

Company Registration No. 03238598 (England and Wales)

**COLLINGWOOD BUSINESS SOLUTIONS
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020**



COLLINGWOOD BUSINESS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	S G Welton G J Fothergill M Ward S Harris L B Gaskell L Laurie M S N Wright S D Moorhead H Shields M R Game
Secretary	M Beenshill
Company number	03238598
Registered office	Collingwood House Redburn Court Earl Grey Way North Shields Tyne and Wear NE29 6AR
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Natwest Bank plc 12 Bedford Way North Shields Tyne and Wear NE29 6YZ

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their strategic report on the company for the year ended 31 March 2020. The strategic report provides a review of the business for the financial year, the financial position at the end of the year and describes how the directors manage risk. It also discusses the main trends and factors that could affect the future of the company.

Review of the business

The company is a Service Provider to the general insurance sector.

Results and performance

The results of the company for the year are shown on page 7 and shows an operating loss of £2,208,004 (2019: £1,471,581). Turnover fell from £4,038,936 to £3,559,846 as the insurer discontinued some products, which lead to a decrease in Claims Handling fees.

Administrative expenses rose by 4.7% which was mainly due to an increase in staff costs with overall remuneration going from £3,362,617 to £3,633,718 and an increase in average headcount to 102 (2019:99).

Dividends of £nil (2019: £7,250,000) have been received from the subsidiary company in the year.

The financial position of the company as at 31 March 2020 is shown by its balance sheet on page 8. Net assets of the company have decreased from £1,636,719 to net liabilities of £588,238 as a result of the loss for the year. There has also been movements in the intercompany balances as a result of the group restructure and intercompany transfers in the year.

Business environment

The company trades in a highly competitive marketplace with national and international companies all competing to attract and retain customers. Our customers are insurance companies who operate in the general insurance market. Key external drivers in their market are: real household disposable income; demand for insurance products; damage caused by natural disasters and population. These factors therefore impact on the business of administrators that fail to foresee and respond to changes in these circumstances

Strategy

The customer is at the centre of our business model and strategy. The company's strategy is to provide an exceptional service to its clients thus creating loyalty and advocacy. By attracting, developing and promoting the best talent we will ensure that our culture of focusing on customer service is maintained and customer expectations are met.

Key performance indicators (KPI's)

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company. The board monitors the progress of the Company by reference to the following KPIs:

Operating profit/(loss) margin – (62.0%) (2019: (36.4%))

The core metrics are delivery of service against contractual obligations. During the year the company has performed well against the key criteria required by its customers.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

The directors consider that the following are the principal risks facing the company:

Loss of key customers

The company manages the risk of losing key customers by developing and maintaining a strong relationship with them.

Loss of key personnel

The company has endeavoured to ensure that key personnel are incentivised and appropriately remunerated to ensure that good performance is rewarded and staff are retained. The company has been assessed under Investors in People and has retained Gold status.

Operational risks

The company not only relies on suitably skilled people but also on the operation of compliant processes and technologies that are fit for purpose. The company has established processes and procedures for managing such operational risks. Assurance on the effectiveness of controls is gained from the work performed by the team of people within the company.

Covid-19

The strong cash position of the group means that we are able to sustain the business throughout this crisis. We initially furloughed 24 staff who were either unable to work from home or worked in areas impacted by the trading impact of the virus. We have ensured that all remaining staff can work from home but once we were able, we reopened the office with additional safety measures in place. These measures are continually evaluated and adjusted to reflect World Health Organisation, Public Health England and UK Government guidelines.

We have subsequently brought staff back from furlough where necessary, either full time or using the flexible furlough scheme to cope with increasing demand where necessary and have remained dynamic in our approach to staffing levels to cope with any changes to workload.

Going concern

The directors have a reasonable expectation that the Group is cash generative. The directors have at the time of approving the financial statements, a reasonable expectation that the Group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

Future developments

The insurance industry is expected to perform well in the coming years driven by increases in premium prices as insurers look to rebuild their capital strength after years of poor performance eroding their reserves. Despite this positive outlook, the UK's decision to leave the European Union increases uncertainty about changes to the regulatory framework.

