

Source Insurance Limited
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2022

Source Insurance Limited

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:	A A Masters M T Guest J Pinkerton
REGISTERED OFFICE:	Floor 2, Wing A Global Reach Dunleavy Drive Penarth CF11 0SN
REGISTERED NUMBER:	02864963 (England and Wales)
AUDITORS:	BPU Limited Chartered Accountants Statutory Auditor Radnor House Greenwood Close Cardiff Gate Business Park Cardiff CF23 8AA
BANKERS:	Barclays 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3BX

**Strategic Report
for the Year Ended 31 December 2022**

The directors present their strategic report along with the audited financial statements for the year ended 31 December 2022 for Source Insurance Limited ("the Company"). The strategic report provides a review of the business for the financial year, setting out some of the key performance indicators and describes how the directors manage risks and discusses the main trends and factors that could affect the future.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the provision of general insurance products and technical solutions, distributed through mortgage brokers and networks.

The results for Source Insurance Limited "the Company" show a profit before tax of £1,941,386 (2021: £1,206,631) for the year and turnover of £12,674,186 (2021: £13,012,470). At year end the Company had net assets of £4,800,133 (2021: £4,028,964).

BUSINESS STRATEGY AND OBJECTIVES

Our company's primary goal is to provide world-class service to our customers. To achieve this, significant investments have been made in our technology to enhance the customer experience for both brokers and policyholders.

We maintain strong relationships with our panel of underwriting insurers, allowing us to offer a wide range of high-quality insurance products that provide value for money to our customers. Our business model is centred around the customer, and we remain committed to high-quality products offering value to the policyholder.

To support our customers, we continue to develop clear and concise customer documentation, intuitive online customer portals, and a comprehensive training program for brokers. We are constantly seeking new ways to improve our online services and reduce paper usage, both within our business and for our customers, as part of our commitment to sustainability.

Overall, our strategy is to maintain a customer-focused approach, provide high-quality products, and continue to invest in technology to improve the customer journey. We believe that this approach will help us achieve our long-term objectives and ensure the continued success of our business.

PRINCIPAL RISKS AND UNCERTAINTIES

The board and senior management team have a detailed strategy for the identification, mitigation, management and removal of risk. The company maintains a comprehensive risk register which is reviewed monthly. Risk management is discussed at senior management meetings, and all necessary actions are taken to ensure the company actively manages each and every risk to the business.

**Strategic Report
for the Year Ended 31 December 2022**

Financial Risk

The Company's earnings are underpinned by insurance commissions from renewal of policies, as well as the addition of new business. The Company concentrates on the provision of a wide choice of insurance covers to enable policyholders to transact insurance business and remain loyal customers. There are however risks of changes to the competitive and economic environment. Cash management and forecasting is embedded within the finance function as a core control and periodically reviewed by senior management.

Operational Risk

There is a risk that the Company will encounter internal or external system failures. The Company continues to invest in its technology, upgrading systems and moving to a cloud based model to manage risks and improve service delivery. External specialist resources are utilised where appropriate, in areas such as penetration testing to ensure controls are adequate.

Regulatory and Compliance Risk

The Company is regulated by the Financial Conduct Authority ("FCA"), as such compliance is at the heart of the business. The Company has always demonstrated strong compliance with regulatory standards, with risk mitigations including regular insurer audits. The Company has an experienced compliance function, and provides comprehensive training and call quality monitoring of each customer facing employee.

Underwriting Capacity Risk

There is a risk that an insurer could withdraw products or change risk appetite impacting our ability to offer products to new and renewing customers. This risk is mitigated by the Company working closely with a number of insurance companies to ensure a wide and deep coverage footprint reducing dependency on a single underwriter.

KEY PERFORMANCE INDICATORS (KPI)

The company have a number of KPIs to which everything is measured. The main Financial KPIs are detailed below.

KPIs year ended 31 December 2022:

Turnover - £12.7m (2021: £13.0m)

Operating Profit - £1.9m (2021: £1.2m)

FUTURE DEVELOPMENTS

As we look to the future, our company remains focused on delivering a best-in-class general insurance proposition. We are committed to providing our customers with an exceptional experience and will continue to make improvements to our online portals and consumer documentation to ensure that our customers have access to the information and services they need, when they need them.

