Agria Pet Insurance Limited

Annual Report and Financial Statements

Registered number 4258783

Year ending 31 December 2017

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Strategic Report

The company has delivered a steady result for 2017 and continues to invest in staff and infrastructure creating the capacity for accelerated revenue growth.

Gross Revenue for the year has increased by 17.7%. This was driven partly by continued growth in the existing book of business – 12.9% in a largely flat market from investment in new business initiatives, new partners and more effective retention strategies – and partly by proactive pricing adjustments managing veterinary inflationary trends.

Net assets increased from £10,663,166 in 2016 to £11,683,386 in 2017 as the company continues to generate and retain profits.

The pre-tax profits increased in line with business plans from £909,356 in 2016 to £1,265,720 in 2017.

Key business risks

The main risk facing the company is the potential loss of its main distribution channel - The Kennel Club. However - The Kennel Club contract has a five year cancellation clause matching typical policy lifetime and therefore the risk is considered minimal. Own brand sales also grew in the year which is lessening this dependency over time.

The majority of the company's underwriting capacity is provided by our parent company – Försäkringsaktiebolaget Agria. A reduction in this capacity would have a significant impact upon the company. However – Försäkringsaktiebolaget Agria - part of a larger, well capitalised group – has expressed their continued support to the important UK market, as well as further European expansion making this risk also minimal.

Försäkringsaktiebolaget Agria underwrite almost 100% of products sold by Agria Pet Insurance Limited.

The UK's decision to leave the European Union and the subsequent triggering of article 50 represent risks and opportunities for the company. The company is monitoring the process and is grateful for the continued support of its parent. A Steering Group has been established to implement the business strategy to ensure a seamless process for its clients, partners and employees.

The company will be moving registered and trading offices during 2018. A clear plan and budget have been approved by the Directors. The project is currently on track to complete during quarter two.

Plans to incorporate IDD and GDPR requirements are also well advanced with the company expecting opportunities and competitive advantage from enhancements to distribution strategies.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Working capital cycles are comfortably covered by the company's bank balances – and healthy levels of liquidity are maintained.

Dividend payment

No interim or final dividends were paid.

By order of the board

S Wheeler
Director

Blue Leanie First Floor
Walton Street
Aylesbury
Buckinghamshire
HP21 7QW

21 June 2018

Directors' Report

The directors present their Directors' Report and Financial Statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be the provision of insurance sales and claims administration services.

Review of the year

2017 has been a busy year for the business. We have delivered 17% growth in our policy book through engagement with new distribution partners and investment in the contact centre.

In December 2017 we completed our significant infrastructure project with a replacement web, IT and telephony platform which will allow us to accelerate our growth and service strategy throughout 2018.

During 2017 we have received continued support from our parent Försäkringsaktiebolaget Agria. We are grateful for this continued long term support from our parent and supplier of underwriting resource. This continued support and stability has allowed us to continue to grow. We continue to feel the benefit of being supported by a parent who both shares and understands our area of expertise, allowing us to be a pure specialist in our market place.

The following directors have held office since 1 January 2017:

S Wheeler
B L Lövgren (resigned 22nd February 2017)
S R Clarke (appointed 17th January 2017)
O Berg (appointed 17th January 2017, resigned 22nd March 2018)
A Fabricius (appointed 13th June 2017)
M Dreijer (appointed 22nd March 2018)
B Hellstrom (appointed 22nd March 2018)

Charitable contributions

The company made charitable donations during the year comprising £75,000 (2016: £75,000) to The Kennel Club Charitable Trust. The charity's focus is canine health and welfare and both donations were made to support this work.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Payment of suppliers

The Company does not follow a specific payment code but has a policy to pay its suppliers in accordance with the specific terms agreed with each supplier. The average number of days' purchases outstanding at 31 December 2017 was 16 days (2016: 8 days), based on the Company's trade creditors at the end of the year.

Employees

The Company seeks to ensure employee commitment to and engagement with its objectives in a number of ways. Strategic changes are communicated directly to all staff who are encouraged to address queries via All Staff Meetings, departmental meetings and monthly one-two-one sessions. The All Staff Meetings provide the employees with information about performance and new initiatives. The Company carries out an annual staff satisfaction survey together with an appraisal programme and regulatory training and testing. The Company's recruitment policy is committed to promote equality, judging neither by race, nationality, religion, age, gender nor political opinion and to treat all staff fairly.

