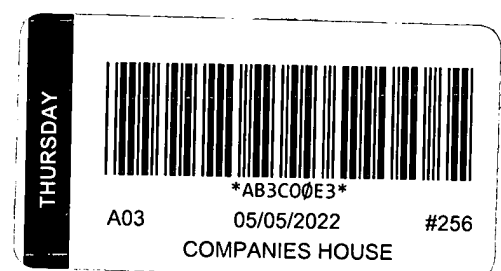


# **EC INSURANCE SERVICES LIMITED**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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)  
G.M. Fearn (Executive Chairman)  
H.D. Wright (Managing Director)  
T.D Foreman (Non-Executive Director appointed 28 April 2021)

#### **COMPANY SECRETARY**

T.D. Foreman

#### **AUDITORS**

Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

#### **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 2021**

The Directors present their Strategic Report for EC Insurance Services Limited ("ECIS") for the year ended 31 December 2021.

#### **PRINCIPAL ACTIVITIES**

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

In particular, ECIS provides Employees 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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Income	3,711,005	3,056,159
Administrative Expenses	(1,180,003)	(1,195,722)
Profit Before Tax	2,531,002	1,860,437

Given the effects of the global pandemic and associated uncertain economic environment, the business has performed well.

#### **FINANCIAL POSITION**

The Company's net assets at the year-end are £3,150,019 (2020: £2,584,233). Dividends paid were: 2021: £1,500,000 (2020: £2,000,000).

The Company had cash at bank of £6,772,390 (2020: £4,693,845) of which £1,384,625 (2020: £945,269) was client money.

## **EC INSURANCE SERVICES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS**

Management continually 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 is a humanitarian catastrophe and a major geopolitical concern. ECIS has no Russian or Ukrainian exposures; it is too soon to judge anything other than the short term impact on global markets, but this will be kept under review as the situation develops.

#### **DIRECTORS' NOTE ON CORONAVIRUS IMPACT**

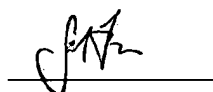
The continued development of the global pandemic during 2021 brought further unpredictability and risk for both ECIS and our customers. As in the previous year, ECIS' priority was the safety of its people and the continuation of our business. To this end we followed government guidance in respect of home working. Our systems and controls ensure that we can operate effectively and securely on this basis. We are also very much aware of the potential impacts on our people of these working practices and continue to support them with regular contact, counselling and group and team meetings.

As for our customers, we have supported them through initiatives such as the continued provision of premium holidays for furloughed employees and other modifications to policy terms.

We, therefore, believe that we have been able to maintain a seamless and high level of customer service, whilst continuing to meet our strategic objectives. The Board will continue to keep our operating model under close scrutiny as circumstances change.

#### **APPROVAL**

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



Garry Fearn  
Executive Chairman  
21 April 2022

## **EC INSURANCE SERVICES LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their Report and the Financial Statements for the year ended 31 December 2021.

#### **DIRECTORS**

The Directors set out below have held office during the whole period from 1 January 2021 to the date of this report unless otherwise stated:

S.J. Bratt (Non-Executive Director)

M.J. Burnley (Non-Executive Director)

G.M. Fearn (Executive Chairman)

H.D. Wright (Managing Director)

T.D. Foreman (Non-Executive Director appointed 28 April 2021)

#### **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 have other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations. The Company manages its cash requirements to maximise interest income and minimise bank charges whilst ensuring that it has sufficient liquid resources to meet the operating needs of its business.

The Company's principal risks and uncertainties together with its financial risk management objectives and policies as required have been disclosed in Note 2 to the financial statements.

## **EC INSURANCE SERVICES LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **FUTURE DEVELOPMENTS**

We consider that 2022 will continue to present challenging trading conditions, particularly given the continuing effects of the global pandemic and its impacts on our business and our customers. However, we continue to take action in various forms to mitigate these issues and, consequently, expect to achieve a modest surplus in the coming year.

#### **DIVIDENDS**

A dividend was paid in 2021: £1,500,000 (2020: £2,000,000).

#### **DIRECTORS' INDEMNITY**

The Company's Articles of Association permit, subject to the provisions of UK legislation, an indemnity for 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 cover 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, 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 2021**

**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.

**APPROVAL**

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

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

Garry Fearn  
Executive Chairman  
ECA Court  
24-26 South Park  
Sevenoaks  
TN13 1DU  
21 April 2022

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 2021 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 2021 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.

## **EC INSURANCE SERVICES LIMITED**

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

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

#### **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

## **EC INSURANCE SERVICES LIMITED**

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

- 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.

#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Financial Conduct Authority regulation and tax legislation.

