

REGISTERED NUMBER 06937112

**HISL BROKERS LIMITED**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**



**HISL BROKERS LIMITED**  
**CONTENTS**  
**YEAR ENDED 31 DECEMBER 2020**

<b>CONTENTS</b>	<b>PAGES</b>
Company Information	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 15

**HISL BROKERS LIMITED  
COMPANY INFORMATION  
YEAR ENDED 31 DECEMBER 2020**

**DIRECTORS**

Richard Tee  
Karl Bradley  
Paul Kerner  
Brian Spevack  
Susan Maclean

**SECRETARY**

Avantis Services Limited

**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  
DIRECTORS' REPORT  
YEAR ENDED 31 DECEMBER 2020**

The Directors present their report and financial statements of HISL Brokers Limited ("the Company") for the year ended 31 December 2020.

The Company commenced trading on 17 June 2009.

**Directors**

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

Richard Tee  
Karl Bradley  
Paul Kerner  
Brian Spevack  
Susan Maclean

**Secretary**

Avantis Services Limited

**Results and dividend**

The results for the year are shown on page 7. The Company paid a dividend of £nil (2019: £nil).

**Political and charitable contributions**

The Company did not make any political or charitable contributions during the year ended 31 December 2020.

**Going concern**

The Directors are aware that COVID-19 will likely have an impact on the Company's revenue generation however 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 they ought to have taken as a Director in order to make themselves aware of any information and to establish that the Company's Auditor is aware of that information.

**HISL BROKERS LIMITED**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**Directors' interests**

The Directors who held office on 31 December 2020 had no interest in the share capital of the Company, apart from Richard Tee who wholly owned Avantis Limited ("Avantis"), the parent company (note 12).

**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 30 September 2021 and signed on its behalf by:



Director  
Richard J Tee

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HISL BROKERS LIMITED  
YEAR ENDED 31 DECEMBER 2020**

**Opinion**

We have audited the financial statements of HISL Brokers Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**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.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**TO THE MEMBERS OF HISL BROKERS LIMITED**  
**YEAR ENDED 31 DECEMBER 2020**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

**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
- 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors for the financial statements**

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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT (continued)  
TO THE MEMBERS OF HISL BROKERS LIMITED  
YEAR ENDED 31 DECEMBER 2020**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company in which it operates. We determined that the following laws and regulations were most significant: FRS 102 and the Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to the management including those responsible for compliance procedures. We corroborated our inquiries through our review of board meetings, and review of key regulatory requirements. We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to revenue transactions.

Our audit procedures involved:

- identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process; and
- identifying and testing journal entries outside the normal course of business
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement teams:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the client operates and its business model; and
  - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the Companies Act 2006.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operation, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the applicable statutory provisions; and
  - the entity's control environment.

**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.



**Michael Carpenter**  
Senior Statutory Auditor  
For and on behalf of Grant Thornton Limited  
Statutory Auditor, Chartered Accountants  
St Peter Port, Guernsey

Date: 30 September 2021



**HISL BROKERS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>INCOME</b>			
Brokerage income		931,909	1,085,547
Other income		72,892	22,921
Gain on foreign exchange		10,344	5,197
		<u>1,015,145</u>	<u>1,113,665</u>
<b>EXPENDITURE</b>			
Audit fee	4	(33,000)	(17,233)
Directors' fee and expenses	5	(311,821)	(319,078)
Salary expenses		(309,672)	(295,415)
Operating expenses		(409,975)	(442,184)
		<u>(1,064,468)</u>	<u>(1,073,910)</u>
<b>OPERATING (LOSS) / PROFIT</b>		<u>(49,323)</u>	<u>39,755</u>
Interest received and similar charges		1,032	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<u>(48,291)</u>	<u>39,755</u>
Tax on profit of ordinary activities	6	-	(7,554)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>		<u>(48,291)</u>	<u>32,201</u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE FINANCIAL YEAR</b>		<u>(48,291)</u>	<u>32,201</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 15 form part of these financial statements.

**HISL BROKERS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Debtors and prepayments	7	2,843,545	3,158,437
Cash and cash equivalents		1,410,500	1,134,781
		<u>4,254,045</u>	<u>4,293,218</u>
<b>CURRENT LIABILITIES</b>			
Creditors falling due within one year	8	<u>(3,917,755)</u>	<u>(3,951,545)</u>
		(3,917,755)	(3,951,545)
<b>NET CURRENT ASSETS</b>		<u>336,290</u>	<u>341,673</u>
<b>NON-CURRENT LIABILITIES</b>			
Creditors falling due after more than one year	9	<u>(42,908)</u>	-
		(42,908)	-
<b>NET ASSETS</b>		<u>293,382</u>	<u>341,673</u>
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	10	200,000	200,000
Reserves	11	93,382	141,673
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>293,382</u>	<u>341,673</u>

The financial statements on pages 6 to 15 were approved by the Board of Directors on 30 September 2021 and signed on their behalf by:



Director:  
Richard J Tee

The notes on pages 10 to 15 form part of these financial statements.

**HISL BROKERS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2020**

	<b>Share capital</b> <b>£</b>	<b>Reserves</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>At 31 December 2018</b>	100,000	109,472	209,472
Profit for the year	-	32,201	32,201
Issue of shares	100,000	-	100,000
<b>At 31 December 2019</b>	<u>200,000</u>	<u>141,673</u>	<u>341,673</u>
Loss for the year	-	(48,291)	(48,291)
<b>At 31 December 2020</b>	<u>200,000</u>	<u>93,382</u>	<u>293,382</u>

The notes on pages 10 to 15 form part of these financial statements.

