

# Financial Statements Mason Owen (Specialist Risks) Limited

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**For the period ended 30 June 2014**



**Registered number: 08821076**

**Mason Owen (Specialist Risks) Limited**

## Company Information

<b>Directors</b>	A Gibbons (appointed 19 December 2013) M B Owen (appointed 19 December 2013)
<b>Company secretary</b>	C E Shaw
<b>Registered number</b>	08821076
<b>Registered office</b>	Gladstone House Union Court Castle Street Liverpool L2 4UQ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
<b>Bankers</b>	HSBC Bank Plc 99-101 Lord Street Liverpool L2 6PG
<b>Solicitors</b>	Hill Dickinson LLP No. 1 St Pauls Square Liverpool L3 9SJ

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## **Directors' Report**

**For the period ended 30 June 2014**

The directors present their report and the financial statements for the period ended 30 June 2014.

### **Directors' responsibilities statement**

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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

### **Results**

The loss for the period, after taxation, amounted to £31,428.

### **Directors**

The directors who served during the period were:

A Gibbons (appointed 19 December 2013)

M B Owen (appointed 19 December 2013)

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Mason Owen (Specialist Risks) Limited**

## **Directors' Report**

**For the period ended 30 June 2014**

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 March 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A Gibbons', written over a horizontal line.

**A Gibbons**  
Director

## **Strategic Report**

**For the period ended 30 June 2014**

### **Introduction**

The company was incorporated on 19 December 2013 and commenced trading on 9 January 2014.

### **Business review**

The principal activities of the company commenced during the year and have been determined as those of insurance consultancy and insurance broking.

The company will develop within the intermediary sector specialising in London Market Wholesale business, Probate & Wills Related insurance and selected other related products.

The business is an appointed representative of Mason Owen Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). There is a responsibility of Management to ensure that the business remains fully compliant, yet still able to trade effectively and profitably. The firm does not hold permissions to handle client money as this element of the business is handled by Mason Owen Financial Services Limited, with whom the firm place all business, in view of the fact that direct Insurer relations and agency agreements are maintained by Mason Owen Financial Services Limited.

The company is a member of the British Insurance Brokers Association (BIBA), which provides valuable support to the business in terms of the ability to access new markets, to provide networking opportunities and in depth technical information concerning matters such as regulation.

The firm facilitates the development of a small wholesale Professional Indemnity and Financial Lines book of business it receives from around 20 intermediaries with whom the firm has provided agency facilities. The aim of the company is to develop this line of business and has also acquired some assets from Probate & Wills Limited in order to develop this class of business and some other related lines.

In assessing the performance of the business, key performance indicators (KPI's) such as income, cost control and overall profitability are monitored closely to ensure that the business develops from a modest base into profit within the next few years.

Staffing of the business will be achieved by sharing staff with our parent company and allocating the cost of their time to work done within this business. Other facilities such as office accommodation and computer equipment are shared with Mason Owen Financial Services Limited, though the firm is renting office space in London from Mason Owen & Partners Limited.

It is envisaged that the company will develop from this initial loss making year into profit within the next couple of years to become an asset to the Mason Owen Group of Companies.

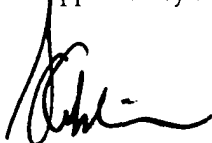
### **Principal risks and uncertainties**

#### **Exposure to credit risk**

The risk of non payment by clients is assessed by the directors. The company aims to minimise the risk by management of credit limits and monthly review of debtor days.

This report was approved by the board on 23 March 2015 and signed on its behalf.

**A Gibbons**  
**Director**



## Independent Auditor's Report to the Members of Mason Owen (Specialist Risks) Limited

We have audited the financial statements of Mason Owen (Specialist Risks) Limited for the period ended 30 June 2014, which comprise the Profit and loss account, the Balance sheet 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).

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, 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 (APB'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](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its loss for the period 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Mason Owen (Specialist Risks) Limited

### **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.

*Grant Thornton UK LLP*

Fiona Baldwin (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Liverpool

23 March 2015

## **Profit and Loss Account**

**For the period ended 30 June 2014**

	<b>Note</b>	<b>Period ended 30 June 2014 £</b>
<b>Turnover</b>	1,2	<b>32,991</b>
Administrative expenses		<b>(60,419)</b>
		<hr/>
<b>Operating loss</b>	3	<b>(27,428)</b>
Interest payable and similar charges	5	<b>(4,000)</b>
		<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(31,428)</b>
Tax on loss on ordinary activities	6	<b>-</b>
		<hr/>
<b>Loss for the financial period</b>	13	<b>(31,428)</b>
		<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

## Balance Sheet

As at 30 June 2014

	Note	Period ended 30 June 2014	
		£	£
<b>Fixed assets</b>			
Intangible assets	7		16,000
Tangible assets	8		373
			<u>16,373</u>
<b>Current assets</b>			
Debtors	9	18,022	
Cash at bank		95,056	
		<u>113,078</u>	
<b>Creditors: amounts falling due within one year</b>	10	(70,779)	
<b>Net current assets</b>			<u>42,299</u>
<b>Total assets less current liabilities</b>			<u>58,672</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(90,000)	
<b>Net liabilities</b>			<u>(31,328)</u>
<b>Capital and reserves</b>			
Called up share capital	12		100
Profit and loss account	13		(31,428)
<b>Shareholders' deficit</b>	14		<u>(31,328)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 March 2015.

  
**A Gibbons**  
 Director

The notes on pages 8 to 14 form part of these financial statements.

