

REGISTERED NUMBER 06937112

HISL BROKERS LIMITED
(formerly Heritage Insurance Solutions Limited and HIISL Limited)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

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HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
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YEAR ENDED 31 DECEMBER 2019

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HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2019

DIRECTORS

Richard Tee
Karl Bradley
Paul Kerner
Brian Spevack
Susan Maclean

SECRETARY

Ambant Limited (resigned on 17 April 2019)
Avantis Services Limited (appointed on 17 April 2019)

REGISTERED OFFICE

Sutherland House
3 Lloyd's Avenue
London
EC3N 3DS

REGISTERED NUMBER

06937112

AUDITOR

Grant Thornton Limited
PO Box 313
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HIIISL Limited)
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2019

The Directors present their report with the financial statements of HISL Brokers Limited (formerly Heritage Insurance Solutions Limited and HIIISL Limited) ("the Company") for the year ended 31 December 2019.

The Company commenced trading on 17 June 2009.

Directors

The Directors of the Company who held office during the current period and to date of signing are as follows:

Richard Tee
Karl Bradley
Paul Kerner
Brian Spevack
Susan Maclean

Secretary

Ambant Limited (resigned on 17 April 2019)
Avantis Services Limited (appointed on 17 April 2019)

Results and dividend

The results for the year are shown on page 6. The Company paid a dividend of £nil (2018: £nil).

Political and charitable contributions

The Company did not make any political or charitable contributions during the year ended 31 December 2019.

Going concern

The Directors are aware that COVID-19 will likely have an impact on the Company's revenue generation however as the Company increased its share capital by £100,000 in December 2019 the Directors consider that the Company has adequate resources to enable it to operate for a period of at least 12 months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors' and Officers' liability insurance

The Company purchases and maintains liability insurance for its Directors and Officers.

Principal activities

The principal activities of the Company are that of an insurance broker.

Strategic report

The Company has taken advantage of the small companies exemption in relation to the strategic report under the Companies Act 2006.

Auditor

The Directors appointed Grant Thornton Limited as Auditor of the Company for the year and have signified their willingness to continue in office. A resolution will be proposed at the Annual General Meeting to reappoint them as Auditor of the Company.

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant information and to establish that the Company's Auditor is aware of that information.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2019

Directors' interests

The Directors who held office on 31 December 2019 had no interest in the share capital of the Company. Richard Tee wholly owned Avantis Limited ("Avantis"), the parent company (note 11).

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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council and applicable law.

The Directors are required by The Companies Act 2006 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the total comprehensive income 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance 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.

This report was approved by the board on 30th Dec 2020 and signed on its behalf by:



Director
Richard J Tee



Director
Karl Bradley

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the financial statements of HISL Brokers Limited (formerly Heritage Insurance Solutions Limited and HISL Limited) (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- are 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 Guernsey, 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.

Who we are reporting to

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.

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 directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 2 to 3, 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.

INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
YEAR ENDED 31 DECEMBER 2019

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and accounts; or
- the directors' report has been prepared in accordance with applicable legal requirements

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the requirement to prepare a strategic report

Responsibilities of directors for the financial statements

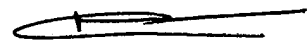
As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Michael Carpenter

Senior Statutory Auditor

For and on behalf of Grant Thornton Limited

Chartered Accountants and Statutory Auditors

Date: 3 NOVEMBER 2020

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
INCOME			
Brokerage income		1,085,547	993,948
Other income		22,921	3,966
Gain/(loss) on foreign exchange		5,197	(14,754)
		<u>1,113,665</u>	<u>983,160</u>
EXPENDITURE			
Audit fee	4	(17,233)	(11,533)
Directors' fee and expenses	5	(319,078)	(188,369)
Salary expenses		(295,415)	(331,247)
Operating expenses		(442,184)	(432,315)
		<u>(1,073,910)</u>	<u>(963,464)</u>
OPERATING PROFIT		<u>39,755</u>	<u>19,696</u>
PROFIT BEFORE TAXATION		<u>39,755</u>	<u>19,696</u>
Tax on profit of ordinary activities	6	(7,554)	(2,259)
PROFIT FOR THE FINANCIAL YEAR		<u>32,201</u>	<u>17,437</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>32,201</u>	<u>17,437</u>

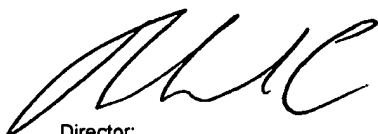
All of the above results are derived from continuing activities. There are no other gains and losses other than those stated above.

