Registration number: 01600910

B.I.B. (Darlington) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

B.I.B. (Darlington) Limited

Contents

B.I.B. (Darlington) Limited

Company Information

Directors	R L Worrell D Cougill
Company secretary	D Clarke
Registered office	1 Minster Court Mincing Lane London EC3R 7AA
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

B.I.B. (Darlington) Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their Strategic Report for the year ended 31 December 2018 for B.I.B. (Darlington) Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of The Ardonagh Group Limited ("the Group").

Principal activities and business review

The principal activity of the Company is the provision of insurance intermediary services.

The results for the Company show turnover of £0.0m (2017: £1.6m) and loss before tax of £0.0m (2017: £0.3m) for the year. At 31 December 2018 the Company had net assets of £3.4m (2017: £3.4m). The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors believe that the preparation of the financial statements on a basis other than that of a going concern is appropriate.

Outlook

From 11 December 2017 the Company sold its renewal business and related assets, as discussed in note 4, to a fellow group company Towergate Underwriting Group Limited and has been in run-off from that date. It is the directors' intention to wind up the Company once the run-off process has been completed.

Key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2018	2017
Gross written premium (GWP)	£m	-	6.1
Turnover	£m	-	1.6
Administration expenses	£m	-	1.9
Turnover/GWP ratio	%	-	26.2
Administrative expenses/turnover ratio	%	-	118.8

The Turnover / GWP ratio has decreased from 26.2% in 2017 to 0.0% in 2018 due to the Company being placed into run-off. Administrative expenses have decreased from £1.9m in 2017 to £0.0m in 2018 due to a 100% reduction in staff levels as the Company ceased to employ its staff following the disposal of its business to Towergate Underwriting Group Limited.

Risk management

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide-ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

As noted in the Outlook section the Company's operations are in run-off as of 11 December 2017, and the Company is managed on a basis other than that of a going concern from that date.

Regulatory and legal risk

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Group to reduce the risk of errors and non compliance.

B.I.B. (Darlington) Limited

Strategic Report for the Year Ended 31 December 2018

General Data Protection Regulation

The Company's computer systems store information about its customers, some of which is sensitive personal data. Database privacy, identity theft and related computer and internet issues are matters of growing public concern and are subject to changes in rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or harm to our reputation. Although the Company has taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our database and to ensure that our processing of personal data complies with the relevant data protection regulations, our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss.

Approved by the board on 30/09/2019 and signed on its behalf by:

....

Director

DIANE COUGILL

B.I.B. (Darlington) Limited

Directors' Report for the Year Ended 31 December 2018

Appointment of auditor

During the year ended 31 December 2017, a formal tender process took place, led by The Ardonagh Group Limited Audit Committee. As a result of this tender process the Audit Committee recommended, and The Ardonagh Group Limited board approved on behalf of the Company, the proposed appointment of Deloitte LLP as external auditor for the financial year ended 31 December 2018. The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the board on 30/09/2019 and signed on its behalf by:

....

Director

DIANE COUGILL

B.I.B. (Darlington) Limited

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

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 year. 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 Financial Reporting Standard 101 Reduced Disclosure Framework has 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 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.

B.I.B. (Darlington) Limited

Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of B.I.B. (Darlington) Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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 Financial Reporting Council's (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.

Emphasis of Matter- Financial Statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

B.I.B. (Darlington) Limited

Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report , other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

B.I.B. (Darlington) Limited

Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our 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.

....
Mark McIlquham (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 30/09/2019

B.I.B. (Darlington) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	5	(1,458)	1,617,141
Amortisation and other amounts written off intangibles	12	-	(997)
Administrative expenses		(6,775)	(1,904,875)
Impairment of financial assets		2,741	143
Profit on disposal of assets		-	225
Operating loss	6	(5,492)	(288,363)
Finance costs	7	-	(2,712)
Loss before tax		(5,492)	(291,075)
Income tax credit	10	31,243	29,572
Net profit/(loss) for the year		25,751	(261,503)

The above results were derived from discontinued operations.