# Notes to the Financial Statements

For the period ended 30 June 2014

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### 1.2 Going concern

The directors have reviewed and assessed the forecasts of the business for the forthcoming 12 months and based on these forecasts and the level of cash reserves available, and support available from the parent undertaking, believe that the company has sufficient facilities available to continue to trade profitably. Therefore the directors consider it to be appropriate for the financial statements to be prepared on the going concern basis.

### 1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

### 1.4 Turnover

Turnover represents revenue recognised by the company in respect of agency commissions and fees relating to insurance contracts placed with insurers and confirmed by the client within the accounting period. The company does not contract directly with insurance companies but receives commissions and fees on an agency basis only.

### 1.5 Intangible fixed assets and amortisation

Intangible fixed assets are capitalised at cost and represent purchased goodwill. Intangible fixed assets are amortised on a straight line basis over the period to 30 June 2016.

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	25% straight line
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### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

### 1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

# Notes to the Financial Statements

For the period ended 30 June 2014

## 1. Accounting Policies (continued)

### 1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## 2. Turnover

The whole of the turnover is attributable to agency commission and fees relating to insurance contracts placed with insurers and confirmed by the client within the accounting period.

All turnover arose within the United Kingdom.

## 3. Operating loss

The operating loss is stated after charging:

	2014
	£
Amortisation - intangible fixed assets	4,000
Depreciation of tangible fixed assets:	
- owned by the company	34
Operating lease rentals:	
- other operating leases	750
	<hr/> <hr/>

During the period, no director received any emoluments.

## Notes to the Financial Statements

For the period ended 30 June 2014

### 4. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	30,819
Social security costs	3,585
Other pension costs	930
	<u>35,334</u>

The average monthly number of employees, including the directors, during the period was as follows:

2014 No.
<u>3</u>

### 5. Interest payable

	2014 £
On loans from group undertakings	<u>4,000</u>

### 6. Taxation

	2014 £
UK corporation tax charge on loss for the period	<u>-</u>

# Notes to the Financial Statements

For the period ended 30 June 2014

## 6. Taxation (continued)

### Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2014 £
Loss on ordinary activities before tax	(31,428)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(6,286)
<b>Effects of:</b>	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	466
Capital allowances for period in excess of depreciation	(74)
Group relief	5,894
<b>Current tax charge for the period</b> (see note above)	-

## 7. Intangible fixed assets

	Goodwill £
<b>Cost</b>	
Additions	20,000
At 30 June 2014	20,000
<b>Amortisation</b>	
Charge for the period	4,000
At 30 June 2014	4,000
<b>Net book value</b>	
At 30 June 2014	16,000

The goodwill relates to the acquisition of assets from Probate & Wills Limited.

# Notes to the Financial Statements

For the period ended 30 June 2014

## 8. Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
Additions	407
At 30 June 2014	<u>407</u>
<b>Depreciation</b>	
Charge for the period	34
At 30 June 2014	<u>34</u>
<b>Net book value</b>	
At 30 June 2014	<u><u>373</u></u>

## 9. Debtors

	2014 £
Amounts due from parent undertaking	<u><u>18,022</u></u>

## 10. Creditors: Amounts falling due within one year

	2014 £
Amounts owed to group undertakings	<u><u>70,779</u></u>

## 11. Creditors: Amounts falling due after more than one year

	2014 £
Loan from parent company	<u><u>90,000</u></u>

The loan is repayable by 30 June 2024. Interest is charged at 8%. The loan is unsecured.

## Notes to the Financial Statements

For the period ended 30 June 2014

### 12. Share capital

	2014 £
<b>Allotted, called up and fully paid</b>	
100 Ordinary £1 shares of £1 each	100

100 ordinary shares of £1 each were issued in the year and are fully paid.

### 13. Reserves

	Profit and loss account £
Loss for the period	(31,428)
At 30 June 2014	(31,428)

### 14. Reconciliation of movement in shareholders' deficit

	2014 £
Opening shareholders' funds	-
Loss for the financial period	(31,428)
Shares issued during the period	100
Closing shareholders' deficit	(31,328)

### 15. Contingent liabilities

The company has given unlimited multilateral and cross guarantees in respect of bank borrowings of all companies of the group of which it is a member, and is a member of a VAT group. In the opinion of the directors, no contingent liabilities will arise under these arrangements.

### 16. Capital commitments

The company had no capital commitments as at 30 June 2014.

### 17. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Mason Owen Financial Services Limited.

The ultimate parent undertaking is Mason Owen & Partners (Holdings) Limited. Copies of the group accounts may be obtained from the ultimate parent undertaking at Gladstone House, Union Court, Liverpool L2 4UQ.

## **Notes to the Financial Statements**

**For the period ended 30 June 2014**

### **18. Related party transactions**

During the course of the year the company entered into transactions in the ordinary course of business with immediate parent company Mason Owen Financial Services Limited. Amounts recharged by Mason Owen Financial Services Limited amounted to £56,780 and the amount outstanding at the end of the year was £56,780 due to Mason Owen Financial Services Limited. These transactions include amounts recharged relating to personnel and services such as payroll.

The company also received a loan in the year of £100,000 from Mason Owen Financial Services Limited. The loan is repayable by 30 June 2024. Interest is charged at 8% per annum. The loan is unsecured.

Mason Owen (Specialist Risks) Limited is an appointed representative of Mason Owen Financial Services Limited. During the year Mason Owen (Specialist Risks) Limited received agency commission and fees amounting to £32,991. At 30 June 2014 agency balances amounting to £18,022 were due by Mason Owen Financial Services Limited to the company.