

Company Number 05658734

# Intelligent Claims Management Limited



**ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Consulting • Software • Outsourcing • Broking

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**Officers and Professional Advisors**

**Directors**

K Fowlie (Resigned 30/01/19)  
J P White (Resigned 30/09/18)  
O Whitmore (Appointed 20/02/18)  
A Wilford (Appointed 30/01/19)

**Registered Office**

58 Mosley Street  
Manchester  
M2 3HZ

## Strategic Report

The directors present their strategic report for the 18 month period ("the period") ended 31 December 2018. The prior period is for the period ended 30 June 2017 and comprises of 12 months.

### Business review

The business provides a range of services in the technology sector.

### Key performance indicators

The Board uses a number of measures to determine the performance of the Company. Of these, the principal key performance indicators are:

▪ Revenue:	£1.2 million	(2017: £1.6 million)
▪ Profit/(Loss) Before Taxation:	£0.4 million	(2017: £(2.2) million)
▪ Operating Cash Flow:	£0.3 million outflow	(2017: £1.2 million outflow)

### Risks

The Company is exposed to a number of risks and uncertainties which could have a material impact on its long term performance. The directors have identified those which they regard as being the principal risks and these are set out below.

#### *Technological change*

The markets for the Company's services can be affected by technological changes, resulting in the introduction of new products and services, evolving industry standards and changes to consumer behaviour and expectations. The Company regularly monitors trends in technological advancement so as to anticipate and plan for future changes and maintains close relationships with businesses and organisations which it believes will keep it to the forefront of product and service development on a sustained basis.

#### *Regulatory change*

The pricing of products and services, the activities of major industry organisations, and the Company's ability to operate and contract in the manner that it has done so in the past or expects to do so in the future, may be affected by the actions of regulatory bodies both in the UK and internationally. Such action could affect the Company's profitability either directly or indirectly. The Company continually monitors and assesses the likelihood, potential impact and opportunity provided by regulatory change, and adapts its plans and activities accordingly.

#### *Market conditions*

Market conditions, including general economic conditions and the effect on exchange rates, interest rates and inflation rates, may impact the ultimate value of the Company regardless of its operating performance. The Company also faces competition from other organisations, some of which may have greater resources than the Company, or be more established in a particular territory or product area. The Company's strategy is to target a balance of markets, offering a range of tailored or specialised products and services.

By order of the board



A L Wilford

Date: 28 September 2019

## Directors' Report

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 101").

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 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;
- state whether applicable UK Accounting Standards have been followed; 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 and Article 4 of the IAS Regulation. 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.

By order of the board



A L Wilford

Date: 28 September 2019

# Intelligent Claims Management Limited

Annual Report & Financial Statements  
For the period ended 31 December 2018

## Financial Statements

### *Income Statement*

for the period ended 31 December 2018

	Note	Period Ended 31 Dec 2018 £'000	Period Ended 30 Jun 2017 £'000
Revenue		1,222	1,622
Cost of sales		(1)	(2)
<b>Gross profit</b>		<b>1,221</b>	<b>1,620</b>
Administrative expenses		(779)	(3,849)
<b>Operating profit/(loss) and profit/(loss) before taxation</b>	<b>5</b>	<b>442</b>	<b>(2,229)</b>
Taxation	7	(3)	(1)
<b>Profit/(loss) for the period/year</b>		<b>439</b>	<b>(2,230)</b>

### *Statement of Changes in Equity*

for the period ended 31 December 2018

	Share capital £'000	Retained earnings £'000
At 1 July 2017	-	23,010
Profit for the period	-	439
<b>At 31 December 2018</b>	-	<b>23,449</b>
At 1 July 2016	-	25,240
Loss for the year	-	(2,230)
<b>At 30 June 2017</b>	-	<b>23,010</b>

The notes on pages 8 to 15 form part of these financial statements

## Financial Statements

### Statement of Financial Position

as at 31 December 2018

	Note	31 December 2018 £'000	30 June 2017 £'000
<b>Non-current assets</b>			
Property, plant and equipment	8	3	8
Deferred tax assets	11	-	2
		<u>3</u>	<u>10</u>
<b>Current assets</b>			
Trade and other receivables	9	27,409	26,474
Cash		142	430
		<u>27,551</u>	<u>26,904</u>
<b>Total assets</b>		<b>27,554</b>	<b>26,914</b>
<b>Current liabilities</b>			
Trade and other payables	10	(67)	(104)
Provisions	10	(4,038)	(3,800)
Corporation tax		-	
		<u>(4,105)</u>	<u>(3,904)</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	-	-
		<u>(4,105)</u>	<u>(3,904)</u>
<b>Total liabilities</b>		<b>(4,105)</b>	<b>(3,904)</b>
<b>Net assets</b>		<b>23,449</b>	<b>23,010</b>
<b>Equity</b>			
Share capital	12	-	-
Retained earnings		23,449	23,010
<b>Total equity</b>		<b>23,449</b>	<b>23,010</b>

The notes on pages 8 to 15 form part of these financial statements.

For the 18 month period to 31 December 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and the directors are satisfied that no member or members have requested an audit pursuant to section 476 of that Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.

The financial statements of Intelligent Claims Management Limited, registered number 05658734, on pages 6 to 15 were approved and authorised for issue by the board of directors on 27 September 2019 and signed on its behalf by:



A L Wilford  
Director

## Notes to the Financial Statements

### 1. General information

Intelligent Claims Management Limited is a Company incorporated and domiciled in the United Kingdom.