B.I.B. (Darlington) Limited

(Registration number: 01600910)
Statement of Financial Position as at 31 December 2018

	Note	2018 £	2017 £
Assets			
Non-current assets			
Property, plant and equipment	11	-	142
Intangible assets	12	-	82
		-	224
Current assets			
Trade and other receivables	13	3,599,177	3,529,489
Income tax asset	10	1,043	45,008
Cash and cash equivalents	14	197,626	775,726
		3,797,846	4,350,223
Total assets		3,797,846	4,350,447
Equity and liabilities			
Equity			
Called up share capital	15	7,000	7,000
Capital redemption reserve		3,000	3,000
Merger reserves		735,782	735,782
Capital contribution		16	-
Retained earnings		2,680,146	2,654,686
		3,425,944	3,400,468
Current liabilities			
Trade and other payables	17	371,902	949,979
Total equity and liabilities		3,797,846	4,350,447

Approved by the board on 30/09/2019 and signed on its behalf by:

....
Director
DIANE COUGILL

The notes on pages 13 to 36 form an integral part of these financial statements.

B.I.B. (Darlington) Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Capital redemption reserve £	Retained earnings £	Merger reserves £	Capital contribution £	Total £
At 1 January 2018	7,000	3,000	2,654,686	735,782	-	3,400,468
Adjustment to opening balance	-	-	(291)	-	-	(291)
Capital contribution - share-based payment	-	-	-	-	16	16
Net profit for the year	-	-	25,751	-	-	25,751
At 31 December 2018	7,000	3,000	2,680,146	735,782	16	3,425,944

The £291 adjustment to opening retained earnings is a result of the adoption of IFRS 9 from 1 January 2018. The Company adopted this standard applying the modified retrospective approach without restatement.

	Share capital £	Capital redemption reserve £	Retained earnings £	Merger reserves £	Total £
At 31 December 2016	7,000	3,000	2,916,189	-	2,926,189
Net loss for the year	-	-	(261,503)	-	(261,503)
On discontinued operations	-	-	-	735,782	735,782
At 31 December 2017	7,000	3,000	2,654,686	735,782	3,400,468

On 1 July 2017, the Company disposed of its renewals business and related assets to a fellow group company. This resulted in a merger reserve being recognised for the difference in the disposal proceeds and carrying value of these assets. Refer to note 4 for details.

B.I.B. (Darlington) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Authorisation of financial statements

The Company is a private company limited by share capital incorporated, domiciled and registered in England, United Kingdom. The Company's registered office is 1 Minster Court, Mincing Lane, London, EC3R 7AA. The principal activities of the Company are disclosed on page 2 within 'Strategic Report'.

These financial statements for the year ended 31 December 2018 were authorised for issue by the board on ...30/09/2019. and the Statement of Financial Position was signed on the board's behalf by ...DANE COWGILL

2 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101").

The financial statements have been prepared on a historical cost basis, as modified to use a different measurement basis where necessary to comply with FRS 101.

IFRS 15 and IFRS 9 are new standards applicable for financial reporting periods starting on 1 January 2018 or later. These new standards did not have a material impact on the Company.

Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101 where relevant:

• the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64 (q)(ii), B66 and B67 of IFRS 3 Business Combinations which includes among other exemptions the requirement to include a comparative period reconciliation for goodwill;

• the requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;

• the requirements of IFRS 7 Financial Instruments:

• the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant & equipment and intangible assets;

the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;

• the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;

2 Accounting policies (continued)

• the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;

• the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;

• the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Critical accounting judgements and key sources of estimation uncertainty on page 28.

Going Concern

During the year ended 31 December 2017 the Company disposed of its trade. At 31 December 2018 the Company had net assets of £3.4m (2017: £3.4m) and net current assets of £3.4m (2017: £3.4m).

From 11 December 2017 the Company sold its renewal business to a fellow group company Towergate Underwriting Group Limited and has been in run-off since that date. It is the directors' intention to wind up the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a basis other than that of a going concern.

The book values of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value due to their short term nature. As such no adjustments to balances are required with the Company being reported on a basis other than that of a going concern.

2 Accounting policies (continued)

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

Application of new and revised International Financial Reporting Standards ("IFRS")
The Company adopted IFRS 9 and IFRS 15 on 1 January 2018. The impact of the adoption on the Company's equity at 1 January 2018 was a decrease of £291. Further detail of the transition adjustments and amendments to accounting policies can be found in the respective sections below.

IFRS 9 Financial Instruments

The Company's adoption date is 1 January 2018.

IFRS 9, the new Standard for financial instruments, replaces IAS 39 Financial Instruments: Recognition and Measurement. It makes changes to the previous guidance on the classification and measurement of financial assets and introduces an expected credit loss ("ECL") model for the impairment of financial assets.

