

# **Business Choice Direct Insurance Services Limited**

## **Report and Financial Statements**

**For the year ended 31 December 2018**

**Company Registration No. 10301653**



**Business Choice Direct Insurance Services Limited**  
**Report and financial statements**  
For the year ended 31 December 2018

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**Company information**

Company registration number:	10301653
Registered office:	Lysander House Catbrain Lane Cribbs Causeway Bristol BS10 7TQ
Directors:	E Bilney D N Box S Eyles A Marshall

**Business Choice Direct Insurance Services Limited**  
**Report and financial statements**  
For the year ended 31 December 2018

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**Business Choice Direct Insurance Services Limited**  
**Directors' report**  
For the year ended 31 December 2018

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The directors present this report and the financial statements for the year ended 31 December 2018.

Business Choice Direct Insurance Services Limited ("the Company") is a limited company incorporated in England and Wales on 28 July 2016 and is a member of the Eldon Insurance Services Limited group ("the Group").

**Principal activity**

The Company's principal activity is the provision of commercial insurance services, mainly commercial and specialist motor insurance.

**Business review**

The profit for the year after taxation was £619,000 (2017: £688,000). Dividends of £1,000,000 were paid in the year (2017: £112,000). Dividends of £211,000 were declared and paid after the year end.

**Future outlook**

The directors intend for the Company to continue its current operations.

**Directors**

The directors who served during the period and to the date of signing the accounts were:

E Bilney  
D N Box  
S Eyles  
A Marshall

There were no changes to directors during the year.

**Strategic report exemption**

The directors have taken advantage of the small companies' exemption as defined under the Companies Act 2006 from the requirement to prepare a Strategic report.

**Financial risk management objectives and policies**

The immediate parent company, Eldon Insurance Services Limited ("Eldon"), uses financial instruments such as cash, loans, debtors and creditors in order to raise finance for the Company's operations. The existence of these instruments exposes the Company to financial risks which are detailed below.

***Liquidity / cash flow risk***

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash assets safely and profitably. The Group as a whole monitors cash flow using sophisticated forecasting techniques to ensure that all liabilities are met when due.

***Interest risk***

The Group monitors its banking facilities and compliance with related covenants as required. Group monies are also monitored to minimise interest charges on overdrafts and to ensure cash balances are used to offset overdrafts.

***Credit risk***

The principal credit risk for the Company arises from its trade debtors. In order to manage credit risk the directors have incorporated a range of credit control procedures to monitor debt levels and to ensure that any debts are collected as soon as reasonably possible.

**Statement of directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

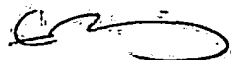
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") (United Kingdom Accounting Standards and applicable 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 apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards 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 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.

This report was approved by the Board and signed on its behalf by:



**E Bilney**  
Director

Date: 30.09.2019.

**Business Choice Direct Insurance Services Limited**  
**Independent auditor's report to the members of Business Choice Direct Insurance Services Limited**  
**For the year ended 31 December 2018**

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We have audited the financial statements of E-Development (2) Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 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 31 December 2018 and of the company's 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 matter**

The comparative period figures for the period ended 31 December 2017 are unaudited.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the 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, 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.

**Business Choice Direct Insurance Services Limited**

**Independent auditor's report to the members of Business Choice Direct Insurance Services Limited**  
**For the year ended 31 December 2018**

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**Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

**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 or the Directors' report.

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 by the parent company, 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

**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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Business Choice Direct Insurance Services Limited**

**Independent auditor's report to the members of Business Choice Direct Insurance Services Limited**  
**For the year ended 31 December 2018**

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**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.



**David Roberts (Senior statutory auditor)**  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom

Date 30 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127):



**Business Choice Direct Insurance Services Limited**  
**Statement of comprehensive income**  
For the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	2	6,014	5,890
Administrative expenses		(5,079)	(4,965)
<b>Operating profit</b>	3	<b>935</b>	<b>925</b>
Interest payable	5	(61)	(49)
<b>Profit on ordinary activities before tax</b>		<b>874</b>	<b>876</b>
Tax on profit on ordinary activities	6	(255)	(188)
<b>Profit for the financial period, being total comprehensive income</b>		<b>619</b>	<b>688</b>

The notes on pages 9 to 13 are an integral part of these financial statements.