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board:-

S Wheeler
Director

21 June 2018

Blue Leanie First Floor
Walton Street
Aylesbury
Buckinghamshire
HP21 7QW

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIA PET INSURANCE LIMITED

Opinion

We have audited the financial statements of Agria Pet Insurance Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss account, Balance sheet, Statement of Changes in Equity, Cash Flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Aimie Keki

Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House,
One North Fourth Street,
Milton Keynes,
MK9 1NE
United Kingdom

Date: 28th June 2018

Profit and Loss Account
for the year ended 31 December 2017

	Note	**2017**	2016
		£	£
Gross revenue	*2*	**14,386,116**	12,223,382
Cost of sales		**(2,595,973)**	(1,874,473)
Net revenue		**11,790,143**	10,348,909
Licence fee		**(3,000,000)**	(3,000,000)
Gross profit		**8,790,143**	7,348,909
Administrative expenses	*3*	**(7,553,071)**	(6,469,680)
Operating profit		**1,237,072**	879,229
Other interest receivable and similar income	*6*	**28,648**	30,127
Profit on ordinary activities before taxation		**1,265,720**	909,356
Tax on profit on ordinary activities	*7*	**(245,500)**	(160,154)
Profit for the financial year		**1,020,220**	749,202
Total comprehensive income for the year		**1,020,220**	749,202

All profits arise from continuing operations.

The notes on pages 11 to 20 form part of these Financial Statements.

Balance Sheet
at 31 December 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	8		**469,421**		542,337
Intangible assets	9		**1,769,317**		1,574,032
			2,238,738		2,116,369
Current assets					
Debtors	10	**23,769,178**		17,311,038	
Cash at bank and in hand		**13,665,668**		10,696,856	
		37,434,846		28,007,894	
Creditors: amounts falling due within one year	11	**(27,618,259)**		(19,124,396)	
Net current assets			**9,816,587**		8,883,498
Total assets less current liabilities			**12,055,325**		10,999,867
Provision of liabilities and charges	13		**(371,939)**		(336,701)
Net assets			**11,683,386**		10,663,166
Capital and reserves					
Called up share capital	15		**180,000**		180,000
Profit and loss account			**11,503,386**		10,483,166
Shareholders' funds			**11,683,386**		10,663,166

The notes on pages 11 to 20 form part of these Financial Statements

These Financial Statements were approved by the board of directors on 21 June 2018 and were signed on its behalf by:

S Wheeler
Director

Company registration number: 4258783

Statement of Changes in Equity

for the year ended 31 December 2017

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2016	180,000	9,733,964	9,913,964
Profit	-	749,202	749,202
Total comprehensive income for the period	-	749,202	749,202
Balance at 31 December 2016	180,000	10,483,166	10,663,166

	Called up Share Capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2017	180,000	10,483,166	10,663,166
Profit	-	1,020,220	1,020,220
Total comprehensive income for the period	-	1,020,220	1,020,220
Balance at 31 December 2017	**180,000**	**11,503,386**	**11,683,386**

The notes on pages 11 to 20 form an integral part of these Financial Statements

Cash Flow Statement
for year ended 31 December 2017

	Note	**2017**	2016
		£	£
Cash flows from operating activities			
Operating profit		**1,237,072**	879,229
Adjustments for:			
Depreciation, amortisation and impairment		**465,295**	478,629
Loss on sale of tangible fixed assets		**3,504**	5,067
Loss on scrapping of intangible fixed assets		**34,609**	76,844
		1,740,480	1,439,769
(Increase) in trade and other debtors		**(6,466,599)**	(3,018,009)
Increase in trade and other creditors		**8,439,883**	4,991,492
Increase in provisions		**22,177**	3,143
		3,735,941	3,416,395
Tax paid		**(170,000)**	(305,000)
Net cash from operating activities		**3,565,941**	3,111,395
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**135,000**	138,500
Interest received		**28,648**	30,127
Acquisition of tangible fixed assets		**(288,116)**	(441,214)
Acquisition of intangible fixed assets		**(472,661)**	(962,676)
Net cash from investing activities		**(597,129)**	(1,235,263)
Net increase in cash and cash equivalents		**2,968,812**	1,876,132
Cash and cash equivalents at 1 January		**10,696,856**	8,820,724
Cash and cash equivalents at 31 December		**13,665,668**	10,696,856

The notes on pages 11 to 20 form part of these Financial Statements

Notes

(forming part of the Financial Statements)

1 Accounting policies

Agria Pet Insurance Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 4258783 and the registered address is Blue Leanie, First Floor, Walton Street, Aylesbury Buckinghamshire HP21 7QW.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

The company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS102:

- The requirements of Section 33 Related Party Disclosure paragraph 33.7.

The Company's ultimate parent undertaking, Länsförsäkringar AB (publ) includes the Company in its consolidated financial statements. The consolidated financial statements of Länsförsäkringar AB (publ) are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Box 703 06, 107 23 Stockholm, Sweden.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have a significant effect on the Financial Statements, or estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The Financial Statements are prepared on the historical cost basis.