As a result of the adoption of IFRS 9, the Company adopted the consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the Statement of Comprehensive Income. Previously, the Company's approach was to include the impairment of trade receivables in operating costs.

Additionally, the Company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, that are applied to disclosures relating to 2018 but have not generally been applied to comparative information (as permitted under IFRS 9). The comparative period notes disclosures repeat the disclosures made in the prior year and are presented in accordance with IFRS 7 (pre-amendment by IFRS 9). Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

The impact on the Company's equity at 1 January 2018 is as follows:

	Retained earnings £
Closing balance 31 December 2017 - IAS 39	2,654,686
Increase in loss allowances for trade receivables	(291)
Opening balance 1 January 2018 - IFRS 9	2,654,395

2 Accounting policies (continued)

The application of IFRS 9 has had no impact on the cash flows of the Company.

Classification and measurement
On 1 January 2018 (the date of initial application of IFRS 9), the Company's management assessed which business models apply to the financial assets held by the Company and classified its financial instruments into the appropriate IFRS 9 categories. The assessment of the business model within which a financial asset is held was made based on the facts and circumstances that existed at the date of initial application.

The table below shows the classification and measurement of financial assets and financial liabilities under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018:

	Note	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39	Additional loss allowance and remeasurement recognised under IFRS 9	New carrying amount under IFRS 9
				£	£	£
Trade & other receivables	(a)	Loans and receivables	Amortised cost	3,504,928	(291)	3,504,637
Cash and cash equivalents	(a)	Loans and receivables	Amortised cost	775,726	-	775,726
Trade payables	(b)	Amortised cost	Amortised cost	(608,296)	-	(608,296)

(a) Cash and cash equivalents and trade receivables
The Company's cash and cash equivalents and trade receivables continue to be accounted for at amortised cost. The business model in which these assets are held is 'hold to collect' as the Company does not sell cash balances and trade receivables to other parties and the "solely payments of principal and interest" test is met as only interest is earned. These assets do not have a significant financing component. The application of IFRS 9's impairment requirements at 1 January 2018 resulted in an additional impairment loss on trade and other receivables, over the impairment recognised under IAS 39, of £291.

(b) Financial liabilities
There was no impact on the Company's accounting for financial liabilities.

2 Accounting policies (continued)

Impairment
IFRS 9 introduces a new expected credit loss (ECL) model that replaces the incurred loss impairment model used in IAS 39. Under IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. The Company has two main types of assets which are subject to IFRS 9's ECL model:

- trade and other receivables; and
- cash and cash equivalents.

The Company was required to revise its impairment methodology under IFRS 9 for each of these classes of assets.

The new impairment model mainly impacts the Company's trade receivables. The application of IFRS 9's impairment requirements at 1 January 2018 resulted in additional impairment losses on trade and other receivables, over the impairment recognised under IAS 39 of £291.

Trade and other receivables
The Company has applied the simplified approach to recognise lifetime ECL for its trade receivables as these items do not have a significant financing component. This approach allows the use of a provision-matrix and is similar to the Company's existing bad debt policy. However, under IFRS 9 this incorporates more forward-looking information, such as the Company's outlook on the economy, and is applied also to non-impaired assets.

ECL was calculated based on actual credit loss experience over two years. Actual credit loss experience was adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables. Scalar factors were based on GDP and unemployment rate forecasts and resulted in the following adjustments:

On 1 January 2018 (opening reserves adjustment), increase historical credit loss experience by 11% because GDP growth was predicted to be 11% lower in 2018 relative to 2017, and increase it by a further 5% because the unemployment rate was predicted to be 5% higher in 2018 relative to 2017 (source: ICAEW Economic Forecast); and

On 31 December 2018, do not increase historical credit loss experience because GDP growth and the unemployment rate predicted for 2019 indicate that an increase to 2018 data is not required (source: HM Treasury 'Forecasts for the UK economy').

Cash and cash equivalents
The cash and cash equivalents are held with bank and financial institution counterparties with, wherever possible, a minimum single A credit rating from both Moody's and S&P.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The application of IFRS 9's impairment requirements at 1 January 2018 did not impact cash and cash equivalents.

2 Accounting policies (continued)

Derecognition
The derecognition rules have been transferred from IAS 39 and remain largely unchanged.

