

Registration number 3937509



**The Insurance Partnership Services Limited**

**Directors' report and financial statements**

**for the year ended 30 June 2011**

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## **The Insurance Partnership Services Limited**

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# **The Insurance Partnership Services Limited**

## **Directors' report for the year ended 30 June 2011**

The directors present their report and the financial statements for the year ended 30 June 2011

### **Principal activity and review of the business**

The principal activity of the company in the year was that of general insurance broking.

### **Business review**

The business is pleased to report another year of growth and development including the establishment (with accompanying set up and non recurring costs) of its Leeds office. This office boasts a unique transparent trading model aligned to corporate and complex risks which is already delivering significant contributions to turnover

The key financial highlights are as follows

	<b>% Change</b>	<b>2011 £000's</b>	<b>2010 £000's</b>	<b>2009 £000's</b>	<b>2008 £000's</b>	<b>2007 £000's</b>
Turnover	14%	7,367	6,437	6,063	5,597	4,715
Profit (before set up costs)	10%	509	461	367	431	422
Set-up costs - Leeds office		(380)	-	-	-	-
Profit (before taxation)		<u>129</u>	<u>461</u>	<u>367</u>	<u>431</u>	<u>422</u>
Shareholders' funds	5%	1,522	1,453	1,156	1,266	970

The successful integration into the business of the Leeds office has been complemented during the year by increased penetration in its Schemes/Affinity division, strong client retention, organic expansion and growing benefits emanating from its membership of Unitas

An internal review of the business was undertaken with regard to its organisational structure, maximisation of economies of scale and cost control. This has delivered pro-rata success to date with further benefits being anticipated in the forthcoming year leaving the business well placed to increase its profitability going forward

The board remains focused on exploring all areas of the business in detail to ensure its growth strategy continues whilst maintaining strict control over its future costs in order that any investment in its future growth leads to sustainable returns. This will ensure that the business will remain well placed to take advantage of yet further opportunities and strategies as they arise

### **Dividends**

The directors have paid an interim dividend amounting to £30,000 (2010 Interim dividend £30,000) and they do not recommend payment of a final dividend (2010 Final dividend £Nil)

## **The Insurance Partnership Services Limited**

### **Directors' report for the year ended 30 June 2011**

#### **Fundamental risks and uncertainties**

The activities of the company expose it to a variety of risks both financial and operational. Those which have a material impact on the company are as follows,

#### **Market risk**

The company manages the risk of any insurance cycles by closely monitoring its costs, together with its rates and terms with insurers and by acquiring new business to protect itself from any such cycles. The company places significant importance on maintaining close relationships with both its clients and its insurers in this respect.

#### **Regulatory risk**

The key regulations which affect the company are those set by the Financial Services Authority (FSA). The company invests a significant amount of time and resources monitoring developments in the regulatory environments and acting on any changes in a timely and effective manner in order to comply with any new regulations.

#### **Risks relating to financial instruments**

The company's operations expose it to a variety of financial risks that include the effect of changes in interest rates, credit risk and liquidity risk. The board of directors actively monitor these and, where necessary, take action to mitigate identified risks.

#### **Credit risks**

As an insurance broker, the company's exposure to credit risk is minimised as, when acting as agent in placing insurable risks of clients, the insurance brokers are generally not liable as principals for the amounts arising from transaction.

#### **Liquidity risks**

The company's cash flow and liquidity risk are closely monitored by the directors. The company has entered into financial arrangements with its bankers which are designed to leave the company with a stable and manageable capital and debt structure. The company's financing arrangements are sufficient to allow funds to be made available for expansion should an opportunity arise. A significant amount of the company's bank debts are protected against the risk of future LIBOR rate movements by way of a fixed interest swap agreement until the year 2014.

