

Company registration number 03492137 (England and Wales)

PULSE INSURANCE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

PULSE INSURANCE LIMITED

CONTENTS

	Page
Accountants' report	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 10

PULSE INSURANCE LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF PULSE INSURANCE LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Pulse Insurance Limited for the year ended 31 December 2021 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>

This report is made solely to the Board of Directors of Pulse Insurance Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Pulse Insurance Limited and state those matters that we have agreed to state to the Board of Directors of Pulse Insurance Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pulse Insurance Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Pulse Insurance Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Pulse Insurance Limited. You consider that Pulse Insurance Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Pulse Insurance Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Ellacotts LLP

Chartered Accountants
Countrywide House
23 West Bar
Banbury
Oxfordshire
England
OX16 9SA

Date: 30 September 2022

PULSE INSURANCE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	6		187,991		212,686
Tangible assets	3		12,485		15,577
Investments	5		16,292		-
			<u>216,768</u>		<u>228,263</u>
Current assets					
Debtors falling due after more than one year	7	1,225,429		730,045	
Debtors falling due within one year	7	508,439		304,646	
Cash at bank and in hand		5,092		21,032	
		<u>1,738,960</u>		<u>1,055,723</u>	
Creditors: amounts falling due within one year	8	(208,770)		(110,227)	
Net current assets			<u>1,530,190</u>		<u>945,496</u>
Total assets less current liabilities			<u>1,746,958</u>		<u>1,173,759</u>
Creditors: amounts falling due after more than one year	9	(567,620)		(404,772)	
Provisions for liabilities	11	(606,072)		(410,169)	
Net assets			<u><u>573,266</u></u>		<u><u>358,818</u></u>
Capital and reserves					
Called up share capital	10		165,532		165,532
Share premium account			108,730		108,730
Profit and loss reserves			299,004		84,556
Total equity			<u><u>573,266</u></u>		<u><u>358,818</u></u>

PULSE INSURANCE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their 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.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

T McLusky
Director

Company Registration No. 03492137

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Pulse Insurance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Oxford Court, St James Road, Brackley, Northamptonshire, NN13 7XY.

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 £.

1.2 Turnover

Turnover represents commissions and fees for the arrangement of insurance and fees for consultancy services.

Credit is taken for brokerage, commission and fees on inception of the policy.

On certain lines of insurance business, a provision is made for cancellations which is unwound over the life of the insurance policy.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is considered to be 10 years.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software development	20% on cost
Customer contracts	10 years straight line

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	25% on cost
------------------	-------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are also based on an estimate of the likelihood of cancellation of policies during their policy term.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation and are measured at the best estimate in the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.11 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.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	24	22

3 Tangible fixed assets

Office equipment

	£
Cost	
At 1 January 2021	85,902
Additions	2,865
At 31 December 2021	88,767
Depreciation and impairment	
At 1 January 2021	70,325
Depreciation charged in the year	5,957
At 31 December 2021	76,282
Carrying amount	
At 31 December 2021	12,485
At 31 December 2020	15,577

4 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	38,776	-

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	16,292	-

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	-
Additions	16,292
At 31 December 2021	16,292
Carrying amount	
At 31 December 2021	16,292
At 31 December 2020	-

6 Intangible fixed assets

	Goodwill £	Software Development £	Customer contracts £	Total £
Cost				
At 1 January 2018	41,352	68,291	205,595	315,238
Amortisation and impairment				
At 1 January 2021	6,203	68,291	28,059	102,553
Amortisation charged for the year	4,135	-	20,559	24,694
At 31 December 2021	10,338	68,291	48,618	127,247
Carrying amount				
At 31 December 2021	31,014	-	156,977	187,991
At 31 December 2020	35,149	-	177,537	212,686

More information on impairment movements in the year is given in note .

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Debtors				
		2021	2020	
		£	£	
Amounts falling due within one year:				
Trade debtors		244,728	219,147	
Other debtors		263,711	85,499	
		<u>508,439</u>	<u>304,646</u>	
		2021	2020	
		£	£	
Amounts falling due after more than one year:				
Trade debtors		1,225,429	730,045	
		<u>1,225,429</u>	<u>730,045</u>	
Total debtors		<u>1,733,868</u>	<u>1,034,691</u>	
8 Creditors: amounts falling due within one year				
		2021	2020	
		£	£	
Bank loans		29,683	9,201	
Trade creditors		87,198	31,546	
Corporation tax		38,776	-	
Other taxation and social security		21,554	17,214	
Other creditors		31,559	52,266	
		<u>208,770</u>	<u>110,227</u>	
One of the bank loans is secured by a limited guarantee given by 3 directors of the company. During the year the company received a bounce back loan which is limited by guarantee.				
9 Creditors: amounts falling due after more than one year				
		2021	2020	
		£	£	
Bank loans		220,100	45,000	
Other creditors		347,520	359,772	
		<u>567,620</u>	<u>404,772</u>	
During the year the company received a bounce back loan which is limited by guarantee.				
10 Called up share capital				
	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 25p each	662,127	662,127	165,532	165,532
	<u>662,127</u>	<u>662,127</u>	<u>165,532</u>	<u>165,532</u>

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Provisions for liabilities

	2021 £	2020 £
Provision for commission clawback/early cancellation	498,628	410,169
Exceptional "Covid Provision" for commission clawback/early cancellation	107,444	-
	<u>606,072</u>	<u>410,169</u>

Many of the policies the Company arranges are long term. On long-term business, commission is paid to the Company on both an indemnity and non-indemnity basis. If the policy is cancelled early future annual commission would not be paid and any indemnity commission would have to be repaid. In the case of indemnity commission the Company has established a provision for this commission clawback. This provision is based on an estimate of the likelihood of cancellation of policies during the first four years of the policy term (clawback is not usually payable after four years). The estimate considers the risk of cancellation as a result of either a housing market crash or the risk of cancellation as a result of changes to relevant rules due to political intervention. The provision is established on inception of the policy and unwound on a straight line basis over the first four years of the policy terms.

Where commission is paid annually for the duration of the policy, the provision is based on an estimate of the likelihood of cancellation of policies during the full policy term. The estimate considers the risk of cancellation as a result of either a housing market crash or the risk of cancellation as a result of changes to relevant rules due to political intervention. The provision is established on inception of the policy and unwound on a straight line basis over the life of the policy. There is a high level of uncertainty around this annual commission provision given that the events that could trigger payments are unpredictable. The appropriateness of the assumptions in this provision are reconsidered annually by the board.

In addition to the usual provision for commission clawback and / or early cancellation of long-term policies, the Board considers the impact of the Covid Pandemic to be such, that a further exceptional provision for commission clawback and / or early cancellation needs to be made. The Board have concluded that an uplift in the usual provision is therefore appropriate for 2021. The Board intends to unwind this exceptional provision as quickly as possible and to revert to a normal provisioning with affect from 2023.

Movements on provisions:

	Provision for commission clawback/early cancellation £
At 1 January 2021	410,169
Exceptional "Covid Provision" for commission clawback/early cancellation	107,444
Credited to profit and loss account	88,459
	<u>606,072</u>
At 31 December 2021	<u>606,072</u>

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases of £44,405 (December 2020: £85,265).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.