IFRS 15 Revenue from Contracts with Customers

The Company's adoption date is 1 January 2018.

IFRS 15 replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts'.
The core principle of IFRS 15 is that the entity should recognise revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Specifically, IFRS 15 introduces the following 5-step approach to revenue recognition:

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company adopted IFRS 15 by applying the modified retrospective approach without restatement, with the cumulative effect on initial application recognised as an adjustment to the opening equity balances at 1 January 2018. In accordance with the transition requirements, the standard has only been applied to contracts that were incomplete as at 1 January 2018. The Company also utilised the practical expedient in IFRS 15 not to account retrospectively for contract modifications prior to the date of initial application. The disclosure requirements of IFRS 15 have not been applied to comparative information, nor to contracts that were considered complete at the date of initial application.

Impact of adoption
There was no material impact of adopting IFRS 15 on the Company's opening equity upon transition. Additionally, there was no material impact to the Company's Statement of Comprehensive Income nor on the Statement of Cash Flows for the year ended 31 December 2018. Further information about the Company's accounting policy under IFRS 15 compared to IAS 18 is provided under the Revenue accounting policy on page 26.

Impact on the Statement of Financial Position at 31 December 2018
The following table illustrates the impact of IFRS 15 on the financial position at 31 December 2018. Line items that were not affected by IFRS 15 have not been included.

2 Accounting policies (continued)

	Note	Amounts which would be presented under IAS 18	IFRS 15 amounts recognised on transition	IFRS 15 impact/ adjustment	As presented at 31 December 2018
		£	£	£	£
Current liabilities					
Contract liabilities*	(a)	-	(2,563)	1,511	(1,052)
Deferred income	(b)	(1,052)	2,563	(1,511)	-
		(1,052)	-	-	(1,052)

*Contract liabilities are included in the trade and other payables in the Statement of Financial Position.

Presentation of assets and liabilities
The Company changed the presentation of certain amounts in the Statement of Financial Position to reflect the terminology of IFRS 15:

(a) Contract liabilities represent the Group's obligation to transfer services to a customer for which the Group has received the consideration (or the amount is due) from the customer. This includes deferred revenue related to post-placement performance obligations and other deferred income (e.g. advances from customers for policies not yet incepted).
(b) Amounts of deferred income that were previously presented under trade and other payables have been reclassified to contract liabilities on transition to IFRS 15.

Summary of disclosure exceptions
FRS 101 provide certain disclosure exemptions in relation to IFRS15 and the Company has taken advantage of the following disclosure exemptions;

• the requirement of paragraph 114 and 115 to disclose disaggregation of revenue;
• the requirements of paragraph 118 of IFRS 15 to disclose and explanation of significant changes in the contract asset and the contract liability balances during the reporting period;
• the requirements of paragraph 120 to 125 to disclose information about the remaining performance obligation and judgements or changes in judgements; and
• the requirements of paragraph 126 and 127 to disclose the method, inputs and assumptions used to determine the contract price.

2 Accounting policies (continued)

Property, plant and equipment
Assets are stated at their net book value (historical cost less accumulated depreciation). Depreciation is calculated to write off the cost of such assets on a straight-line basis over their estimated useful lives.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting year. Property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in Statement of Comprehensive Income when the asset is derecognised.

At the reporting date, the Company's principal rates of depreciation were as follows:

Fixtures and fittings	15% per annum straight line
Computer hardware	25% per annum straight line
Furniture and office equipment	20% per annum straight line

2 Accounting policies (continued)

Intangible assets

Computer software

Acquired computer software licences arise either through business combinations when they are separable or are purchased separately and are capitalised on the basis of the costs incurred to acquire them. Their fair value has been calculated by using the net book value acquired. These costs are amortised on a straight-line basis over their estimated useful lives of 4 years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in Statement of Comprehensive Income when the asset is derecognised.

Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment at each Statement of Financial Position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Any impairment charges arising from the review of the carrying value of intangible assets are, where material, disclosed separately on the face of the Statement of Comprehensive Income.

2 Accounting policies (continued)

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to Statement of Comprehensive Income, but is transferred to retained earnings.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Comprehensive Income.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a current legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2 Accounting policies (continued)

Financial assets

Classification and subsequent measurement of financial assets
The Company classifies its financial assets in the following measurement categories:
• Amortised cost less impairments.

