Company Registration No. 01305146

F Wilson (Insurance Brokers) Limited

Report and Financial Statements

For the year ended 31 December 2018

F Wilson (Insurance Brokers) Limited
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OFFICERS AND PROFESSIONAL ADVISERS

Directors

	Appointed
P F McDonnell	
P C Moors	
C M Patterson	
P O'Gorman	
P F Evans	30 April 2019

Secretary

P F McDonnell

Auditors

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Bankers

Barclays Bank PLC
3 Hardman Street
Spinningfields
Manchester
M3 3HF

Solicitors

DWF Law LLP
1, 2 Scott Place
Hardman Street
Manchester
M3 3AA

Registered office

Adlington Court
Adlington Business Park
Adlington
Macclesfield
England
SK10 4NL

Registered number

No. 01305146

STRATEGIC REPORT

For the year to 31 December 2018

Introduction

The Directors are pleased to present their report and audited financial statements for the year ended 31 December 2018.

Principal Activity

The principal activity of the company is that of an of an independent intermediary providing insurance services to general insurance customers and wholesale clients.

The company provides its services to a wide customer base including:

- Personal customers
- Small and medium sized enterprises
- Sub-brokers

The company and the Group of which it is a member are domiciled and incorporated in the UK.

Business Review

The company achieved a profit after tax of £1,744,622, a decrease of 69% on the prior year £2,545,317. This was not unexpected as significant restructuring costs have been incurred as part of the on-going transition following the merger of the Bollington and Wilson Groups during the final quarter of 2017.

The Company produces monthly management accounts that are monitored and reviewed by management. Key performance indicators include:

	2018 £	2017 £
Turnover	12,157,882	13,177,656
Gross Profit	10,669,624	11,090,671
Profit Before Tax	1,883,805	3,234,984
Total Comprehensive Profit	1,744,622	2,545,317

The combined group continues to build on the previous success of Bollington and Wilsons and their strong brands in the marketplace by continuing to build its customer base and profitability.

The following areas are also monitored closely by Management:

- Cash - This is monitored daily against monthly projections and previous monthly performance.

- Staff - Staff play a critical role in the performance of the Group and key indices such as attrition, sickness and disciplinary rates are monitored closely on a regular basis.

- Debtors & Creditors - These are monitored utilising ageing reports on a periodic basis.

- Income and Costs - The Group produces monthly management accounts where detailed analysis is undertaken on income and costs and variances explained against budgets.

Principal Risks and Uncertainties

Due to the nature of its business the company is exposed to various risks which it manages closely using management information which is reviewed regularly by management and the directors at its monthly trading meetings.

The directors have considered the impact that Brexit might have on the business and are of the view that the impact will be minimal. The company transacts its business predominantly within the United Kingdom.

Key risks include:

- Liquidity risk is managed daily by reviewing the Company's bank accounts and producing monthly cashflow projections. The Company does not have any bank borrowings at the end of the year.
- Credit risk through both insurance and trade receivables. This risk is mitigated using strict credit control procedures.
- Competition is an ongoing risk which the company mitigates by continual investment in its people, products, marketing and technology which makes the company's proposition attractive in the marketplace.
- Counterparty risk - insurers and banks are reviewed regularly by management. Cash and deposits are with prime financial institutions.
- Solvency and FCA capital requirements are monitored closely and reported on to the Directors at monthly trading meetings
- Customer satisfaction is monitored closely by management utilising, but not limited to, externally commissioned surveys, complaints monitoring and self audits. The company is committed to Treating Customers Fairly (TCF) responsibilities.
- Staff satisfaction is monitored closely by management utilising, but not limited to, externally commissioned surveys, attrition, sickness and disciplinary rates.

Going Concern

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. In making this decision the Directors have considered a wide range of information relating to present and future conditions, including the current state of the Balance Sheet, future projections on profitability, cash flows and capital resources.

The Company's forecasts and projections show that it will be able to operate at adequate levels of both liquidity and capital for at least 12 months following the period end.

This report was approved by the board on 14 August 2019 and signed on its behalf.

P Moors
Director

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors' Responsibilities Statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 for the financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

An analysis of likely future developments in the business and use of financial instruments is given in the Strategic Report.

