

Delta Underwriting Agency Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2017



Delta Underwriting Agency Limited

DIRECTORS

G Humphreys
K R Spencer
K J Barber

SECRETARY

C Payne

REGISTERED OFFICE

45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

AUDITOR

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

BANKERS

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

Delta Underwriting Agency Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Delta Underwriting Agency Limited for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of acting as an agent for insurers within the United Kingdom. There have not been any significant changes in the company's activities in the year under review.

REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary of Markerstudy Holdings Limited and operates within the group's Retail division.

The company transferred its business to a fellow group member in January 2018 and has therefore ceased to trade. The financial statements have therefore been drawn up on a basis other than that of a going concern. No adjustments have been necessary to the carrying amount of assets or liabilities.

DIRECTORS

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

G Humphreys
K R Spencer
K J Barber

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of directors of the company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP, is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

On behalf of the board



K J Barber
Director

25 September 2018

Delta Underwriting Agency Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 DELTA UNDERWRITING AGENCY LIMITED

Opinion

We have audited the financial statements of Delta Underwriting Agency Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 2017 and of its profit 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 the accounting policies on page 9 within the notes to the financial statements, concerning the company's use of a basis of accounting other than going concern.

As described on page 9 the company ceased trading after the year-end. Therefore, in accordance with FRS 102, the financial statements have been prepared on the non-going concern basis.

Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTA UNDERWRITING AGENCY LIMITED (continued)

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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully 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, 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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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

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

Date: 25 September 2018

Delta Underwriting Agency Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

		2017	2016
	Notes	£	£
TURNOVER	1	108,110	89,002
Administrative expenses		(47,228)	(49,380)
OPERATING PROFIT	2	60,882	39,622
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		60,882	39,622
Taxation	4	(11,718)	-
PROFIT FOR THE FINANCIAL YEAR		49,164	39,622
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		49,164	39,622

The statement of comprehensive income has been prepared on the basis that all operations are discontinued.

Delta Underwriting Agency Limited

STATEMENT OF FINANCIAL POSITION

31 December 2017

		2017	2016
	Notes	£	£
CURRENT ASSETS			
Debtors due within one year	5	400,852	362,813
Cash at bank and in hand	6	5,400	764
		<u>406,252</u>	<u>363,577</u>
CREDITORS			
Amounts falling due within one year	7	(199,798)	(206,287)
NET CURRENT ASSETS		<u>206,454</u>	<u>157,290</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>206,454</u>	<u>157,290</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,008	10,008
Profit and loss account		<u>196,446</u>	<u>147,282</u>
TOTAL EQUITY		<u>206,454</u>	<u>157,290</u>

The financial statements on pages 6 to 12 were approved by the board of directors and authorised for issue on 25 September 2018 and are signed on their behalf by:



K J Barber
Director

Delta Underwriting Agency Limited**STATEMENT OF CHANGES IN EQUITY**

31 December 2017

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	10,008	107,660	117,668
Profit for the year	-	39,622	39,622
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	39,622	39,622
	<hr/>	<hr/>	<hr/>
At 31 December 2016	10,008	147,282	157,290
Profit for the year	-	49,164	49,164
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	49,164	49,164
	<hr/>	<hr/>	<hr/>
At 31 December 2017	10,008	196,446	196,446
	<hr/>	<hr/>	<hr/>

Delta Underwriting Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

GENERAL INFORMATION

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The registered office is on page 1. Its principal activity was that of an insurance agent.

STATEMENT OF COMPLIANCE

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

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

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 which can be obtained from 246-248 Europort, Gibraltar. 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 and (b) No disclosure has been given for the aggregate remuneration of key management personnel as required by FRS 102 paragraph 33.7.

NON GOING CONCERN BASIS OF PREPARATION

A review of the company's business is set out in the Directors' Report on page 2.

Subsequent to the year-end date, the company transferred its business to a fellow group member and subsequently ceased to trade. The financial statements have therefore been prepared on a non-going concern basis. No material adjustments arose, and were no material future costs committed to at the year-end, as a result of ceasing to apply the going concern basis.