All recognised financial assets are subsequently measured in their entirety at either amortised cost less impairment or fair value, depending on the classification of the financial assets.

Financial assets classified as amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost:
• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The Company's financial assets measured at amortised cost include trade and other receivables, cash and cash equivalents and other financial assets.

These assets are held within a business model whose objective is to collect the contractual cash flows, and have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Thus, such assets are subsequently measured and carried at amortised cost in the Statement of Financial Position. The Company's trade receivables do not have a significant financing component and as such their transaction (invoiced) price is considered to be their amortised cost.

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and, as such, are not liable as principals for amounts arising from such transactions. In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company. Other than the receivable for fees and commissions earned on a transaction, no recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client.

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the consolidated Statement of Financial Position as part of trade receivables.

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition. They would only be reclassified if the Company were to change its business model for managing its financial assets, in which case the affected financial assets would be reclassified in the period following that change.

2 Accounting policies (continued)

Impairment of financial assets
The Company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVTOCI. The Company recognises a loss allowance for such losses at each reporting date.

The Company recognises lifetime ECL for loans and trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables, including the time value of money where appropriate. Scalar factors are typically based on GDP and unemployment rate forecasts.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if; i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

All cash and cash equivalents are assessed to have low credit risk at each reporting date as they are held with reputable banks and financial institution counterparties with, wherever possible, a minimum single A credit rating from both Moody's and S&P. The Company measures the loss allowance for such assets at an amount equal to 12 months ECL.

ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available.

2 Accounting policies (continued)

Default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. The Company writes off all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in Statement of Comprehensive Income.

2 Accounting policies (continued)

Financial liabilities

Classification and subsequent measurement of financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified and measured at FVTPL when the financial liability is:

• contingent consideration relating to a business combination to which IFRS 3 applies;
• held for trading; or
• it is designated as at FVTPL.
Financial liabilities are otherwise classified and measured at amortised cost.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in Statement of Comprehensive Income to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in Statement of Comprehensive Income incorporates any interest paid on the financial liabilities.

The Company has no debt instruments that are measured at FVTPL.

For financial liabilities that are denominated in a foreign currency, that are measured at amortised cost or at fair value through profit or loss, and that are not part of a designated hedging relationship, the foreign exchange gains and losses are recognised in Statement of Comprehensive Income.

The Company's financial liabilities include trade and other payables.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Revenue
The Company applied IFRS 15 from 1 January 2018 using the modified retrospective approach without restatement (see 'IFRS 15 Revenue from Contracts with Customers' accounting policy on page 18).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer (net of refunds) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a service to a customer.

2 Accounting policies (continued)

Commission and fees
Revenue includes commission and fees receivable by the Company. Commission and fees relate mainly to placement or underwriting of policies on behalf of insurers or policyholders and are recognised at the later of policy inception date or when the policy placement has been completed and confirmed.

The Company retains a portion of the policy premiums as commission. Premiums are typically collected on an annual basis at or near contract inception (which could be up to 60 days from contract inception). In some cases, customers are offered to pay in instalments or are directed to a third-party premium credit provider. Some of the policies are rolling until the customer cancels the policy.

The Company utilises the practical expedient in IFRS 15 not to adjust the amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when the Company transfers a service to a customer and when the customer pays for that service will be one year or less.

Employee benefits

Long-Term Incentive Plans
The Company operates a number of Long Term Incentive Plans ("LTIP"), under which the Company receives services from employees as consideration for cash settled incentives which vest over a number of years based on achievement against certain performance measures and/or service conditions. The incentives are paid to participants at the end of the relevant performance and/or service period (the 'performance period'), in some instances interim payments are made but in all instances participants must then remain in employment for a further period (the clawback period) in order to retain the full value of their pay out.

The Company recognises an expense in respect of LTIPs over the vesting period, which is deemed to commence when the Company makes participants aware of their right to participate in the LTIP and ends on conclusion of the clawback period.

Where a LTIP is payable in instalments the Company recognises an expense either based on (i) the staged vesting approach or (ii) the plan's benefit formula, depending on the specific facts and circumstances of the relevant award. Where benefits are materially higher in later years the expense is recognised on a straight-line basis over the vesting period.