#### **Directors**

The directors who served during the year are as stated below

I G Hakes	F A Crayton Resigned 28 02 2011
R L Worrell	R N Smaje
L J Reveley	R Tuplin
K Lunn Resigned 31 03 2011	K Cody
M J Green	C Brady Appointed 01 07 2011

# **The Insurance Partnership Services Limited**

## **Directors' report for the year ended 30 June 2011**

### **Statement of directors' responsibilities**

The directors are responsible for preparing 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



**R. L. Worrell**

**Director**

**24<sup>th</sup> November, 2011**

## **Independent auditor's report to the members of The Insurance Partnership Services Limited**

We have audited the financial statements of The Insurance Partnership Services Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of  
The Insurance Partnership Services Limited**

**Matters on which we are required to report by exception**

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

**John Gilleard FCA (Senior Statutory Auditor)  
For and on behalf of Dutton Moore  
Chartered Accountants and  
Statutory Auditors  
14 December 2011**

**6 Silver Street  
Hull  
HU1 1JA**

**The Insurance Partnership Services Limited**

**Profit and loss account  
for the year ended 30 June 2011**

		<b>Continuing operations</b>	
		<b>2011</b>	<b>2010</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	7,367,205	6,436,951
Cost of sales		(497,990)	(325,179)
<b>Gross profit</b>		6,869,215	6,111,772
Administrative expenses		(6,665,710)	(5,661,267)
Other operating income		-	83,929
<b>Operating profit</b>	<b>3</b>	203,505	534,434
Other interest receivable and similar income	<b>5</b>	10,686	10,266
Interest payable and similar charges	<b>6</b>	(84,781)	(84,191)
<b>Profit on ordinary activities before taxation</b>		129,410	460,509
Tax on profit on ordinary activities	<b>9</b>	(30,995)	(133,651)
<b>Profit for the year</b>	<b>20</b>	98,415	326,858

There are no recognised gains or losses other than the profit or loss for the above two financial years

**The notes on pages 9 to 23 form an integral part of these financial statements.**





# The Insurance Partnership Services Limited

## Balance sheet as at 30 June 2011

		2011		2010	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,831,830		2,915,549
Investments	13		25		25
			<u>2,831,855</u>		<u>2,915,574</u>
Debtors	14	5,789,745		4,436,350	
Office cash at bank and in hand		988,196		965,964	
Client cash at bank and in hand		<u>1,726,717</u>		<u>1,168,658</u>	
		8,504,658		6,570,972	
<b>Creditors: amounts falling due within one year</b>	15	(7,755,987)		(5,884,905)	
<b>Net current assets</b>			<u>748,671</u>		<u>686,067</u>
<b>Total assets less current liabilities</b>			3,580,526		3,601,641
<b>Creditors: amounts falling due after more than one year</b>	16		(1,962,989)		(2,060,352)
<b>Provisions for liabilities</b>	17		<u>(96,017)</u>		<u>(88,184)</u>
<b>Net assets</b>			<u>1,521,520</u>		<u>1,453,105</u>
<b>Capital and reserves</b>					
Called up share capital	19		11,851		11,851
Profit and loss account	20		<u>1,509,669</u>		<u>1,441,254</u>
<b>Shareholders' funds</b>	21		<u>1,521,520</u>		<u>1,453,105</u>

The financial statements were approved by the Board on 24 November 2011 and signed on its behalf by

  
R. L. Worrell  
Director

  
R. N. Smaje  
Director

Registration number 3937509

The notes on pages 9 to 23 form an integral part of these financial statements.

**The Insurance Partnership Services Limited**

**Cash flow statement  
for the year ended 30 June 2011**

	Notes	2011 £	2010 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		203,505	534,434
Depreciation		183,172	233,207
(Increase) in debtors		(1,353,395)	(715,076)
Increase in creditors		1,915,305	1,114,310
<b>Net cash inflow from operating activities</b>		<u>948,587</u>	<u>1,166,875</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		948,587	1,166,875
Returns on investments and servicing of finance	28	(74,095)	(73,925)
Taxation	28	(139,030)	(124,970)
Capital expenditure	28	(13,607)	(13,421)
		721,855	954,559
Equity dividends paid		(30,000)	(30,000)
		691,855	924,559
Financing	28	(111,564)	(164,023)
<b>Increase in cash in the year</b>		<u>580,291</u>	<u>760,536</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 29)</b>			
<b>Increase in cash in the year</b>		580,291	760,536
Cash inflow from increase in debts and lease financing		111,564	164,023
Change in net funds resulting from cash flows		691,855	924,559
New finance leases and hire purchase contracts		(85,846)	(49,820)
<b>Movement in net funds in the year</b>		606,009	874,739
<b>Net funds at 1 July 2010</b>		187,662	(687,077)
<b>Net funds at 30 June 2011</b>		<u>793,671</u>	<u>187,662</u>

