

**Source Insurance Limited**  
**Strategic Report, Report of the Directors and**  
**Audited Financial Statements for the Year Ended 31 December 2020**

Company Information  
for the Year Ended 31 December 2020

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**DIRECTORS:**

A A Masters  
T A Frowen  
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 2020**

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**REVIEW OF BUSINESS**

The results for Source Insurance Limited "the Company" show a pre tax profit of £1,630,671 (2019: £1,518,494) for the year and turnover of £12,910,339 (2019: £13,341,154). At year end the Company had net assets of £3,074,142 (2019: £2,954,732).

Delivering world class service to its customers is at the core of the business and is demonstrated each and every day by the company's employees. The business moved into its new headquarters in September 2019, the business has been largely working remotely since March 2020. The company had its most successful year to date in 2020, despite the impact of Covid-19.

The Company made it into the Sunday Times 100 Best Small Companies to work for again in 2020, achieving 25th place in the UK.

**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, and all appropriate action is taken. 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.

**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**

As the Company is primarily internet based there is a risk that the Company will encounter internal or external system failures. The Company has upgraded its recovery capability and disaster recovery protocols in order to ensure greater stability and service delivery. In supporting our on-going views in putting IT security at the core of what we do from a technological standpoint and to further enhance our preventative measures we utilise an AI powered security, incident and event monitoring solution.

**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 good compliance with regulatory standards, with risk mitigations including regular insurer audits, its compliance team attends regular FCA held seminars/meetings, and providing comprehensive training and call quality monitoring of each customer facing employee.

**Covid-19**

The Coronavirus outbreak has caused significant disruption to the U.K economy with the UK Government announcing a lockdown of non-essential workers from Tuesday 24th March 2020.

**Strategic Report  
for the Year Ended 31 December 2020**

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Whilst this initial lockdown was eased throughout Q2 2020, further lockdowns were applied in Q4 2020. We are now seeing the easing of these restrictions but the outlook remains uncertain.

The impact of this outbreak cannot yet be fully assessed due to the ongoing uncertainty as to the potential of further lockdowns and their corresponding impact on both the company's sector and the wider UK economy as a whole. The Directors have however considered the potential impact of this reduced economic activity to the business, alongside the availability of business support measures that the UK Government has introduced.

The Directors will continue to monitor the situation and act accordingly to reduce any adverse impact to the company .

**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 2020:

Turnover - £12.9m (2019: £13.3m)

Gross Profit - £7.2m (2019: £7.5m)

Other important non-financial KPIs are the companies World Class Service KPIs. These are based on the following;

- New business volumes
- Renewal volumes
- Call quality
- First call resolution
- Prompt and accurate resolution of complaints

**THIS REPORT WAS APPROVED BY THE BOARD:**

T A Frowen - Director

15 July 2021

**Report of the Directors  
for the Year Ended 31 December 2020**

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The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a general insurance intermediary.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2020 was £1,200,000 (2019 - £700,000).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A A Masters  
T A Frowen

Other changes in directors holding office are as follows:

P G Beckett - resigned 31 March 2020  
J Pinkerton - appointed 21 August 2020

**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 2020**

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**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 or she ought to have taken as a director in order to make himself or herself 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:**

T A Frowen - Director

15 July 2021

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

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### **Opinion**

We have audited the financial statements of Source Insurance Limited (the 'company') for the year ended 31 December 2020 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 2020 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.

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

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### **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 four, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

**Materiality & Triviality**

We set a materiality level of £129,000 and a triviality of £6,450. Items below triviality individually or in total are deemed as not material misstatements in respect of irregularities. Any items above this level will be reported to management with either resultant changes being made to the accounts or appropriate information being detailed in their letter of representation to us.

**Sampling Methods & Risk**

We use systematic sampling methods based on performance materiality levels and the deemed associated risk levels of each particular assignment.

