

Coral Insurance Services Limited

Report and Financial Statements

Registered number 8507377

Year ended 30 June 2021

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Annual report and financial statements for the year ended 30 June 2021

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Company Information

Directors	I R Leech S Woolham
Secretary	L Sinfield
Registered office	Bath House 16 Bath Row Stamford Lincolnshire PE9 2QU
Auditor	RSM UK Audit LLP Central Square Fifth Floor 29 Wellington Street Leeds LS1 4DL

Strategic report

The directors present the strategic report for the year ended 30 June 2021.

Results and dividends

The results for Coral Insurance Services Limited, company number 8507377, ("CISL" or the "Company"), are set out on page 11 and show a loss before taxation of £918,520 (2020 profit before taxation: £84,544)

No dividends have been paid during the year (2020: £0).

Principal activities, trading review and future developments

The directors regard CISL's principal activity as claims handling.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

The reduction in income in the year reflects the closure of a number of legacy claims management contracts and the resulting reduction in volumes. The business has invested within the year in its long-term strategy to develop its claims management proposition in a post reforms environment and explore complimentary products it can offer to enhance the customer offering of other Group companies. As such it has incurred a high amount of spend in year. The investment costs have also resulted in a reduction of cash as at 30th June 2021 but as the cost base going forward has been realigned, the directors are confident the company has sufficient resources to achieve its long term strategy.

Coral is focusing on developing services and propositions in the claims management market and is working in close collaboration with other group companies to provide complementary services including legal expense administration, medical reports and claims management. The business sees significant opportunities in legal expense insurance given the importance of the product following the implementation of the Civil Liability Act in May 2021.

Covid-19 has had a significant impact on new business volumes, reflecting the lower road usage during the pandemic, which has resulted in a resulting drop in claims.

There is ongoing commitment to continue to invest in developing relationships with new partners and new products to improve profitability and grow the business.

Key performance indicators

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Revenue	566	2,226
	Number	Number
Cases - personal injury	269	1,121
Cases – vehicle hire	0	137

The reduction in income reflects the closure of a number of legacy claims management contracts and the resulting reduction in volumes.

Principal risks and uncertainties

The principal risks and uncertainties affecting CISL are described below.

Risks are managed by the Board of Directors ("Board") and within the framework set by the BHL Group.

Financial risks

CISL has in place a risk management programme that seeks to identify and limit potential adverse effects on the financial performance of the Company. The Board reviews its risk appetite annually

Strategic report (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay its obligation. Concentrations of credit risk with respect to trade receivables are limited as CISL's trade receivables are mainly with related parties. The directors' do not believe this is a material risk.

Liquidity risk

Liquidity risk is the risk that CISL has difficulties in paying its financial liabilities as they arise. Measures taken to monitor these risks include reporting to the Board, rolling cash flow forecasts and monitoring against CISL's existing and expected future cash requirements.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, foreign exchange risk and other price risks. CISL is exposed to minimal market risk.

Non-financial risks

The Board also identify that in addition to the above, there are a number of non-financial risks to be considered.

Capital management risk

This is the risk that CISL will not maintain sufficient capital to meet its legal obligations, but also to take advantage of opportunities as they arise. Capital consists of share capital and retained losses.

CISL regularly reviews its capital position to ensure suitable headroom is maintained.

Trading risk

CISL manages a wide variety of risks relating to the markets in which it operates. These include:

- risks relating to the general economic environment, which can impact on the overall size of the markets in which CISL operates, the claims environment and recoverability of receivables; and
- risks relating to competitor behaviour and the ability of CISL to react quickly and effectively to changes in the market place.

The above risks are monitored through established levels of management review, including the Board meetings.

Covid-19 has presented itself as a new risk in 2020 and 2021. This has had a significant impact on new business volumes, reflecting the lower road usage during the pandemic. Whilst the impact of Covid-19 is expected to continue for the near future, the nature of the business is such that when road use returns to normal levels there should not be any long-term impact on revenue in future years. There is ongoing commitment to developing relationships with new partners which should mitigate any short-term risks for the company.

Operational risk

CISL recognises the need to maintain people, organisational structures, systems and infrastructure to support current operations. CISL monitor these risks on an on-going basis and has taken specific steps to mitigate identified risks.