## **EC INSURANCE SERVICES LIMITED**

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

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to profit commission, revenue recognition (which we pinpointed to cut-off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**EC INSURANCE SERVICES LIMITED**

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

**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.



Amanda Barker (Apr 21, 2022 14:46 GMT+1)

Amanda Barker (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House

St. Katharine's Way

London

E1W 1DD

21 April 2022

**EC INSURANCE SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Turnover	1b	<b>3,711,005</b>	3,055,728
Administrative expenses		<b>(1,180,003)</b>	(1,195,722)
		<u>          </u>	<u>          </u>
<b>Operating profit before investment income</b>		<b>2,531,002</b>	1,860,006
Investment income		-	431
		<u>          </u>	<u>          </u>
<b>Profit on ordinary activities before taxation</b>	3	<b>2,531,002</b>	1,860,437
Taxation charge on ordinary activities	4	<b>(465,216)</b>	(341,913)
		<u>          </u>	<u>          </u>
<b>Profit for the financial year</b>		<b>2,065,786</b>	1,518,524
		<u>          </u>	<u>          </u>
Other Comprehensive Income		-	-
		<u>          </u>	<u>          </u>
<b>Total Comprehensive Income</b>		<b>2,065,786</b>	1,518,524
		<u>          </u>	<u>          </u>

All income relates to continuing operations.

The accompanying notes on pages 16 to 25 form an integral part of these financial statements.

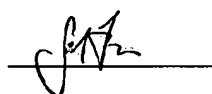
**EC INSURANCE SERVICES LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Fixed Assets</b>			
Tangible assets	6	<b>7,798</b>	-
Intangible assets	7	<b>47,680</b>	49,600
		<u><b>55,478</b></u>	<u>49,600</u>
<b>Current Assets</b>			
Debtors	8	<b>1,114,772</b>	<b>1,447,928</b>
Cash at bank	9	<b>6,772,390</b>	<b>4,693,845</b>
		<u><b>7,887,162</b></u>	<u><b>6,141,773</b></u>
<b>Creditors</b>			
Amounts falling due within one year	10	<b>(4,792,621)</b>	<b>(3,607,140)</b>
		<u><b>3,094,541</b></u>	<u>2,534,633</u>
<b>Net Current Assets</b>			
		<u><b>3,150,019</b></u>	<u><b>2,584,233</b></u>
<b>Net Assets</b>			
		<u><b>3,150,019</b></u>	<u><b>2,584,233</b></u>
<b>Capital and Reserves</b>			
Called up share capital	11	<b>100,000</b>	100,000
Profit and Loss Account		<b>3,050,019</b>	2,484,233
		<u><b>3,150,019</b></u>	<u><b>2,584,233</b></u>

The accompanying notes on pages 16 to 25 form an integral part of these financial statements.

Signed on behalf of the Board and authorised for issue



Garry Fearn  
Executive Chairman  
21 April 2022



**EC INSURANCE SERVICES LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2021**

<b>2021</b>			
	<b><u>Share Capital</u></b>	<b><u>Profit and Loss Account</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
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	<b>100,000</b>	<b>3,050,019</b>	<b>3,150,019</b>

<b>2020</b>			
	<b><u>Share Capital</u></b>	<b><u>Profit and Loss Account</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January	100,000	2,965,709	3,065,709
Dividends Paid	-	(2,000,000)	(2,000,000)
Profit for the Year	-	1,518,524	1,518,524
As at 31 December	<b>100,000</b>	<b>2,484,233</b>	<b>2,584,233</b>

*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 16 to 25 form an integral part of these financial statements.

## **EC INSURANCE SERVICES LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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 2021 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 2021**

#### **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 2021 of £54,546 (2020: £53,949).

#### **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 2021

**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**

	2021 £	2020 £
Profit on ordinary activities before taxation is stated after charging:		
<b>Auditors' remuneration</b>		
Statutory audit	29,742	28,413
Other Assurance Services	8,700	7,787
Depreciation	40,515	39,619
	<u>          </u>	<u>          </u>

**EC INSURANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
UK Corporation Tax	<b>464,504</b>	-
Payment for tax losses from other group companies	<b>1,309</b>	334,260
	<hr/>	<hr/>
Total current tax	<b>465,813</b>	334,260
Deferred taxation: fixed asset timing differences	<b>(597)</b>	7,653
	<hr/>	<hr/>
Tax charge on results on ordinary activities	<b>465,216</b>	341,913
	<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% (2020: 19%). The differences are explained as follows:

Profit on ordinary activities before tax	<b>2,531,002</b>	1,860,437
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom at 19% (2020: 19%)	<b>480,890</b>	353,483
Expenses not deductible for tax purposes	<b>62</b>	4
Fixed asset timing difference	<b>(2,644)</b>	-
Deferred tax movement	-	(3,761)
Differences in tax rates	<b>(13,092)</b>	(7,813)
	<hr/>	<hr/>
Tax charge on results on ordinary activities	<b>465,216</b>	341,913
	<hr/> <hr/>	<hr/> <hr/>

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. This was substantively enacted on 24 May 2021. Deferred tax balances at the reporting date are therefore measured at 25% (2020 - 19%).