**Specific Risk Areas**

In relation to the company we agreed at the planning stage that certain areas had a higher degree of risk and approached these areas as follows:-

**Completeness of Income** - We complete cut off testing to ensure that income is in the correct period.

**Management Override** - We reviewed the financial information provided for unusual entries including journal entries to ensure non prime entry information was valid and entered for a justifiable reason.

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](http://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**

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### **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 ACA (Senior Statutory Auditor)  
for and on behalf of BPU Limited  
Chartered Accountants  
Statutory Auditor

15 July 2021

**Profit and Loss Account  
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>12,910,339</b>	13,341,154
Cost of sales		<u>(5,661,270)</u>	<u>(5,836,520)</u>
<b>GROSS PROFIT</b>		<b>7,249,069</b>	7,504,634
Administrative expenses		<u>(5,622,092)</u>	<u>(5,937,118)</u>
<b>OPERATING PROFIT</b>	3	<b>1,626,977</b>	1,567,516
Interest receivable & similar income		<u>3,694</u>	<u>13,978</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,630,671</b>	1,581,494
Tax on profit	4	<u>(311,261)</u>	<u>(301,503)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,319,410</b>	1,279,991
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,319,410</b>	1,279,991

The notes form part of these financial statements

**Balance Sheet**  
**31 December 2020**

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	7		-		-
Tangible assets	8		<u>491,827</u>		<u>512,003</u>
			<b>491,827</b>		<b>512,003</b>
<b>CURRENT ASSETS</b>					
Debtors	9	<b>14,413,764</b>		14,055,904	
Cash at bank		<u>1,184,360</u>		<u>1,407,998</u>	
		<b>15,598,124</b>		<b>15,463,902</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>12,935,926</u>		<u>12,918,972</u>	
<b>NET CURRENT ASSETS</b>			<u><b>2,662,198</b></u>		<u><b>2,544,930</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,154,025</b>		<b>3,056,933</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	11		<b>(8,883)</b>		<b>(30,201)</b>
<b>PROVISIONS FOR LIABILITIES</b>	14		<u><b>(71,000)</b></u>		<u><b>(72,000)</b></u>
<b>NET ASSETS</b>			<u><b>3,074,142</b></u>		<u><b>2,954,732</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		<b>2,000</b>		<b>2,000</b>
Retained earnings	16		<u><b>3,072,142</b></u>		<u><b>2,952,732</b></u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>3,074,142</b></u>		<u><b>2,954,732</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 July 2021 and were signed on its behalf by:

J Pinkerton - Director

**Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2019</b>	2,000	2,372,741	2,374,741
<b>Changes in equity</b>			
Dividends	-	(700,000)	(700,000)
Total comprehensive income	-	1,279,991	1,279,991
<b>Balance at 31 December 2019</b>	<u>2,000</u>	<u>2,952,732</u>	<u>2,954,732</u>
<b>Changes in equity</b>			
Dividends	-	(1,200,000)	(1,200,000)
Total comprehensive income	-	1,319,410	1,319,410
<b>Balance at 31 December 2020</b>	<u>2,000</u>	<u>3,072,142</u>	<u>3,074,142</u>

**Cash Flow Statement  
for the Year Ended 31 December 2020**

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>1,288,909</b>	724,160
Tax paid		<b>(229,503)</b>	(51,526)
Net cash from operating activities		<b><u>1,059,406</u></b>	<u>672,634</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(65,419)</b>	(503,670)
Sale of tangible fixed assets		-	1
Interest received		<b>3,694</b>	13,978
Net cash from investing activities		<b><u>(61,725)</u></b>	<u>(489,691)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		<b>(21,319)</b>	51,520
Equity dividends paid		<b>(1,200,000)</b>	(700,000)
Net cash from financing activities		<b><u>(1,221,319)</u></b>	<u>(648,480)</u>
<b>Decrease in cash and cash equivalents</b>		<b><u>(223,638)</u></b>	<u>(465,537)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>1,407,998</b>	1,873,535
<b>Cash and cash equivalents at end of year</b>	2	<b><u>1,184,360</u></b>	<u>1,407,998</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2020**