**Strategic Report
for the Year Ended 31 December 2022**

In addition, we are exploring new opportunities to enhance our product offerings, expand our distribution channels, and deepen our relationships with underwriting insurers. We believe that by remaining customer-focused and staying at the forefront of technological innovation, we can continue to deliver value to our customers and drive sustainable growth for our business.

We are excited about the opportunities ahead and remain committed to investing in our people, processes, and technology to achieve our long-term objectives. By staying true to our core values and leveraging our strengths, we are confident that we can build a successful and sustainable business that delivers value to all stakeholders.

THIS REPORT WAS APPROVED BY THE BOARD:

J Pinkerton - Director

23 August 2023

**Report of the Directors
for the Year Ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2022 was £800,000 (2021 - £0).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

A A Masters
M T Guest
J Pinkerton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Directors
for the Year Ended 31 December 2022**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

THIS REPORT WAS APPROVED BY THE BOARD:

J Pinkerton - Director

23 August 2023

Opinion

We have audited the financial statements of Source Insurance Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

Auditors' 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 a Report of the Auditors 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.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risks of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

The laws and regulations that we determined were most significant to the company were the Companies Act 2006, UK corporate tax laws, regulation of The Financial Conduct Authority, Employment law, Data Protection Act, Health and Safety at Work Act and Consumer Credit Act.

We obtained an understanding of how the company is complying with those laws and regulations by making enquiries to the management, and corroborated these enquiries through our review of board minutes and review of legal and professional spend for the year.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, and did not identify any key audit matters relating to irregularities, including fraud. We assessed the effectiveness of internal controls that management has in place to prevent and detect fraud, including testing of manual journals and evaluating the assumptions and judgements made by management in its significant accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of Source Insurance Limited

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 a Report of the Auditors 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.

John Huw Palin FCA (Senior Statutory Auditor)
for and on behalf of BPU Limited
Chartered Accountants
Statutory Auditor

25 August 2023

**Profit and Loss Account
for the Year Ended 31 December 2022**

		2022	2021
	Notes	£	£
TURNOVER		12,674,186	13,012,470
Cost of sales		<u>(5,457,843)</u>	<u>(5,580,217)</u>
GROSS PROFIT		7,216,343	7,432,253
Administrative expenses		<u>(5,309,279)</u>	<u>(6,226,675)</u>
OPERATING PROFIT	3	1,907,064	1,205,578
Interest receivable & similar income		<u>34,322</u>	<u>1,053</u>
PROFIT BEFORE TAXATION		1,941,386	1,206,631
Tax on profit	4	<u>(370,217)</u>	<u>(251,809)</u>
PROFIT FOR THE FINANCIAL YEAR		1,571,169	954,822
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,571,169</u>	<u>954,822</u>

The notes form part of these financial statements

Balance Sheet
31 December 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		75,872		-
Tangible assets	8		350,279		437,795
			426,151		437,795
CURRENT ASSETS					
Debtors	9	14,383,202		14,415,757	
Cash at bank		2,709,231		1,514,737	
		17,092,433		15,930,494	
CREDITORS					
Amounts falling due within one year	10	12,633,451		12,254,325	
NET CURRENT ASSETS			4,458,982		3,676,169
TOTAL ASSETS LESS CURRENT LIABILITIES			4,885,133		4,113,964
PROVISIONS FOR LIABILITIES	13		85,000		85,000
NET ASSETS			4,800,133		4,028,964
CAPITAL AND RESERVES					
Called up share capital	14		2,000		2,000
Retained earnings	15		4,798,133		4,026,964
SHAREHOLDERS' FUNDS			4,800,133		4,028,964

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2023 and were signed on its behalf by:

J Pinkerton - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	2,000	3,072,142	3,074,142
Changes in equity			
Total comprehensive income	-	954,822	954,822
Balance at 31 December 2021	2,000	4,026,964	4,028,964
Changes in equity			
Dividends	-	(800,000)	(800,000)
Total comprehensive income	-	1,571,169	1,571,169
Balance at 31 December 2022	2,000	4,798,133	4,800,133