The notes on pages 10 to 13 form part of these financial statements.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors falling due within one year	7	3,158,437	1,195,189
Cash and cash equivalents		<u>1,134,781</u>	<u>1,524,633</u>
		4,293,218	2,719,822
CURRENT LIABILITIES			
Creditors falling due within one year	8	<u>(3,951,545)</u>	<u>(2,510,350)</u>
		(3,951,545)	(2,510,350)
NET CURRENT ASSETS		<u>341,673</u>	<u>209,472</u>
NET ASSETS		<u>341,673</u>	<u>209,472</u>
SHAREHOLDERS' FUNDS			
Share capital	9	200,000	100,000
Reserves	10	141,673	109,472
EQUITY SHAREHOLDERS' FUNDS		<u>341,673</u>	<u>209,472</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on *30 October* 2020 and signed on their behalf by:



Director:
Richard J Tee



Director:
Karl Bradley

The notes on pages 10 to 13 form part of these financial statements.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2019

	Share capital £	Reserves £	Total £
At 1 January 2018	100,000	92,035	192,035
Profit for the year	-	17,437	17,437
At 31 December 2018	100,000	109,472	209,472
Profit for the year	-	32,201	32,201
Issue of shares	100,000	-	100,000
At 31 December 2019	200,000	141,673	341,673

The notes on pages 10 to 13 form part of these financial statements.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	39,755	19,696
Adjustments for:		
(Increase) / decrease in debtors	(1,963,248)	26,217
Increase in creditors	1,441,195	310,513
Cash (used in) / from operations	(482,298)	356,426
Income taxes paid	(7,554)	(2,259)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(489,852)	354,167
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	100,000	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	100,000	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(389,852)	354,167
Cash and cash equivalents at beginning of year	1,524,633	1,170,466
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,134,781</u>	<u>1,524,633</u>

The notes on pages 10 to 13 form part of these financial statements.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HIIISL Limited)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1. General information and basis of accounting

HISL Brokers Limited (formerly Heritage Insurance Solutions Limited and HIIISL Limited) (the "Company") is a company incorporated and domiciled in the United Kingdom, in which it is registered, the registration number is 06937112. The registered office is Sutherland House, 3 Lloyds' Avenue, London, EC3N 3DS.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

The financial statements give a true and fair view, have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102), issued by the Financial Reporting Council and are in compliance with The Companies Act 2006. The financial statements are prepared under the historical cost convention, except financial instruments which are measured at fair value through the Statement of Comprehensive Income.

The principal accounting policies are set out below and have been applied consistently throughout the period.

The financial statements are presented in Sterling (£) which is the functional currency of the Company.

The Directors are aware that COVID-19 will likely have an impact on the Company's revenue generation however as the Company increased its share capital by £100,000 in December 2019 the Directors consider that the Company has adequate resources to enable it to operate for a period of at least 12 months from the date of signing these financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2. Principal accounting policies

Income recognition

Income is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

Income consists principally of insurance brokerage commissions and is recognised in the Statement of Comprehensive Income on an accruals basis.

Expense recognition

Administrative expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Interest charges

Interest payable and interest receivable are both accounted for on an accruals basis.

Taxation

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Foreign currencies

Assets and liabilities in overseas currencies are translated to Sterling at the rates of exchange ruling at the Statement of Financial Position date. Revenue transactions are translated at the rates of exchange ruling at the date of the transaction. The resulting exchange gains or losses are included in the Statement of Comprehensive Income.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

2. Principal accounting policies

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within Creditors falling due within one year.

Creditors

Short term trade creditors are measured at the transaction price.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the directors. These amounts are recognised as dividends in the Statement of Changes in Equity.

