

Business Choice Direct Insurance Services Limited

Report and unaudited Financial Statements

For the 17 months ended 31 December 2017

Company Registration No. 10301653



Business Choice Direct Insurance Services Limited
Report and unaudited financial statements
For the period ended 31 December 2017

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 unaudited financial statements
For the period ended 31 December 2017

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Business Choice Direct Insurance Services Limited
Directors' report
For the period ended 31 December 2017

The directors present this report and the unaudited financial statements for the 17 months from incorporation to 31 December 2017 ("the period").

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 £688,000. Dividends of £112,000 were paid in the period and dividends of £443,000 were declared after the period 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	(appointed 28 July 2016)
D N Box	(appointed 28 July 2016)
S Eyles	(appointed 28 July 2016)
A Marshall	(appointed 28 July 2016)

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 Group 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 debtors as part of its premium cash handling operations. 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 reasonable 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:

S Eyles
Director
Date:


19 April 2018

Business Choice Direct Insurance Services Limited
Statement of comprehensive income
For the period ended 31 December 2017

	Note	2017 £'000
Turnover	2	5,890
Administrative expenses		(4,965)
Operating profit	3	925
Interest payable	5	(49)
Profit on ordinary activities before tax		876
Tax on profit on ordinary activities	6	(188)
Profit for the financial period, being total comprehensive income		688

The notes on pages 6 to 10 are an integral part of these financial statements.

Business Choice Direct Insurance Services Limited
Statement of financial position
As at 31 December 2017

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

The notes on pages 6 to 10 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.


For the period ended 31 December 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.

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:

S Eyles
Director
Date:

 19 April 2018

Company registration number: 10301653

Business Choice Direct Insurance Services Limited
Statement of changes in equity
For the period ended 31 December 2017

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

The notes on pages 6 to 10 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:

	2017 £'000
Amortisation of intangible assets (see note 7)	221
Operating lease rentals	76
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4. Staff costs

	2017 £'000
Wages and salaries	2,489
Social security costs	235
Other pension costs	16
	<hr/>
	2,740
	<hr/>

The average number of employees for the reporting period was 69.

5. Interest and similar items

	2017 £'000
Interest expense	(21)
Interest income	1
Interest payable on preference shares (see note 13)	(29)
	(49)

6. Taxation

	2017 £'000
Current tax	
- UK corporation tax on profit on ordinary activities	188

The tax charge on the profit for the period is lower than would arise using the standard rate of corporation tax in the UK of 19.5%. The differences are explained below:

	2017 £'000
Factors affecting the tax charge for the period:	
Profit before tax	876
Profit before tax multiplied by the UK corporation tax rate of 19.5%	171
Effects of:	
- Expenses not deductible for tax purposes	17
	188

7. Intangible fixed assets

	Goodwill £'000	Business information and records £'000	Total £'000
Cost			
At 28 July 2016	-	-	-
Additions	560	700	1,260
	560	700	1,260
At 31 December 2017	560	700	1,260
Depreciation			
At 28 July 2016	-	-	-
Charge for the period (see note 3)	65	156	221
	65	156	221
At 31 December 2017	65	156	221
Net book value			
At 31 December 2017	495	544	1,039

Goodwill was purchased from Eldon on 1 November 2016, and business information and records were purchased from Eldon on 24 May 2017 (see note 13).

Business Choice Direct Insurance Services Limited
Notes to the unaudited financial statements (continued)
For the period ended 31 December 2017

8. Debtors

	2017 £'000
Amounts owed to related parties (see note 13)	249
Prepayments and accrued income	199
	<hr/> 448 <hr/>

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

9. Creditors

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

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

10. Share capital

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

11. Financial instruments

	2017 £'000
Financial assets	
Financial assets measured at amortised cost	<hr/> 261 <hr/>
Financial liabilities	
Liabilities measured at amortised cost	<hr/> 49 <hr/>

12. Events after the reporting period

A dividend of £443,000, representing a dividend of £4,430 per share, was declared and paid in April 2018.

13. Related party transactions

	2017 Income £'000	2017 Expense £'000
Transactions with related parties		
<u>Group companies</u>		
Eldon Insurance Services Limited	-	(1,310)
<u>Companies sharing key management</u>		
Rock Services Limited	-	(4,583)
	<hr/>	<hr/>
	-	(4,583)

Included within expenses incurred from Eldon are the purchase of intangible assets of £1,260,000 (see note 7).

	2017 Receivable £'000	2017 Payable £'000	2017 Net £'000
Year end balances arising from transactions with related parties			
<u>Group companies</u>			
Eldon Insurance Services Limited	-	(34)	(34)
<u>Companies sharing key management</u>			
Rock Services Limited	249	-	249
	<hr/>	<hr/>	<hr/>
	249	-	249

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

14. 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.