

Company Registration No. 6383801 (England and Wales)

**KBIS HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

# **KBIS HOLDINGS LIMITED**

## **COMPANY INFORMATION**

---

<b>Directors</b>	Mr G R Prest Mrs E A Prest Mr C J Hodgson Mrs E L Cover Mr W R Prest
<b>Secretary</b>	Mrs E A Prest
<b>Company number</b>	6383801
<b>Registered office</b>	Cullimore House Peasemore Newbury Berkshire RG20 7JN
<b>Auditors</b>	Arnold Hill & Co LLP Craven House 16 Northumberland Avenue London United Kingdom WC2N 5AP

---

# **KBIS HOLDINGS LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Company statement of cash flows	13
Notes to the financial statements	14 - 25

---

# KBIS HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

---

The directors present the Strategic Report and financial statements for the year ended 31 March 2019.

### Fair review of the business

KBIS Holdings Limited is the holding Company to a Group engaged as equine and domestic pet insurance agents.

### Key performance indicators

The profit for the year, after taxation, was in line with expectations and amounted to £223,440 (2018: £158,416). The year to 31 March 2019 produced a turnover of £2,750,818 (2018: £2,881,582).

Charitable donations	2019	2018
	£	£
During the year the Group made the following payments:		
Charitable donations	6,131	1,126
	<u>        </u>	<u>        </u>

### Principal risks and uncertainties

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk to the business is to ensure that the financial assets of the Group exceed the financial liabilities in a manner consistent with the financial resources requirement of the Financial Conduct Authority, the Group's regulator.

The most important components of the financial risk are interest rate risk, currency risk, credit risk, liquidity risk and cash flow risk. Due to the Group's business and assets and liabilities contained in the Group's balance sheet the only financial risks the directors consider relevant are currency risk, liquidity risk, cash flow risk and credit risk. Currency risk is mitigated through the general practice of maintaining all foreign transactions in the particular currency, therefore removing any transaction gains/losses.

Liquidity risk and cash flow risk are managed in a number of different ways, principally due to the nature of the business. The Group agrees terms with suppliers that do not necessitate the payments of significant sums in advance. In addition, a liability to an underwriter is usually recognised at the same time as a customer receivable.

Cash flow risk is managed by control over income received. Due to the Group's nature, customers pay monthly, quarterly or yearly depending on the policy and renewal terms relating to the period.

Credit risks are mitigated by the nature of the debtor balances owed and through the internal control environment identifying recoverability issues.

The Directors continually review these key risks and uncertainties and believe that the Group is well placed to manage these and that the business will develop satisfactorily in the future.

Finally, Brexit poses risk to the Company through the potential loss of passporting rights on financial services which would affect EU sales. The Directors are actively considering the best solution for the Company's clients but acknowledge that there are no good solutions which work for all parties.

On behalf of the board

.....  
Mrs E A Prest

**Director**

2 August 2019

# **KBIS HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

---

The directors present their report and financial statements for the year ended 31 March 2019.

### **Incorporation and registered office**

The Company is incorporated in England and Wales. The registered office of the Company and Group is Cullimore House, Peasemore, Newbury, Berkshire, RG20 7JN.

### **Principal activities**

KBIS Holdings Limited is the holding Company to a Group engaged as equine and domestic pet insurance agents.

### **Directors**

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

Mr G R Prest  
Mrs E A Prest  
Mr C J Hodgson  
Mrs E L Cover  
Mr W R Prest

### **Auditor**

The auditors, Arnold Hill & Co LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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 Group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group's auditors are aware of that information.

On behalf of the board

Mrs E A Prest

**Director**

2 August 2019

## **KBIS HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2019***

---

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 Group, and of the profit or loss of the Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **KBIS HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF KBIS HOLDINGS LIMITED**

---

#### **Opinion**

We have audited the financial statements of KBIS Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019 which comprise the Group Profit And Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows 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 Group's and the parent Company's affairs as at 31 March 2019 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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **KBIS HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF KBIS HOLDINGS LIMITED**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the Group and the parent 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