Related party disclosures

In accordance with section 33 of FRS 102 "Related Party Disclosures" information regarding related party transactions and outstanding balances with related parties are disclosed in the notes.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Profit on ordinary activities before taxation

	2019 £	2018 £
Profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration	319,078	188,369
Pension costs	22,026	23,729
Auditor's remuneration	17,233	11,533
	<u>358,337</u>	<u>223,631</u>

5. Remuneration of Directors

	2019 £	2018 £
Directors' salaries	290,562	170,132
Company contributions to Directors' pension schemes	22,194	13,187
Directors' expenses	6,322	5,050
	<u>319,078</u>	<u>188,369</u>

	2019 No. of Directors 5 £	2018 No. of Directors 5 £
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution schemes	<u>22,194</u>	<u>13,187</u>

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

6. Taxation

	2019 £	2018 £
Current tax on income for the period	7,554	2,259

During the period the Company was subject to the UK corporation main rate of 19% (2018: 19%). The differences between the total tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Current tax reconciliation:	£	£
Profit on ordinary activities before taxation	39,755	19,696
Expenses not deductible for tax purposes	-	237
Adjusted profit on ordinary activities before taxation	39,755	19,934
Current tax at 19% (2018: 19%)	7,554	3,786
Effects of:		
Tax relating to prior years	-	(1,527)
Total current tax charge (see above)	7,554	2,259

7. Debtors falling due within one year

	2019 £	2018 £
Amounts falling due within one year comprised:		
Trade receivables	3,061,657	1,170,069
Prepayments and other assets	96,780	25,120
	3,158,437	1,195,189

8. Creditors falling due within one year

	2019 £	2018 £
Amounts falling due within one year comprised:		
Trade creditors	3,671,699	2,260,226
Accruals and other payables	37,775	36,598
Corporation Tax payable	7,570	3,788
Amounts owed to Group undertakings	234,501	209,738
	3,951,545	2,510,350

Avantis Limited ("Avantis"), the parent company, owns 100% of the Company's share capital and historically managed the affairs of the Company by operating a cash sweeping arrangement and the net amount owed to group undertakings is primarily in respect of expenses recharged.

9. Share capital

	2019 £	2018 £
Allotted and fully paid share capital comprised:		
200,000 ordinary shares of £1 each (2018: 100,000)	200,000	100,000

The share capital represents the value of fully paid ordinary shares which have been issued.

The ordinary shares carry the right to dividends as determined by the Company in a general meeting. Each holder of ordinary shares is entitled, on a poll, to one vote for each ordinary share held. On a show of hands at a general meeting, every holder or ordinary shares who is present is entitled to one vote for each such ordinary share.

On 5 December 2019 the Company issued 100,000 shares of £1 each to its sole shareholder, Avantis.

HISL BROKERS LIMITED (formerly Heritage Insurance Solutions Limited and HISL Limited)
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

10. Reserves

The reserves account represents cumulative profits or losses, net of dividends paid and other adjustments.

11. Controlling party and related party disclosures

The Company is a wholly owned subsidiary of Avantis, a company registered in Guernsey, which in turn is wholly owned by Richard Tee, a related party due to his directorship.

12. Events after the reporting period

As at 31 December 2019 the World Health Organisation had reported several cases of an unusual form of pneumonia originating from Wuhan, China. In early 2020, substantive information had come to light identifying COVID-19 (or Coronavirus) as the cause of a global pandemic which was officially declared in March 2020.

The Directors will continue to closely monitor the pandemic as an increase in magnitude and duration may lead to longer and more substantial economic downturn. This includes, but is not limited to, investment volatility and erosion, liquidity concerns, further increases in government intervention, increasing unemployment and broad declines in consumer spending.

The emergence and spread of COVID-19 is not considered to provide more information about conditions that existed at the Statement of Financial Position date and thus is a non-adjusting event.

The Company applied for and received a £50,000 Bounce Back Loan from National Westminster Bank Plc in June 2020.

There are no further material events after the reporting period that require disclosure in these financial statements.