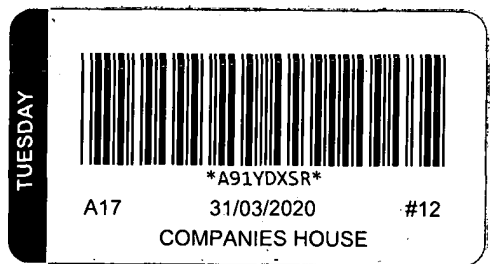


Registered number: 08821076

MASON OWEN (SPECIALIST RISKS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



MASON OWEN (SPECIALIST RISKS) LIMITED

COMPANY INFORMATION

Directors	A Gibbons M B Owen
Company secretary	C E Shaw
Registered number	08821076
Registered office	20 Chapel Street Liverpool L3 9AG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	HSBC Bank Plc 99-101 Lord Street Liverpool L2 6PG
Solicitors	Hill Dickinson LLP No. 1 St Pauls Square Liverpool L3 9SJ

MASON OWEN (SPECIALIST RISKS) LIMITED

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MASON OWEN (SPECIALIST RISKS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

Business review

The principal activities of the company continues during the year and have been determined as those of insurance consultancy and insurance broking. The Directors have assessed the impact of Covid 19 on the business and whilst the longer term impact cannot be determined at this point in time, it is believed that the business remains in a strong position to withstand the immediate effects of the impact on the economy due to the make up of the client base that we have, the robust business continuity plan that we have deployed and the prudent financial management that we employ.

The company continues to develop within the intermediary sector of London Market Wholesale business though it has reduced its reliance on the distribution of Probate & Wills Related insurance and related products. Further specialist lines of business have been written and continue to be developed during the financial year leading to improved performance and these facilities have been expanded in the current year. The further development of our office in Norwich has grown our Legal Indemnity book markedly in the previous 12 months.

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.

In assessing the performance of the business against key performance indicators (KPI's) such as income cost control and overall profitability it is believed there is a foundation for developing a good business. KPI's are monitored closely to ensure that the business continues to develop and it has again made a profit in the current year.

The business is staffed by sharing people with our parent company and allocating the cost of their time to work done within this business. Many assets of the business are shared with Mason Owen Financial Services Ltd and our ultimate parent company, Mason Owen & Partners Ltd. However, 4 members of staff are now fully allocated to MOSR in terms of cost and we will seek to recruit further staff for the Norwich operation.

Whilst there is more clarity surrounding the UK's decision to withdraw from the EU, business may be affected in the short term, but continuing pressure from other Statutory obligations such as SM&CR have also contributed to increasing compliance costs in the current year.

The move to new offices in Liverpool and flexibility of IT and working arrangements have also provided additional strength to business continuity plans.

MASON OWEN (SPECIALIST RISKS) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

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 reviews of debtor days.

Covid 19

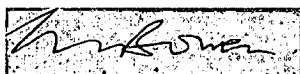
The uncertainty brought by Covid 19 to the wider economy could reflect upon the performance of the Company if Firms who utilise the services of the Company do not survive the current economic conditions. These would not result in bad debts to the company, moreover a loss of renewal revenue. A reduced number of market property transactions could affect the performance of the Legal Indemnity insurance team, but this is mitigated by the Professional Indemnity classes within the wider business.

Specific Risks

Clients going out of business.

Market property transactions dry up completely meaning the Legal Indemnity account is decimated.

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



M B Owen
Director

Date: 31 March 2020

MASON OWEN (SPECIALIST RISKS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

Results and dividends

The profit for the year, after taxation, amounted to £75,688 (2018: £33,840).

The directors have not recommended payment of a dividend in either 2019 or 2018.

Directors

The directors who served during the year were:

A Gibbons
M B Owen

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have been taken as directors in order to make themselves 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 (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

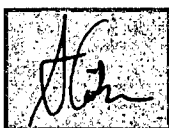
Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

A square box containing a handwritten signature in black ink, which appears to be 'A Gibbons'.

A Gibbons
Director

Date: 31 March 2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN (SPECIALIST RISKS) LIMITED

Opinion

We have audited the financial statements of Mason Owen (Specialist Risks) Limited (the 'company') for the year ended 30 June 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN (SPECIALIST RISKS)
LIMITED (CONTINUED)**

report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN (SPECIALIST RISKS)
LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 Directors' report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MASON OWEN (SPECIALIST RISKS)
LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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.

Grant Thornton UK LLP

Gary Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool

31 March 2020

MASON OWEN (SPECIALIST RISKS) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £	2018 £
Turnover	4	402,070	163,306
Gross profit		<u>402,070</u>	<u>163,306</u>
Administrative expenses		(304,144)	(115,175)
Operating profit	5	97,926	48,131
Interest payable and expenses	8	(2,400)	(6,400)
Profit before tax		<u>95,526</u>	<u>41,731</u>
Tax on profit on ordinary activities	9	(19,838)	(7,891)
Profit after tax		<u><u>75,688</u></u>	<u><u>33,840</u></u>
 Retained earnings at the beginning of the year		 <u>15,567</u>	 <u>(18,273)</u>
		15,567	(18,273)
Profit for the year		<u>75,688</u>	<u>33,840</u>
Retained earnings at the end of the year		<u><u>91,255</u></u>	<u><u>15,567</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 11 to 22 form part of these financial statements.

MASON OWEN (SPECIALIST RISKS) LIMITED
REGISTERED NUMBER:08821076

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	10	2,028	2,737
		<u>2,028</u>	<u>2,737</u>
Current assets			
Debtors: amounts falling due within one year	11	62,035	56,461
Cash at bank and in hand	12	340,097	226,429
		<u>402,132</u>	<u>282,890</u>
Creditors: amounts falling due within one year	13	(312,460)	(219,558)
Net current assets		<u>89,672</u>	<u>63,332</u>
Total assets less current liabilities		<u>91,700</u>	<u>66,069</u>
Creditors: amounts falling due after more than one year	14	-	(50,000)
Provisions for liabilities			
Deferred tax	16	(345)	(402)
		<u>(345)</u>	<u>(402)</u>
Net assets		<u>91,355</u>	<u>15,667</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	91,255	15,567
Shareholder's funds		<u>91,355</u>	<u>15,667</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Gibbons
Director

Date: 31 March 2020

The notes on pages 11 to 22 form part of these financial statements.

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Mason Owen (Specialist Risks) Limited is a private company limited by shares and incorporated in England and Wales. Registered head office is located at 20 Chapel Street Liverpool, L3 9AG.

The principal activity of the company during the current and previous year was the provision of insurance consultancy services and insurance broking.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

the requirements of Section 7 Statement of Cash Flows;

the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Mason Owen & Partners (Holdings) Limited as at 30 June 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

After taking into account the current economic uncertainty including the potential implications that Brexit may have on consumer confidence, as well as reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future.

The risks associated with Covid 19 have been assessed by the Directors and it has been concluded that the business is in good shape to be able to withstand the effects on the UK economy. Cash flow models have been done on a conservative basis and they have shown that the business can retain liquidity and fulfil the statutory solvency obligations laid down by the Financial Conduct Authority.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.4 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The directors do not consider there to be any significant judgements or estimates within these financial statements.

MASON OWEN (SPECIALIST RISKS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Agency commissions and fees relating to insurance contracts	<u>402,070</u>	<u>163,306</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	709	150
Pension costs	<u>9,452</u>	<u>5,702</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>5,500</u>	<u>3,075</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

MASON OWEN (SPECIALIST RISKS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Employees

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	221,258	64,035
Social security costs	27,827	6,271
Pension costs	9,452	5,702
	258,537	76,008

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

2019 No.	<i>Restated</i> 2018 No.
1	1

No directors are paid through Mason Owen (Specialist Risks) Limited.

8. Interest payable and similar expenses

	2019 £	2018 £
Loans from group undertakings	2,400	6,400

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	19,895	7,891
	<u>19,895</u>	<u>7,891</u>
Total current tax	<u>19,895</u>	<u>7,891</u>
Deferred tax		
Origination and reversal of timing differences	(57)	-
Total deferred tax	<u>(57)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>19,838</u>	<u>7,891</u>

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>95,526</u>	<u>41,731</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	18,150	7,929
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,681	20
Adjustments to tax charge in respect of previous periods	-	(21)
Adjust closing deferred tax to average rate of 19.00%	(41)	(47)
Adjust opening deferred tax to average rate of 19.00%	48	1
Deferred tax not recognised	-	9
Total tax charge for the year	<u>19,838</u>	<u>7,891</u>

Factors that may affect future tax charges

The current rate of corporation tax of 19% was introduced in Finance Act (No. 2) Act 2015. As introduced in Finance Act 2016, enacted on 15 September 2016, the future main rate of corporation tax from 1st April 2020 is 17%.

MASON OWEN (SPECIALIST RISKS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 July 2018	2,283	957	3,240
At 30 June 2019	2,283	957	3,240
Depreciation			
At 1 July 2018	48	455	503
Charge for the year	574	135	709
At 30 June 2019	622	590	1,212
Net book value			
At 30 June 2019	1,661	367	2,028
At 30 June 2018	2,235	502	2,737

11. Debtors

	2019 £	2018 £
Trade debtors	62,035	56,461

No impairment loss has been recognised in either year against trade debtors.

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	340,097	226,429

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	292,946	206,446
Corporation tax	19,514	13,112
	<u>312,460</u>	<u>219,558</u>

14. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	-	50,000
	<u>-</u>	<u>50,000</u>

Interest on the loan is charged at 8% per annum. The loan is unsecured and was repaid in full in the current year.

15. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>402,132</u>	<u>282,890</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(292,946)</u>	<u>(256,446)</u>

Financial assets measured at amortised cost comprise of cash at bank and in hand and trade debtors.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

MASON OWEN (SPECIALIST RISKS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

16. Deferred taxation

	2019 £	2018 £
At beginning of year	(402)	-
Charged to profit or loss	57	(402)
At end of year	<u>(345)</u>	<u>(402)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Origination and reversal of timing differences	<u>(345)</u>	<u>(402)</u>

17. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid 100 (2018: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18. Reserves

Called up share capital

Represents the nominal value of shares that have been issued.

Profit and loss account

The profit and loss account includes all current and prior period retained profits.

MASON OWEN (SPECIALIST RISKS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

19. Contingent liabilities

The company was given unlimited material and cross guarantees in respect of bank borrowings of all group undertakings and is a member of a vat group. The maximum liability in respect of bank borrowings is £Nil. In the opinion of the directors, no contingent liabilities will arise under these arrangements.

20. Capital commitments

The company had no capital commitments at 30 June 2019 or 30 June 2018.

21. 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 financial statements can be obtained from Companies House.