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

	2020 £	2019 £
Profit before taxation	1,630,671	1,581,494
Depreciation charges	85,594	38,020
Loss on disposal of fixed assets	-	4,248
Finance income	(3,694)	(13,978)
	<u>1,712,571</u>	<u>1,609,784</u>
Increase in trade and other debtors	(357,859)	(1,458,975)
(Decrease)/increase in trade and other creditors	(65,803)	573,351
<b>Cash generated from operations</b>	<u><u>1,288,909</u></u>	<u><u>724,160</u></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 2020**

	31/12/20 £	1/1/20 £
Cash and cash equivalents	<u>1,184,360</u>	<u>1,407,998</u>

**Year ended 31 December 2019**

	31/12/19 £	1/1/19 £
Cash and cash equivalents	<u>1,407,998</u>	<u>1,873,535</u>

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2020**

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**3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1/1/20 £</b>	<b>Cash flow £</b>	<b>At 31/12/20 £</b>
<b>Net cash</b>			
Cash at bank	<u>1,407,998</u>	<u>(223,638)</u>	<u>1,184,360</u>
	<u>1,407,998</u>	<u>(223,638)</u>	<u>1,184,360</u>
<b>Debt</b>			
Finance leases	<u>(51,520)</u>	<u>21,319</u>	<u>(30,201)</u>
	<u>(51,520)</u>	<u>21,319</u>	<u>(30,201)</u>
<b>Total</b>	<u>1,356,478</u>	<u>(202,319)</u>	<u>1,154,159</u>



**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

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**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.

**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	- 25% - 33% straight line

**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 2020**

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**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**

	2020	2019
	£	£
Wages and salaries	3,658,154	3,882,340
Social security costs	380,588	452,440
Other pension costs	84,121	57,236
	<u>4,122,863</u>	<u>4,392,016</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**2. EMPLOYEES AND DIRECTORS - continued**

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

	2020	2019
Employees	<u>92</u>	<u>91</u>

	2020 £	2019 £
Directors' remuneration	<u>587,943</u>	<u>1,428,515</u>

Information regarding the highest paid director is as follows:

	2020 £	2019 £
Emoluments etc	<u>360,220</u>	<u>744,186</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	85,595	38,020
Loss on disposal of fixed assets	-	4,248
Audit fees	10,477	9,605
Auditors' remuneration for non audit work	<u>2,610</u>	<u>5,478</u>

**4. TAXATION**

**Analysis of the tax charge**

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

	2020 £	2019 £
Current tax:		
UK corporation tax	312,261	229,503
Deferred tax	(1,000)	72,000
Tax on profit	<u>311,261</u>	<u>301,503</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**4. TAXATION - continued**

**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:

	2020 £	2019 £
Profit before tax	<u>1,630,671</u>	<u>1,581,494</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	309,827	300,484
Effects of:		
Expenses not deductible for tax purposes	91	1,643
Capital allowances in excess of depreciation	-	(72,624)
Depreciation in excess of capital allowances	2,343	-
R&D claim for year ended 2016		
Deferred tax	<u>(1,000)</u>	<u>72,000</u>
Total tax charge	<u>311,261</u>	<u>301,503</u>

**5. DIVIDENDS**

	2020 £	2019 £
Ordinary shares of £1 each		
Paid	<u>1,200,000</u>	<u>700,000</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Interest payable on finance facility	<u>150,506</u>	<u>121,381</u>
	<u>150,506</u>	<u>121,381</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

7. INTANGIBLE FIXED ASSETS

	Other intangible assets £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>67,167</u>
<b>AMORTISATION</b>	
At 1 January 2020 and 31 December 2020	<u>67,167</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	-
At 31 December 2019	-