**Cash Flow Statement
for the Year Ended 31 December 2022**

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	2,305,874	702,753
Interest paid		-	2,807
Tax paid		(237,809)	(315,068)
Net cash from operating activities		<u>2,068,065</u>	<u>390,492</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(97,054)	-
Purchase of tangible fixed assets		(1,956)	(39,850)
Interest received		34,322	1,053
Net cash from investing activities		<u>(64,688)</u>	<u>(38,797)</u>
Cash flows from financing activities			
Capital repayments in year		(8,883)	(21,318)
Equity dividends paid		(800,000)	-
Net cash from financing activities		<u>(808,883)</u>	<u>(21,318)</u>
Increase in cash and cash equivalents		<u>1,194,494</u>	<u>330,377</u>
Cash and cash equivalents at beginning of year	2	1,514,737	1,184,360
Cash and cash equivalents at end of year	2	<u>2,709,231</u>	<u>1,514,737</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
Profit before taxation	1,941,386	1,206,631
Depreciation charges	88,550	93,882
Loss on disposal of fixed assets	922	-
Amortisation charges	21,182	-
Finance income	(34,322)	(1,053)
	2,017,718	1,299,460
Decrease/(increase) in trade and other debtors	32,555	(1,993)
Increase/(decrease) in trade and other creditors	255,601	(594,714)
Cash generated from operations	<u>2,305,874</u>	<u>702,753</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	<u>2,709,231</u>	<u>1,514,737</u>

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>1,514,737</u>	<u>1,184,360</u>

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2022**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank	<u>1,514,737</u>	<u>1,194,494</u>	<u>2,709,231</u>
	<u>1,514,737</u>	<u>1,194,494</u>	<u>2,709,231</u>
Debt			
Finance leases	<u>(8,883)</u>	<u>8,883</u>	<u>-</u>
	<u>(8,883)</u>	<u>8,883</u>	<u>-</u>
Total	<u>1,505,854</u>	<u>1,203,377</u>	<u>2,709,231</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents brokerage income from the sale of insurance policies, and interest income received from the provision of finance to fund the purchase of insurance policies. Brokerage income is recognised upon inception of the corresponding insurance policy. Interest income is recognised over the repayment period of the finance provided, and represents a constant proportion of the balance of repayments outstanding.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Other intangible assets are being amortised evenly over their estimated useful life of three years.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 14% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- at rates varying between 10% and 33.33%

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Pension costs

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

Insurance balances

The company acts as an insurance intermediary and is not liable for premiums due to underwriters or for claims payable to clients. Notwithstanding this legal relationship with clients and underwriters, the company follows generally accepted accounting practice by showing debtors, cash and creditors relating to insurance business as assets and liabilities of the company itself. The company receives premiums and premium refunds under risk transfer agreements with underwriters.

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,337,797	4,046,975
Social security costs	381,157	435,346
Other pension costs	90,001	94,085
	<u>3,808,955</u>	<u>4,576,406</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2022	2021
Employees	<u>70</u>	<u>89</u>

	2022	2021
	£	£
Directors' remuneration	<u>563,441</u>	<u>819,258</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>323,280</u>	<u>437,852</u>

The directors consider that there are no key management personnel within the company other than themselves.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	88,550	93,882
Loss on disposal of fixed assets	922	-
Computer software amortisation	21,182	-
Audit fees	13,869	14,131
Auditors' remuneration for non audit work	<u>500</u>	<u>720</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	370,217	237,809
Deferred tax	-	14,000
Tax on profit	<u>370,217</u>	<u>251,809</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>1,941,386</u>	<u>1,206,631</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	368,863	229,260
Effects of:		
Expenses not deductible for tax purposes	319	749
Depreciation in excess of capital allowances	1,035	7,800
Deferred tax	-	14,000
Total tax charge	<u>370,217</u>	<u>251,809</u>

5. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Paid	<u>800,000</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Interest payable on finance facility	<u>273,899</u>	<u>234,892</u>
	<u>273,899</u>	<u>234,892</u>

