



Wessex Insurance Funding Limited
Financial Statements
31 December 2016



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COMPANIES HOUSE

Wessex Insurance Funding Limited

Officers and Professional Advisers

The board of directors

K R Spencer
K J Barber
G Humphreys

Company secretary

C J Payne

Registered office

45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

Auditor

RSM UK Audit LLP
Chartered Accountants & Statutory Auditor
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

Bankers

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

Wessex Insurance Funding Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Principal activities

The principal activity of the company during the year was the administration of a contract for the financing of insurance policies on behalf of other group companies. The directors anticipate that this activity will continue for the foreseeable future.

Directors

The directors who served the company during the year were as follows:

K R Spencer
K J Barber
G Humphreys

Going concern

The company is reliant on the continued support of other group companies, and its directors, to meet its liabilities as they fall due. Further details are provided in the accounting policies on page 8 of these financial statements.

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.

This report was approved by the board of directors on 26 July 2017 and signed on behalf of the board by:



K J Barber
Director

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

Wessex Insurance Funding Limited

Directors' Responsibilities Statement

Year ended 31 December 2016

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 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.

Wessex Insurance Funding Limited

Independent Auditor's Report to the Members of Wessex Insurance Funding Limited

Year ended 31 December 2016

Opinion on financial statements

We have audited the financial statements on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies on page 8 of the financial statements concerning the company's ability to continue trading as a going concern. The company does not generate profits or cash flows for its own account, had net liabilities and net current liabilities of £1.1 million at 31 December 2016, and owed £8.1 million to other group companies. These conditions, along with the other matters explained on page 8 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Wessex Insurance Funding Limited

Independent Auditor's Report to the Members of Wessex Insurance Funding Limited *(continued)*

Year ended 31 December 2016

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 any material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Gary Purdy (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

27 July 2017

Wessex Insurance Funding Limited
Statement of Income and Retained Earnings
Year ended 31 December 2016

	Note	2016 £	2015 £
Administrative expenses		(10,432)	(6,756)
Other operating income		<u>720</u>	<u>6,610</u>
Operating loss		<u>(9,712)</u>	<u>(146)</u>
Loss before taxation		<u>(9,712)</u>	<u>(146)</u>
Tax on loss	6	<u>—</u>	<u>—</u>
Loss for the financial year and total comprehensive income		<u>(9,712)</u>	<u>(146)</u>
Retained losses at the start of the year		<u>(1,148,661)</u>	<u>(1,148,515)</u>
Retained losses at the end of the year		<u>(1,158,373)</u>	<u>(1,148,661)</u>

All the activities of the company are classed as discontinued.

The notes on pages 8 to 13 form part of these financial statements.

Wessex Insurance Funding Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	7	6,965,384	7,065,680
Cash at bank and in hand		283	387
		<u>6,965,667</u>	<u>7,066,067</u>
Creditors: amounts falling due within one year	8	<u>(8,124,039)</u>	<u>(8,214,727)</u>
Net current liabilities		<u>(1,158,372)</u>	<u>(1,148,660)</u>
Total assets less current liabilities		<u>(1,158,372)</u>	<u>(1,148,660)</u>
Net liabilities		<u>(1,158,372)</u>	<u>(1,148,660)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>(1,158,373)</u>	<u>(1,148,661)</u>
Members deficit		<u>(1,158,372)</u>	<u>(1,148,660)</u>

These financial statements were approved by the board of directors and authorised for issue on 26 July 2017, and are signed on behalf of the board by:



K J Barber
Director

Company registration number: 05127397

The notes on pages 8 to 13 form part of these financial statements.

Wessex Insurance Funding Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, incorporated and 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 are disclosed in the Directors' Report on page 2.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Company administers a contract on behalf of another Markerstudy group company, and does not trade on its own account. It does not generate retained profits or losses, or cash flows, but is solely reliant on other companies in the Markerstudy group to provide support.

The Company has net liabilities and net current liabilities at 31 December 2016 of £1.1 million, and owes other Markerstudy group companies £8.1 million at that date

The directors have received written undertakings that they will not be required to repay the balances due to other group companies if, in doing so, it would cause the Company to be unable to meet its debts as they fall due. The directors have also obtained a letter of support from the parent company confirming that it will support the Company should this be necessary.

The existence of the above matters constitutes a material uncertainty which may cast doubt over the company's ability to continue trading as a going concern.

After making enquiries of management and considering the actions taken by the Company, the current financial and solvency positions for the Company, and the continuing availability of support from other group companies, the directors have concluded that there is a reasonable expectation that the Company will have adequate resources to continue in business over the twelve months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis of accounting in the preparation of these financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of Markerstudy Holdings Limited. Details on how to obtain these financial statements can be found in note 12 of these 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.

Wessex Insurance Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Income tax

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

The directors do not consider there to be any judgements nor key sources of estimation uncertainty that have a material impact on the financial statements.

Wessex Insurance Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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.

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.

Wessex Insurance Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

4. Particulars of employees

No directors received any remuneration from the company during the year (2015: Nil).

No other staff were employed by the company during either year.

5. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>4,500</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>1,500</u>	<u>1,500</u>

6. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Loss on ordinary activities before taxation	<u>(9,712)</u>	<u>(146)</u>
Loss on ordinary activities by rate of tax	<u>(1,942)</u>	<u>(30)</u>
Adjustment to tax charge in respect of prior periods	–	1,188
Effect of expenses not deductible for tax purposes	–	(12,751)
Changes to deferred tax rates	6,094	11,593
Deferred tax not recognised	<u>(4,152)</u>	<u>–</u>
Tax on loss	<u>–</u>	<u>–</u>

Deferred tax is not recognised in respect of losses of £590,048 (2015: £580,336) as it is not probable that they will be recovered against future taxable profits.

7. Debtors

	2016 £	2015 £
Trade debtors	2,218,835	5,097,784
Amounts owed by group undertakings	2,907,236	928,440
Other debtors	1,839,313	1,039,456
	<u>6,965,384</u>	<u>7,065,680</u>

Wessex Insurance Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	8,118,039	8,208,649
Accruals and deferred income	6,000	6,078
	<u>8,124,039</u>	<u>8,214,727</u>

The bank hold a debenture dated 12 November 2007 for all company liabilities to National Westminster Bank Plc of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) including charges, commission, interest, costs and expenses.

There is also an intercompany guarantee with Markerstudy Holdings Limited and Insurance Factory Limited dated 1 October 2007.

9. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</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.

10. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

11. Related party transactions

Transactions between the Company and its related parties are disclosed below:

Other related parties

	2016 £	2015 £
Collection of monies on behalf of other related parties	<u>-</u>	<u>1,628</u>

There were no amounts outstanding at the reporting end date for the current or prior year.

Other related parties comprise companies in the group headed by SQIB Limited and are related by virtue of common control.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2015: £Nil) in respect of bad debts from related parties.

Wessex Insurance Funding Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

12. Controlling party

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