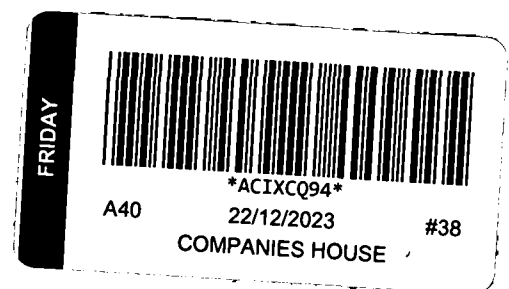


Company registration number 03332314 (England and Wales)

COMPASS UNDERWRITING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR



COMPASS UNDERWRITING LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 11

COMPASS UNDERWRITING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		78,447		160,748
Current assets					
Debtors	6	2,602,379		5,621,304	
Cash at bank and in hand		2,553,716		3,234,746	
		5,156,095		8,856,050	
Creditors: amounts falling due within one year	7	(4,881,437)		(8,554,940)	
Net current assets			274,658		301,110
Total assets less current liabilities			353,105		461,858
Creditors: amounts falling due after more than one year	8		(250,000)		(250,000)
Provisions for liabilities	10		-		(5,453)
Net assets			103,105		206,405
Capital and reserves					
Called up share capital	12	5,000,000		5,000,000	
Profit and loss reserves		(4,896,895)		(4,793,595)	
Total equity			103,105		206,405

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

COMPASS UNDERWRITING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 20/12/2023 and are signed on its behalf by:

.....

O Barnes
Director

Company Registration No. 03332314

COMPASS UNDERWRITING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		4,400,000	(4,296,904)	103,096
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(496,691)	(496,691)
Conversion of loan to shares	12	600,000	-	600,000
Balance at 31 December 2021		5,000,000	(4,793,595)	206,405
Year ended 31 December 2022:				
Loss and total comprehensive income for the year		-	(103,300)	(103,300)
Balance at 31 December 2022		5,000,000	(4,896,895)	103,105

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Compass Underwriting Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71-75 Langley Street, London, United Kingdom, WC2H 9JG.

1.1 Accounting convention

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 the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Under the terms of the Asset Purchase Agreement signed on 14 March 2022, the company is paid 75% of the non EU Lloyd's brokerage until 2025 and now incurs little in the way of overheads and running costs. The director considers that the company has reasonable financial resources and is well placed to manage its business risks successfully.

Accordingly the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As such the going concern basis of accounting has been adopted in preparing the annual financial statements of the company.

1.3 Turnover

Turnover represents commissions earned, fees earned and profit commission. Credit is taken for commissions on the inception date of the policy and on premium adjustments as and when such adjustments are made. Credit is taken for fees when the services are provided. Credit is taken for commission only when actually earned and settled to us.

Provision is made for the value of revenue estimated to be repayable in the event of cancellation of policies based on past experience and for the value of revenue estimated to relate to contractual placement services to be performed in future periods.

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

At each reporting date, tangible fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

Depreciation has been computed to write off the cost of the tangible fixed assets over their useful expected lives using the following rates:

Plant and Machinery etc - 20%/25%/33% on cost

1.5 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less

1.6 Financial instruments

Trade and other receivables

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax

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 balance sheet date.

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.8 Provisions

Provisions are recognised when the company has a present obligation, either legal or constructive, as a result of a past event and it is probable that the company will be required to settle the obligation and a reliable estimate can be made.

Where the effect of the time value of money is material, the obligation is recognised at the present value adopting a pre-tax discount rate. The unwinding of the discount is treated as a finance cost in the income statement in the period in which it arises.

1.9 Employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.11 Insurance debtors and creditors

The company acts as underwriting agent in relation to the insurable risks of its clients and is not liable as principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationships with clients and underwriters and since, in practice, premium and claim monies are usually accounted for by insurance intermediaries, the company has followed generally accepted accounting practice by showing cash, debtors and creditors relating to the insurance business as assets and liabilities of the company itself.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	<u>4</u>	<u>5</u>

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2022	369,951
Disposals	(369,951)
	<u>-</u>
At 31 December 2022	-
Amortisation and impairment	
At 1 January 2022	369,951
Disposals	(369,951)
	<u>-</u>
At 31 December 2022	-
Carrying amount	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2022	937,241
Additions	8,585
Disposals	(178,151)
At 31 December 2022	767,675
Depreciation and impairment	
At 1 January 2022	776,493
Depreciation charged in the year	74,558
Eliminated in respect of disposals	(161,823)
At 31 December 2022	689,228
Carrying amount	
At 31 December 2022	78,447
At 31 December 2021	160,748

6 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	1,350,748	4,319,080
Other debtors	752,068	802,661
	2,102,816	5,121,741
Amounts falling due after more than one year:		
Deferred tax asset	499,563	499,563
Total debtors	2,602,379	5,621,304

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	3,868,620	7,411,774
Taxation and social security	132,664	150,758
Other creditors	880,153	992,408
	<u>4,881,437</u>	<u>8,554,940</u>

8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other creditors	<u>250,000</u>	<u>250,000</u>

9 Loans and overdrafts

	2022 £	2021 £
Other loans	<u>896,741</u>	<u>960,741</u>
Payable within one year	646,741	710,741
Payable after one year	<u>250,000</u>	<u>250,000</u>

10 Provisions for liabilities

	2022 £	2021 £
Clawback provision	<u>-</u>	<u>5,453</u>

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	(36,646)	(36,646)
Tax losses	536,209	536,209
	<u>499,563</u>	<u>499,563</u>

There were no deferred tax movements in the year.

The net deferred tax asset balance arises in respect of tax losses and accelerated capital allowances. The net balance is included within debtors and has been calculated at 19% (2021: 19%). Total gross losses are £5,546,039.

12 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	4,324,910	4,324,910	4,324,910	4,324,910
Ordinary B of £1 each	675,090	675,090	675,090	675,090
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

COMPASS UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Related party transactions

Mr O Barnes is considered to be the Company's ultimate controlling party.

At the balance sheet date, the company owed Mr O Barnes £250,000 (2021: £250,000) in respect of a subordinated loan provided to the company and which carried interest at 5%.

At the start of the year a further loan of £710,741 was outstanding to Mr O Barnes. The loan is interest free and repayable on demand. Further advances were made during the year totalling £106,000. Repayments totalling £170,000 were made during the year.

During the year, interest in respect of the outstanding loan payable to Mr O Barnes, totalling £5,657 (2021: £21,934) was charged to the profit and loss account. Amounts outstanding and included within accruals at the balance sheet date totalled £206,164 (2021: £200,508).

At the year end, £726,509 (2021: £726,509) was owed by Quaestor Capital Limited, a company controlled by Mr O Barnes.