We expect an easing of Covid-19 restrictions will lead to an increase in workload and we would expect the number of staff furloughed would reduce as a result.

In the coming year the company expects to deal with an increased volume on behalf of its clients.

On behalf of the board



G J Fothergill

Director

Date: 31/3/21

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of a service provider to the general insurance sector.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S G Welton	
G J Fothergill	
M Ward	(Appointed 1 September 2020)
S Harris	(Appointed 1 September 2020)
L B Gaskell	(Appointed 1 September 2020)
L Laurie	(Appointed 1 September 2020)
M S N Wright	(Appointed 1 September 2020)
S D Moorhead	(Appointed 1 September 2020)
H Shields	(Appointed 1 September 2020)
M R Game	(Appointed 5 October 2020)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

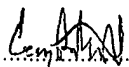
Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
G J Fothergill
Director

Date: 31/3/21

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Strategic Report and 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). 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; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLINGWOOD BUSINESS SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Collingwood Business Solutions Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 FRS 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 March 2020 and of its loss 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 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLINGWOOD BUSINESS SOLUTIONS LIMITED (CONTINUED)

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 and the directors' report.

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 directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

For the Auditor

Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD
31 March 2021

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

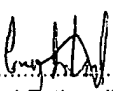
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	3,559,846	4,038,936
Administrative expenses		(5,767,850)	(5,510,517)
Operating loss	4	(2,208,004)	(1,471,581)
Interest receivable and similar income	8	107	7,250,068
(Loss)/profit before taxation		(2,207,897)	5,778,487
Tax on (loss)/profit	9	(17,060)	18,608
(Loss)/profit for the financial year		(2,224,957)	5,797,095

COLLINGWOOD BUSINESS SOLUTIONS LIMITED**BALANCE SHEET****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	750,000		1,250,000	
Tangible assets	12	576,671		546,272	
Investments	13	600,000		600,000	
			1,926,671		2,396,272
Current assets					
Debtors	15	10,348,758		6,747,402	
Cash at bank and in hand		670,145		531,576	
			11,018,903		7,278,978
Creditors: amounts falling due within one year	16	(13,533,812)		(8,038,531)	
Net current liabilities			(2,514,909)		(759,553)
Total assets less current liabilities			(588,238)		1,636,719
Capital and reserves					
Called up share capital	19		4		4
Capital redemption reserve	20		17		17
Profit and loss reserves	20		(588,259)		1,636,698
Total equity			(588,238)		1,636,719

The financial statements were approved by the board of directors and authorised for issue on 31/3/21 and are signed on its behalf by:



 G J Fothergill
 Director

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018		4	17	3,089,603	3,089,624
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	5,797,095	5,797,095
Dividends	10	-	-	(7,250,000)	(7,250,000)
Balance at 31 March 2019		4	17	1,636,698	1,636,719
Year ended 31 March 2020:					
Loss and total comprehensive income for the year		-	-	(2,224,957)	(2,224,957)
Balance at 31 March 2020		4	17	(588,259)	(588,238)

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Collingwood Business Solutions Limited (the 'company') is a private company limited by shares incorporated in England and Wales. The registered office is Collingwood House, Redburn Court, Earl Grey Way, North Shields, Tyne and Wear, NE29 6AR.

The company's principal activities and nature of its operations are disclosed in the Directors' Report. The nature of the company's operations are that of an insurance service provider.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include revaluation of freehold property at fair value. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Consolidated financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Collingwood Business Solutions Limited is a wholly owned subsidiary of Steerboard Holdings Limited and the results of Collingwood Business Solutions Limited are included in the consolidated financial statements of Steerboard Holdings Limited which are available from its registered office, Collingwood House, Redburn Court, Earl Grey Way, North Shields, Tyne and Wear, NE29 6AR.