At the end of each reporting period the Company revises its estimate of the expected pay out, it recognises the impact of the revision to original estimate, if any, in the income statement with a corresponding adjustment to the related provision (during the performance period) or prepayment (during the clawback period) as relevant.

2 Accounting policies (continued)

Share incentive plans
The Company operates an equity-settled, share-based compensation plan, under which the Company receives services from employees as consideration for the award of Management Incentive Plan shares ("MIP"). MIP shares have no dividend or voting rights and cannot be sold, they are convertible to ordinary shares of the Ardonagh Group on occurrence of a crystallisation event, this being defined as the earlier of a liquidity event an Initial Public Offering or a winding-up.

The Company has the option to repurchase MIP shares if employees leave the Company prior to the occurrence of a crystallisation event. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense, measured based on the fair value of the options granted and recognised on a straight-line basis over the vesting period. At the end of each reporting period the Company assesses the length of the vesting period based on the most likely date of crystallisation, and where a crystallisation event is not deemed probable, no expense is recognised.

Taxation

The tax expense for the period comprises current and deferred tax. Income tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

Current tax
Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Accounting for business combinations under common control

Business combinations with entities under common control are outside the scope of IFRS 3. These are accounted for by assessing the fair market value for the book of business and associated assets to ensure the transfer does not qualify as a distribution. Existing assets and liabilities are transferred using the predecessor accounting model. No new goodwill is recognised under predecessor accounting. As a common control transaction any gain on disposal or acquisition is transferred to other reserves.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty
Impairment of assets
Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may exceed its recoverable amount.

An impairment test is performed by comparing the investment's carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use, where its VIU is the present value of its future cash flows. An impairment test requires the application of significant judgement because it relies on key assumptions, including forecast cash flows, a discount rate, a terminal growth rate and an EBITDA multiple.

Useful lives of intangible assets
The Company has recognised a number of intangible assets resulting from business combinations. The determination of the useful lives of these intangible assets has been estimated. Details of the approach to measuring the fair value of intangible assets and their estimated useful lives are described in further detail in the accounting policies section, see 'Intangible assets' accounting policy on page 21.

4 Discontinued operations

As part of the Group's strategy to align the legal entity structure with its operating segments the Company disposed of several operations to entities under common control. Being common control transactions, these transfers are outside the scope of IFRS 3 Business Combinations. Assets and liabilities are transferred at book value using the predecessor accounting model in line with the Group's policy.

In 2017, the assets of £2,330,467 and liabilities of £78,302 transferred to Towergate Underwriting Group Limited. Consideration of net assets was £2,987,948 and this transaction resulted in a merger reserves of £735,783.

5 Turnover

The analysis of the Company's turnover for the year is as follows:

	2018 £	2017 £
Commission and fees	(4,573)	1,481,488
Trading deals and profit commissions	3,115	135,653
	(1,458)	1,617,141

Turnover consists entirely of sales made in the United Kingdom. During 2018, the Company recognised no revenue relating to performance obligations satisfied prior to 2018.

B.I.B. (Darlington) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

6 Operating profit/ (loss)

Arrived at after charging/(crediting):

	2018 £	2017 £
Depreciation expense	-	5,543
Amortisation expense	-	997
Auditor's remuneration: audit of these financial statements	11,541	15,515
Operating lease expense - property	-	89,249
Management fees payable	-	647,584
Impairment of financial assets	(2,741)	(143)

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, The Ardonagh Group Limited.

Management fees £Nil (2017: £647,584) relate to the central recharges. Centralised IT, staff, property and other cost are recharged across cost centres within the rest of the Group.

7 Finance cost

	2018 £	2017 £
Finance costs		
Unwinding of discount	-	2,712
Total finance costs	-	2,712

Interest expense represents unwinding of discount calculated on the dilapidations provisions.

8 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Wages and salaries	-	935,250
Social security costs	-	98,689
Pension costs, defined contribution scheme	-	29,178
Redundancy costs	-	16,773
	-	1,079,890

The average monthly number of persons employed by the Company during the year, analysed by category was as follows:

	2018 No.	2017 No.
Administration	-	16
Sales	-	15
Management	-	3
	-	34

From the date of the disposal of the portfolios, the Company ceased to employ its staff.

9 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited.

Directors emoluments of £Nil (£2017: £30,000) for services provided to this Company have been paid by other Group entities, which make no recharge to the Company.