Reputational risk

Reputational risk is the risk of adverse publicity arising from CISL's relationships with its partners, suppliers and regulators. Key sources of reputational risk arise around how its suppliers manage CISL's obligations on its behalf.

Strategic report (continued)


Regulatory risk

CISL is authorised and regulated by the FCA. Regulatory risk is the risk that the Company breaches the requirements of its regulator.

CISL continues to review the legal and regulatory environment relating to the claims management industry and seeks to work proactively to manage risks to the business in this area.

The Company has not seen any significant direct impact on the Company's businesses since the exit of the United Kingdom from the European Union.

On behalf of the board



I R Leech

Director

Date

25.11.21

Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 June 2021

Results, dividends and future developments

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

Going concern

The financial position of the Company is disclosed in the statement of financial position on page 12. The directors are satisfied that the Company has adequate resources and continued support from the group to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details can be found in note 1.

Directors

The directors of CISL during the year were

- I R Leech
- S Woolham

Each of the persons who are directors at the time when this report is approved has confirmed that

- so far as each director is aware, there is no relevant audit information of which CISL's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by CISL's auditor in connection with preparing their report and to establish that CISL's auditor is aware of that information.

Directors' indemnity provision

In accordance with the Company's Articles of Association, CISL has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is still in place as at the date of this report.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

On behalf of the board



I R Leech
Director

Date: 20.06.21

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those 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, including FRS 101, 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Coral Insurance Services Limited

Opinion

We have audited the financial statements of Coral Insurance Services Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 to the Members of Coral Insurance Services Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 it 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond

Independent Auditor's Report to the Members of Coral Insurance Services Limited (continued)

appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006, tax compliance regulations and Financial Conduct Authority (FCA) regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with the FCA.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Company's authorisation with the FCA. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations. We inspected compliance documentation, including correspondence with the FCA as well as considering compliance with the conditions for authorization, including with any restrictions or requirements placed on the firm, and other regulatory obligations.

The audit engagement team identified the risk of management override of controls, valuation of work in progress, valuation of disbursements and revenue recognition, as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the valuation of work in progress, disbursements and revenue recognition.

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.

Independent Auditor's Report to the Members of Coral Insurance Services Limited (continued)

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

Hugh Fairclough

Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

Date *5 November 2021*

Statement of profit and loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 £	2020 £
Revenue	2	566,130	2,226,044
Operating expenses		(1,485,017)	(2,146,295)
Operating (loss)/profit	3	(918,887)	79,749
Finance income		367	4,795
(Loss)/profit before taxation		(918,520)	84,544
Taxation	5	36	(11,873)
(Loss)/profit for the period and other comprehensive income		(918,484)	72,671

There were no items of other comprehensive income in the current or prior years.

All amounts relate to continuing activities.

The notes on pages 14 to 20 form part of these financial statements.


Statement of financial position

As at 30 June 2021

Company Number 8507377

	Note	2021 £	2020 £
Current assets			
Trade and other receivables	6	305,814	518,934
Prepayments	6	316,043	309,103
Cash and cash equivalents	7	267,210	1,095,222
Total assets		889,067	1,923,259
Equity and Liabilities			
Current liabilities			
Trade and other payables	8	415,000	530,708
Total liabilities		415,000	530,708
Equity			
Share capital	11	5,010,000	5,010,000
Retained losses		(4,535,933)	(3,617,449)
Total equity		474,067	1,392,551
Total equity and liabilities		889,067	1,923,259

The financial statements were approved by the board of directors and authorised for issue on 3rd November 2021 and signed on its behalf by:



I R Leech
Director

The notes on pages 14 to 20 form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2021

	Share capital £	Retained losses £	Total equity £
At 30 June 2019	5,010,000	(3,690,120)	1,319,880
Profit for the period	-	72,671	72,671
At 30 June 2020	5,010,000	(3,617,449)	1,392,551
Loss for the period	-	(918,484)	(918,484)
At 30 June 2021	5,010,000	(4,535,933)	474,067

The notes on pages 14 to 20 form part of these financial statements.