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2020	80,679	368,771	253,283	702,733
Additions	-	3,717	61,702	65,419
At 31 December 2020	<u>80,679</u>	<u>372,488</u>	<u>314,985</u>	<u>768,152</u>
<b>DEPRECIATION</b>				
At 1 January 2020	2,881	8,957	178,892	190,730
Charge for year	11,527	37,249	36,819	85,595
At 31 December 2020	<u>14,408</u>	<u>46,206</u>	<u>215,711</u>	<u>276,325</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>66,271</u>	<u>326,282</u>	<u>99,274</u>	<u>491,827</u>
At 31 December 2019	<u>77,798</u>	<u>359,814</u>	<u>74,391</u>	<u>512,003</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**9. DEBTORS**

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	12,784,384	13,078,306
Other debtors	641,365	351,350
Prepayments & accrued income	138,015	126,248
	<u>13,563,764</u>	<u>13,555,904</u>
Amounts falling due after more than one year:		
Other debtors	<u>850,000</u>	<u>500,000</u>
Aggregate amounts	<u>14,413,764</u>	<u>14,055,904</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Hire purchase contracts (see note 12)	21,318	21,319
Trade creditors	4,569,658	4,505,149
Corporation tax	312,261	229,503
Social security and other taxes	93,475	93,133
Other creditors & accruals	7,939,214	8,069,868
	<u>12,935,926</u>	<u>12,918,972</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Hire purchase contracts (see note 12)	<u>8,883</u>	<u>30,201</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**12. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase 2020 £</b>	<b>contracts 2019 £</b>
Net obligations repayable:		
Within one year	<b>21,318</b>	21,319
Between one and five years	<b>8,883</b>	30,201
	<b><u>30,201</u></b>	<b><u>51,520</u></b>
	<b>Non-cancellable 2020 £</b>	<b>operating leases 2019 £</b>
Within one year	<b>125,739</b>	130,830
Between one and five years	<b>154,941</b>	280,680
	<b><u>280,680</u></b>	<b><u>411,510</u></b>

**13. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2020 £</b>	<b>2019 £</b>
Hire purchase contracts	<b>30,201</b>	51,520
Receivables Finance Facility	<b>6,040,729</b>	6,194,308
	<b><u>6,070,930</u></b>	<b><u>6,245,828</u></b>

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.

**14. PROVISIONS FOR LIABILITIES**

	<b>2020 £</b>	<b>2019 £</b>
Deferred tax	<b><u>71,000</u></b>	<b><u>72,000</u></b>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

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**14. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2020	72,000
Provided during year	<u>(1,000)</u>
Balance at 31 December 2020	<u>71,000</u>

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value: £1	2020 £	2019 £
Number:	Class:			
2,000	Ordinary		<u>2,000</u>	<u>2,000</u>

**16. RESERVES**

	Retained earnings £
At 1 January 2020	2,952,732
Profit for the year	1,319,410
Dividends	<u>(1,200,000)</u>
At 31 December 2020	<u>3,072,142</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

17. RELATED PARTY DISCLOSURES

a) Related parties

(i) Common directorship/ownership:-

Protect Commercial Insurance Solutions Limited  
Mela Rossa Limited  
Red Apple Group Limited  
Red Apple Finance Limited  
Source Insurance 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
	£	£	£			
2020						
Red Apple Finance Limited			(16,986)	653,003	-	1,480,010
Protect Commercial Insurance Solutions Limited			(16,114)	13,933	-	175
Mela Rossa Limited			(33,449)	42,078	-	-
2019						
Red Apple Finance Limited			(665,896)	1,361,445	-	843,993
Protect Commercial Insurance Solutions Limited			(25,052)	24,482	-	2,356
Mela Rossa Limited			(221,820)	230,328	-	(8,629)

c) Consultancy services from related parties

			Net value of supply in year	Balance owed at year end
	£	£		
2020				
Other/director			44,250	5,250
2019				
Other/director			15,000	2,250

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

d) Rent paid to related parties		Net value of supply in year	Balance owed at year end
£	£		
2020			
Other/director		-	-
2019			
Other/director		15,000	-

18. **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.