

PROTECTION HELPLINE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2020

(Registered Number 09928334)



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Directors' Report

The Directors present their Directors' report and the audited financial statements for the year ended 31 December 2020.

INTRODUCTION AND OVERVIEW

Protection Helpline Limited is a private limited company incorporated in England & Wales, registered number 09928334, and is a wholly owned subsidiary of Connells Limited.

During the year ended 31st December 2020, the company's principal activity was to provide insurance based protection solutions to customers by telephone. However, during the year the Directors made the decision to stop writing new business. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

The Company made a profit before tax of £nil (2019: £6,000).

DIRECTORS

The Directors who served during the year and up to the date of this report were:

DC Livesey
RJ Twigg
NJ Spaul
DK Plumtree

DIVIDENDS

During the year no dividends were declared. The Directors do not recommend payment of a final dividend (2019: £nil).

GOING CONCERN

The Company no longer trades, and so the financial statements are not prepared on the going concern basis. The departure from the going concern basis of accounting has resulted in the assets and liabilities being measured based on expected future cash flows, however this did not have any effect on the profit for the year or the year end Statement of Financial Position. As detailed in the Statement of Comprehensive Income on page 5, there is however a parent guarantee in place from Connells Limited.

AUDITOR

The Directors have relied upon the exemption from the obligation to appoint auditors permitted under section 479A of the Companies Act 2006 in submitting these unaudited Financial Statements. There is a parent guarantee in place from Connells Limited.

The company has taken advantage of the small companies' exemptions in presenting this Directors' report.

By order of the board



RJ Twigg
Director

15 September 2021

Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- in respect of the financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the company;
- that the financial statements, includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and
- that they consider the financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 2020 £000	Year ended 2019 £000
Revenue		-	-
Other Operating Income		-	6
Profit before tax		<u>-</u>	<u>6</u>
Tax charge	3	<u>-</u>	<u>(1)</u>
Profit for the year being total comprehensive income		<u>-</u>	<u>5</u>

There were no recognised income and expense items in the current or preceding year other than those reflected in the above Statement of Comprehensive Income.

The notes on pages 8 to 12 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2020

	Notes	£000	31 December 2020 £000	£000	31 December 2019 £000
Current liabilities					
Trade and other payables	4	36	36	36	36
Total current liabilities					
Non-current liabilities					
Provisions	5	2	2	2	2
Total non-current liabilities					
Total liabilities			38		38
Equity – attributable to equity holders of the Company					
Share capital	6	-	-	-	-
Accumulated losses	6	(38)	(38)	(38)	(38)
Total shareholder's deficit					
Total equity and liabilities			-		-

These accounts were approved by the Board of Directors on 15 September 2021 and signed on its behalf by:

The Directors:

- (a) confirm that for the financial period in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006; and
- (b) acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



RJ Twigg
Director

Company registration number: 09928334

The notes on pages 8 to 12 form part of these Financial Statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £000	Accumulated Losses £000	Total Equity £000
Balance at 1 January 2020	-	(38)	(38)
Profit for the year	-	-	-
Balance at 31 December 2020	-	(38)	(38)
Balance at 1 January 2019	-	(43)	(43)
Profit for the year	-	5	5
Balance at 31 December 2019	-	(38)	(38)

The notes on pages 8 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Protection Helpline Limited (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in these financial statements:

a. Basis of accounting

The Company's financial statements have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act and effective as at 31 December 2020.

During the year the Directors have adopted the following new or amended accounting standards and interpretations, all of which are effective for accounting periods starting on or after 1 January 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- IFRS 16 Rent concessions (Amendment to IFRS 16)

These amendments have had no material impact on these Financial Statements.

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand pounds. The functional currency is pounds sterling.

Going concern

The Company's business activities are set out in the Directors' Report on page 3. The financial position of the Company and its liquidity position are shown on pages 5 to 7. In addition, the Directors' Report and notes to these financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company no longer trades, and so the financial statements are not prepared on the going concern basis. The departure from the going concern basis of accounting has resulted in the assets and liabilities being measured based on expected future cash flows, however this did not have any effect on the profit for the year or the year end Statement of Financial Position. As detailed in the Statement of Comprehensive Income on page 5, there is however a parent guarantee in place from Connells Limited.

b. Revenue recognition.

Insurance commission income is recognised on a cash received basis with a provision for future clawback repayment in the event of early termination by the customer.

c. Trade and other receivables

Trade and other receivables are stated at their nominal value (discounted if material) less any impairment.

d. Trade and other payables

Trade and other payables are stated initially at their fair value and then subsequently carried at amortised cost.

e. Taxation

Income tax on the losses for the period comprises current tax and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except where items are recognised directly in equity, in which case the associated income tax charge or credit is recognised via equity.

Current tax is the expected tax payable on the taxable profit for the period, using tax rates enacted or substantially enacted at the period end date.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued)

f. Cash and cash equivalents

The Company does not operate its own bank account. Consequently, all cash transactions are processed via another group company, and as a result, there are no cash flows within the Company.