## **KBIS HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KBIS HOLDINGS LIMITED**

---

#### **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.

**Stephanie Clegg (Senior Statutory Auditor)**  
for and on behalf of Arnold Hill & Co LLP

6 August 2019

**Chartered Accountants**  
**Statutory Auditor**

Craven House  
16 Northumberland Avenue  
London  
United Kingdom  
WC2N 5AP

## KBIS HOLDINGS LIMITED

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	2,750,818	2,881,582
Cost of sales		(5,597)	(9,241)
<b>Gross profit</b>		<b>2,745,221</b>	<b>2,872,341</b>
Administrative expenses		(2,570,878)	(2,803,083)
Other operating income		164,814	138,548
<b>Operating profit</b>	<b>4</b>	<b>339,157</b>	<b>207,806</b>
Interest receivable and similar income	6	4,415	918
<b>Profit before taxation</b>		<b>343,572</b>	<b>208,724</b>
Taxation	9	(120,132)	(50,308)
<b>Profit for the financial year</b>		<b>223,440</b>	<b>158,416</b>
<b>Total comprehensive income for the year</b>		<b>223,440</b>	<b>158,416</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# KBIS HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	11	221,214		294,952	
Tangible assets	12	58,345		170,938	
			<u>279,559</u>		<u>465,890</u>
<b>Current assets</b>					
Debtors	15	1,303,613		1,097,812	
Cash at bank and in hand		3,512,186		3,213,078	
			<u>4,815,799</u>		<u>4,310,890</u>
<b>Creditors: amounts falling due within one year</b>	16	(3,745,388)		(3,405,308)	
<b>Net current assets</b>			<u>1,070,411</u>		<u>905,582</u>
<b>Total assets less current liabilities</b>			<u>1,349,970</u>		<u>1,371,472</u>
<b>Creditors: amounts falling due after more than one year</b>	17		-		(160,158)
<b>Provisions for liabilities</b>	18		(47,693)		(32,478)
<b>Net assets</b>			<u><u>1,302,277</u></u>		<u><u>1,178,836</u></u>
<b>Capital and reserves</b>					
Called up share capital	19	10,000		10,000	
Other reserves		257,099		257,099	
Profit and loss reserves		1,035,178		911,737	
<b>Total equity</b>			<u><u>1,302,277</u></u>		<u><u>1,178,836</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 August 2019 and are signed on its behalf by:

Mr G R Prest  
Director

# KBIS HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	11		221,214		294,952
Investments	13		120,404		120,404
			<u>341,618</u>		<u>415,356</u>
<b>Current assets</b>					
Debtors	15	36,723		-	
<b>Creditors: amounts falling due within one year</b>	16	(359,804)		(230,830)	
		<u></u>		<u></u>	
<b>Net current liabilities</b>			(323,081)		(230,830)
<b>Total assets less current liabilities</b>			<u>18,537</u>		<u>184,526</u>
<b>Creditors: amounts falling due after more than one year</b>	17		-		(160,158)
			<u></u>		<u></u>
<b>Net assets</b>			<u>18,537</u>		<u>24,368</u>
<b>Capital and reserves</b>					
Called up share capital	19		10,000		10,000
Profit and loss account			8,537		14,368
			<u>18,537</u>		<u>24,368</u>
<b>Shareholders' funds</b>			<u>18,537</u>		<u>24,368</u>

The financial statements were approved by the board of directors and authorised for issue on 2 August 2019 and are signed on its behalf by:

Mr G R Prest  
Director

Company Registration No. 06383801

# KBIS HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 April 2017</b>		10,000	257,099	757,322	1,024,421
<b>Year ended 31 March 2018:</b>					
Profit and total comprehensive income for the year		-	-	158,416	158,416
Dividends	10	-	-	(4,000)	(4,000)
<b>Balance at 31 March 2018</b>		10,000	257,099	911,738	1,178,837
<b>Year ended 31 March 2019:</b>					
Profit and total comprehensive income for the year		-	-	223,440	223,440
Dividends	10	-	-	(100,000)	(100,000)
<b>Balance at 31 March 2019</b>		10,000	257,099	1,035,178	1,302,277