Changes in accounting policy

The company has adopted the amendments to FRS 102 published in the Triennial Review 2017. This has resulted in no change in accounting policy and no changes in the current or prior year figures presented in the financial statements.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Going concern

At the balance sheet date, the company had net current liabilities of £2,514,909 and generated a loss for the period of £2,224,957. The directors have prepared detailed forecasts which have been updated to consider the impact of the covid 19 pandemic on revenues and working capital. Notwithstanding the deficiency of assets and losses in the year, the directors, with reference to these forecasts, consider that the company has adequate resources to continue in operational existence for the 12 months from approval of financial statements. The subsidiary company, Collingwood Insurance Services Limited has confirmed it will provide financial support to the Company as required for a period of no less than twelve months from the approval of the financial statements. In addition, the group has external funding. In March 2021, the debt facility was amended with confirmation of a new covenant suite and this facility is contractually available until March 2024. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue relating to the administration of insurance is recognised at the date the policy has been entered into by the customer.

Intangible fixed assets other than goodwill

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

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

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

Intellectual property rights	10% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold property	2% straight line
Office equipment	25% straight line
IT equipment	33% straight line
Fixtures & fittings	25% straight line

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

No depreciation is provided on freehold land.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Fixed asset investments

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

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

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The expense in relation to share incentive schemes granted to employees is recognised within the profit and loss account at the fair value of the shares.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Economic lives

The directors have estimated the useful economic lives of assets held when considering depreciation and amortisation rates.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Fees	3,559,846	4,038,936
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other revenue		
Interest income	107	68
Dividends received	-	7,250,000
	<u> </u>	<u> </u>

All turnover was generated within the United Kingdom.

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	66,168	58,156
Amortisation of intangible assets	500,000	500,000

5 Employees

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

	2020 Number	2019 Number
Direct staff	53	51
Administrative staff	46	45
Directors	3	3
	102	99

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,076,206	2,904,277
Social security costs	305,127	277,681
Pension costs	252,385	180,659
	3,633,718	3,362,617

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	127,905	122,443
Company pension contributions to defined contribution schemes	15,368	15,697
	143,273	138,140

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 2).

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	7,000	7,000
For other services		
All other non-audit services	3,500	3,500

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	107	68
Income from fixed asset investments		
Income from shares in group undertakings	-	7,250,000
Total income	107	7,250,068

9 Taxation

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	17,060	(18,608)

The total tax charge/(credit) for the year included in the profit and loss account can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2020	2019
	£	£
(Loss)/profit before taxation	(2,207,897)	5,778,487
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(419,500)	1,097,913
Tax effect of expenses that are not deductible in determining taxable profit	6,164	2,073
Tax effect of income not taxable in determining taxable profit	-	(1,377,500)
Group relief	437,079	267,197
Permanent capital allowances in excess of depreciation	14,985	7,596
Research and development tax credit	(18,525)	-
Deferred tax adjustments in respect of prior years	(3,143)	-
Deferred tax adjustment	-	(15,887)
Taxation charge/(credit) for the year	17,060	(18,608)

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

10 Dividends

	2020 £	2019 £
Final paid	-	7,250,000

11 Intangible fixed assets

	Intellectual property rights £
Cost	
At 1 April 2019 and 31 March 2020	5,000,000
Amortisation and impairment	
At 1 April 2019	3,750,000
Amortisation charged for the year	500,000
At 31 March 2020	4,250,000
Carrying amount	
At 31 March 2020	750,000
At 31 March 2019	1,250,000

The amortisation of intellectual property rights is included within the administrative expenses.

12 Tangible fixed assets

	Freehold property £	Office equipment £	IT equipment £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 April 2019	500,000	256,610	597,261	182,435	1,536,306
Additions	-	-	86,208	10,359	96,567
At 31 March 2020	500,000	256,610	683,469	192,794	1,632,873
Depreciation and impairment					
At 1 April 2019	10,911	253,224	543,464	182,435	990,034
Depreciation charged in the year	10,000	3,386	46,924	5,858	66,168
At 31 March 2020	20,911	256,610	590,388	188,293	1,056,202
Carrying amount					
At 31 March 2020	479,089	-	93,081	4,501	576,671
At 31 March 2019	489,089	3,386	53,797	-	546,272