Directors

The Directors who served during the period and up to the date of this report were:

	Appointed	Resigned
P F McDonnell		
P C Moors		
C M Patterson		
P O'Gorman		
J F Wilson		24 August 2018
G M C Hooper		24 August 2018
P F Evans	30 April 2019	

The present membership of the board is set out on page 3. All served throughout the year and thereafter, unless stated otherwise above.

Directors' and officers' indemnities

Qualifying third-party indemnity provisions for the benefit of the company's directors were made during the period and remain in force at the date of this report.

Results and Dividends

The results for the period are shown in the Statement of Comprehensive Income on page 11. No dividends were paid or proposed in the year (£6,757,699 was paid in the prior year).

Environment

The Company is committed to pursuing sound environmental policies in all aspects of its business and seeks to encourage and promote good environmental practice amongst its employees and within the communities in which it operates.

Employees

The Company's policy is to recruit and promote on the basis of aptitude and ability without discrimination of any kind. Applications for employment by disabled people are always considered bearing in mind the qualifications and abilities of the applicants. In the event of employees becoming disabled every effort is made to ensure their continued employment. The Group's policy is to adopt an open management style, thereby encouraging information consultation at all levels about aspects of the Group's operations. The Group is very proud of its Investor in People Gold Accreditation.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors Report is approved has confirmed that:

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

This report was approved by the Board on 14 August 2019 and signed on its behalf.

P Moors
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F WILSON (INSURANCE BROKERS) LIMITED

Report on the audit of the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the company's profit for the year ended 31 December 2018;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Bollington Group (Holdings) Limited which comprise:

- the company's statement of comprehensive income;
- the company's statement of financial position;
- the company's statements of changes in equity;
- the related notes 1 to 24.

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).

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 required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the financial statements, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F WILSON (INSURANCE BROKERS) LIMITED (Continued)

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 respect of these matters.

Responsibilities of Directors

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. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 period 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF F WILSON (INSURANCE BROKERS) LIMITED (Continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

We have nothing to report in respect of these matters.

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.

Peter Birch (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom
15 August 2019

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	2018 £	Restated (note 24) 2017 £
Turnover	3	12,157,882	13,177,656
Cost of Sales		(1,488,258)	(2,086,985)
Gross Profit		**10,669,624**	**11,090,671**
Administrative expenses	24	(8,798,509)	(7,876,200)
Other operating income		-	15,399
Operating Profit	**5**	**1,871,115**	**3,229,870**
Interest receivable	**9**	12,690	5,114
Profit before tax		**1,883,805**	**3,234,984**
Tax on profit	**10**	(139,183)	(689,667)
Profit for the period		**1,744,622**	**2,545,317**
Total comprehensive income for the period		**1,744,622**	**2,545,317**

Total comprehensive income/loss for the financial period attributable to:

Owners of the parent Company	1,744,622	2,545,317
Total attributed	**1,744,622**	**2,545,317**

All of the loss for the financial year is attributable to the controlling interest of the company and is derived from continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

Company Registration No. 01305146

F WILSON (INSURANCE BROKERS) LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	2018 £	Restated (note 24) 2017 £
Fixed assets			
Investments	12	3,342	3,342
Tangible Assets	11	1,589,546	180,738
		1,592,888	**184,080**
Current assets			
Debtors	13	4,804,519	1,276,929
Cash at bank and in hand	14	4,903,713	6,475,826
		9,708,232	**7,752,755**
Creditors: amounts falling due within one year	15	**(5,397,386)**	**(3,777,723)**
Net Current Assets		**4,310,846**	**3,975,032**
Total assets less current liabilities		**5,903,734**	**4,159,112**
Net Assets		**5,903,734**	**4,159,112**
Capital and reserves			
Share Capital	19	501	501
Profit and Loss account		5,903,233	4,158,611
Equity shareholders' funds		**5,903,734**	**4,159,112**

The notes on pages 14 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 August 2019:

Director **Director**

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Called up Share Capital £	Retained Earnings £	Total Equity £
At 01 January 2018	501	4,158,611	4,159,112
Profit/(Loss) of the financial period	-	1,744,622	1,744,622
At 31 December 2018	**501**	**5,903,233**	**5,903,734**

Restated (note 24)

	Called up Share Capital £	Retained Earnings £	Total Equity £
At 01 January 2017	501	8,370,993	8,371,494
Profit/(Loss) of the financial period	-	2,777,875	2,777,875
Dividend	-	(9,407,699)	(9,407,699)
Previously reported	501	1,741,169	1,741,670
Prior year adjustment			
Profit of the financial period	-	(232,558)	(232,558)
Prior year adjustment – dividend	-	2,650,000	2,650,000
At 31 December 2017	**501**	**4,158,611**	**4,159,112**

The prior year adjustment is explained more fully in note 24

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

1.1 General information and Basis of preparation of financial statements

F. Wilson (Insurance Brokers) Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 4 to 5.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principle accounting policies are summarised below. All accounting policies have been consistently applied throughout the period.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

1.2 Financial Reporting Standard 102 - reduced disclosure exemption

Related party transactions
The Company has taken advantage of the exemptions available under paragraph 33.1A of FRS 102 Related Party Disclosures, not to disclose transactions that have taken place between members of the Group where the party to the transaction is a wholly owned member.

Cash flow statement
The Company meets the definition of a 'qualifying entity' under FRS 102 and as such has elected to take the exemption under FRS 102, para 1.12(b) not to present the Company statement of cash flows.

1.3 Going concern

The financial statements have been prepared on a going concern basis as the Directors are satisfied that the company has adequate resources to continue in business for the foreseeable future. In making this decision the Directors have considered a wide range of information relating to present and future conditions, including the current state of the Balance Sheet, future projections on profitability, cash flows and capital resources.

1.4 Revenue

Turnover represents commission and fees earned on insurance business transacted during the accounting period and is recognised in the period in which the right to the consideration has been established taking into account our Terms of Business Agreement with our partner insurers.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when:

a) it is separable, i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

b) it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

1.5 Intangible assets (Continued)

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.Tangible fixed assets

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements:	Over period of lease
Motor vehicles:	33%
Fixtures and fittings:	25%
Computer equipment	25%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised in the Income Statement.

1.7 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in the Income Statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined if no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Income Statement.

1.8 Cost of sales

Cost of sales is made up of commissions payable and is recognised in the period in which the income to which it relates is recognised.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Leasing

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Income Statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company assesses at each Balance Sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the company about the following loss events:
- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

1.12 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Income Statement in the period it arises.

1.13 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within Creditors and deferred tax assets within Debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and

1.14 Taxation (Continued)

- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority or either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.15 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. Management do not believe there are any critical accounting estimates or judgements.

3. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017
	£	£
Commercial insurance	12,157,882	13,177,656
	12,157,882	**13,177,656**

Turnover is generated within the United Kingdom.

4. Other operating income

	2018	2017
	£	£
Other income	-	15,399
	-	**15,399**

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Exchange losses/(gains)	-	537
(Profit) on disposal of tangible fixed assets	(4,094)	-
Depreciation of tangible fixed assets	235,655	300,203
Operating lease charges	497,161	132,671
	728,722	**433,411**

6. Auditors' remuneration

Fees payable to the Company's auditor in respect of:

	2018 £	2017 £
Auditing of the financial statements of the company	14,200	16,000
All other non-audit services not included above	18,600	-
	32,800	**16,000**

7. Employees

Staff costs of the Group, including Directors' remuneration, were as follows:

	2018 £	2017 £
Salaries and related costs	3,781,175	4,371,785
Other staffing costs	46,014	33,528
Costs of defined contribution pension scheme	147,379	99,001
Social security costs	332,542	394,916
	4,307,110	**4,899,230**

The average number of employees, including the Directors, during the period was as follows:

	2018 No.	2017 No.
Directors	3	4
Sales and administration	128	146
	131	**150**

Only one of the existing directors is employed by the Company. The three other directors are employed by another company within the Group.

8. Directors' remuneration

	2018 £	2017 £
Directors salaries	347,069	638,612
Social security costs	52,625	84,925
Defined contribution pension scheme	85,012	386
	484,706	**723,923**

During the year retirement benefits were accruing to 2 Directors in respect of defined contribution pension schemes (prior year: 2).

The highest paid Director received remuneration of £164,743 including pension contributions of £9,720 (prior year: £351,667 including pension contributions of £Nil).

9. Interest receivable

	2018	2017
	£	£
Bank deposit interest receivable	12,690	5,114
	12,690	**5,114**

10. Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits of the period	178,934	694,816
Adjustments in respect of previous periods	(28,197)	-
Total current tax	**150,737**	**694,816**
Deferred tax		
Origination and reversal of timing differences	13,009	(3,066)
Effect of tax rate changes on opening liability	(24,563)	(2,083)
Total deferred tax	**(11,554)**	**(5,149)**
Taxation on profit on ordinary activities	**139,183**	**689,667**
Standard rate of corporation tax in the UK	19.00%	19.25%

Corporation tax is calculated at the UK standard rate of Corporation Tax on the estimated assessable profit or loss for the year.

The charge for the year can be reconciled to the income statement as follows:

	2018	2017
	£	£
Profit before tax:	1.883,805	3.234,984
Tax at UK corporation tax rate	357,923	622,734
Effects of:		
Expenses not deductible for tax purposes	(173,179)	69,016
Tax rate changes	(1,369)	(2,083)
Adjustments in respect of previous periods	(44,192)	-
Total tax charge for the period	**139,183**	**689,667**

There were no factors that may affect future tax charges.

11. Tangible fixed assets

	Leasehold Buildings £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost					
At 01 January 2018	-	522,017	1,544,656	106,826	2,173,499
Additions	767,267	49,005	829,847	-	1,646,119
Disposals	-	-	-	(11,920)	(11,920)
At 31 December 2018	**767,267**	**571,022**	**2,374,503**	**94,906**	**3,807,698**
Amortisation					
At 01 January 2018	-	511,718	1,383,084	97,959	1,992,761
Charge for the year	43,148	10,293	175,005	7,209	235,655
Disposals	-	-	-	(10,264)	(10,264)
At 31 December 2018	**43,148**	**522,011**	**1,558,089**	**94,904**	**2,218,152**
Net Book Value					
At 31 December 2018	**724,119**	**49,011**	**816,414**	**2**	**1,589,546**
At 31 December 2017	**-**	**10,299**	**161,572**	**8,867**	**180,738**

Prior year restated

	Leasehold Buildings £	Fixtures and Fittings £	Office Equipment £	Motor Vehicles £	Total £
Cost					
At 01 January 2017	-	512,329	1,439,176	106,826	2,058,331
Additions	-	9,688	105,480	-	115,168
Disposals	-	-	-	-	-
At 31 December 2017	**-**	**522,017**	**1,544,656**	**106,826**	**2,173,499**
Amortisation					
At 01 January 2017	-	468,842	1,141,874	81,842	1,692,558
Charge for the year	-	7,022	54,377	6,246	67,645
Disposals	-	-	-	-	-
Adjustments	-	35,854	186,833	9,871	232,558
At 31 December 2017	**-**	**511,718**	**1,383,084**	**97,959**	**1,992,761**
Net Book Value					
At 31 December 2017	**-**	**10,299**	**161,572**	**8,867**	**180,738**
At 31 December 2016	**-**	**43,487**	**297,302**	**24,984**	**365,773**

The adjustment to the prior year depreciation has been made to reflect the adoption of the Group's depreciation policies following the merger of the company into the Bollington Wilson Group.

12. Fixed asset investments

	2018	2017
	£	£
Cost or valuation		
At 01 January	3,342	3,342
Additions	-	-
Disposals	-	-
At 31 December	**3,342**	**3,342**

13. Debtors

Amounts falling due within one year

	2018	Restated 2017
	£	£
Trade debtors	716,315	702,730
Prepayments and accrued income	447,690	355,994
Deferred taxation	40,998	29,444
Corporation tax	54,818	-
Amounts owed by group companies	1,050,070	-
Other debtors	2,494,628	188,761
	4,804,519	**1,276,929**

14. Cash and cash equivalents

	2018	Restated 2017
	£	£
Cash at bank and in hand	4,903,713	6,475,826
	4,903,713	**6,475,826**

Included above is £2,650,000 (2017: £2,650,000) held in an escrow account at the company's solicitors. Use of these funds is restricted to settlement of the company's liability to HMRC in respect of the Employee Benefit Trust Scheme. See note 16 for further details.

15. Creditors

Amounts falling due within one year

	2018	Restated 2017
	£	£
Trade creditors	6,969	71,367
Accruals	326,700	248,651
Owed to group companies	393,172	22,988
Other taxes and social security costs	97,622	90,361
Corporation tax	-	694,816
Other creditors	4,572,923	2,649,540
	5,397,386	**3,777,723**

16. Provisions for liabilities

	2018 £	2017 £
Provision for tax on Employee Benefit Trusts and other tax planning strategies	4,555,662	2,263,119
	4,555,662	**2,263,119**

HMRC enquiries into the Employee Benefit Trust structure and other tax planning strategies used by the company have been completed. The amount provided represents the Directors' current best estimate of the economic outflow, discounted to net present value. The net present value is £4,555,662 and is included in the Statement of Financial Position in other creditors. To settle this liability the Company has £2,650,000 held in an escrow bank account at the company's solicitors. In addition, there is an amount receivable from the previous owners of the company in the sum of £2,230,316 that amount is recorded in the Statement of Financial Position in other debtors. This money was received after the year end.

17. Operating lease commitments

	2018 £	2017 £
Not later than 1 year	545,778	138,583
Later than 1 year and not later than 5 years	2,033,992	179,560
In over 5 years	2,067,469	-
	4,647,239	**318,143**

18. Deferred Taxation

	2018 £	2017 £
At 01 January 2018	29,444	29,444
Charged to the income statement for the period	11,554	-
At 31 December 2018	**40,998**	**29,444**
Fixed asset timing differences	(8,245)	(3,039)
Short term timing differences	49,243	32,483
	40,998	**29,444**

Deferred tax assets are included within Debtors

19. Share Capital

Authorised:	£	2018 No.	2017 No.	2018 £	2017 £
Ordinary shares	1.0000	500	500	500	500
B1	1.0000	1	1	1	1
		501	**501**	**501**	**501**

Allotted, called up and fully paid:	£	2018 No.	2017 No.	2018 £	2017 £
Ordinary shares	1.0000	500	500	500	500
B1	1.0000	1	1	1	1
		501	**501**	**501**	**501**

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions to the scheme by the Company amounted to £147,379 (prior year: £99,001).

21. Related Party Transactions

The Company has taken advantage of the exemption conferred by FRS102 section 33 "related party disclosures" not to disclose transactions with members of the Group claiming 100% of the voting rights in the Company are controlled within that Group and the Company is included in the consolidated financial statements.

22. Ultimate parent company

The largest group of which the company is a member, and for which group financial statements will be drawn up, is that headed by Bollington Wilson Group Limited, company number 10889686, the company's ultimate parent company. The registered office of Bollington Wilson Group Limited is Adlington Court, Adlington Business Park, Adlington, Macclesfield, Cheshire SK10 4NL.

23. Events after the balance sheet date

On 01 July 2019 the regulated business of the company was transferred in its entirety to another group company Bollington Insurance Brokers Limited. The transfer included the transfer of all staff, assets, liabilities, trading styles and contractual arrangements at book value through intercompany transfers.

The transfer was effected to enable the group to fully service its client base through cross selling to existing clients and offering a 'one stop shop' to new clients.

24. Prior year adjustment

Statement of financial position:

		2017	
	Previously reported	**Adjustment**	**Restated**
	£	**£**	**£**
Fixed Assets	416,638	(232,558)	184,080
Debtors amounts falling due within one year	1,276,929	-	1,276,929
Cash at bank and in hand	3,825,826	2,650,000	6,475,826
Creditors amounts falling due within one year	(3,777,723)	-	(3,777,723)
Net assets/(liabilities)	1.741,670	2.417,442	4.159,112
Called up share capital	501	-	501
Profit and loss account	1,741,169	2,417,442	4,158,611
Equity shareholders' funds	1.741,670	2.417,442	4.159,112

During the period ended 31 December 2017 the sum of £2,650,000 was deposited into an escrow account held at the company's solicitors. The purpose of the deposit was to ringfence funds to settle any ultimate liability crystallising in respect of the HMRC enquiries into the Employee Benefit Trust structure. This transfer was incorrectly disclosed as a dividend in the financial statements for the year ended 31 December 2017. The treatment has been corrected in these financial statements and the impact is shown in the Statement of Changes in Equity.

At the time of the acquisition of the company by the Bollington Wilson Group on 31 October 2017, the company revised its depreciation estimation methodology to bring it into line with that of the wider group. This change was processed incorrectly through the financial statements for the year ended 31 December 2017. The impact of the change should have resulted in an additional charge of £232,558 of depreciation with a corresponding reduction in net book value of tangible fixed assets. This is shown in the tangible fixed asset note.