REVENUE RECOGNITION

The turnover arises from continuing operations and comprises commissions and other income arising principally from the sale of insurance policies in the United Kingdom, recognised at inception of the policy and once all obligations to the policyholder have been discharged.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial instruments including insurance, trade and other receivables, bank balances and balances due from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the net present value of the estimated cash flows discounted at the asset's original effective interest rate.

Delta Underwriting Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

Financial assets are derecognised when the contractual right to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the asset are transferred to another party.

Basic financial liabilities, including insurance and trade and other receivables, bank loans and overdrafts, and balances due to fellow group companies are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished that is when the contractual liability is discharged, cancelled or expires.

INSURANCE RECEIVABLES & PAYABLES

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, are generally not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, cash, receivables and payables arising from insurance broking transactions are shown as assets and liabilities in the financial statements of the company, in accordance with generally accepted accounting practice in the industry.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals and therefore the total of insurance broking receivables appearing in the balance sheet is not an indication of credit risk.

TAXATION

The taxation expense comprises current and deferred tax.

Current tax is the amount of tax payable in respect of the taxable profit for the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presents in Sterling which is also the functional currency of the company.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

There were no estimates or judgements however inherent in the assets and liabilities as at 31 December 2017.

Delta Underwriting Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2017	2016
	£	£
United Kingdom	<u>108,110</u>	<u>89,002</u>

2 OPERATING PROFIT

Operating profit is stated after charging:

	2017	2016
	£	£
Auditor's remuneration	7,500	7,500
Non – audit fees paid to the auditor	<u>1,100</u>	<u>1,100</u>

3 PARTICULARS OF EMPLOYEES

There were no employees during the year or previous year apart from the directors, none of whom received any remuneration for their services to the company directly. The directors are remunerated by the parent group and it is not possible to identify the specific cost attributable to the company.

4 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2017	2016
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19.25 % (2016 – 20%)	11,718	-
Current tax charge	<u>11,718</u>	<u>-</u>
Tax/charge for the year	<u>11,718</u>	<u>-</u>

Factors affecting the current tax charge for the year

Profit on ordinary activities before taxation	<u>60,882</u>	<u>39,622</u>
Profit on ordinary activity before taxation multiplied by standard rate of UK Corporation tax of 19.25% (2016 – 20%)	11,718	7,924
Group relief claimed	-	(7,924)
Current tax charge	<u>11,718</u>	<u>-</u>

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017, and will reduce to 17% with effect from 1 April 2020.

Delta Underwriting Agency Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

5 DEBTORS

	2017	2016
	£	£
Insurance debtors	-	2,111
Amounts owed by group undertakings	400,498	360,702
Prepayments and accrued income	354	-
	<u>400,852</u>	<u>362,813</u>

There have been no debts written off during 2017. (2016 Nil)

6 CASH AT BANK AND IN HAND

	2017	2016
	£	£
Cash at bank	3,455	558
Fiduciary cash (see below)	1,945	206
	<u>5,400</u>	<u>764</u>

The company holds monies in insurance broking bank accounts for the benefit of insurance broking creditors which are not available for general corporate purposes.

7 CREDITORS amounts falling due within one year

	2017	2016
	£	£
Amounts owed to parent and fellow subsidiary undertaking	173,788	173,788
Corporation tax	11,718	-
Accruals and deferred income	14,292	32,499
	<u>199,798</u>	<u>206,287</u>

8 SHARE CAPITAL

	2017	2016
	£	£
Allotted, called up and fully paid: 10,008 Ordinary shares of £1 each	<u>10,008</u>	<u>10,008</u>

9 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate and ultimate parent undertaking is Markerstudy Holdings Limited, a company registered 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.

The largest and smallest group to include the results of the company in its consolidated accounts is Markerstudy Holdings Limited.

The company has taken advantage of the exemption in FRS102, section 33 from disclosing transactions and balances with wholly owned members of the Markerstudy group.

10 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS102 (section 33) not to disclose transactions between wholly owned subsidiaries of the ultimate parent undertaking.