B.I.B. (Darlington) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Income tax

Tax credited in the Statement of Comprehensive Income

	2018 £	2017 £
Current taxation		
UK corporation tax	1,043	45,008
UK corporation tax adjustment to prior periods	30,200	1,874
	31,243	46,882
Deferred taxation		
Arising from origination and reversal of temporary differences	-	(17,311)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	1
Total deferred taxation	-	(17,310)
Tax expense in the Statement of Comprehensive Income	31,243	29,572

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	(5,492)	(291,075)
Corporation tax at standard rate	1,043	56,032
Corporation tax adjustment for prior periods	30,200	1,874
Amount of deferred tax expense relating to the origination and reversal of temporary differences.	-	(88)
Effect of expenses not deductible in determining taxable loss	-	(1,259)
Deferred tax credit from unrecognised tax loss or credit	-	(25,854)
Deferred tax expense from unrecognised temporary difference from a prior period	-	1
Tax credit relating to changes in tax rates or laws	-	(1,134)
Total tax credit	31,243	29,572

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This reduction, from the existing rate of 19%, will reduce the Company's future current tax charge/credit accordingly.

11 Property, plant and equipment

	Fixtures and fittings £	Computer hardware £	Furniture and office equipment £	Total £
Cost or valuation				
At 1 January 2018	18,169	125,124	48,379	191,672
Disposals	(15,311)	(124,822)	(48,379)	(188,512)
Disposals to other group companies	(2,858)	(302)	-	(3,160)
At 31 December 2018	-	-	-	-
Depreciation				
At 1 January 2018	18,090	125,061	48,379	191,530
Eliminated on disposal	(15,311)	(124,822)	(48,379)	(188,512)
Disposals to other group companies	(2,779)	(239)	-	(3,018)
At 31 December 2018	-	-	-	-
Carrying amount				
At 31 December 2018	-	-	-	-
At 31 December 2017	79	63	-	142

12 Intangible assets

	Computer software £	Total £
Cost or valuation		
At 1 January 2018	20,467	20,467
Disposals	(19,518)	(19,518)
Disposals to other group companies	(949)	(949)
At 31 December 2018	-	-
Amortisation		
At 1 January 2018	20,385	20,385
Amortisation eliminated on disposals	(19,518)	(19,518)
Disposals to other group companies	(867)	(867)
At 31 December 2018	-	-
Carrying amount		
At 31 December 2018	-	-
At 31 December 2017	82	82

13 Trade and other receivables

	2018 £	2017 £
Trade receivables	2,210	57,691
Provision for impairment of trade receivables	-	(2,449)
Net trade receivables	2,210	55,242
Receivables from other group companies	3,596,967	3,449,686
Prepayments	-	24,561
Total current trade and other receivables	3,599,177	3,529,489

The directors believe that the remaining intercompany receivables are recoverable. The balances are unsecured, interest free and repayable on demand.

14 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	197,626	775,726

14 Cash and cash equivalents (continued)

Cash at bank includes £21,376 (2017: £605,411), which constitutes restricted client money and insurer money and £170,315 (2017: £170,315), in office accounts which are considered restricted and not available to pay the general debts of the Company.

15 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary Shares of £1 each	7,000	7,000	7,000	7,000

16 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £Nil (2017: £29,177).

17 Trade and other payables

	2018	2017
	£	£
Current trade and other payables		
Trade payables in relation to insurance transactions	27,808	608,296
Accrued expenses	-	769
Amounts due to other group companies	343,042	338,351
Deferred income	-	2,563
Contract liabilities*	1,052	-
	371,902	949,979

*Contract liabilities are included in the trade and other payables in the Statement of Financial Position.

In 2018, the Company recognised revenue of £1,511 that was included in the opening balance of contract liabilities. Included in the total deferred income is £Nil (2017: £Nil) of revenue deferred to meet post placements and claims handling costs of business.

Amounts due to other group companies are unsecured, interest free and payable on demand.

18 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

19 Parent and ultimate parent undertaking

The Group's majority shareholder and controlling party is HPS Investment Partners LLC. At 31 December 2018, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address 44 Esplanade, St Helier, Jersey JE4 9WG). The Ardonagh Group Limited is the largest group in which the results are consolidated. The parent company of the smallest group, which includes the Company and for which group financial statements are prepared, is Ardonagh Midco 3 plc, a company incorporated in Great Britain. Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

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