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**NETWORK PROTECT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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COMPANIES HOUSE

**REGISTERED NUMBER: 108971C (Isle of Man)**

**NETWORK PROTECT LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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**NETWORK PROTECT LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**DIRECTORS:**

J Deakin  
A Erotocritou  
I Laws  
D Edmands

**REGISTERED OFFICE:**

First Floor  
Millennium House  
Victoria Road  
Douglas  
Isle of Man  
IM2 4RW

**REGISTERED NUMBER:**

108971C (Isle of Man)

**AUDITORS:**

Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

## NETWORK PROTECT LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018 for Network Protect Limited ("the Company"). The strategic report provides a review of the business for the financial period and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial period, the position at the end of the period and discusses the main trends and factors that could affect the future. The Company is part of the Ardonagh Group Limited ("the Group").

#### REVIEW OF BUSINESS

The principal activity of the Company is the provision of independent advice on medical insurance policies for companies and individuals.

The results for the Company show revenue of £443k (14 months ended 31 December 2017: £670k) and profit before tax of £18k (14 months ended 31 December 2017: £23k) for the year ended 31 December 2018. At 31 December 2018 the Company had net assets of £536k (31 December 2017: £522k). The going concern note (part of accounting policies) on page 11 sets out the reasons why the directors continue to believe that the preparation of the financial statements on the going concern basis is appropriate.

#### FUTURE DEVELOPMENTS

The Company continues to emphasise the fundamental importance of putting customers first. The Company has developed policies and processes with the aim of treating every customer fairly and consistently. This includes endeavoring to provide them with the best products, advice and service, which can build loyalty and advocacy, which in turn will strengthen reputation and support profits. Serving customers well involves dealing with complaints promptly and effectively, having high standards around underwriting and pricing, and taking a customer-focused approach to sales and marketing. The development of a strong customer base assists in developing income growth which is another objective of the business. The Company aims to both increase retention rates and attract new customers through placing fundamental importance on putting customers first.

#### KEY PERFORMANCE INDICATORS

The Company's key financial performance indicator during the period was as follows:

	Unit	Year ended 31 December 2018	14 months to 31 December 2017
Revenue	£k	443	670
Gross profit	£k	21	30
Gross profit margin	%	4.8%	4.4%

The gross profit margin has increased from 4.4% to 4.8% in the year ended 31 December 2018. The Company continues to target a gross profit margin of 5.0%.

#### PRINCIPAL RISKS AND UNCERTAINTIES

##### Risk management

The Company has processes in place for the identification, mitigation and management of risk. A wide-ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Board meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Board.

The principal risks and their mitigation are as follows:

##### Strategic and commercial risk

There are risks of changes to the competitive and economic environment. This is mitigated by a robust strategy and planning process, regular monitoring of economic and competitive environment and diversification of product lines and channels.

##### Financial risk

There is the risk of adverse impact on business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows and a focus on debt collection.

## NETWORK PROTECT LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### PRINCIPAL RISKS AND UNCERTAINTIES - continued

##### Operational risk

The Company's business depends on the ability of employees to process transactions using secure information systems. The capacity to service customers depends on storing, retrieving, processing and managing information. Interruption or loss of information processing capabilities through loss of stored data, the failure of computer equipment or software systems, a telecommunications failure or other disruption could have a material adverse effect on business, results of operations and financial condition. To mitigate these risks the Company has certain disaster recovery procedures in place and insurance to protect against such contingencies.

##### Regulatory and legal risk

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non-compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Group to reduce the risk of errors and non-compliance.

##### Underwriting capacity risk

The Company is an insurance intermediary and depends on insurance companies providing it with insurance underwriting capacity and products. The underwriting capacity of insurance companies depends on, among other things, their ability to procure reinsurance, over which the Company has no control. To retain underwriting capacity, the Company also needs to maintain satisfactory loss ratios for its insurance company partners.