# KBIS HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2019**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 April 2017</b>		10,000	4,999	14,999
<b>Year ended 31 March 2018:</b>				
Profit and total comprehensive income for the year		-	13,369	13,369
Dividends	10	-	(4,000)	(4,000)
<b>Balance at 31 March 2018</b>		10,000	14,368	24,368
<b>Year ended 31 March 2019:</b>				
Profit and total comprehensive income for the year		-	94,169	94,169
Dividends	10	-	(100,000)	(100,000)
<b>Balance at 31 March 2019</b>		10,000	8,537	18,537

# KBIS HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22	308,563		1,254,665	
Income taxes paid		(70,652)		(68,881)	
<b>Net cash inflow from operating activities</b>		<u>237,911</u>		<u>1,185,784</u>	
<b>Investing activities</b>					
Purchase of intangible assets		-		(2,776)	
Purchase of tangible fixed assets		(5,712)		(13,583)	
Proceeds on disposal of tangible fixed assets		62,494		-	
Interest received		<u>4,415</u>		<u>918</u>	
<b>Net cash generated from/(used in) investing activities</b>			61,197		(15,441)
<b>Financing activities</b>					
Dividends paid to equity shareholders		-		(66,500)	
<b>Net cash used in financing activities</b>			-		(66,500)
<b>Net increase in cash and cash equivalents</b>			299,108		1,103,843
Cash and cash equivalents at beginning of year			3,213,078		2,109,235
<b>Cash and cash equivalents at end of year</b>			<u><u>3,512,186</u></u>		<u><u>3,213,078</u></u>

# KBIS HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23		(97,519)		27,276
Income taxes paid			(13,481)		-
<b>Net cash (outflow)/inflow from operating activities</b>			(111,000)		27,276
<b>Investing activities</b>					
Purchase of intangible assets		-		(2,776)	
Dividends received		111,000		42,000	
<b>Net cash generated from investing activities</b>			111,000		39,224
<b>Financing activities</b>					
Dividends paid to equity shareholders		-		(66,500)	
<b>Net cash used in financing activities</b>			-		(66,500)
<b>Net increase in cash and cash equivalents</b>			-		-
Cash and cash equivalents at beginning of year			-		-
<b>Cash and cash equivalents at end of year</b>			-		-



# **KBIS HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

---

### **1 Accounting policies**

#### **Company information**

KBIS Holdings Limited (the "Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Cullimore House, Peasemore, Newbury, Berkshire, RG20 7JN.

The Group consists of KBIS Holdings Limited, KBIS Limited, KBIS Trial Time Limited and Stoneways Insurance Services Limited.

#### **1.1 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 and presentational currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

The consolidated financial statements incorporate those of KBIS Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Turnover**

Turnover represents commission earned on insurance contracts, and excludes value added tax and insurance premium tax.

#### **1.5 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.6 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.

Software in development is amortised once development is complete and the software is ready for use. Amortisation 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:

#### 1.7 Tangible fixed assets

Tangible fixed assets are originally recorded at cost less accumulated depreciation or amortisation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its useful economic life, as follows:

Fixtures, fittings & equipment	25% straight line
Motor vehicles	10% reducing balance

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 recognised in the profit and loss account.

#### 1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial assets

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument. Basic financial assets, which include amounts owed from undertakings, other receivables 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, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### 1.10 Financial liabilities

Financial liabilities, including amounts owed to affiliated undertakings and other creditors, are initially measured at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method, except for short-term payables when the recognition of interest would be immaterial.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred taxation is recognised in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

The Group operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the profit and loss account in the year they are payable.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Group'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.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 3 Turnover and other revenue

An analysis of the Group's turnover, is as follows:

	2019 £	2018 £
<b>Turnover</b>		
Premiums received	14,079,388	13,640,603
Payable to underwriters	(11,328,570)	(10,759,021)
	<u>2,750,818</u>	<u>2,881,582</u>

Included within turnover is £124,086 (2018: £85,834) earned from sales within the Republic of Ireland, all other turnover is earned within the United Kingdom.

