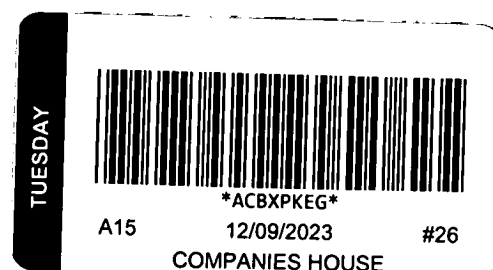


EC INSURANCE SERVICES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Company Number: 01534505



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EC INSURANCE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS AND OFFICERS

S.J. Bratt (Non-Executive Director)

M.J. Burnley (Non-Executive Director retired 31 December 2022)

G.M. Fearn (Chair)

H.D. Wright (Managing Director)

T.D. Foreman (Non-Executive Director)

COMPANY SECRETARY

T.D. Foreman

AUDITORS

Azets Audit Services

2nd Floor, Regis House

45 King William Street

London

EC4R 9AN

BANKERS

Natwest Group

REGISTERED ADDRESS

ECA Court

24-26 South Park

Sevenoaks

Kent

TN13 1DU

COMPANY NUMBER

01534505

EC INSURANCE SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic Report for EC Insurance Services Limited ("ECIS") for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The company is an Insurance Broker authorised and regulated by the Financial Conduct Authority. Acting on clients' behalf, ECIS negotiates and places insurance products with a range of insurers.

In particular, ECIS provides Employee Benefits covers to Employer members of the Joint Industry Board (JIB) and the Electrical Contractors' Association (ECA). The core products are Private Medical Insurance, Sick Pay Insurance, Personal Accident, Health Assessments and Life Assurance. ECIS earns commission on some of these sales.

The strategy has not changed significantly during the year, nor are there plans to alter this in the near future.

BUSINESS PERFORMANCE

The Board and management use a number of measures to monitor and manage the financial aspects of the business. The key financial performance indicators to assess the performance of the Company are:

	2022	2021
	£	£
Income	2,909,123	3,711,005
Administrative Expenses	(1,210,183)	(1,180,003)
Profit Before Tax	1,698,940	2,531,002

Given the effects of the war in Ukraine and the associated uncertain economic impacts, the business has performed well, achieving a result above budget expectations.

FINANCIAL POSITION

The Company's net assets at the year-end are £2,515,728 (2021: £3,150,019). Dividends paid were: 2022: £2,010,000 (2021: £1,500,000).

The Company had cash at bank of £5,782,555 (2021: £6,772,390) of which £2,112,154 (2021: £1,384,625) was client money.

EC INSURANCE SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

Management continuously monitor the key risks facing the Company together with assessing the controls in place to mitigate these risks. The Audit and Risk Committee meets regularly during the year and risks and controls are reviewed and challenged in these meetings.

The principal risks and uncertainties and the way that these are managed are set out in Note 2 of the Notes to the Accounts.

DIRECTORS' NOTE ON THE WAR IN UKRAINE

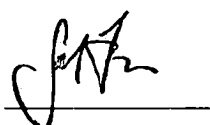
The Russian invasion of Ukraine in February 2022 and continuing war is a humanitarian catastrophe and a major geo-political concern. ECIS has no Russian or Ukrainian exposures, but the indirect impacts, particularly on inflation, continue to affect the company, its customers, and other stakeholders. The situation will continue to be kept under review as events develop.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ECIS have policies and training in place to ensure high standards in relation to environmental, social and governance issues. ECIS have implemented a flexible working policy to reduce unnecessary travel and encourage the use of remote meetings where practical. ECIS will continue to monitor performance against the latest guidance and will keep procedures and policies under review.

APPROVAL

This report was signed on behalf of the Board and authorised for issue

A handwritten signature in black ink, appearing to be 'G M Fearn', written over a horizontal line.

G M Fearn
Chair
19 April 2023

EC INSURANCE SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Report and the Financial Statements for the year ended 31 December 2022.