##### General Data Protection Regulation

Our computer systems store information about our customers, some of which is sensitive personal data. Database privacy, identity theft and related computer and internet issues are matters of growing public concern and are subject to changes in rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or harm to our reputation. We have taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our database and to ensure that our processing of personal data complies with the relevant data protection regulations.

##### Volatility in premiums and insurance market cycle


The Company derives all of its revenue from commissions and fees for broking services. Its commissions are based on insurance premiums, which are cyclical in nature and may vary widely based on market conditions. A significant reduction in commissions, along with general volatility or declines in premiums, could have a material adverse effect on the results of operations and the Company's financial condition. This risk is mitigated to a certain extent by ensuring that the Company has a range of products underwritten by a number of insurers.

##### Future Impact of Brexit

As a business that operates in the United Kingdom (UK) the Company is affected by economic conditions in the UK and the associated possibility of decline in business and customer confidence. This risk has been exacerbated by the uncertainties surrounding the UK's decision to leave the European Union ("Brexit"). Our typical small to medium-sized business (SME) customers and individual consumers may be more vulnerable to any economic downturn than larger commercial customers, reducing or delaying insurance purchases or making premium payments.

The Brexit decision could lead to the UK leaving the single market for goods and services and the ability of businesses to passport between the UK and other EU states. The direct impact on the Company will not be significant because it doesn't currently conduct business outside the UK, although there may be some effects on the insurance markets into which we place business.

Approved by the Board and signed on its behalf by:



D Edmunds - Director

25 September 2019

## NETWORK PROTECT LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year-ended 31 December 2018.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Some requirements relating to the directors' report have been included in the strategic report. Where this has occurred, reference has been given in the directors' report to the appropriate section in the strategic report.

#### DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018 (14-month period ended 31 December 2017: £Nil).

#### DIRECTORS

The directors shown below have held office during the period from 1 January 2018 to the date of this report.

J Deakin

A Erotocritou

I Laws - appointed 23 August 2018

D Edmands - appointed 23 August 2018

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies can be found in the strategic report within the "Risk management" section on Page 2.

#### FUTURE DEVELOPMENTS

Details of future developments can be found in the strategic report on Page 2.

#### POLITICAL DONATIONS

The Company has not made any political donations during the period (14-month period ended 31 December 2017: £Nil).

#### GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development are described in Note 2. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a twelve month period commencing from the date of this report. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details of this assessment can be found in Note 2 to these financial statements.

#### DIRECTORS' LIABILITIES

All directors benefit from qualifying third-party indemnity provisions, subject to the conditions set out in the Companies Act 2006, in place during the financial period and at the date of this report.

#### DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### REAPPOINTMENT OF AUDITOR

At the Ardonagh Group Limited Board meeting last year KPMG LLP were reappointed as the Group's statutory auditors. During the year, a formal tender process took place, led by the Ardonagh Group Limited Audit Committee.

As a result of this tender process the Audit Committee recommended, and the Ardonagh Group Limited Board approved, the proposed appointment of Deloitte LLP as external auditors for the financial year ending 31 December 2018.

On behalf of the Board;



D Edmands - Director

25 September 2019

## NETWORK PROTECT LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK PROTECT LIMITED**

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### **Report on the audit of the financial statements.**

#### **Opinion**

In our opinion the financial statements of Network Protect Limited (the 'company'):  
give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;  
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and  
have been prepared in accordance with the requirements of the Isle of Man Companies Act 1931 to 2004.

We have audited the financial statements which comprise:

the statement of comprehensive income;  
the statement of financial position;  
the statement of changes in equity;  
the cash flow statement; and  
the related notes 1 to 11.

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).

#### **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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK PROTECT LIMITED**

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### **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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

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

Under the Isle of Man Companies Act 1931 to 2004 we are required to report in respect of the following matters if, in our opinion: proper books of account have not been kept by the company and that proper 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 books of account and returns; or we have not received all the information and explanations which to the best of our knowledge and belief, are necessary for the purpose of our audit; or certain disclosures of directors' loans and remuneration specified by law are not been complied with.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Section 15 of the Isle of Man Companies Act 1982. 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.