**5. Staff Costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Salary Costs</b>		
Wages and salaries (including directors' emoluments)	<b>417,840</b>	457,813
Social security costs	<b>52,733</b>	53,000
Pension costs:		
Defined contribution scheme	<b>30,665</b>	29,034
	<hr/>	<hr/>
	<b>501,238</b>	539,847
	<hr/> <hr/>	<hr/> <hr/>

**EC INSURANCE SERVICES LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021****Employees**

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

	<b>2021</b>	<b>2020</b>
Office and management	<b>5</b>	<b>5</b>
	<u>5</u>	<u>5</u>

<b>Directors' Remuneration</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<b>235,828</b>	<b>259,146</b>
Pension	<b>9,422</b>	<b>8,969</b>
	<u><b>245,250</b></u>	<u><b>268,115</b></u>
<b>Highest paid director</b>		
Aggregate Emoluments	<u><b>139,508</b></u>	<u><b>167,436</b></u>

Retirement benefits accrued to 1 director during the year (2020: 1)

**EC INSURANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. Tangible Assets**

	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2021	13,972	13,972
Additions	8,772	8,772
Disposal	(10,605)	(10,605)
	<u>12,139</u>	<u>12,139</u>
At 31 December 2021	<u>12,139</u>	<u>12,139</u>
<b>Accumulated depreciation</b>	<b>£</b>	<b>£</b>
At 1 January 2021	13,972	13,972
Charge for the year	974	974
Elimination on disposal	(10,605)	(10,605)
	<u>4,341</u>	<u>4,341</u>
At 31 December 2021	<u>4,341</u>	<u>4,341</u>
Net Book Value at 31 December 2021	<u>7,798</u>	<u>7,798</u>
Net Book Value at 31 December 2020	<u>-</u>	<u>-</u>



**EC INSURANCE SERVICES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Intangible Assets**

	<b>Software £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2021	821,905	821,905
Additions	37,620	37,620
	<u>          </u>	<u>          </u>
At 31 December 2021	<b>859,525</b>	<b>859,525</b>
	<u>          </u>	<u>          </u>
	<b>£</b>	<b>£</b>
<b>Accumulated depreciation</b>		
At 1 January 2021	772,305	772,305
Charge for the year	39,540	39,540
	<u>          </u>	<u>          </u>
At 31 December 2021	<b>811,845</b>	<b>811,845</b>
	<u>          </u>	<u>          </u>
Net Book Value at 31 December 2021	<b>47,680</b>	<b>47,680</b>
	<u>          </u>	<u>          </u>
Net Book Value at 31 December 2020	49,600	49,600
	<u>          </u>	<u>          </u>

**8. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	<b>1,060,227</b>	1,393,979
Deferred tax asset	<b>54,545</b>	53,949
	<u>          </u>	<u>          </u>
	<b>1,114,772</b>	<b>1,447,928</b>
	<u>          </u>	<u>          </u>

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 2021****9. Cash at Bank**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Money held on behalf of clients	<b>1,384,625</b>	<b>945,269</b>
Money held by the Company	<b>5,387,765</b>	<b>3,748,576</b>
	<b>6,772,390</b>	<b>4,693,845</b>

Of the amounts shown as money held on behalf of clients, £930,684.35 (2020: £516,921.30) was held in accordance with the FCA client money regulations.

**10. Creditors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>4,275,091</b>	<b>3,126,054</b>
Amount due to group undertakings	<b>21,998</b>	<b>450,569</b>
Corporation Tax	<b>464,504</b>	<b>-</b>
Other creditors	<b>31,028</b>	<b>30,517</b>
	<b>4,792,621</b>	<b>3,607,140</b>

**11. Share Capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	<b>100,000</b>	<b>100,000</b>

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 2021

#### 13. Dividends

	2021 £	2020 £
Dividends paid totalled £15.00 per share (2020: £20.00)	<u>1,500,000</u>	<u>2,000,000</u>

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

The Ordinary share 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.

	Profit £	Net Assets £
Brandrisks Group Limited	-	60,000
Brandrisks Limited	-	60,000
Propertyrisks Limited	-	1
Sportsrisks Limited	-	100

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

#### 15. Ultimate Holding Undertaking

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. The Company's parent undertaking is EC Insurance Holdings Limited, incorporated in England and Wales.