

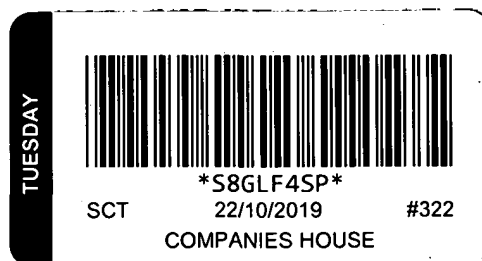
Registration number: SC124134

# Spence (Insurance Services) Ltd.

AMENDED Annual Report and Unaudited Financial Statements

for the Year Ended 31 August 2018

Accountants Plus  
Chartered Certified Accountants  
Upper Floor, Unit 1  
82 Muir Street  
Hamilton  
Lanarkshire  
ML3 6BJ



# **Spence (Insurance Services) Ltd.**

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## **Spence (Insurance Services) Ltd.**

### **Company Information**

<b>Directors</b>	Mr William James Spence
	Mrs Catherine Brand Banks Spence
	Mr Stewart William Spence
<b>Registered office</b>	Unit 2
	Wester Inch Business Park
	Old Well Court
	Bathgate
	West Lothian
<b>Accountants</b>	EH48 2TQ
	Accountants Plus
	Chartered Certified Accountants
	Upper Floor, Unit 1
	82 Muir Street
	Hamilton
	Lanarkshire
	ML3 6BJ

**Spence (Insurance Services) Ltd.**

**Directors' Report for the Year Ended 31 August 2018**

The directors present their report and the financial statements for the year ended 31 August 2018.

**Directors of the company**

The directors who held office during the year were as follows:

Mr William James Spence

Mrs Catherine Brand Banks Spence

Mr Stewart William Spence

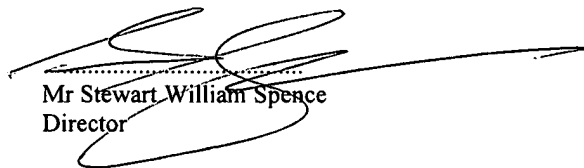
**Principal activity**

The principal activity of the company is that of insurance brokers

**Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 19 November 2018 and signed on its behalf by:



Mr Stewart William Spence  
Director

## **Spence (Insurance Services) Ltd.**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the report and financial statements in accordance with the Companies Act 2006, and all applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Spence (Insurance Services) Ltd.**

**(Registration number: SC124134)**

**Statement of Financial Position as at 31 August 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	1,204,698	1,205,220
<b>Current assets</b>			
Debtors	5	849,016	848,977
Cash at bank and in hand		440,359	282,048
		<u>1,289,375</u>	<u>1,131,025</u>
<b>Creditors: Amounts falling due within one year</b>	6	<u>(362,000)</u>	<u>(394,679)</u>
<b>Net current assets</b>		<u>927,375</u>	<u>736,346</u>
<b>Total assets less current liabilities</b>		2,132,073	1,941,566
<b>Creditors: Amounts falling due after more than one year</b>	6	(577,781)	(629,791)
<b>Provisions for liabilities</b>		<u>39</u>	<u>39</u>
<b>Net assets</b>		<u><u>1,554,331</u></u>	<u><u>1,311,814</u></u>
<b>Capital and reserves</b>			
Called up share capital	7	6,900	6,900
Revaluation reserve		203,712	203,712
Profit and loss account		<u>1,343,719</u>	<u>1,101,202</u>
<b>Total equity</b>		<u><u>1,554,331</u></u>	<u><u>1,311,814</u></u>

For the financial year ending 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**


- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income Statement has been taken.

**Spence (Insurance Services) Ltd.**  
**(Registration number: SC124134)**  
**Statement of Financial Position as at 31 August 2018**

Approved and authorised by the Board on 19 November 2018 and signed on its behalf by:

  
Mr Stewart William Spence  
Director

## **Spence (Insurance Services) Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Unit 2

Wester Inch Business Park

Old Well Court

Bathgate

West Lothian

EH48 2TQ

These financial statements were authorised for issue by the Board on 19 November 2018.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.



## **Spence (Insurance Services) Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	20% straight line

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **Spence (Insurance Services) Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 14 (2017 - 17).