## **The Insurance Partnership Services Limited**

### **Notes to the financial statements for the year ended 30 June 2011**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

##### **1.2. Turnover**

Turnover represents insurance commissions and fees receivable during the year. Income is recognised on the inception date of the policy. Where there is an expectation of further servicing, an element of income relating to the policy is deferred to cover contractual obligations.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Freehold buildings	-	Straight line over fifty years
Plant and machinery	-	33% p a on cost
Fixtures, fittings and equipment	-	15% p a on written down value
Motor vehicles	-	25% p a on cost

##### **1.4. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **1.5. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

##### **1.6. Pensions**

The company makes payments to defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes

##### **1.7. Deferred taxation**

Provision is made for taxation deferred in respect of all material timing differences. A deferred tax asset is recognised where there is reasonable certainty of the company being able to achieve recovery of the asset in the foreseeable future

# **The Insurance Partnership Services Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

### **1.8. Group accounts**

The company is entitled to the exemption under section 400 of the Companies Act 2006 from the obligation to prepare group accounts

### **1.9. Goodwill**

Purchased goodwill is written off in the year of acquisition

### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

### **3. Operating profit**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Depreciation and other amounts written off tangible assets	207,227	231,613
Loss on disposal of tangible fixed assets	-	1,594
Operating lease rentals		
- Land and buildings	89,933	54,321
	<u>          </u>	<u>          </u>
and after crediting		
Profit on disposal of tangible fixed assets	24,055	-
	<u>          </u>	<u>          </u>

### **4. Auditors' remuneration**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration - audit of the financial statements	20,000	18,000
	<u>          </u>	<u>          </u>
Auditors' remuneration - other fees		
- taxation services	6,244	7,233
	<u>          </u>	<u>          </u>

### **5. Interest receivable and similar income**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank interest	10,686	10,266
	<u>          </u>	<u>          </u>

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

<b>6. Interest payable and similar charges</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Bank Interest	72,321	73,259
Hire purchase interest	10,696	10,932
Other interest	1,764	-
	<u>84,781</u>	<u>84,191</u>
<b>7. Employees</b>		
<b>Number of employees</b>	<b>2011</b>	<b>2010</b>
The average monthly numbers of employees (including the directors) during the year were		
Management, broking and general administration	<u>130</u>	<u>119</u>
<b>Employment costs</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,336,032	3,536,001
Social security costs	453,507	355,855
Pension costs-other operating charge	167,853	135,292
	<u>4,957,392</u>	<u>4,027,148</u>

# **The Insurance Partnership Services Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

<b>7.1. Directors' remuneration</b>	<b>2011</b>	<b>2010</b>
Remuneration and other emoluments	593,328	598,434
Employers NI contributions	71,171	71,036
Fee's paid to non-executive directors	11,218	24,590
Compensation for loss of office	23,800	-
Pension contributions	24,224	24,371
	<u>723,741</u>	<u>718,431</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>7</u>	<u>7</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	115,880	112,077
Pension contributions	5,137	5,053
	<u>121,017</u>	<u>117,130</u>

## **8. Pension costs**

The company operates a defined contribution pension scheme in respect of the directors and certain senior employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £167,853 (2010 - £135,292). There were no contributions prepaid or outstanding at the balance sheet date.