The Company recognises an allowance for expected credit losses (ECLs). The Company takes a simplified approach and recognises a loss allowance based on lifetime ECLs at each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. This is applied to third party and intercompany receivables and cash balances.

g. Provisions for liabilities and charges

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects market assessments of the time value of money and, if appropriate, the risks specific to the liability.

h. Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

- Provisions – certain critical judgments have been made in applying the Company's accounting policies in relation to provisions for clawback of insurance commission. The provision for insurance commission clawback is estimated based upon anticipated cancellation rates of term insurance policies (note 8).

2. Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year was as follows:

	2020 No.	2019 No.
Directors	<u>4</u>	<u>4</u>

All staff costs are borne by other group undertakings (2019: £nil). All (2019: all) of the directors are remunerated by other group entities. Their services to the Company are inconsequential to attract a notional charge.

There are not considered to be further key management personnel other than the Directors of the Company noted above.

3. Tax expense

	Year ended 2020 £000	Year ended 2019 £000
a) Analysis of charge in the year at 19% (2019: 19%)		
Current tax charge		
Current tax at 19% (2019: 19%)	-	1
Total current tax	<u>-</u>	<u>1</u>

b) Factors affecting current tax expense in the year

The tax assessed in the Income Statement is equal to (2019: equal to) than the standard UK corporation tax rate because of the following factors:

	Year ended 2020 £000	Year ended 2019 £000
Profit before tax	-	6
Tax on profit at UK standard rate of 19% (2019: 19%)	-	1
Effects of:		
Effect of other tax rates / credits	-	-
Income tax charge	<u>-</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. Trade and other payables

	31 Dec 2020 £000	31 Dec 2019 £000
Amounts owed to group undertakings	36	36
Accruals and deferred income	-	-
	<u>36</u>	<u>36</u>

5. Provisions

	Insurance commission clawback £000	Total £000
Opening balance at 1 January 2020	2	2
Provisions released during the year	-	-
Provisions utilised during the year	-	-
Balance at 31 December 2020	<u>2</u>	<u>2</u>
Opening balance at 1 January 2019	10	10
Provisions release during the year	(7)	(7)
Provisions utilised during the year	(1)	(1)
Balance at 31 December 2019	<u>2</u>	<u>2</u>

All provisions are classed as non-current. The provision for insurance commission clawback is estimated based upon anticipated cancellation rates of term insurance policies.

6. Share capital

	31 Dec 2020 £000	31 Dec 2019 £000
Authorised, allotted, called up and fully paid 1 ordinary share of £1 each	<u>-</u>	<u>-</u>

Management of capital

Capital is considered to be the retained earnings and ordinary share capital in issue.

	31 Dec 2020 £000	31 Dec 2019 £000
Capital		
Ordinary shares	-	-
Accumulated losses	<u>(38)</u>	<u>(38)</u>
	<u>(38)</u>	<u>(38)</u>

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies.

The capital position is reported to the Board regularly.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. Related party transactions

The Company has related party relationships within the Skipton Building Society as detailed below. All such transactions are priced on an arm's-length basis.

	2020			2019		
	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group company £000	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group company £000
a) Purchase of goods and services						
Administration charges	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
b) Outstanding balances						
Receivables from related parties	-	-	-	-	-	-
Payables to related parties	-	(8)	(28)	-	(8)	(28)
Total	<u>-</u>	<u>(8)</u>	<u>(28)</u>	<u>-</u>	<u>(8)</u>	<u>(28)</u>

There are no provisions in respect of goods and services to Related Parties at 31 December 2020 (2019: none).

All transactions are dealt with on normal credit terms.

8. Financial instruments

Financial risks

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

The principal financial risks to which the Company is exposed are liquidity risk, market risk and credit risk and these are monitored on a regular basis by management. Each of these is considered below.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost.

The Company's liquidity policy is to maintain sufficient liquid resources to cover imbalances and fluctuations in funding, to maintain solvency of the Company and to enable the Company to meet its financial obligations as they fall due. This is achieved through maintaining a prudent level of liquid assets and through rigorous management control of the growth of the business.

The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

2020	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Amounts owing to group companies	36	36	36	-	-	-
Total	<u>36</u>	<u>36</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Financial instruments (continued)

2019	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Amounts owing to group companies	36	36	36	-	-	-
Total	36	36	36	-	-	-

There are no differences between the fair values of financial assets and liabilities and their carrying amounts showing in the Statement of Financial Position.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Interest rate risk

The Company has no interest bearing liabilities.

Currency risk

The Company is not exposed to any currency risk as all transactions are denominated in Sterling.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Management carefully manages its exposure to credit risk. There are no significant concentrations of credit risk within the Company. The Company is exposed to credit risk from sales. It is Company policy to assess the credit risk of major new customers before entering contracts.

The Company uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables, which comprise a large number of small balances. Loss rates are based on actual credit loss experience over the previous year, and adjusted for the Company's view of current economic conditions over the expected lives of the receivables. However given the low levels of impairment loss experience, the ECL allowance is very small.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence, and to sustain future development of the business. The Board monitors the return on capital and level of dividends to ordinary shareholders. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

9. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Connells Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of this Company are available to the public and can be obtained from:

Connells Limited
Cumbria House
16 - 20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN