

**Supercover Insurance Ltd**  
**Financial Statements**  
**31 December 2019**

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COMPANIES HOUSE

# **Supercover Insurance Ltd**

## **Financial Statements**

**Year ended 31 December 2019**

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**Supercover Insurance Ltd**  
**Officers and Professional Advisers**

**The board of directors**

K J Barber  
M R Brittain

**Company secretary**

C J Payne

**Registered office**

45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

**Auditor**

RSM UK Audit LLP  
Chartered accountants  
Davidson House  
Forbury Square  
Reading  
RG1 3EU

**Bankers**

National Westminster  
Ground Floor New Ueberior House  
11 Earl Grey Street  
Edinburgh  
EH3 9BN

National Westminster Bank Plc  
27 South Street  
Worthing  
West Sussex  
BN11 3AR

# **Supercover Insurance Ltd**

## **Directors' Report**

### **Year ended 31 December 2019**

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

#### **Principal activities**

The principal activity of the company at the beginning of the period was arranging insurance and extended warranty cover for portable consumer electronics. During the year, the trade and assets of the company were sold to fellow group subsidiary Insurance Factory Limited. The company has ceased to trade, and it is the directors' intention to wind up the company within the next 12 months. Consequently these financial statements are prepared on a non-going concern basis.

#### **Directors**

The directors who served the company during the year and up to the date of this report were as follows:

G Humphreys	(resigned 7 December 2020)
C T Collings	(resigned 7 December 2020)
J D Jackson	(resigned 7 December 2020)
K J Barber	
K R Spencer	(resigned 7 December 2020)
M R Brittain	
R L Barrington	(resigned 7 December 2020)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# **Supercover Insurance Ltd**

## **Directors' Report** *(continued)*

**Year ended 31 December 2019**

This report was approved by the board of directors on 18/12/2020 and signed on behalf of the board by:



M R Brittain  
Director

Registered office:  
45 Westerham Road  
Bessels Green  
Sevenoaks  
Kent  
TN13 2QB

**Supercover Insurance Ltd**  
**Directors' Responsibilities Statement**  
**Year ended 31 December 2019**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 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 then apply them consistently;
- make judgments 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.

# **Independent Auditor's Report to the Members of Supercover Insurance Ltd**

## **Opinion**

We have audited the financial statements of Supercover Insurance Ltd (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

## **Emphasis of Matter – Non-going concern basis of accounting**

We draw attention to the disclosure made in note 3 on page 11 of the financial statements concerning the basis of preparation of the financial statements. The directors intend to commence the liquidation of the company within the next 12 months and the company has ceased to trade as of 01 October 2019. The directors have concluded it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the Financial Statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

# **Independent Auditor's Report to the Members of Supercover Insurance Ltd**

*(continued)*

## **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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



# **Independent Auditor's Report to the Members of Supercover Insurance Ltd**

*(continued)*

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditor's report.

# **Supercover Insurance Ltd**

## **Independent Auditor's Report to the Members of Supercover Insurance Ltd** *(continued)*

**Year ended 31 December 2019**

### **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.

*RSM UK Audit LLP*

Perry Linton FCA (Senior Statutory Auditor)  
For and on behalf of  
RSM UK Audit LLP, Statutory Auditor  
Chartered accountants  
Davidson House  
Forbury Square  
Reading  
RG1 3EU