DIRECTORS

The Directors set out below have held office during the whole of the period from 1 January 2022 to the date of this report unless otherwise stated:

S.J. Bratt (Non-Executive Director)

M.J. Burnley (Non-Executive Director retired 31 December 2022)

G.M. Fearn (Chair)

H.D. Wright (Managing Director)

T.D. Foreman (Non-Executive Director)

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is to provide insurance mediation services principally to the Construction sector. Further information can be found in the Strategic Report.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

FINANCIAL INSTRUMENTS

The Company does not have any loans or foreign currency exposure, nor does the Company use financial derivatives.

EC INSURANCE SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

FUTURE DEVELOPMENTS

ECIS considers that 2023 will continue to present challenging trading conditions, but management believe that the business is resilient and capable of managing these risks. The company is not planning any material change to the business model and is again budgeting to deliver a modest surplus in the coming year.

DIVIDENDS

A dividend of £2,010,000 was paid in 2022: (2021: £1,500,000).

DIRECTORS' INDEMNITY

The Company's Articles of Association permit, subject to the provisions of UK legislation, an indemnity to directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate Directors' and Officers' liability insurance is in place in respect of all the Company's directors.

EMPLOYEE INVOLVEMENT

Regular staff briefings are held between senior management and all employees to discuss matters of concern. Employees are kept informed about the progress and position of the Company by means of these briefings as well as regular email bulletins and the company intranet.

STATUS OF THE COMPANY

The Company is a limited liability company under the meaning of the Companies Act 2006 and is incorporated in the United Kingdom.

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report.

EC INSURANCE SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

DISCLOSURE OF INFORMATION TO AUDITORS

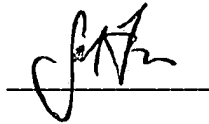
Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware, as a director, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the auditors are unaware.

AUDITORS

Azets Audit Services were appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

APPROVAL

This report was signed on behalf of the Board and authorised for issue

A handwritten signature in black ink, appearing to be 'G M Fearn', is written over a horizontal line.

G M Fearn
Chair
ECA Court
24-26 South Park
Sevenoaks
TN13 1DU
19 April 2023

Company Number: 01534505

EC INSURANCE SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors, 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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and the 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 the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EC INSURANCE SERVICES LIMITED

Opinion

We have audited the financial statements of EC Insurance Services Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

EC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EC INSURANCE SERVICES LIMITED

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 report of the directors. 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, 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.

EC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EC INSURANCE SERVICES LIMITED

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 7, 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 the financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

EC INSURANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EC INSURANCE SERVICES LIMITED

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of the audit 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.

Azets Audit Services

.....
Daniel Graves (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants and Statutory Auditor

Date: **19 April 2023**

2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

EC INSURANCE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Turnover	1b	2,881,074	3,711,005
Administrative expenses		(1,210,183)	(1,180,003)
Operating profit before investment income		1,670,891	2,531,002
Investment income	3	28,049	-
Profit on ordinary activities before taxation		1,698,940	2,531,002
Taxation charge on ordinary activities	4	(323,231)	(465,216)
Profit for the financial year		1,375,709	2,065,786
Other Comprehensive Income		-	-
Total Comprehensive Profit		1,375,709	2,065,786

All income relates to continuing operations.

The accompanying notes on pages 15 to 24 form an integral part of these financial statements.

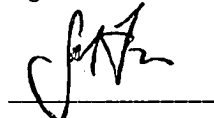
EC INSURANCE SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed Assets			
Tangible assets	6	4,873	7,798
Intangible assets	7	26,940	47,680
		31,813	55,478
Current Assets			
Debtors	8	383,357	1,114,772
Cash at bank and in hand	9	5,782,555	6,772,390
		6,165,912	7,887,162
Creditors			
Amounts falling due within one year	10	(3,681,997)	(4,792,621)
Net Current Assets		2,483,915	3,094,541
Net Assets		2,515,728	3,150,019
Capital and Reserves			
Called up share capital	11	100,000	100,000
Profit and Loss Account		2,415,728	3,050,019
		2,515,728	3,150,019

The accompanying notes on pages 15 to 24 form an integral part of these financial statements.