Notes forming part of the financial statements

1. Accounting policies

CISL's significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out with the relevant notes. Accounting policies that affect the financial statements as a whole are set out below. Accounting policies have been applied consistently to all periods presented in these financial statements.

Basis of preparation

The Company, a private company, limited by shares and incorporated and domiciled in England and Wales, has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The address of the company's registered office is reported on page 1 and the principal place of business is Kingfisher House, Peel Avenue, Wakefield, WF2 7UA.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU (IFRS), but makes amendments where necessary to comply with Companies Act 2006.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Revenue disclosures, including:
 - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
 - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
 - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
 - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract;
- Financial instrument disclosures, including:
 - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
 - Income, expenses, gains and losses on financial instruments;
 - Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
 - Disclosure of the objectives, policies and processes for managing capital;
 - Comparative period reconciliations for the carrying amounts of property, plant and equipment and intangible assets;
 - Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity
 - Disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The Company's parent undertaking BHL (UK) Holdings Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of BHL (UK) Holdings Ltd are prepared in accordance with International Financial Reporting Standards and IFRIC interpretations, as adopted by the European Union (IFRS) and the requirements of the Companies Act 2006.

The financial statements are stated in sterling, which is CISL's functional and presentation currency.

The financial statements have been prepared on the historical cost basis.

Notes forming part of the financial statements (continued)

Going Concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the budget of the Company for a period of not less than 12 months from the date of approving these financial statements and are confident that they show that the Company will have sufficient resources to meet its liabilities as they fall due. Written confirmation of continued further support from the Parent Company has been obtained, should it be needed. Accordingly, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2. Revenues

Accounting policy

Revenue is recognised when a case is accepted. The vast majority of revenue is received by the end of the next month.

The total turnover of the Company for the period has been derived from its principal activity which is wholly undertaken in the UK.

	2021 £	2020 £
Claims handling	566,130	2,226,044
Total	566,130	2,226,044

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging the following:

	2021 £	2020 £
Auditor's fees - fees for the audit of the Company	11,250	11,000

4. Employees

In the current year CISL did not have any employees (2020: nil employees).

The company incurred £679,330 (2020: £161,022) in employee costs for colleagues employed by other Group companies reflecting the work completed in developing the long-term strategy

Notes forming part of the financial statements (continued)

5. Taxation

Accounting policy

Current tax

The current tax expense is the expected tax payable based on the taxable profits for the year, after any adjustments in respect of prior years. The rates enacted or substantively enacted at the reporting date are used to determine the current tax.

Deferred tax

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

The rates enacted or substantively enacted at the reporting date are used to determine the deferred tax.

The weighted average rate of tax for the year, based on the UK standard rate of corporation tax and the corporation tax rates applicable to overseas jurisdictions, is 19% (2019: 19%). The actual tax charge for the current year differs from the weighted average rate for the reasons set out in the following reconciliation:

Analysis of charge / (credit)	2021 £	2020 £
UK corporation tax		
Current tax on income for the period	-	16,064
Adjustments in respect of prior periods	(36)	(4,191)
Total current tax	(36)	11,873
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on (loss) / profit on ordinary activities	(36)	11,873

Notes forming part of the financial statements (continued)

5. Taxation continued

5 Reconciliation of effective tax rate	2021	2020
	£	£
(Loss)/profit on ordinary activities before tax	(918,485)	72,671
Effects of:		
Current tax at 19% (2019 19%)	(174,519)	16,064
Adjustment in respect of prior year	(36)	(4,191)
Expenses not deductible for tax purposes	-	-
Current year deferred tax not recognised	174,519	-
Total tax (credit) / charge	(36)	11,873

A deferred tax asset of £229,621 has not been recognised in respect to taxable losses of (£918,485). This deferred tax asset has not been recognised on the grounds that there is insufficient certainty of taxable profits in the short term.

Reductions in the UK corporation tax rate from 20% (effective from 1 April 2016) to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was enacted on 6 September 2016. Ultimately, the corporation tax rate has remained at 19%. However, it has been announced that from 1 April 2023 the corporation tax rate will increase to 25%.

6. Trade and other receivables

	2021	2020
	£	£
Amounts due from group undertakings	292,552	476,945
Trade debtors	876	-
Taxation	12,386	41,989
Prepayments	316,043	309,103
Total	621,857	828,037

All amounts fall due for payment within one year.