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

**9. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Current tax</b>		
UK corporation tax	32,699	150,000
Adjustments in respect of previous periods	(9,537)	1,287
Total current tax charge	<u>23,162</u>	<u>151,287</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	14,367	(7,973)
Prior period adjustments	(6,534)	(9,663)
Total deferred tax	<u>7,833</u>	<u>(17,636)</u>
Tax on profit on ordinary activities	<u>30,995</u>	<u>133,651</u>

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the applicable rate of corporation tax in the UK (26.28 %)  
The differences are explained below

	<b>2011 £</b>	<b>2010 £</b>
Profit on ordinary activities before taxation	<u>129,410</u>	<u>460,509</u>
Profit on ordinary activities multiplied by applicable rate of corporation tax in the UK of 26.28% (2010 28.00%)	34,008	128,943
<b>Effects of:</b>		
Expenses not deductible for tax purposes	25,842	31,780
Capital allowances for period in excess of depreciation	(2,612)	20,524
Adjustments to tax charge in respect of previous periods	(9,537)	1,287
Group relief	(23,958)	(31,360)
Other adjustments	(581)	113
Current tax charge for period	<u>23,162</u>	<u>151,287</u>

**10. Dividends**

	<b>2011 £</b>	<b>2010 £</b>
Ordinary £1 Shares - Interim paid £2.53 per share (2010 £2.53 per share)	<u>30,000</u>	<u>30,000</u>

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

**11. Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 July 2010	455,844
At 30 June 2011	<u>455,844</u>
<b>Amortisation</b>	
At 1 July 2010	455,844
At 30 June 2011	<u>455,844</u>
<b>Net book values</b>	
At 30 June 2011	<u>-</u>
At 30 June 2010	<u>-</u>

<b>12. Tangible fixed assets</b>	<b>Freehold Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 July 2010	2,646,381	402,946	295,785	395,857	3,740,969
Additions	-	18,540	8,435	128,459	155,434
Inter co transfer	-	-	380	-	380
Disposals	-	-	-	(158,160)	(158,160)
At 30 June 2011	<u>2,646,381</u>	<u>421,486</u>	<u>304,600</u>	<u>366,156</u>	<u>3,738,623</u>
<b>Depreciation</b>					
At 1 July 2010	143,905	341,042	137,353	203,120	825,420
Inter co transfer	-	-	169	-	169
On disposals	-	-	-	(126,023)	(126,023)
Charge for the year	52,929	38,088	24,551	91,659	207,227
At 30 June 2011	<u>196,834</u>	<u>379,130</u>	<u>162,073</u>	<u>168,756</u>	<u>906,793</u>
<b>Net book values</b>					
At 30 June 2011	<u>2,449,547</u>	<u>42,356</u>	<u>142,527</u>	<u>197,400</u>	<u>2,831,830</u>
At 30 June 2010	<u>2,502,476</u>	<u>61,904</u>	<u>158,432</u>	<u>192,737</u>	<u>2,915,549</u>



**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	2011		2010	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Equipment	4,132	13,722	17,605	13,638
Motor vehicles	172,422	52,837	166,063	59,617
	<u>176,554</u>	<u>66,559</u>	<u>183,668</u>	<u>73,255</u>

13. Fixed asset investments	Subsidiary undertakings shares £	Other unlisted investments £	Total £
<b>Cost</b>			
At 1 July 2010 and			
At 30 June 2011	<u>85</u>	<u>25</u>	<u>110</u>
<b>Provisions for diminution in value:</b>			
At 1 July 2010 and			
At 30 June 2011	<u>85</u>	<u>-</u>	<u>85</u>
<b>Net book values</b>			
At 30 June 2011	<u>-</u>	<u>25</u>	<u>25</u>
At 30 June 2010	<u>-</u>	<u>25</u>	<u>25</u>

# **The Insurance Partnership Services Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

### **13.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Shares held class</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>				
HAE Insurance Services Limited	England	Dormant	Ordinary	85%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<b>Capital and reserves</b>	<b>Profit for the year</b>
	<b>£</b>	<b>£</b>
HAE Insurance Services Limited	451	-