1.2 Going concern

The directors have prepared forecasts which demonstrate that the Company will be able to operate for the foreseeable future and meet its liabilities as they fall due for payment.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a foreseeable future, thus they continue to adopt the going concern principle in their annual Financial Statements.

1.3 Foreign currency

Non GBP trading with group companies are translated into GBP at the prevailing rate of exchange. Differences resulting from the translation of the opening net assets and the results for the year are recognised in the profit and loss account as a foreign exchange loss or gain.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets

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

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment — 33.3% per annum, straight line method
- fixtures and fittings — 20% per annum, straight line method
- motor vehicles — 33.3% per annum, reducing balance method
- leasehold improvements — over the remaining period of the lease

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Intangible assets

The historical cost of intangible assets is written off on a straight line basis over the asset's estimated economic life. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

Computer software additions are written off on at 20% or 33.3% per annum straight line method. Additions to the customer book are written off on a straight line basis at 20%.

1.7 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at 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

1.8 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charged in the Financial Statements represent the contributions payable by the Company during the year.

1.9 Turnover

Turnover represents commission earned on policies sold or renewed in the period.

1.10 Interest receivable

Interest income is recognised in profit or loss as it accrues.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

Cost of Sales

Cost of Sales represents rebates and other payments made to third parties during the ordinary course of business.

Licence fee

The Company has a five year rolling contract with the Kennel Club. This partnership includes entering into collaborative development and co-promotion agreements for the development and commercialisation of our products. The annual charge is recognised in full in the Profit and Loss account.

1.12 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

1.13 Deferred Income Provision

At any point in time, the company has a future liability to provide Claims Management services relating to business transacted during the current period.

The provision is created to defer income to match the expected future costs of handling claims (based upon previous claims experiences and patterns); and an average cost per claim based upon the company's in house claim management team. Any increase / decrease in this provision is shown as a reduction (increase) in turnover.

1.14 Insurance transactions and insurer money

The company acts as an agent for the Insurer, administering and managing policies on their behalf. The company collects monies, for the Insurers directly from the policy holder.

The company also manages the administration of the claims process on behalf of the Insurer, paying claims out to the policy holder.

The net of these balances are held in separate bank accounts on behalf of the Insurer. These cash balances are shown in the Balance Sheet along with the company's own funds.

2 Turnover

The turnover and profit of the company derive from the provision of insurance sales and arise within the United Kingdom.

Turnover for Policy administration is recognised for the whole policy on the period in the month of sale. A provision for cancelled policies is in place at the year end.

Notes *(continued)*

3 Expenses and auditor's remuneration

Included in profit are the following:

	2017	2016
	£	£
Loss on sale of tangible fixed assets	**3,504**	5,067
Loss on scrapping of intangible fixed assets	**34,609**	76,844
Depreciation of tangible fixed assets	**222,528**	249,602
Amortisation of intangible assets	**242,767**	229,027
Foreign exchange (gain) / loss	**466**	1,149

	2017	2016
Auditor's remuneration:	£	£
Audit of these Financial Statements	**29,250**	27,600
Amounts receivable by the company's auditor in respect of:		
Taxation compliance services	**8,000**	7,000

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Sales and administration staff	**103**	96

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**3,169,643**	2,822,857
Social security costs	**356,611**	283,658
Contributions to defined contribution plans	**197,507**	162,444
	3,723,761	3,268,959

Notes *(continued)*

5 Directors' remuneration

	2017	2016
	£	£
Directors' remuneration	**294,353**	244,283
Company contributions to money purchase pension plans	**45,376**	46,371

The aggregate of remuneration of the highest paid director was £166,508 *(2016:£158,100)* and company pension contributions of £27,264 *(2016:£29,070)* were made to a money purchase scheme on his behalf.

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	2

6 Other interest receivable and similar income

	2017	2016
	£	£
Bank interest receivable	**28,648**	30,127
Total interest receivable and similar income	**28,648**	30,127

Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017	2016
	£	£
Current tax		
Current tax on income for the period	**228,830**	201,438
Adjustments in respect of prior periods	**3,609**	(125,797)
Total current tax	**232,439**	75,641
Deferred tax (see note 12)		
Origination and reversal of timing differences	**14,977**	(17,224)
Adjustments in respect of prior periods	**(1,916)**	107,343
Effect of change in tax rate	**-**	(5,606)
Total deferred tax	**13,061**	84,513
Total tax	**245,500**	160,154

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit for the year	**1,265,720**	909,356
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	**243,608**	181.871
Expenses not deductible for tax purposes	**2,178**	(696)
Adjustments to tax charge in respect of previous periods	**3,609**	(125,798)
Adjustments to tax charge in respect of previous periods - deferred tax	**(1,916)**	107,343
Adjust opening and closing deferred tax to average rate of 19.25% (2016: 20%)	**(1,979)**	(2,566)
Total tax expense included in profit or loss	**245,500**	160,154

