000

8. Preference shares

	At 30 June 2023 Number of shares	At 30 June 2023 £'000	At 30 June 2022 Number of shares	At 30 June 2022 £'000
<b>Preference shares</b>				
<i>Authorised</i>				
Preference shares of £1 each	No Maximum	No Maximum	No Maximum	No Maximum
<i>Called up, issued and fully paid</i>				
Preference shares of £1 each	500,000	500	500,000	500

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

9. Provisions

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Opening balance at beginning of year	42	59
Additions	29	28
Utilised	(48)	(45)
<b>As at 30 June</b>	<b>23</b>	<b>42</b>

Provisions are in respect of the clawback provision based on historical cancellation experience of the products sold. The cancellation experience differs by the type of product, and this product level data is used to construct the best estimate provision for commission clawbacks unreported at the year end.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Trade and other liabilities

	At 30 June 2023	At 30 June 2022
	£'000	£'000
Trade creditors	83	58
Accrued expenses	110	72
Payroll liabilities	49	48
Taxation	-	-
Deferred revenue	(80)	5
<b>Total trade and other liabilities</b>	<b>162</b>	<b>183</b>

### 11. Parent and ultimate controlling party

The immediate parent undertaking is Discovery Holdings Europe Limited, a company incorporated in the England and Wales. Discovery Holdings Europe Limited is 100% (2022: 100%) owned by Discovery Group Europe Limited.

The ultimate controlling party of Discovery Group Europe Limited is Discovery Limited, a company incorporated in the Republic of South Africa.

The ultimate controlling party of the Company and the smallest and largest group to consolidate these financial statements is Discovery Limited. The consolidated financial statements of Discovery Limited can be obtained from Discovery Limited, PO Box 786722, Sandton, South Africa.