**HISL BROKERS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(48,291)	39,755
Adjustments for:		
Decrease / (increase) in debtors and prepayments	314,892	(1,963,248)
Increase in creditors	9,118	1,441,195
Cash from / (used in) operations	275,719	(482,298)
Corporation tax paid	-	(7,554)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>275,719</b>	<b>(489,852)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of shares	-	100,000
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>100,000</b>
 <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>275,719</b>	<b>(389,852)</b>
Cash and cash equivalents at beginning of year	1,134,781	1,524,633
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,410,500</b>	<b>1,134,781</b>

The notes on pages 10 to 15 form part of these financial statements.

**HISL BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**1. General information and basis of accounting**

HISL Brokers 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 year.

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 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 services rendered, net of returns, discounts and rebates allowed by the Company.

The Company recognises revenue when (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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.

***Financial instruments***

***i) Financial assets***

Basic financial assets, including debtors, prepayments and cash and cash equivalents, are initially recognised at fair value plus directly related incremental transaction costs.

**HISL BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**2. Principal accounting policies (continued)**

***Financial instruments (continued)***

***i) Financial assets (continued)***

Trade and other receivables relate to amounts owed for the brokering of insurance. Trade and other receivables are classified as becoming due and receivable within one year if receipt is due within one year or less. If not, they are presented as becoming due and receivable after more than one year.

Such assets are subsequently measured at amortised cost less impairment.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment losses are the difference between the carrying amount and the present value. The impairment losses are recognised as impairment of financial instruments in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

***ii) Financial liabilities***

Basic financial liabilities, including creditors, trade and other payables, amounts owed to affiliated undertaking and other creditors are initially recognised at transaction price.

Creditors, trade and other payables are obligations to pay for client insurance contracts and broking introduction commissions. Creditors, trade and other payables are classified as becoming due and payable within one year if payment is due within one year or less. If not, they are presented as becoming due and payable after more than one year. Basic financial liabilities are subsequently measured at amortised cost.

Debt instruments initially measured at present value of future cash flows and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

***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.

***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. The Company does not disclose transactions with members of the same group that are wholly owned.

**HISL BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Trade and other receivables

The Directors have used historic recoverability as a basis for its estimates and assumptions of the future recovery of the trade and other receivables due at the end of the reporting period. The Directors also note that the trade and other receivables have directly attributable trade and other payables which would reduce the net material impact to the Company as the result of any adjustment.

**4. Profit on ordinary activities before taxation**

	2020 £	2019 £
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Directors' remuneration	311,821	319,078
Pension costs	27,463	22,026
Auditor's remuneration	33,000	17,233
	<u>372,284</u>	<u>358,337</u>

**5. Remuneration of Directors**

	2020 £	2019 £
Directors' salaries	287,421	290,562
Company contributions to Directors' pension schemes	18,962	22,194
Directors' expenses	5,438	6,322
	<u>311,821</u>	<u>319,078</u>

	2020 No. of Directors 5 £	2019 No. of Directors 5 £
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution schemes	<u>18,962</u>	<u>22,194</u>

**6. Taxation**

	2020 £	2019 £
Current tax on income for the period	<u>-</u>	<u>7,554</u>

**HISL BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**6. Taxation (continued)**

During the year the Company was subject to the UK corporation main rate of 19% (2019: 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:

	2020	2019
	£	£
Current tax reconciliation:		
(Loss) / profit on ordinary activities before taxation	(48,291)	39,755
Expenses not deductible for tax purposes	(1,032)	-
Adjusted (loss) / profit on ordinary activities before taxation	(49,323)	39,755
Current tax at 19% (2019: 19%)	-	7,554

**7. Debtors and prepayments**

	2020	2019
	£	£
Amounts falling due within one year comprised:		
Trade receivables	2,724,606	3,061,657
Prepayments and other assets	116,828	96,780
Corporation tax receivable	2,111	-
	2,843,545	3,158,437

**8. Creditors falling due within one year**

	2020	2019
	£	£
Amounts falling due within one year comprised:		
Trade creditors	3,622,988	3,671,699
Accruals and other payables	60,793	37,775
Corporation tax payable	-	7,570
Amounts owed to group undertakings (i)	227,914	234,501
Bank loan payable (ii)	6,060	-
	3,917,755	3,951,545

i) 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.

ii) The Company received a Bounce Back Loan from National Westminster Bank Plc on 3 June 2020. The loan is interest free for the first 12 months of the loan and thereafter interest is charged at 2.5% per annum. The loan is unsecured and repayable in monthly instalments over a 5 year period with the first instalment commencing on the first anniversary of the loan.

**9. Creditors falling due after more than one year**

	2020	2019
	£	£
Amounts falling due after more than one year comprised:		
Bank loan payable	42,908	-

The Company received a Bounce Back Loan from National Westminster Bank Plc on 3 June 2020. The loan is interest free for the first 12 months of the loan and thereafter interest is charged at 2.5% per annum. The loan is unsecured and repayable in monthly instalments over a 5 year period with the first instalment commencing on the first anniversary of the loan.



**HISL BROKERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2020**

**10. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Allotted and fully paid share capital comprised:		
200,000 ordinary shares of £1 each	200,000	200,000

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 of ordinary shares who is present is entitled to one vote for each such ordinary share.

**11. Reserves**

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

**12. 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.

**13. Events after the reporting period**

On the 25 May 2021 the Company drew down a £100,000 coronavirus business interruption loan to strengthen the working capital of the Company. £50,000 was used to repay the Bounce Back loan taken out in 2020.

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