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
(Profit)/loss on foreign exchange transactions	(4,246)	87
Depreciation of owned tangible fixed assets	45,988	54,750
Loss on disposal of tangible fixed assets	9,823	-
Amortisation of intangible assets	73,738	73,738
Operating lease charges	75,000	74,759
	<u>75,000</u>	<u>74,759</u>

### 5 Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the Group and Company	2,160	2,160
Audit of the Company's subsidiaries	9,120	15,220
	<u>11,280</u>	<u>17,380</u>
<b>For other services</b>		
All other non-audit services	9,668	5,648
	<u>9,668</u>	<u>5,648</u>

### 6 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Bank interest	4,380	764
Other interest	35	154
	<u>4,415</u>	<u>918</u>

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 7 Employees

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

	2019 Number	2018 Number
Administration staff	11	13
Management staff	8	7
Sales staff	14	12
Other staff	3	3
	<u>36</u>	<u>35</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,317,411	1,352,690
Social security costs	145,985	147,884
Pension costs	59,376	68,079
	<u>1,522,772</u>	<u>1,568,653</u>

### 8 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	439,738	438,062
Company pension contributions to defined contribution schemes	19,041	21,120
	<u>458,779</u>	<u>459,182</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	167,200	165,283
Company pension contributions to defined contribution schemes	7,560	7,560
	<u>174,760</u>	<u>172,843</u>

### 9 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	88,824	47,210
Adjustments in respect of prior periods	16,016	5,686
	<u>104,840</u>	<u>52,896</u>

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Taxation (Continued)

<b>Deferred tax</b>		
Other adjustments	15,292	(2,588)
	<u>          </u>	<u>          </u>
 Total tax charge	 120,132	 50,308
	<u>          </u>	<u>          </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	343,572	208,724
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	65,279	39,658
Tax effect of expenses that are not deductible in determining taxable profit	14,171	15,656
Tax effect of income not taxable in determining taxable profit	-	(5,983)
Unutilised tax losses carried forward	1,721	-
Adjustments in respect of prior years	16,016	5,686
Depreciation in excess of capital allowances	7,653	7,822
Deferred tax movements	15,292	(12,531)
	<u>          </u>	<u>          </u>
Taxation charge	120,132	50,308
	<u>          </u>	<u>          </u>

<b>10 Dividends</b>	2019 £	2018 £
Final payable	100,000	4,000
	<u>          </u>	<u>          </u>

<b>11 Intangible fixed assets</b>			
<b>Group</b>	<b>Goodwill</b>	<b>Customer database</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	453,065	368,690	821,755
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 April 2018	453,065	73,738	526,803
Amortisation charged for the year	-	73,738	73,738
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	453,065	147,476	600,541
	<u>          </u>	<u>          </u>	<u>          </u>

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 11 Intangible fixed assets (Continued)

<b>Carrying amount</b>			
At 31 March 2019	-	221,214	221,214
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2018	-	294,952	294,952
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Company</b>	<b>Goodwill</b>	<b>Customer database</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2018 and 31 March 2019	453,065	368,690	821,755
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 April 2018	453,065	73,738	526,803
Amortisation charged for the year	-	73,738	73,738
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	453,065	147,476	600,541
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2019	-	221,214	221,214
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2018	-	294,952	294,952
	<u>          </u>	<u>          </u>	<u>          </u>

### 12 Tangible fixed assets

<b>Group</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2018	392,095	133,923	526,018
Additions	5,712	-	5,712
Disposals	-	(106,820)	-
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	397,807	27,103	424,910
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>			
At 1 April 2018	316,853	38,227	355,080
Depreciation charged in the year	39,629	6,359	45,988
Eliminated in respect of disposals	-	(34,503)	-
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	356,482	10,083	366,565
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2019	41,325	17,020	58,345
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2018	75,242	95,696	170,938
	<u>          </u>	<u>          </u>	<u>          </u>

The Company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Shares in group undertakings		-	-	120,404	120,404

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### Holdings of more than 20%

The Company holds more than 20% of the following companies:

Company	Country of registration or incorporation	Shares Held	
<b>Subsidiary undertakings</b>		<b>Class</b>	<b>%</b>
KBIS Limited	England & Wales	Ordinary shares	100
KBIS Trial Time Limited	England & Wales	Ordinary shares	100
Stoneways Insurance Services Limited	England & Wales	Ordinary shares	100

The principal activity of these undertakings for the last relevant financial year was as follows:

Company	Principal activity
KBIS Limited	Equine & Domestic Pet Insurance
KBIS Trial Time Limited	Dormant
Stoneways Insurance Services Limited	Equine Insurance