## Spence (Insurance Services) Ltd.

### Notes to the Financial Statements for the Year Ended 31 August 2018

#### 4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2017	1,204,000	29,273	1,233,273
At 31 August 2018	1,204,000	29,273	1,233,273
<b>Depreciation</b>			
At 1 September 2017	-	28,053	28,053
Charge for the year	-	522	522
At 31 August 2018	-	28,575	28,575
<b>Carrying amount</b>			
At 31 August 2018	1,204,000	698	1,204,698
At 31 August 2017	1,204,000	1,220	1,205,220

Included within the net book value of land and buildings above is £1,204,000 (2017 - £1,204,000) in respect of freehold land and buildings.

#### 5 Debtors

	Note	2018 £	2017 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	848,914	848,914
Other debtors		102	63
		849,016	848,977

# **Spence (Insurance Services) Ltd.**

## **Notes to the Financial Statements for the Year Ended 31 August 2018**

### **6 Creditors**

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

	Note	2018 £	2017 £
<b>Due within one year</b>			
Bank loans and overdrafts	8	51,777	51,777
Taxation and social security		5,738	6,792
Accruals and deferred income		2,681	52,730
Other creditors		<u>301,804</u>	<u>283,380</u>
		<u>362,000</u>	<u>394,679</u>

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

	Note	2018 £	2017 £
<b>Due after one year</b>			
Loans and borrowings	8	<u>577,781</u>	<u>629,791</u>
		<u>577,781</u>	<u>629,791</u>
<b>Due after more than five years</b>			
After more than five years by instalments		<u>370,677</u>	<u>422,687</u>

### **7 Share capital**

#### **Allotted, called up and fully paid shares**

	No.	2018 £	No.	2017 £
Ordinary share capital of £1 each	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>	<u>6,900</u>

### **8 Loans and borrowings**

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>577,781</u>	<u>629,791</u>

## Spence (Insurance Services) Ltd.

### Notes to the Financial Statements for the Year Ended 31 August 2018

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank borrowings	<u>51,777</u>	<u>51,777</u>

#### **Bank borrowings**

Bank loans is denominated in GBP with a nominal interest rate of various%, and the final instalment is due on . The carrying amount at year end is £629,557 (2017 - £681,567).

secured over properties

Included in the loans and borrowings are the following amounts due after more than five years:

#### **9 Related party transactions**

##### **Transactions with directors**

	At 1 September 2017 £	Advances to directors £	Repayments by director £	At 31 August 2018 £
<b>2018</b>				
<b>Mr William James Spence</b>				
Interest free loan from director, no particular terms of repayment	<u>83,884</u>	<u>(12,202)</u>	<u>-</u>	<u>71,682</u>
<b>Mrs Catherine Brand Banks Spence</b>				
Interest free loan from director, no particular terms of repayment	<u>83,884</u>	<u>(12,202)</u>	<u>-</u>	<u>71,682</u>
<b>Mr Stewart William Spence</b>				
Interest free loan from director, no particular terms of repayment	<u>77,694</u>	<u>-</u>	<u>805</u>	<u>78,499</u>
		At 1 September 2016 £	Advances to directors £	At 31 August 2017 £
<b>2017</b>				
<b>Mr William James Spence</b>				
Interest free loan from director, no particular terms of repayment		<u>85,634</u>	<u>(1,751)</u>	<u>83,884</u>
<b>Mrs Catherine Brand Banks Spence</b>				
Interest free loan from director, no particular terms of repayment		<u>85,634</u>	<u>(1,750)</u>	<u>83,884</u>
<b>Mr Stewart William Spence</b>				
Interest free loan from director, no particular terms of repayment		<u>95,857</u>	<u>(18,163)</u>	<u>77,694</u>

## **Spence (Insurance Services) Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 August 2018**

#### **Summary of transactions with other related parties**

Spence Investments Ltd.

The directors and 100% owners of the issued share capital of the company are also directors and 100% owners of the issued share capital of Spence Investments Ltd.

Spence (Insurance Services) Ltd advances loans to Spence Investments Ltd and also rents premises from Spence Investments Ltd for which it pays a market rate of £20k + vat per annum.

Interest free loan, no particular terms of repayment

#### **Loans to related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2018</b>	
At start of period	<u>848,914</u>
	<b>Other related parties</b>
	<b>£</b>
<b>2017</b>	
At start of period	848,854
Advanced	<u>60</u>
At end of period	<u>848,914</u>