*21.12.20*

# Supercover Insurance Ltd

## Statement of Income and Retained Earnings

Year ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>5</b>	<b>2,754,297</b>	<b>4,417,697</b>
Cost of sales		<u>(513,635)</u>	<u>(884,947)</u>
<b>Gross profit</b>		<b>2,240,662</b>	<b>3,532,750</b>
Administrative expenses		<u>(1,703,522)</u>	<u>(2,797,391)</u>
Exceptional item	<b>6</b>	<u>(1,444,899)</u>	
<b>Operating (loss) / profit</b>	<b>6</b>	<b>(907,759)</b>	<b>735,359</b>
Interest payable	<b>9</b>	<u>–</u>	<u>722</u>
<b>(Loss)/profit before taxation</b>		<b>(907,759)</b>	<b>734,637</b>
Taxation on ordinary activities	<b>10</b>	<u>46,524</u>	<u>(108,079)</u>
<b>(Loss)/profit for the financial year and total comprehensive income</b>		<b><u>(954,283)</u></b>	<b><u>626,558</u></b>
<b>Retained earnings/(losses) at the start of the year</b>		<b>341,534</b>	<b>(3,014)</b>
Restatement of retained earnings for correction of prior period material error	<b>4</b>	<u>–</u>	<u>(282,010)</u>
<b>Retained (losses)/earnings at the end of the year</b>		<b><u>(612,749)</u></b>	<b><u>341,534</u></b>

The notes on pages 11 to 19 form part of these financial statements.

# Supercover Insurance Ltd

## Statement of Financial Position

31 December 2019

		2019	2018 (restated)
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	11	–	72,170
Tangible assets	12	–	14,021
		–	86,191
<b>Current assets</b>			
Debtors	13	5,001	1,578,166
Cash at bank and in hand		–	451,021
		5,001	2,029,187
<b>Creditors: amounts falling due within one year</b>	14	–	1,156,094
<b>Net current assets</b>		5,001	873,093
<b>Total assets less current liabilities</b>		5,001	959,284
<b>Net assets</b>		5,001	959,284
<b>Capital and reserves</b>			
Called up share capital	17	600,000	600,000
Capital redemption reserve	18	17,750	17,750
Profit and loss account	18	(612,749)	341,534
<b>Shareholders funds</b>		5,001	959,284

These financial statements were approved by the board of directors and authorised for issue on ~~18/12/2020~~, and are signed on behalf of the board by:



M R Brittain  
Director

Company registration number: 03058631

The notes on pages 11 to 19 form part of these financial statements.

**Supercover Insurance Ltd**  
**Notes to the Financial Statements**  
**Year ended 31 December 2019**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

**2. Statement of compliance**

These financial statements have been prepared in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Companies Act 2006.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis and in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Going concern**

During the year, the trade and assets of the company were sold to fellow group subsidiary Insurance Factory Limited. The company has ceased to trade as of 01 October 2019, and it is the directors' intention to wind up the company within the next 12 months. Consequently these financial statements are prepared on a non-going concern basis. No adjustments to asset values or additional liabilities have arisen as a result of this change.

# **Supercover Insurance Ltd**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 December 2019**

#### **3. Accounting policies *(continued)***

##### **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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Financial assets**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at each reporting end date.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

##### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

##### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# **Supercover Insurance Ltd**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 December 2019**

#### **3. Accounting policies *(continued)***

##### **Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Markerstudy Holdings Limited group. Please refer to note 19 for details of how to obtain the group financial statements. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Employee benefits**

The company recognises short-term employee benefits as a expense to the profit and loss account.

##### **Turnover**

Turnover comprises revenue recognised by the company in respect of commissions receivable from the sale of extended warranty policies, exclusive of insurance premium tax and trade discounts, recognised at the inception of the policy.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are 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. Deferred tax is measured 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.

##### **Foreign currencies**

Transactions in foreign currencies are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation.

# Supercover Insurance Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 3. Accounting policies *(continued)*

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Computer software - 18–36 months straight line

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently at cost less accumulated depreciation.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short term leasehold improvements - 20% straight line

Fixtures, fittings & equipment - 33% straight line

##### **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.

##### **Provisions for claims costs**

Management make an estimate of the claims costs to be incurred in respect of policies sold during the period and accrue for these at year end in order that they are recognised in the correct period. This estimate is made on the basis of historical data and past experience.