### 14 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,189,996	980,489	36,723	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,620,872	3,475,564	343,294	390,988



# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 15 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	947,333	955,078	-	-
Amounts owed by group undertakings	-	-	36,723	-
Other debtors	242,663	25,411	-	-
Prepayments and accrued income	113,617	117,323	-	-
	<u>1,303,613</u>	<u>1,097,812</u>	<u>36,723</u>	<u>-</u>

### 16 Creditors: amounts falling due within one year

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Trade creditors	3,144,150	3,048,106	-	-
Amounts owed to group undertakings	-	-	80,094	149,671
Corporation tax payable	88,830	54,565	16,510	-
Other taxation and social security	35,686	35,337	-	-
Dividends payable	100,000	-	100,000	-
Other creditors	-	280	-	-
Accruals and deferred income	376,722	267,020	163,200	81,159
	<u>3,745,388</u>	<u>3,405,308</u>	<u>359,804</u>	<u>230,830</u>

### 17 Creditors: amounts falling due after more than one year

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Other creditors	<u>-</u>	<u>160,158</u>	<u>-</u>	<u>160,158</u>

The purchase cost of Stoneways Insurance Services Limited included an element of deferred consideration. A portion of this has been paid since the balance sheet date, and 'Accruals' comprises a best estimate of the value of the final payment to be made. This amount has been recognised entirely as a current liability this year.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 18 Deferred taxation

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

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2019</b>	<b>2018</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	47,693	32,478
	<u>47,693</u>	<u>32,478</u>

The Company has no deferred tax assets or liabilities.

	<b>Group</b>	<b>Company</b>
	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Movements in the year:</b>		
Liability at 1 April 2018	32,478	-
Charge to profit or loss	20,826	-
Effect of change in tax rate - profit or loss	(5,611)	-
	<u>47,693</u>	<u>-</u>
Liability at 31 March 2019	<u>47,693</u>	<u>-</u>

### 19 Share capital

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

### 20 Operating lease commitments

At the reporting date the Group and Company had outstanding commitments for future minimum payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>	<b>2018</b>	<b>Company</b>	<b>2018</b>
	<b>2019</b>	<b>£</b>	<b>2019</b>	<b>£</b>
	<b>£</b>		<b>£</b>	
Within one year	75,000	75,000	-	-
	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>

The operating lease is negotiated over a term of one year with fixed rental payments.

# KBIS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 21 Capital commitments

At the balance sheet date, KBIS Limited was committed to paying additional costs of approximately £145,000 in relation to the development of new insurance policy management software.

### 22 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	223,440	158,416
<b>Adjustments for:</b>		
Taxation charged	120,132	50,308
Investment income	(4,415)	(918)
Loss on disposal of tangible fixed assets	9,823	-
Amortisation and impairment of intangible assets	73,738	73,738
Depreciation and impairment of tangible fixed assets	45,988	54,750
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(205,801)	13,904
Increase in creditors	45,658	904,467
<b>Cash generated from operations</b>	<b>308,563</b>	<b>1,254,665</b>

### 23 Cash generated from operations - company

	2019 £	2018 £
Profit for the year after tax	94,169	13,369
<b>Adjustments for:</b>		
Taxation charged	29,991	-
Investment income	(111,000)	(42,000)
Amortisation and impairment of intangible assets	73,738	73,738
<b>Movements in working capital:</b>		
(Increase) in debtors	(36,723)	-
(Decrease) in creditors	(147,694)	(17,831)
<b>Cash (absorbed by)/generated from operations</b>	<b>(97,519)</b>	<b>27,276</b>

### 24 Related party transactions

#### Group

Rent and rates of £75,000 (2018: £75,000) were charged to KBIS Limited by a partnership in which two of KBIS Holdings' directors are partners.

Included within other debtors is £5,316 (2018: £8,353) due to KBIS Limited from a director of KBIS Holdings. Loans are provided on standard terms available to all staff.

## **KBIS HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2019***

---

#### **25 Control**

KBIS Holdings Limited is controlled by Mr G Prest and Mrs E Prest, who are directors and shareholders of the Company.

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.