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets (Continued)

Land and buildings were revalued as at 15 March 2018. The property was valued by Johnson Tucker, Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2019 £
Cost	638,164	638,164
Accumulated depreciation	(82,960)	(70,197)
Carrying value	<u>555,204</u>	<u>567,967</u>

13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	<u>600,000</u>	<u>600,000</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2019 & 31 March 2020	<u>600,000</u>
Carrying amount	
At 31 March 2020	<u>600,000</u>
At 31 March 2019	<u>600,000</u>

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Accident Hotline Limited (Company number: 05515363)	1	Insurance intermediary	Ordinary	100	-
Collingwood Insurance Services (U.K.) Limited (Company number: 04174235)	1	Insurance intermediary	Ordinary	100	-

Registered Office addresses:

1 Collingwood House, Redburn Court, Earl Grey Way, North Shields, NE29 6AR

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Accident Hotline Limited (Company number: 05515363)	-	90
Collingwood Insurance Services (U.K.) Limited (Company number: 04174235)	5,696,599	16,929,016

Accident Hotline Limited is exempt from audit under section 480 of the Companies Act 2006 due to the company being dormant in the current and prior years.

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	966	978
Amounts owed by group undertakings	9,960,517	6,241,408
Other debtors	56,488	14,741
Prepayments and accrued income	321,165	463,593
	<hr/>	<hr/>
	10,339,136	6,720,720
Deferred tax asset (note 17)	9,622	26,682
	<hr/>	<hr/>
	10,348,758	6,747,402
	<hr/>	<hr/>

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	160,104	207,588
Amounts owed to group undertakings	13,122,512	7,661,836
Taxation and social security	72,123	78,970
Other creditors	24,567	8,004
Accruals and deferred income	154,506	82,133
	<u>13,533,812</u>	<u>8,038,531</u>

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
Balances:		
Accelerated capital allowances	3,194	3,194
Capital losses	6,428	23,488
	<u>9,622</u>	<u>26,682</u>

	2020 £
Movements in the year:	
Liability/(Asset) at 1 April 2019	(26,682)
Charge to profit or loss	17,060
Liability/(Asset) at 31 March 2020	<u>(9,622)</u>

18 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>252,385</u>	<u>180,659</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the year end the company has liabilities to the pension scheme of £22,178 (2019 - £5,598).

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

19 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
357 Ordinary shares of 1p each	3	3
63 Ordinary A shares of 1p each	1	1
	<u>4</u>	<u>4</u>

Both types of the company's ordinary share capital carry no right to fixed income, each carry the right to one vote at the general meetings of the company.

20 Reserves

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners. Included in the profit and loss reserve is £2,238 capital contribution which related to cash settled share based payments.

21 Financial commitments, guarantees and contingent liabilities

The company did not identify any contingent liabilities as at 31 March 2020 or 31 March 2019.

The company is party to a cross guarantee with respect to external borrowings of its fellow group undertakings. At 31 March 2020 the potential liability with respect to this guarantee amounted to £nil (2019: £nil).

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Commission income	
	2020	2019
	£	£
Entities under common control	3,559,846	4,038,936

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Entities under common control	70,784	-

COLLINGWOOD BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

22 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	£	£
Entities under common control	7,570	143,040

23 Ultimate controlling party

The company's immediate parent company is Horatio Holdings Limited, a company incorporated in the United Kingdom.

The smallest and largest group for which consolidated financial statements are produced including Collingwood Business Solutions Limited is Steerboard Holdings Limited, a company incorporated in the United Kingdom. Steerboard Holdings Limited was incorporated on 18 February 2019 and on 16 April 2019, the group acquired Horatio Holdings Limited group, including Collingwood Business Solutions Limited. The consolidated financial statements of Steerboard Holdings Limited are available from its registered office, Collingwood House, Redburn Court, Earl Grey Way, North Shields, Tyne and Wear, NE29 6AR.

The ultimate parent undertaking is JZI Fund III LP which is managed by JZI Advisors Inc., a company incorporated in the United States of America.