Signed on behalf of the Board and authorised for issue



G M Fearn
Chair
19 April 2023

EC INSURANCE SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2022**

2022			
	<u>Share Capital</u>	<u>Profit and Loss Account</u>	<u>Total</u>
	£	£	£
As at 1 January	100,000	3,050,019	3,150,019
Dividends Paid	-	(2,010,000)	(2,010,000)
Profit for the Year	-	1,375,709	1,375,709
As at 31 December	<u>100,000</u>	<u>2,415,728</u>	<u>2,515,728</u>

2021			
	<u>Share Capital</u>	<u>Profit and Loss Account</u>	<u>Total</u>
	£	£	£
As at 1 January	100,000	2,484,233	2,584,233
Dividends Paid	-	(1,500,000)	(1,500,000)
Profit for the Year	-	2,065,786	2,065,786
As at 31 December	<u>100,000</u>	<u>3,050,019</u>	<u>3,150,019</u>

Share Capital: Share Capital relates to the nominal value of shares issued.

Profit and Loss Account: Profit and Loss account relates to accumulated profits and losses of the Company less the dividends paid to shareholders.

The accompanying notes on pages 15 to 24 form an integral part of these financial statements.

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting Policies

a) Basis of Preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

In preparing the financial statements, the company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 Related Party Disclosures,
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 Statement of Financial Position, and
- from presenting a statement of cash flows, as required by Section 7 Statement of Cash Flows.

EC Insurance Services Limited is a wholly owned subsidiary of EC Insurance Holdings Limited. The ultimate parent undertaking of EC Insurance Holdings Limited is the Electrical Contractors' Association. The Electrical Contractors' Association financial statements for the year ended 31 December 2022 will contain a consolidated statement of cash flows. Consequently, the Company has taken advantage of the exemption available in FRS 102 'Cash Flow Statements' and has not presented its own cash flow statement.

b) Turnover

Turnover represents insurance commission and profit share commission. Insurance commission is recognised when the right to commission arises. Profit share commission is accounted for when the right to consideration has been achieved and the amount due is capable of reliable measurement.

c) Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Fixtures and fittings are capitalised and depreciated straight line over three years.

d) Intangible assets and amortisation

Intangible assets are stated at cost less amortisation and amortised over the useful economic life of three years.

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

e) Deferred Tax

Full provision is made for deferred tax in respect of all timing differences that have originated but not reversed at the balance sheet date.

The Company has recognised deferred tax asset at 31 December 2022 of £48,184 (2021: £54,546).

f) Corporation Tax

Corporation tax is payable on taxable profits at the current rate applicable to the period.

g) Interest and Dividends

Interest, except short-term deposit interest, and dividends are recognised on a received basis. Short-term deposit interest is recognised on an accrued basis.

h) Cash at Bank

Included in deposits and cash are client money balances including amounts of realised commission to be withdrawn in accordance with the rules of the Financial Conduct Authority applicable to the company. An analysis of the component parts of the cash held in the bank accounts is provided in Note 9 to these financial statements.

i) Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognised prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key estimate and assumption that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is the valuation of accounts receivable, which is based on management's best estimate of the provision for doubtful accounts.

j) Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

2. Risk Review: Principal Risks and Uncertainties

The Company has a robust governance framework in place to manage risk. The Board has delegated more detailed oversight of risk management to the Audit and Risk Committee. This committee is chaired by a Non-Executive Director.

The Board approves the risk appetite with more detailed monitoring of exposures against the risk appetite being undertaken by the above Committee. In addition, the Board exercises oversight of the development and operational implementation of its risk management policies and procedures through the Committee.

The principal sources of risk relevant to the Company's operations and its financial statements are described below.

a) Credit Risk

The Company has exposure to credit risk, which is the risk that a counterparty will suffer a deterioration in solvency or be unable or unwilling to pay amounts in full when due.

Counterparty Risk with Banks: The Company structures the levels of credit risk accepted by placing limits on their exposure to a single counterparty, or groups of counterparties. Such risks are subject to an annual or more frequent review.

b) Operational Risk

The risk that a loss may occur as result of inadequate or failed internal processes, people and systems, or from external events. This risk is managed at executive level through an annual operational risk review and the business carries out further reviews at every Audit and Risk Committee and as part of the business planning process.