**Business Choice Direct Insurance Services Limited**  
**Statement of financial position**  
As at 31 December 2018

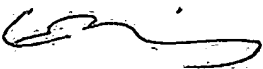
	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	7	750	1,039
<b>Current assets</b>			
Debtors	8	608	448
Cash at bank		47	12
		<u>655</u>	<u>460</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(710)	(423)
<b>Net current assets</b>		<u>(55)</u>	<u>37</u>
<b>Net assets</b>		<u>695</u>	<u>1,076</u>
<b>Capital and reserves</b>			
Share capital	10	-	-
Preference shares		500	500
Profit and loss account		195	576
<b>Shareholders' funds</b>		<u>695</u>	<u>1,076</u>

The notes on pages 9 to 13 are an integral part of these financial statements.

These financial statements are prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the presentation of accounts.

The financial statements were approved by the board of directors and were signed on its behalf by:



**E Bilney**

Director

Date: 30.09.19.

Company registration number: 10301653

**Business Choice Direct Insurance Services Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2018

	Share capital £'000	Profit & loss account £'000	Total equity £'000
<b>As at 31 December 2017</b>	<b>500</b>	<b>576</b>	<b>1,076</b>
<b>Comprehensive income for the period</b>			
Profit for the period		619	619
Other comprehensive income for the period			
<b>Total comprehensive income</b>	<b>500</b>	<b>619</b>	<b>619</b>
<b>Contributions by and distributions to owners</b>		<b>(1,000)</b>	<b>(1,000)</b>
<b>As at 31 December 2018</b>	<b>500</b>	<b>195</b>	<b>695</b>

	Share capital £'000	Profit & loss account £'000	Total equity £'000
<b>At 28 July 2016</b>			
<b>Comprehensive income for the period</b>			
Profit for the period		688	688
Other comprehensive income for the period			
<b>Total comprehensive income</b>		<b>688</b>	<b>688</b>
<b>Contributions by and distributions to owners</b>	<b>500</b>	<b>(112)</b>	<b>388</b>
<b>As at 31 December 2017</b>	<b>500</b>	<b>576</b>	<b>1,076</b>

The notes on pages 9 to 13 are an integral part of these financial statements.

**1. Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of the Financial Reporting Standard 102 ("FRS 102 1A"), the Financial Reporting Standard applicable to smaller entities in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

**1.2 Going concern basis**

The directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the going concern basis is used in preparing the financial statements.

**1.3 Critical accounting estimates and judgements in applying accounting policies**

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; the directors do not consider there to be significant level of uncertainty in any estimate used in preparing these accounts.

There are no estimates and judgements that have a significant risk of causing material misstatement of the reported amounts of assets and liabilities or revenues and expenses.

**1.4 Summary of disclosure exemptions**

The Company has taken advantage of the reduced disclosures for subsidiary entities provided by FRS 102 and has therefore not provided a Statement of cash flows. The Company has also taken advantage of the exemption from disclosing key management personnel compensation.

**1.5 Income recognition**

Turnover arises in the UK and mainly comprises insurance broking income. Income is recognised by the Company in respect of insurance broking services supplied, exclusive of value added tax, insurance premium tax and trade discounts, based on the effective commencement or renewal date of the policy.

**1.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided on a straight line basis at rates calculated to expense the cost of each asset, less their estimated residual value, over the directors' estimate of their useful lives on the following basis:

- Business information and records	3 years
- Goodwill	10 years

**1.7 Financial instruments**

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the transaction is measured at the present value of the future receipts discounted at at market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets that are measured at cost and amortised cost are assessed for objective evidence of impairment. If evidence is found, an impairment loss is recognised in the income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount the the Company would receive for the asset if it were to be sold at the reporting date.

## **1.7 Financial instruments (continued)**

Financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction; therefore the liability is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expires.

Financial asset and liabilities are offset and the net amount reported in the Statement of financial position where 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.

## **1.8 Taxation**

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise. The current income tax charge is calculated on the basis of the tax rates enacted or substantially enacted at the reporting date.

## **1.9 Creditors**

Short term creditors are measured at the transaction price.

## **1.10 Shares**

Ordinary shares and non-redeemable preference shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **1.11 Dividends**

Equity dividends are recognised when they become legally payable.

