

**MASON OWEN (SPECIALIST RISK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**  
**Company Registration No. 08821076 (England and Wales)**

# MASON OWEN (SPECIALIST RISK) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr A Gibbons Mr M B Owen
<b>Company number</b>	08821076
<b>Registered office</b>	7th Floor 20 Chapel Street Liverpool L3 9AG
<b>Auditor</b>	DSG Chartered Accountants Castle Chambers 43 Castle Street Liverpool L2 9TL

# **MASON OWEN (SPECIALIST RISK) LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

---

# **MASON OWEN (SPECIALIST RISK) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 JUNE 2020***

---

The directors present the strategic report for the year ended 30 June 2020.

### **Principal activity and fair review of the business**

The principal activity during the year remains insurance consultancy and insurance broking.

The company has continued to perform well in the year and operating profit has increased from c.£98k to c.£113k. Net assets have remained strong at c.£61k (2019: £91k). Due to a strong year the directors agreed to pay a dividend to Mason Owen Financial Services Limited.

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, though this was halted due to the fact that the property market almost completely stalled in the latter half of the financial year due to Covid 19.

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 hold 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 business is staffed by sharing people with our parent company and allocating the cost of their time to work done within the business. Many assets of the business are shared with Mason Owen Financial Services Limited and Mason Owen & Partners Limited. However, four members of staff are now directly employed by the business and are deployed in Norwich and London.

The flexibility of IT and working arrangements have also provided additional strength to business continuity plans, which was demonstrated in the initial Covid 19 lockdown, when the business deployed all staff to home working without any interruption to the business.

# **MASON OWEN (SPECIALIST RISK) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

---

### **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.

#### **Coronavirus risk**

The uncertainty brought by Covid 19 to the wider economy could impact 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 necessarily result in bad debts to the company, moreover a loss of renewal revenue. The business is reliant upon Legal Indemnity business that has a direct correlation with the property market so if property transactions reduce, so would our ability to write this class of business. Any concentration to our customer base is however mitigated by specialist financial lines business that is written on a wholesale basis, which continues to perform well.

The company believes that the business remains in a strong position to withstand the effects of the impact on the economy due to the make up of the client base and the robust continuity plan that we have deployed and the prudent financial management that we employ.

#### **Specific risks**

There is a continued risk given the current economic climate that clients could go out of business and that the market property transactions dry up completely meaning the Legal Indemnity account is decimated. However, management has a diverse portfolio and monitors its business plans on a regular basis.

#### **Key performance indicators**

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.

#### **Future developments**

In terms of general market conditions, rates are starting to increase markedly due to restrictions in capacity and deteriorating insurer results. This will have a positive effect on the income earned by the company as earnings are generally commission based. However, increased rates and terms could result in business being lost but it is envisaged that any reduction in client base may be mitigated by the overall increase in income.

Whilst there has been uncertainty surrounding the UK's decision to withdraw from the EU, the initial friction following the implementation of the Brexit deal means that business may be affected in the short term. Continuing pressure from other Statutory obligations such as SM&CR have also contributed to increasing compliance costs in the year.

On behalf of the board

Mr A Gibbons

**Director**

26 March 2021

# **MASON OWEN (SPECIALIST RISK) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 JUNE 2020***

---

The directors present their annual report and financial statements for the year ended 30 June 2020.

The report contains the statutory information disclosed in addition to that set out in the strategic report. Information relating to the principal activity, financial risk management policies and future developments, which would otherwise be included in the Directors Report, are included in the Strategic Report.

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £120,000. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Gibbons  
Mr M B Owen

### **Auditor**

DSG were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Gibbons  
**Director**

26 March 2021

## **MASON OWEN (SPECIALIST RISK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 JUNE 2020***

---

The directors are responsible for preparing the annual 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 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.

# MASON OWEN (SPECIALIST RISK) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MASON OWEN (SPECIALIST RISK) LIMITED

---

#### Opinion

We have audited the financial statements of Mason Owen (Specialist Risk) Limited (the 'company') for the year ended 30 June 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 FRS 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 2020 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.

#### 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 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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our 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.



# **MASON OWEN (SPECIALIST RISK) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MASON OWEN (SPECIALIST RISK) LIMITED**

---

#### **Matters on which we are required to report by exception**

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 and the directors' report.

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.

#### **Responsibilities of directors**

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, 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: <https://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.

**Andrew Moss BA FCA (Senior Statutory Auditor)**  
**For and on behalf of DSG Chartered Accountants**

26 March 2021

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

## MASON OWEN (SPECIALIST RISK) LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	397,245	402,070
Administrative expenses		(302,978)	(304,144)
Other operating income		19,068	-
<b>Operating profit</b>	<b>4</b>	113,335	97,926
Interest payable and similar expenses	<b>6</b>	-	(2,400)
<b>Profit before taxation</b>		113,335	95,526
Tax on profit	<b>7</b>	(16,126)	(19,838)
<b>Profit for the financial year</b>		97,209	75,688

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MASON OWEN (SPECIALIST RISK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 30 JUNE 2020*

---

	2020	2019
	£	£
Profit for the year	97,209	75,688
Other comprehensive income	-	-
Total comprehensive income for the year	<u>97,209</u>	<u>75,688</u>

# MASON OWEN (SPECIALIST RISK) LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9		1,454		2,028
<b>Current assets</b>					
Debtors	10	139,609		62,035	
Cash at bank and in hand		50,099		340,097	
		<u>189,708</u>		<u>402,132</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(122,322)</u>		<u>(312,460)</u>	
<b>Net current assets</b>			67,386		89,672
<b>Total assets less current liabilities</b>			<u>68,840</u>		<u>91,700</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	12	276		345	
		<u>276</u>	(276)	<u>345</u>	(345)
<b>Net assets</b>			<u>68,564</u>		<u>91,355</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss reserves			68,464		91,255
<b>Total equity</b>			<u>68,564</u>		<u>91,355</u>

The financial statements were approved by the board of directors and authorised for issue on 26 March 2021 and are signed on its behalf by:

Mr A Gibbons  
Director

Company Registration No. 08821076

# MASON OWEN (SPECIALIST RISK) LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 July 2018</b>	100	15,567	15,667
<b>Year ended 30 June 2019:</b>			
Profit and total comprehensive income for the year	-	75,688	75,688
<b>Balance at 30 June 2019</b>	100	91,255	91,355
<b>Year ended 30 June 2020:</b>			
Profit and total comprehensive income for the year	-	97,209	97,209
Dividends	8	(120,000)	(120,000)
<b>Balance at 30 June 2020</b>	100	68,464	68,564

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

---

### 1 Accounting policies

#### Company information

Mason Owen (Specialist Risk) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, 20 Chapel Street, Liverpool, L3 9AG.

The principal activity of the company is disclosed in the strategic report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mason Owen & Partners (Holdings) Limited. These consolidated financial statements are available from its registered office, 20 Chapel Street, Liverpool, L3 9AG.

#### 1.2 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, the directors have a reasonable expectation that the company has adequate resources to continue in 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 statement.

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

---

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

---

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.



# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Agency commission and fees relating to insurance contracts	397,245	402,070

All turnover arose in the United Kingdom.

### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(19,068)	-
Fees payable to the company's auditor for the audit of the company's financial statements	3,000	5,500
Depreciation of owned tangible fixed assets	574	709

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
	4	1

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	215,235	221,258
Social security costs	23,798	27,827
Pension costs	13,780	9,452
	252,813	258,537

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 5 Employees (Continued)

Wages and salaries are recharged from other companies within the group and no directors are paid within this business.

### 6 Interest payable and similar expenses

	2020	2019
	£	£
Interest payable to group undertakings	-	2,400

### 7 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	15,871	19,895
Adjustments in respect of prior periods	324	-
Total current tax	16,195	19,895
<b>Deferred tax</b>		
Origination and reversal of timing differences	(69)	(57)
Total tax charge	16,126	19,838

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	113,335	95,526
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	21,534	18,150
Tax effect of expenses that are not deductible in determining taxable profit	1,569	1,681
Group relief	(7,301)	-
Under/(over) provided in prior years	324	-
Deferred tax rate change	-	7
Taxation charge for the year	16,126	19,838

# MASON OWEN (SPECIALIST RISK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 8 Dividends

	2020 £	2019 £
Final paid	120,000	-

### 9 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 July 2019 and 30 June 2020	957	2,283	3,240
<b>Depreciation and impairment</b>			
At 1 July 2019	590	622	1,212
Depreciation charged in the year	134	440	574
At 30 June 2020	724	1,062	1,786
<b>Carrying amount</b>			
At 30 June 2020	233	1,221	1,454
At 30 June 2019	367	1,661	2,028

### 10 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	139,609	62,035

### 11 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	72,311	292,946
Corporation tax	15,871	19,514
Accruals and deferred income	34,140	-
	122,322	312,460

The company has given an unlimited multilateral and cross guarantees in respect of bank borrowings of all group undertakings and is a member of a VAT group.

## MASON OWEN (SPECIALIST RISK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

#### 12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	276	345
	<u>276</u>	<u>345</u>
<b>Movements in the year:</b>		2020 £
Liability at 1 July 2019		345
Credit to profit or loss		(69)
Liability at 30 June 2020		<u>276</u>

#### 13 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	13,780	9,452
	<u>13,780</u>	<u>9,452</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 14 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 15 Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with the immediate parent. Amounts recharged from the immediate parent amount to £258,103 (2019: £284,612) and the amount outstanding at year end was £67,298 (2019: £312,841) due from the immediate parent.

## **MASON OWEN (SPECIALIST RISK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2020***

---

#### **16 Ultimate controlling party**

The immediate parent company is Mason Owen Financial Services Limited.

The ultimate parent company is Mason Owen & Partners (Holdings) Limited. This is the smallest and largest group into which the results of this entity are consolidated. Copies of the group accounts can be obtained from the same registered address as this entity.

The ultimate controlling party is Mr M B Owen.

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.