Current tax liabilities/(assets) are measured at the amount of tax management expects the company to pay/(receive). Assessing whether income is taxable and whether expenses are allowable for tax involves judgement, particularly where the tax position depends on tax case law. Where appropriate management obtains views on tax legislation and case law from tax experts and / or from Legal Counsel in forming their opinion on these areas of judgement. Further detail on the potential effect of these judgements on the company's future tax liabilities is included in note 21.



# Supercover Insurance Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 4. Prior period error

A failure to apply the VAT Reverse Charge mechanism on purchases of services from overseas in the current and previous periods was identified. This resulted in an additional material VAT liability in addition to penalties and interest on this underpayment of VAT in the current year and the prior periods. The impact of these prior period adjustments on the comparative figures is as indicated below;

As at 31 December 2018:	As previously reported £	(Charge) / Credit £	As restated £
Social security and other taxes	(14,898)	(282,010)	(296,908)
Total Creditors	(874,084)	(282,010)	(1,156,094)
Net Current Assets	1,155,103	(282,010)	873,093
Net Assets	1,241,294	(282,010)	959,284
Retained Earnings B/fwd	(3,014)	(282,010)	(285,024)
Retained Earnings C/Fwd	623,544	(282,010)	341,534

#### 5. Turnover

Turnover arises from:

	2019 £	2018 £
Commissions	<u>2,754,297</u>	<u>4,417,697</u>

Turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 6. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2019 £	2018 £
Amortisation of intangible assets	118,492	(38,662)
Depreciation of tangible assets	14,021	99,644
Impairment of trade debtors	(2,947)	(7,525)
Intercompany balance written off	1,444,899	–
Foreign exchange differences	–	(701)
Operating lease costs - Land & buildings	19,393	191,286
Costs of stock purchased	–	14,358

On 01 October 2019 the company, as part of a group restructure, transferred the trade and assets to Insurance Factory Limited, a fellow subsidiary. Consequently, the Statement of Profit or Loss represents nine months trade and is not directly comparable with the results for the year ended 31 December 2018.

Any intercompany balances outstanding have been waived and as a result, net assets have been reduced to £5k. The amounts waived are shown as an exceptional item in the Statement of Profit or Loss to highlight and distinguish the atypical expense incurred in the year from trading activity.

Following the transfer of trade, the company is expected to remain dormant.

# Supercover Insurance Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 7. Auditor's remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>20,000</u>	<u>20,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	<u>2,500</u>	<u>2,500</u>

### 8. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019 No.	2018 No.
Administrative staff	<u>13</u>	<u>20</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	495,033	759,716
Social security costs	52,559	83,187
Other pension costs	20,851	39,562
	<u>568,442</u>	<u>882,465</u>

Not included in the amounts disclosed above is an amount of £324,315 (2018: £296,341) of staff costs recharged from fellow group companies.

The directors received no remuneration in respect of qualifying services during the year (2017: £Nil).

### 9. Interest payable

	2019 £	2018 £
Interest on banks loans and overdrafts	<u>-</u>	<u>722</u>

# Supercover Insurance Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 10. Taxation on ordinary activities

#### Major components of tax expense

	2019 £	2018 £
<b>Current tax:</b>		
UK current tax (income)/expense	(11,256)	11,256
<b>Deferred tax:</b>		
Origination and reversal of timing differences	57,780	96,823
<b>Taxation on ordinary activities</b>	<b>46,524</b>	<b>108,079</b>

#### Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
(Loss)/profit on ordinary activities before taxation	(907,759)	734,637
(Loss)/profit on ordinary activities by rate of tax	(172,474)	139,581
Effect of expenses not deductible for tax purposes	274,172	3,152
Fixed asset differences	1,435	(23,263)
Other tax adjustments	37,847	—
Income not taxable for tax purposes	(950)	—
Group relief claimed	(98,144)	—
Adjustments in respect of prior periods	9,047	—
Changes to deferred tax rates	(4,409)	(11,391)
<b>Tax on (loss)/profit</b>	<b>46,524</b>	<b>108,079</b>