This involves identifying and logging operational risks, scoring their likelihood of occurrence and their impact, assessing the effectiveness of the controls in place together with the scope for further mitigation.

The Company recognises that the ability to continue operations in the event of a business interruption, whether from a major disaster or minor incident, is a fundamental factor in meeting the expectations of our customers and internal and external stakeholders. The Company has a formal disaster recovery plan which, in the event of an incident, will support alternative accommodation strategies. All IT systems are assessed for recovery time objectives and investment has been made into remote working technology providing access to corporate systems away from the office and ensuring that this technology is well used and familiar to staff. The approach is reviewed annually to reflect changes in the business and to ensure rigour is maintained within the process.

c) Regulatory Risk

The Company is required to comply with the requirements of the Financial Conduct Authority.

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Company devotes considerable resources to meet its regulatory obligations, including compliance and risk management.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

d) Conduct Risk

Conduct risk is the risk of financial and/or service detriment which adversely affects the customer due to failings in the customer value chain. The company's conduct objective is to build, maintain and enjoy long-term relationships with our customers whether it be directly or indirectly via a third party. This culture of partnership is fundamental to our dealings with customers, and comes regardless of the complexity of the risk, the sophistication of the buyer, or the length of the supply chain to the end customer.

The conduct objective is owned by the Board and cascaded throughout the organisation. It is central in achieving delivery of the six Consumer Outcomes (as set out by the FCA), which are at the heart of our business. The Board aims to embed a culture, from the top down, where the conduct risk arising from the execution of the business plan and strategy is appropriately monitored and managed to ensure good outcomes for all our customers. The framework is applied in a proportionate, risk-based way which takes account of the different inherent conduct risk across products, distribution and customer types. The employees take day to day ownership of conduct risk as they are the ones empowered to make decisions which commit the company to relationships with our customers and business partners. Conduct risk and our treatment of customers is managed and monitored by the Audit and Risk Committee, which reports to the Board quarterly.

e) Reputational Risk

Reputational risk is the risk that negative publicity regarding an institution's business practices will lead to a loss of revenue or litigation. In the modern digital era, reputational risk and the subsequent threat to our strong brand is becoming more significant. Loss of confidence from customers, regulators or capital providers could cause long-term harm to the business. All staff are made aware of their responsibilities to clients and other stakeholders.

3. Profit on ordinary activities before taxation

	2022 £	2021 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Statutory audit	25,800	29,742
Other Assurance Services	7,500	8,700
Depreciation	2,924	975
Amortisation	42,340	39,540

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Taxation

	2022	2021
	£	£
UK Corporation Tax	315,272	464,504
Payment for tax losses from other group companies	1,597	1,309
	<hr/>	<hr/>
Total current tax	316,869	465,813
Deferred taxation: fixed asset timing differences	6,362	(597)
	<hr/>	<hr/>
Tax charge on results on ordinary activities	323,231	465,216
	<hr/> <hr/>	<hr/> <hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2021: 19%). The differences are explained as follows:

Profit on ordinary activities before tax	1,698,940	2,531,002
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom at 19% (2021: 19%)	322,798	480,890
Expenses not deductible for tax purposes	135	62
Fixed asset timing difference	(1,231)	(2,644)
Deferred tax movement	-	-
Differences in tax rates	1,529	(13,092)
	<hr/>	<hr/>
Tax charge on results on ordinary activities	323,231	465,216
	<hr/> <hr/>	<hr/> <hr/>

5. Staff Costs

	2022	2021
	£	£
Salary Costs		
Wages and salaries (including directors' emoluments)	408,415	417,840
Social security costs	52,108	52,733
Pension costs:		
Defined contribution scheme	26,387	30,665
	<hr/>	<hr/>
	486,910	501,238
	<hr/> <hr/>	<hr/> <hr/>

EC INSURANCE SERVICES LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022****Employees**

The average number of employees on a full-time equivalent basis during the year was as follows:

	2022	2021
Office and management	5	5
	<u>5</u>	<u>5</u>

Directors' Remuneration	2022	2021
	£	£
Aggregate emoluments	250,672	235,828
Pension	11,250	9,422
	<u>261,922</u>	<u>245,250</u>
Highest paid director		
Aggregate Emoluments	<u>135,057</u>	<u>139,508</u>

Retirement benefits accrued to 1 director during the year (2021: 1)

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Tangible Assets

	Computer Equipment £	Total £
Cost		
At 1 January 2022	12,139	12,139
Additions	-	-
Disposal	-	-
	<hr/>	<hr/>
At 31 December 2022	12,139	12,139
	<hr/> <hr/>	<hr/> <hr/>
Accumulated depreciation	£	£
At 1 January 2022	4,341	4,341
Charge for the year	2,924	2,924
Elimination on disposal	-	-
	<hr/>	<hr/>
At 31 December 2022	7,266	7,266
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value at 31 December 2022	4,873	4,873
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value at 31 December 2021	7,798	7,798
	<hr/> <hr/>	<hr/> <hr/>

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Intangible Assets

	Software £	Total £
Cost		
At 1 January 2022	859,525	859,525
Additions	21,600	21,600
	<hr/>	<hr/>
At 31 December 2022	881,125	881,125
	<hr/> <hr/>	<hr/> <hr/>
	£	£
Accumulated amortisation		
At 1 January 2022	811,845	811,845
Charge for the year	42,340	42,430
	<hr/>	<hr/>
At 31 December 2022	854,185	854,185
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value at 31 December 2022	26,940	26,940
	<hr/> <hr/>	<hr/> <hr/>
Net Book Value at 31 December 2021	47,680	47,680
	<hr/> <hr/>	<hr/> <hr/>

8. Debtors

	2022 £	2021 £
Trade debtors	335,173	1,060,227
Deferred tax asset	48,184	54,545
	<hr/>	<hr/>
	383,357	1,114,772
	<hr/> <hr/>	<hr/> <hr/>

The deferred tax asset is recoverable in more than one year.

EC INSURANCE SERVICES LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022****9. Cash at Bank**

	2022	2021
	£	£
Money held on behalf of clients	2,112,155	1,384,625
Money held by the Company	3,670,400	5,387,765
	<u>5,782,555</u>	<u>6,772,390</u>

Of the amounts shown as money held on behalf of clients, £1,748,192 (2021: £930,684.35) was held in accordance with the FCA client money regulations.

10. Creditors

	2022	2021
	£	£
Trade creditors	3,337,597	4,275,091
Amount due to group undertakings	28,632	21,998
Corporation Tax	315,272	464,504
Other creditors	496	31,028
	<u>3,681,997</u>	<u>4,792,621</u>

11. Share Capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

The Ordinary shares are unrestricted and are eligible shares for the purpose of exercising voting rights.

12. Related Party Transactions

The Company has taken advantage of the exemption available under Financial Reporting Standard FRS 102, Section 33 from disclosing details of transactions with other group companies. Consolidated accounts in which the Company is included as a subsidiary are publicly available as stated in note 15.

EC INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

13. Dividends

	2022 £	2021 £
Dividends paid totalled £20.10 per share (2021: £15.00)	<u>2,010,000</u>	<u>1,500,000</u>

Declared dividends have all been paid during the financial year and no amounts remain outstanding at the balance sheet date.

The Ordinary shares are 100,000 shares at £1.

14. Subsidiary undertakings

The Company continues to own 100% of the ordinary £1 share capital of its subsidiaries Brandrisks Group Limited, Brandrisks Limited, Propertyrisks Limited and Sportsrisks Limited. All these companies are registered in England and Wales and are dormant.

The carrying value of these investments have been impaired to £nil.

15. Ultimate Holding Undertaking

The Company's parent undertaking is EC Insurance Holdings Limited, incorporated in England and Wales. The Company's ultimate parent is the Electrical Contractors' Association whose principal place of business is Rotherwick House, 3 Thomas More St, London E1W 1YZ and for which publicly available consolidated group accounts are prepared.