The UK corporation tax rate reduced from 20% to 19% effective from 1 April 2017. In the 2017 Budget, the Chancellor confirmed the planned reduction to 17% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost				
Balance at 1 January 2017	390,265	558,535	630,683	1,579,483
Additions	29,952	-	258,164	288,116
Disposals	-	-	(284,171)	(284,171)
Balance at 31 December 2017	420,217	558,535	604,676	1,583,428
Depreciation				
Balance at 1 January 2017	326,441	511,291	199,414	1,037,146
Depreciation charge for the year	39,312	13,755	169,461	222,528
Disposals	-	-	(145,667)	(145,667)
Balance at 31 December 2017	365,753	525,046	223,208	1,114,007
Net book value				
At 1 January 2017	63,824	47,244	431,269	542,337
At 31 December 2017	**54,464**	**33,489**	**381,468**	**469,421**

Included within Fixtures and Fittings are leasehold improvements with a net book value of £9,128 (2016: £13,655). These items are depreciated in accordance with the accounting policy.

9 Intangible fixed assets

	Customer book £	Computer software £	Total £
Cost			
Balance at 1 January 2017	108,400	2,515,787	2,624,187
Additions	-	472,661	472,661
Disposals	-	(833,666)	(833,666)
Balance at 31 December 2017	108,400	2,154,782	2,263,182
Amortisation and impairment			
Balance at 1 January 2017	50,102	1,000,053	1,050,155
Amortisation charge for the year	18,410	224,357	242,767
Disposals	-	(799,057)	(799,057)
Balance at 31 December 2017	68,512	425,353	493,865
Net book value			
At 1 January 2017	58,298	1,515,734	1,574,032
At 31 December 2017	**39,888**	**1,729,429**	**1,769,317**

Notes *(continued)*

10 Debtors

	2017	2016
	£	£
Trade debtors	**23,560,379**	17,069,988
Corporation tax	**-**	8,459
Prepayments and accrued income	**208,799**	232,591
Due within one year	**23,769,178**	17,311,038

11 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**170,582**	72,229
Amounts owed to group undertakings	**25,614,457**	18,124,631
Taxation and social security	**167,554**	133,491
Accruals and deferred income	**1,457,012**	654,590
Corporation tax	**53,979**	-
Other creditors	**154,675**	139,455
	27,618,259	19,124,396

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Net**	
	2017	2016	**2017**	2016	**2017**	2016
	£	£	**£**	£	**£**	£
Accelerated capital allowances	**-**	-	**100,761**	78,075	**100,761**	78,075
Other	**(9,625)**	-	**-**	-	**(9,625)**	-
Tax (assets) / liabilities	**(9,625)**	-	**100,761**	78,075	**91,136**	78,075

The 2017 deferred tax liability is shown within provisions for liabilities.

Notes *(continued)*

13 Provisions for liabilities and charges

	2017			2016		
	Handling claims provision	Deferred tax	**Total**	Handling claims provision	Deferred tax	Total
	£	£	**£**	£	£	£
As at 1 January	258,626	78,075	**336,701**	255,483	(6,438)	249,045
Charge to P&L During Year	22,177	13,061	**35,238**	3,143	84,513	87,656
As at 31 December	280,803	91,136	**371,939**	258,626	78,075	336,701

A provision is made annually to reflect the expected cost of the Company's future obligation to handle claims.

14 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £197,507 *(2016: £162,444)*

15 Capital and reserves

Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
180,000 ordinary shares of £1 each	**180,000**	180,000
	180,000	180,000
Shares classified in shareholder's funds	**180,000**	180,000
	180,000	180,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
	£	£
Less than one year	**125,130**	125,732
Between one and five years	**43,086**	147,653
	168,216	273,585

During the year £147,199 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £135,060).

17 Commitments

Capital commitments

The Company's contractual commitments to purchase intangible fixed assets at the yearend were £57,600 *(2016: £200,320).*

18 Related parties

The Company has taken advantage of the exemption under FRS102 that transactions with wholly owned subsidiaries, do not need to be disclosed.

19 Ultimate parent company and parent company of larger group

The directors regard Länsförsäkringar AB (publ) in Sweden, as the ultimate parent undertaking and controlling party.

The largest group in which the results of the Company are consolidated is that headed by Länsförsäkringar AB (publ), incorporated in Sweden. The smallest group in which they are consolidated is that headed by Länsförsäkringar AB (publ), incorporated in Sweden. No other group Financial Statements include the results of the Company. The consolidated Financial Statements of these groups are available to the public, from Box 703 06, 107 23 Stockholm, Sweden.