Interest payable is included within cost of sales.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

7. INTANGIBLE FIXED ASSETS

	Other intangible assets £	Computer software £	Totals £
COST			
At 1 January 2022	67,167	-	67,167
Additions	-	97,054	97,054
At 31 December 2022	<u>67,167</u>	<u>97,054</u>	<u>164,221</u>
AMORTISATION			
At 1 January 2022	67,167	-	67,167
Amortisation for year	-	21,182	21,182
At 31 December 2022	<u>67,167</u>	<u>21,182</u>	<u>88,349</u>
NET BOOK VALUE			
At 31 December 2022	<u>-</u>	<u>75,872</u>	<u>75,872</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2022	80,679	378,910	348,413	808,002
Additions	-	-	1,956	1,956
Disposals	-	-	(2,445)	(2,445)
At 31 December 2022	<u>80,679</u>	<u>378,910</u>	<u>347,924</u>	<u>807,513</u>
DEPRECIATION				
At 1 January 2022	25,933	84,739	259,535	370,207
Charge for year	11,526	37,891	39,133	88,550
Eliminated on disposal	-	-	(1,523)	(1,523)
At 31 December 2022	<u>37,459</u>	<u>122,630</u>	<u>297,145</u>	<u>457,234</u>
NET BOOK VALUE				
At 31 December 2022	<u>43,220</u>	<u>256,280</u>	<u>50,779</u>	<u>350,279</u>
At 31 December 2021	<u>54,746</u>	<u>294,171</u>	<u>88,878</u>	<u>437,795</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	12,575,064	12,612,885
Other debtors	558,705	515,391
Prepayments & accrued income	149,433	227,481
	<u>13,283,202</u>	<u>13,355,757</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,100,000</u>	<u>1,060,000</u>
Aggregate amounts	<u>14,383,202</u>	<u>14,415,757</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Hire purchase contracts (see note 11)	-	8,883
Trade creditors	4,820,799	4,435,285
Corporation tax	370,217	237,809
Social security and other taxes	73,797	91,097
Other creditors & accruals	7,368,638	7,481,251
	<u>12,633,451</u>	<u>12,254,325</u>

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase	contracts
	2022	2021
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>8,883</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

11. LEASING AGREEMENTS - continued

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	119,910	124,090
Between one and five years	469,230	123,000
In more than five years	145,670	29,130
	<u>734,810</u>	<u>276,220</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Hire purchase contracts	-	8,883
Receivables Finance Facility	6,042,037	6,224,579
	<u>6,042,037</u>	<u>6,233,462</u>

The receivables finance facility is secured by a fixed and floating charge over the assets of the company.

The hire purchase contract is secured over the assets to which it relates.

13. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	<u>85,000</u>	<u>85,000</u>
		Deferred tax
		£
Balance at 1 January 2022		<u>85,000</u>
Balance at 31 December 2022		<u>85,000</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

15. RESERVES

	Retained earnings £
At 1 January 2022	4,026,964
Profit for the year	1,571,169
Dividends	(800,000)
At 31 December 2022	<u>4,798,133</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

16. RELATED PARTY DISCLOSURES

a) Related parties

(i) Common directorship/ownership:-

Protect Commercial Insurance Solutions Limited
 Red Apple Finance Limited

(ii) Other/director:-

A A Masters

b) Loans between related parties

			Received in year £	Paid in year	Written off in year	Debtor/ (creditor) at year end
	£	£	£			
2022						
Red Apple Finance Limited			(15,180)	98,495	-	1,548,631
Protect Commercial Insurance Solutions Limited			(927)	927	-	74
2021						
Red Apple Finance Limited			(207,301)	192,608	-	1,465,317
Protect Commercial Insurance Solutions Limited			(2,411)	2,310	-	74

c) Consultancy services from related parties

			Net value of supply in year	Balance owed at year end
	£	£		
2022				
Other/director			-	-
2021				
Other/director			10,500	-

17. ULTIMATE CONTROLLING PARTY

The controlling party is A A Masters.

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