### 11. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 January 2019	238,213
Additions	235,901
Transfers	(474,114)
<b>At 31 December 2019</b>	<b>—</b>
<b>Amortisation</b>	
At 1 January 2019	166,043
Charge for the year	118,492
Transfers	(284,535)
<b>At 31 December 2019</b>	<b>—</b>
<b>Carrying amount</b>	
<b>At 31 December 2019</b>	<b>—</b>
At 31 December 2018	72,170

# Supercover Insurance Ltd

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 12. Tangible assets

	Short leasehold property improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2019	17,827	354,965	<b>372,792</b>
Transfers	(17,827)	(354,965)	<b>(372,792)</b>
<b>At 31 December 2019</b>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Depreciation</b>			
At 1 January 2019	13,072	345,699	<b>358,771</b>
Charge for the year	4,754	9,267	<b>14,021</b>
Transfers	(17,826)	(354,966)	<b>(372,792)</b>
<b>At 31 December 2019</b>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Carrying amount</b>			
<b>At 31 December 2019</b>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2018	<u>4,755</u>	<u>9,266</u>	<u>14,021</u>

#### 13. Debtors

	2019 £	2018 £
Trade debtors	–	31,469
Amounts owed by group undertakings	<b>5,001</b>	195,146
Deferred tax asset	–	57,780
Prepayments and accrued income	–	1,069,354
Other debtors	–	224,417
	<u><b>5,001</b></u>	<u>1,578,166</u>

#### 14. Creditors: amounts falling due within one year

	2019 £	2018 <i>(restated)</i> £
Trade creditors	–	105,287
Amounts owed to group undertakings	–	154,318
Accruals and deferred income	–	547,675
Corporation tax	–	11,256
Social security and other taxes	–	296,908
Other creditors	–	40,650
	<u>–</u>	<u>1,156,094</u>

As explained in note 4, Social security and other taxes at 31 December 2018 have been restated to recognise £282,010 of additional VAT liabilities plus penalties and interest on the underpayment of VAT.

# Supercover Insurance Ltd

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Deferred tax asset at start of period	57,780	154,603
Deferred tax charges in the statement of comprehensive income for the period	(57,780)	(96,823)
Included in debtors (note 13)	<u>—</u>	<u>57,780</u>

### 16. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £20,851 (2018: £50,942).

### 17. Called up share capital

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>6,000,000</u>	<u>600,000</u>	<u>6,000,000</u>	<u>600,000</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 18. Reserves

Capital redemption reserve - nominal value of shares repurchased by the company.

Profit and loss account - retained earnings and accumulated losses, net of equity dividends paid.

### 19. Related party transactions

During the year ended 31 December 2019, recharges totalling £Nil (2018: £29,281) were paid to related parties where the directors of the company share common control. Included in other creditors as at 31 December 2019 was an amount due of £Nil (2018: £29,281).

### 20. Controlling party

The immediate and ultimate parent company is Markerstudy Holdings Limited, a company registered in Gibraltar. Copies of Markerstudy Holdings Limited's consolidated financial statements can be obtained from 846-848 Europort, Gibraltar. The group is controlled by K R Spencer.

### 21. Potential contingent liability

As detailed in the accounting estimates and judgements section of accounting policies the company has measured its corporation tax liability taking into consideration advice and opinions from third parties on whether income is taxable and whether expenses are allowable. If the judgements made by management in preparing the company's corporation tax return were subject to challenge by HM Revenue and Customs through an enquiry, there is uncertainty over the outcome of the enquiry and as a result the company could have significant, material future tax liabilities in addition to the corporation tax creditor recognised in note 14. As the company's tax returns have not been challenged by HM Revenue and Customs at the date of approval of these financial statements, it is impractical to estimate the financial effect of any potential future tax liability.