

Spence (Insurance Services) Ltd.

Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2020

Spence (Insurance Services) Ltd.

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Spence (Insurance Services) Ltd.

Company Information

Directors Mr William James Spence
Mrs Catherine Brand Banks Spence
Mr Stewart William Spence

Registered office Unit 2
Wester Inch Business Park
Old Well Court
Bathgate
West Lothian
EH48 2TQ

Accountants 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 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

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 1 December 2020 and signed on its behalf by:

.....
Mrs Catherine Brand Banks 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 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	4,000	-
Tangible assets	<u>5</u>	1,204,140	1,204,371
		<u>1,208,140</u>	<u>1,204,371</u>
Current assets			
Debtors	<u>6</u>	851,127	830,105
Cash at bank and in hand		<u>595,431</u>	<u>419,509</u>
		1,446,558	1,249,614
Creditors: Amounts falling due within one year	<u>7</u>	<u>(333,153)</u>	<u>(291,457)</u>
Net current assets		<u>1,113,405</u>	<u>958,157</u>
Total assets less current liabilities		2,321,545	2,162,528
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(446,295)</u>	<u>(507,645)</u>
Provisions for liabilities		<u>3</u>	<u>13</u>
Net assets		<u>1,875,253</u>	<u>1,654,896</u>
Capital and reserves			
Called up share capital	<u>8</u>	6,900	6,900
Revaluation reserve		203,712	203,712
Profit and loss account		<u>1,664,641</u>	<u>1,444,284</u>
Shareholders' funds		<u>1,875,253</u>	<u>1,654,896</u>

Spence (Insurance Services) Ltd.

(Registration number: SC124134)

Statement of Financial Position as at 31 August 2020

For the financial year ending 31 August 2020 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.

Approved and authorised by the Board on 1 December 2020 and signed on its behalf by:

.....

Mr William James Spence
Director

Spence (Insurance Services) Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

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 1 December 2020.

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 Unaudited Financial Statements for the Year Ended 31 August 2020

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:

Asset class	Depreciation method and rate
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.

Borrowings

Spence (Insurance Services) Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

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 11 (2019 - 14).

Spence (Insurance Services) Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

4 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
Additions acquired separately	4,000	4,000
At 31 August 2020	4,000	4,000
Amortisation		
Carrying amount		
At 31 August 2020	4,000	4,000

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 September 2019	1,204,000	29,273	1,233,273
At 31 August 2020	1,204,000	29,273	1,233,273
Depreciation			
At 1 September 2019	-	28,902	28,902
Charge for the year	-	231	231
At 31 August 2020	-	29,133	29,133
Carrying amount			
At 31 August 2020	1,204,000	140	1,204,140
At 31 August 2019	1,204,000	371	1,204,371

Included within the net book value of land and buildings above is £1,204,000 (2019 - £1,204,000) in respect of freehold land and buildings.

6 Debtors

Spence (Insurance Services) Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

	2020	2019
Note	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	849,974	829,964
Prepayments	1,000	-
Other debtors	153	141
	<u>851,127</u>	<u>830,105</u>

7 Creditors

Creditors: amounts falling due within one year

	2020	2019
Note	£	£
Due within one year		
Loans and borrowings	64,218	64,218
Taxation and social security	80,670	53,445
Accruals and deferred income	21,554	2,968
Other creditors	166,711	170,826
	<u>333,153</u>	<u>291,457</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £64,217 (2019 - £64,217).

Creditors: amounts falling due after more than one year

	2020	2019
Note	£	£
Due after one year		
Loans and borrowings	<u>446,295</u>	<u>507,645</u>
	<u>2020</u>	<u>2019</u>
	£	£
Due after more than five years		
After more than five years by instalments	189,427	250,776
	<u>189,427</u>	<u>250,776</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £446,295 (2019 - £507,6445).

Creditors include bank loans repayable by instalments of £189,427.00 (2019 - £250,776.00) due after more than five years.

8 Share capital

Allotted, called up and fully paid shares

Spence (Insurance Services) Ltd.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

	2020		2019	
	No.	£	No.	£
Ordinary share capital of £1 each	6,900	6,900	6,900	6,900

Hamilton

This document was delivered using electronic communications and authenticated in accordance with the Registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.