### **14. Debtors**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,004,600	812,173
Insurance debtors	3,522,292	2,374,859
Amounts owed by group undertakings	806,970	867,459
Other debtors	312,471	247,979
Prepayments and accrued income	143,412	133,880
	<u>5,789,745</u>	<u>4,436,350</u>

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

<b>15. Creditors: amounts falling due within one year</b>	<b>2011 £</b>	<b>2010 £</b>
Bank loans (Note 16)	47,945	24,419
Net obligations under finance leases and hire purchase contracts (Note 16)	51,939	72,578
Trade Creditors	262,282	301,118
Insurance creditors	5,249,009	3,543,517
Corporation tax	32,700	148,567
Other taxes and social security costs	175,299	149,555
Directors' accounts	3,282	6,163
Other creditors	589,575	593,813
Accruals and deferred income	1,343,956	1,045,175
	<u>7,755,987</u>	<u>5,884,905</u>
<b>Secured Amounts</b>		
Included in the above are the following amounts which are secured	<u>99,884</u>	<u>96,997</u>

# **The Insurance Partnership Services Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

<b>16. Creditors: amounts falling due after more than one year</b>	<b>2011 £</b>	<b>2010 £</b>
Bank loans	1,752,177	1,802,344
Claims management handling provision	141,631	210,389
Net obligations under finance leases and hire purchase contracts	69,181	47,619
	<u>1,962,989</u>	<u>2,060,352</u>
<b>Secured Amounts</b>		
Included in the above are the following amounts which are secured	<u>1,821,358</u>	<u>1,849,963</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 15)	47,945	24,419
Repayable between one and two years	119,226	47,945
Repayable between two and five years	387,963	372,613
Repayable in five years or more	1,244,988	1,381,786
	<u>1,800,122</u>	<u>1,826,763</u>
<b>Shown as:</b>		
Amounts due within one year	47,945	24,419
Amounts due after one year	<u>1,752,177</u>	<u>1,802,344</u>
	<u>1,800,122</u>	<u>1,826,763</u>

The bank loans consist of two instruments both of which are secured by a first mortgage over the company's freehold property together with a fixed and floating charge on the remaining assets of the company. The first instrument amounting to £1,405,600 is repayable over a period of 13 years ending 2024, with a first scheduled repayment commencing in 2012 at an interest rate of 1.275% over LIBOR rate. The company has protected itself against future LIBOR rate increases by entering into a 5 year rate swap with a fixed interest rate of 4.195% until 2014. The second instrument amounting to £394,522 (2010: £421,163) is repayable over a period of 13 years ending 2024 at an interest rate of 2.5% above the bank's base rate.

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

**Net obligations under finance leases  
and hire purchase contracts**

Repayable within one year	59,342	81,833
Repayable between one and five years	76,435	53,707
	<u>135,777</u>	<u>135,540</u>
Finance charges and interest allocated to future accounting periods	(14,657)	(15,343)
	<u>121,120</u>	<u>120,197</u>
<b>Shown as:</b>		
Amounts falling due within one year	51,939	72,578
Amounts falling after one year	69,181	47,619
	<u>121,120</u>	<u>120,197</u>

**17. Provisions for liabilities**

	<b>Deferred taxation (Note 18) £</b>
At 1 July 2010	88,184
Movements in the year	7,833
At 30 June 2011	<u>96,017</u>

**18. Provision for deferred taxation**

	<b>2011 £</b>	<b>2010 £</b>
Accelerated capital allowances	<u>96,017</u>	<u>88,184</u>
Provision at 1 July 2010	88,184	
Deferred tax charge in profit and loss account	7,833	
Provision at 30 June 2011	<u>96,017</u>	

**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

<b>19. Share capital</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid equity</b>		
11,851 Ordinary shares of £1 each	11,851	11,851
	<u>          </u>	<u>          </u>
<b>20. Equity Reserves</b>		<b>Profit and loss account</b>
		<b>£</b>
<b>At 1 July 2010</b>		1,441,254
Profit for the year		98,415
Equity Dividends		(30,000)
<b>At 30 June 2011</b>		<u>1,509,669</u>
<b>21. Reconciliation of movements in shareholders' funds</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit for the year	98,415	326,858
Dividends	(30,000)	(30,000)
	<u>68,415</u>	<u>296,858</u>
Opening shareholders' funds	1,453,105	1,156,247
Closing shareholders' funds	<u>1,521,520</u>	<u>1,453,105</u>