Notes forming part of the financial statements (continued)

7. Cash and cash equivalents

Accounting policy

Cash and cash equivalents consist of cash at banks and in hand, deposits held on call with banks, treasury bills and other short-term highly liquid investments with less than 90 days' maturity from the date of acquisition.

	2021	2020
	£	£
Cash and cash equivalents	267,210	1,095,222

Counterparties are subject to pre-approval and are limited to institutions with a certain credit rating. The amount of exposure to any individual counterparty is subject to limits, which are reassessed regularly. All cash and cash equivalents of CISL were held with a bank rated "P-1" by Moodys.

The carrying amount of these assets approximates their fair value. All cash in CISL is unrestricted.

8. Trade and other payables

	2021	2020
	£	£
Amounts owed to group undertakings	41,474	-
Trade creditors	-	59,220
Other creditors	-	4,520
Taxation	-	16,064
Accruals and deferred income	373,526	450,904
Total	415,000	530,708

All of the above have been classified as financial liabilities measured at amortised cost.

9. Financial instruments

The directors are of the opinion that carrying value approximates to the fair value. The carrying value of financial assets at the reporting date represents the maximum credit exposure.

10. Significant judgements and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years

Notes forming part of the financial statements (continued)

Judgements

In the process of applying CISL's accounting policies, management have not made any significant judgements.

Key sources of estimation uncertainty

Other than where indicated in the notes to the accounts, the management considers that there have been no key sources of estimation uncertainty at the reporting date that had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

11. Share capital

	2021 No Shares	2021 £	2020 No Shares	2020 £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Preference shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
Total	5,010,000	5,010,000	5,010,000	5,010,010

CISL has one class of ordinary shares which all have equal voting and dividend rights

CISL has 5,000,000 £1 redeemable preference shares issued in Coral Insurance Services Limited which are entitled to receive all dividends paid by the Company until such time as the preference shares are redeemed and which have no voting rights other than in relation to any proposed winding up of the company or variation of the terms of the preference shares. The preference shares are redeemable at the option of Coral Insurance Services Limited and no coupon is payable on the preference shares. Preference shares were initially issued in Coral Insurance Services Limited for the purposes of its regulatory requirements.

12. Reserves

The retained losses account represents cumulative profit and loss net of distributions to owners.

Certain restrictions are placed on the ability of CISL to distribute its consolidated retained earnings as detailed below.

Solvency requirements

The minimum general insurance capital requirement in CISL is £64,000 at 30 June 2021 (2020: £64,000). The excess of available capital resources is £410,067 (2020: £1,344,615).

Notes forming part of the financial statements (continued)

13. Related party transactions

The Company has taken the exemption available under paragraph 8(k) FRS 101 from the disclosure requirements of IAS 24 in relation to entities which are wholly owned members of the same group.

The Company is a wholly owned subsidiary of the BHL (UK) Holdings Group. As such exemption from disclosing related party transactions with BHL (UK) Holdings Group Limited has been taken in the current year. All intercompany transactions are charged at a rate comparable to prevailing market rates.

Key management emoluments and directors' interests

In the current year, none of the CISL directors were remunerated primarily for their services to the Company and it is not possible to determine the proportion of remuneration which relates to the Company. The directors are remunerated by related parties of the Company and their remuneration is disclosed within the accounts of those companies.

None of the directors had any interest in the shares of CISL.

14. Ultimate and immediate parent companies

CISL is a subsidiary undertaking of BHL (UK) Holdings Ltd incorporated in England and Wales.

The ultimate controlling party is BHL Holdings Limited incorporated in Guernsey.

The largest group in which the results of CISL are consolidated is that headed by BHL Holdings Limited. The smallest group in which the results of CISL are consolidated in are those of BHL (UK) Holdings Ltd.

The consolidated financial statements of BHL (UK) Holdings Ltd are available from Companies House or Bath House, 16 Bath Row, Stamford, Lincolnshire, PE9 2QU. The financial statements of BHL Holdings Limited are not available to the public.

15. Subsequent events

There have been no events since the reporting date that materially affect the position of the company.