## **2. Turnover**

All income arises in the UK from insurance broking activities.

## **3. Operating profit**

Operating profit is stated after charging:

	2018 £'000	2017 £'000
Amortisation of intangible assets (see note 7)	289	221
Operating lease rentals	70	76

## **4. Staff costs**

	2018 £'000	2017 £'000
Wages and salaries	2,619	2,489
Social security costs	215	235
Other pension costs	24	16
	<b>2,858</b>	<b>2,740</b>

The average number of employees for the reporting period was 90 (2017: 69).

**Business Choice Direct Insurance Services Limited**  
**Notes to the unaudited financial statements (continued)**  
For the period ended 31 December 2018

**5. Interest and similar items**

	2018 £'000	2017 £'000
Interest expense	(37)	(21)
Interest income	1	1
Interest payable on preference shares (see note 13)	(25)	(29)
	<u>(61)</u>	<u>(49)</u>

**6. Taxation**

	2018 £'000	2017 £'000
<b>Current tax</b>		
- UK corporation tax on profit on ordinary activities	255	188

The tax charge on the profit for the period is higher than would arise using the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2018 £'000	2017 £'000
<b>Factors affecting the tax charge for the period::</b>		
Profit before tax	874	876
Profit before tax multiplied by the UK corporation tax rate of 19% (2017: 19.5%)	166	171
<b>Effects of:</b>		
- Expenses not deductible for tax purposes	89	17
- Adjustments in respect of prior periods		
	<u>255</u>	<u>188</u>

**7. Intangible fixed assets**

	Goodwill £'000	Business information and records £'000	Total £'000
<b>Cost</b>			
At 31 December 2017	560	700	1,260
Additions			
At 31 December 2018	<u>560</u>	<u>700</u>	<u>1,260</u>
<b>Depreciation</b>			
At 31 December 2017	65	156	221
Charge for the period (see note 3)	56	233	289
At 31 December 2018	<u>121</u>	<u>389</u>	<u>510</u>
<b>Net book value</b>			
At 31 December 2017	495	544	1,039
At 31 December 2018	<u>439</u>	<u>311</u>	<u>750</u>

Goodwill was purchased from Eldon on 1 November 2016, and business information and records were purchased from Eldon on 24 May 2017.

**Business Choice Direct Insurance Services Limited**  
**Notes to the unaudited financial statements (continued)**  
For the period ended 31 December 2018

**8. Debtors**

	2018 £'000	2017 £'000
Amounts owed from related parties (see note 13)	416	249
Prepayments and accrued income	192	199
	<u>608</u>	<u>448</u>

Amounts owed from related parties are unsecured, interest free and repayable on demand.

**9. Creditors**

	2018 £'000	2017 £'000
Amounts falling due within one year		
Trade creditors	15	15
Amounts owed to related parties (see note 13)	266	34
Accruals and deferred income	219	186
Current tax	210	188
	<u>710</u>	<u>423</u>

Amounts owed to related parties are unsecured, repayable on demand and interest bearing at 5%.

**10. Share capital**

	2018 £'000	2017 £'000
Allotted, called up and unpaid		
100 ordinary share of £1 each		
	<u></u>	<u></u>

**11. Financial instruments**

	2018 £'000	2017 £'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	463	261
	<u></u>	<u></u>
<b>Financial liabilities</b>		
Liabilities measured at amortised cost	281	49
	<u></u>	<u></u>

**Business Choice Direct Insurance Services Limited**  
**Notes to the unaudited financial statements (continued)**  
For the period ended 31 December 2018

## 12. Related party transactions

[illegible]

In addition, included within equity are £500,000 of non-redeemable preference shares held by Eldon which are interest bearing at 5%.

### 13. Ultimate parent undertaking and controlling party

The immediate parent company is Eldon Insurance Services Limited (incorporated in England and Wales). The ultimate parent undertaking for which group accounts have been prepared is ICS Risk Solutions Limited (incorporated in the Isle of Man). The registered address of ICS Risk Solutions Limited is 18 Athol Street, Douglas, Isle of Man, IM1 1JA.

The ultimate controlling party of ICS Risk Solutions Limited is A Banks by virtue of his majority shareholding.