**22. Financial commitments**

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within one year	18,052	28,665
In over five years	52,000	52,000
	<u>70,052</u>	<u>80,665</u>

## **The Insurance Partnership Services Limited**

### **Notes to the financial statements for the year ended 30 June 2011**

#### **23. Security**

The company's bank loans are secured by a debenture over all the asset of the company and a legal charge over the freehold properties

#### **24. Contingent liabilities**

In March 2009 the company entered into a cross guarantee and debenture guaranteeing the indebtedness to the bank of its parent undertaking The Insurance Partnership Holdings Limited. As at 30th June 2011 the company's exposure under this agreement amounted to £140,001. The directors consider the likelihood of this guarantee being called upon to be remote.

#### **25. Related party transactions**

The company claims exemption under FRS 8 (Revised) from the requirement to disclose transactions with other wholly owned group companies, where consolidated financial statements are prepared incorporating these transactions.

During the year the company rented premises from the SIPP of the directors R.L Worrell, I Hakes, L J Reveley, M J Green and K Lunn at a rental costs of £52,000 (2010 £52,000).

Rental income of £22,200 (2010 £12,000) was received from The Insurance Partnership Financial Services Limited, a company which is also part of The Insurance Partnership Holdings Limited group, in respect of these rented premises.

In addition the company recharged overhead expenses of £13,007 (2010 £10,800) to The Insurance Partnership Financial Services Limited during the year.

During the year the company sold a motor vehicle to L Reveley, a director of the company for £15,000.

As at the balance sheet date the company was owed amounts from HAE Insurance Services Limited totalling £451 (2010 £451) and CTL Three Limited totalling £177,438 (2010 £177,438).

All other amounts due from related parties were owed by wholly owned subsidiaries, and hence are exempt from disclosure as detailed above.

# **The Insurance Partnership Services Limited**

## **Notes to the financial statements for the year ended 30 June 2011**

### **26. Ultimate parent undertaking**

The company is a wholly owned subsidiary of The Insurance Partnership Holdings Limited, a company incorporated in England and Wales

### **27. Controlling interest**

The company is controlled by the director R L Worrell and his immediate family by virtue of their control of the holding company

### **28. Analysis of cash flows for headings netted in the cashflow statement.**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	10,686	10,266
Interest paid	(84,781)	(84,191)
	<u>(74,095)</u>	<u>(73,925)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(139,030)</u>	<u>(124,970)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(69,799)	(57,446)
Receipts from sales of tangible assets	56,192	44,025
	<u>(13,607)</u>	<u>(13,421)</u>
<b>Financing</b>		
Repayment of short term bank loan	(26,641)	(25,862)
Capital element of finance leases and hire purchase contracts	<u>(84,923)</u>	<u>(138,161)</u>
	<u>(111,564)</u>	<u>(164,023)</u>



**The Insurance Partnership Services Limited**

**Notes to the financial statements  
for the year ended 30 June 2011**

**29. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>2,134,622</u>	<u>580,291</u>	<u>-</u>	<u>2,714,913</u>
Bank loans	(1,826,763)	26,641	-	(1,800,122)
Finance leases and hire purchase contracts	<u>(120,197)</u>	<u>84,923</u>	<u>(85,846)</u>	<u>(121,120)</u>
	<u>(1,946,960)</u>	<u>111,564</u>	<u>(85,846)</u>	<u>(1,921,242)</u>
<b>Net funds</b>	<u><u>187,662</u></u>	<u><u>691,855</u></u>	<u><u>(85,846)</u></u>	<u><u>793,671</u></u>

**Major non-cash transactions**

During the year the company entered into asset finance agreements in respect of assets with a capital value at the inception of the agreements of £85,846 (2010 £49,820)