*M. R. Watson*

Marlin Watson ACA (Senior Statutory Auditor)  
Deloitte LLP  
Leeds, United Kingdom  
25 September 2019

# **NETWORK PROTECT LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

		For the year ended 31 December 2018	For the period 1 November 2016 to 31 December 2017
		£	£
<b>Continuing operations</b>	<b>Note</b>		
Revenue	3	443,450	669,863
Cost of sales		(421,964)	(640,177)
<b>Gross profit</b>		<b>21,486</b>	<b>29,686</b>
Administrative expenses		(3,606)	(6,374)
<b>Operating profit and profit before tax</b>	<b>5</b>	<b>17,880</b>	<b>23,312</b>
Tax charge	6	(3,306)	-
<b>Profit for the financial period</b>		<b>14,574</b>	<b>23,312</b>

There were no items of other comprehensive income in the current year or prior period.

The notes on pages 11 to 14 form an integral part of these financial statements.

# NETWORK PROTECT LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	As at 31 December 2018 £	As at 31 December 2017 £
<b>Current assets</b>			
Debtors	7	483,878	489,388
Cash at bank and in hand		70,783	34,393
		<u>554,661</u>	<u>523,781</u>
<b>Creditors</b>			
Amounts falling due within one year	8	(18,306)	(2,000)
<b>Net current assets</b>		<u>536,355</u>	<u>521,781</u>
<b>Net assets</b>		<u>536,355</u>	<u>521,781</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Retained earnings		536,353	521,779
<b>Shareholders' funds</b>		<u>536,355</u>	<u>521,781</u>

The notes on pages 11 to 14 form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements of Network Protect Limited (Registered number 108971C) were approved by the board of directors and authorised for issue on 26 September 2019. They were signed on its behalf by:



D Edmonds - Director

# **NETWORK PROTECT LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 November 2016</b>	<b>2</b>	<b>498,467</b>	<b>498,469</b>
<b>2017 changes in equity</b>			
Profit for the period	-	23,312	23,312
<b>Balance at 31 December 2017</b>	<b>2</b>	<b>521,779</b>	<b>521,781</b>
<b>2018 changes in equity</b>			
Profit for the period	-	14,574	14,574
<b>Balance at 31 December 2018</b>	<b>2</b>	<b>536,353</b>	<b>536,355</b>

The notes on pages 11 to 14 form an integral part of these financial statements.

## NETWORK PROTECT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. STATUTORY INFORMATION

Network Protect Limited is a company, limited by shares, registered in the Isle of Man. The company's registered number is 108971C and the company's registered office address is Balllargey, Ammal Road, Abbeylands, Isle of Man, IM4 6EE.

#### 2. ACCOUNTING POLICIES

##### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Under FRS 102 the Company meets the definition of a qualifying entity and as such has taken advantage of the exemption from producing a cash flow statement and the reporting of financial instruments.

The functional currency of Network Protect Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The comparative financial statements have been prepared for a 14-month period to 31 December 2017, which is in line with the Ardonagh Group Limited's accounting reference date. As such the comparative amounts presented in the financial statements, including the related notes, are not entirely comparable.

##### Going concern

The financial statements of the Company have been prepared on a going concern basis. The Company made a profit after tax of £14,574 for the year ended 31 December 2018 (14-month period to 31 December 2017 £23,312 profit after tax). At 31 December 2018 the Company had net assets of £536k (31 December 2017: £522k net assets). The current assets include amounts due from related parties of £484k as at 31 December 2018 (31 December 2017: £489k).

The Directors believe the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. In reaching their view on the preparation of the Company's financial statements on a going concern basis, the directors have considered the going concern position of the Company and its ability to meet its obligations as and when they fall due. Following their assessment of the Company's financial position and ability to continue to meet its obligations as and when they fall due, the directors have a reasonable expectation that the Company will be able to continue to operate for at least the next twelve months. Therefore, the financial statements have been prepared on a going concern basis.

##### Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

##### Revenue

Revenue comprises commission receivable by the Company in respect of services completed, exclusive of value added tax and trade discounts.

##### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

##### Tax

Tax for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred tax assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

## NETWORK PROTECT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. ACCOUNTING POLICIES - Continued

##### **Deferred tax**

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax for the period is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

##### **Financial instruments**

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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

Basic financial liabilities are initially measured at transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Critical accounting judgements and key sources of estimation and uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period.

##### **Critical accounting judgements**

Management have not made any critical accounting judgements.

##### **Key sources of estimation and uncertainty**

**Impairment of assets** - The Company tests annually whether investments and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whether events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is determined based on the higher of fair market value less cost to sell and a value in use calculation prepared on the basis of management's assumptions and estimates. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow. More specific assumptions vary between cash generating units but include the gross commission rate, new net business, expense ratio, discount rate and terminal growth rate.

## NETWORK PROTECT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3. REVENUE

The whole of the revenue is attributable to the broking of medical insurance policies for companies and individuals for which commission is received and recognised upon inception of such policies.

All revenue arose within the United Kingdom.

#### 4. EMPLOYEES AND DIRECTORS

During the year the average number of employees was nil (14-month period ended 31 December 2017: 2).

The Directors received no remuneration from the company during the year (14-month period ended 31 December 2017: £nil) and are remunerated by another company in the Ardonagh Group Limited.

#### 5. OPERATING PROFIT

The operating profit for the year ended 31 December 2018 was £17,880 (14-month period ended 31 December 2017: £23,312 profit).

#### 6. TAX

##### Analysis of the tax charge

	For the year ended 31 December 2018 £	For the period 1 November 2016 to 31 December 2017 £
Current tax		
UK corporation tax	-	991,897
Group Relief Payable	3,306	2,509
<b>Total current tax</b>	<b>3,306</b>	<b>994,406</b>

##### Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	For the year ended 31 December 2018 £	For the period 1 November 2016 to 31 December 2017 £
<b>Profit before tax</b>	<b>17,880</b>	<b>23,312</b>
Tax calculated at UK corporation tax rate of 19% (2017: 19.35%)	3,397	4,511
Tax losses surrendered for no payment	(91)	82
Income not taxable for tax purposes	-	(4,603)
<b>Total tax charge</b>	<b>3,306</b>	<b>-</b>

The standard rate of tax applied to reported profit is 19% (14 months ended 31 December 2017: 19.35%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2019.

# **NETWORK PROTECT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **7. DEBTORS: AMOUNTS FALLING DUE WITHIN 1 YEAR**

	As at 31 December 2018 £	As at 31 December 2017 £
Amounts owed by Group undertakings	483,878	489,388
	<u>483,878</u>	<u>489,388</u>

*Amounts owed by group undertakings are repayable on demand and not interest bearing.*

### **8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	As at 31 December 2018 £	As at 31 December 2017 £
Other creditors	15,000	2,000
Corporation tax	3,306	-
	<u>18,306</u>	<u>2,000</u>

### **9. CALLED UP SHARE CAPITAL**

	As at 31 December 2018 £	As at 31 December 2017 £
2 ordinary shares: £1 nominal value	<u>2</u>	<u>2</u>

### **10. ULTIMATE CONTROLLING PARTY**

The company's immediate parent company is Towergate Insurance Broking Holdings Limited, a company incorporated in England. The Company's ultimate parent company is The Ardonagh Group Limited a company incorporated in Jersey, registered office address 47 Esplanade, St Helier, Jersey, JE1 0BD. The Ardonagh Group Limited is the largest group into which the results are consolidated, and its financial statements are available upon request from Towergate House, Eclipse Park, Sittingbourne Road, Maidstone, Kent ME14 3EN.

### **11. SUBSEQUENT EVENTS**

In the opinion of the Directors, there are no significant events subsequent to the year-end that are deemed necessary to be adjusted or disclosed in the financial statements.