### 2. Basis of preparation

The financial statements of Intelligent Claims Management Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

### 3. Significant accounting policies

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### Revenue recognition

The Company provides software, business and technology consulting services, administration and management services, SaaS solutions and other services.

The Company receives its income through Software ILF (Initial Licence Fee), SaaS (Software as a Service), consulting fees and other success based one-time fees.

The Company also provides insurance services including the introduction of insurance services and claims fund administration services.

The revenue recognition policies for separately identifiable revenue streams are as follows:

*Initial licence fees, SaaS and other success based one-time fees*  
Revenues are recognised when pervasive evidence of an arrangement exists, delivery has occurred, the licence or other one-time fee is fixed or determinable, the collection of the fee is reasonably assured, no significant obligations with regard to success, installation or implementation of the software or service remain, and customer acceptance, when applicable, has been obtained. On certain SaaS contracts where there are fixed and contracted term lengths and no other services are required to be performed during the remainder of the contract, receivables under the contracts are recognised at the point of sale.

#### Insurance services

Revenue is recognised at the point of settlement.

#### Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

#### Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

#### Research and development expenditure – internally generated

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Development costs are written off as incurred unless it can be demonstrated that the following conditions for capitalisation are met:

- the development costs are separately identifiable;
- the development costs can be measured reliably;
- management are satisfied as to the ultimate technical and commercial viability of the project; and
- it is probable that the asset will generate future economic benefits.

Any subsequent costs are capitalised as intangible assets until the intangible asset is readily available for sale or use, and amortised on a straight-line basis over their useful economic lives.

#### Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost less estimated residual values over their estimated useful lives as follows:

Plant and machinery                      25% straight line basis

Assets in the course of construction are capitalised as expenditure is incurred. Depreciation is not charged until the asset is brought into use. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. Residual value is based on the estimated amount that would currently be obtained from disposal.

Estimated residual values and useful economic lives are reviewed annually and adjusted where necessary.

#### Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to the ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.



## Notes to the Financial Statements

### 3. Significant accounting policies (continued)

#### Trade receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value. Amounts set aside for settlement adjustments, which insurers in certain limited circumstances (e.g. due to administrative delays) seek to negotiate, are based on historical experience. The resulting settlement adjustments are recognised within revenue as they relate to revisions of income estimates, not collectability (credit risk). Movements in the impairment provision relating to credit risk are recognised within administrative expenses as bad debt expenses.

#### Trade payables

Trade payables do not carry any interest and are stated at their fair value.

#### Cash and cash equivalents

Cash in the Statement of Financial Position comprises cash at banks and in hand.

#### Taxation

Taxation consists of income tax, and Value Added Tax ("VAT").

#### Income tax

Income tax expense comprises current and deferred tax.

#### Current tax

Current income tax expense or benefit is the tax payable / receivable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

#### Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, and at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to

the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax for the period are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### Value Added Tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT, except where the VAT incurred is not recoverable from Her Majesty's Revenue and Customs ("HMRC") and is therefore recognised as part of the asset's cost or as part of the expense item. Receivables and payables are stated inclusive of VAT.

The net amount of VAT recoverable from, or payable to, HMRC is included as part of current receivables or payables in the consolidated statement of financial position.

#### Going concern

The financial statements have been prepared on a going concern basis.

The Company is a member of the Slater and Gordon Consolidated Group whose ultimate parent entity is Slater and Gordon UK Holdings Limited, a company incorporated on 22 September 2017.

At 31 December 2018, the Group had net assets of £135 million and cash of £11 million. The Group has prepared cash flow forecasts for the foreseeable future, based on key assumptions around the achievement of revenues, which demonstrate cash self-sufficiency in the Group within available funding levels. Management has considered the level of new instructions and the likely future value of this work together with the forecasts and projected cash flow patterns of the Company for the foreseeable future being a period of 12 months from the date of approval of these financial statements.

Accordingly, the Directors have adopted the going concern basis of accounting for preparing these financial statements.

## Notes to the Financial Statements

### *4. Critical accounting judgements and key sources of estimation uncertainty*

In the process of applying the Company's accounting policies, management has made a number of judgements, and the preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Revenue recognition**

The Company recognises revenue as described in the revenue recognition accounting policy, when it is reasonably certain that the revenue has been earned.

## Notes to the Financial Statements

### 5. Operating (loss)/profit

The operating (loss)/profit for the 18 month period/year is stated after charging:

	<b>Period Ended 31 Dec 2018</b>	<b>Period Ended 30 Jun 2017</b>
Depreciation of property, plant and equipment - owned assets	5	5
Operating lease rentals - other	25	25

Revenue is all generated in the United Kingdom.

### 6. Employee and staff costs

The average number of employees during the period/year including executive directors was as follows:

	<b>Period Ended 31 Dec 2018 Number</b>	<b>Period Ended 30 Jun 2017 Number</b>
<b>Back office management and administration</b>	<b>6</b>	<b>7</b>

The remuneration charged to the income statement in respect of the directors was as follows:

	<b>Period Ended 31 Dec 2018 £'000</b>	<b>Period Ended 30 Jun 2017 £'000</b>
<b>Emoluments</b>	<b>0</b>	<b>32</b>

The cost of certain of the directors was borne by other group companies. No retirement benefits were accruing under any schemes in respect of any of the directors (2017: none). None of the directors received any remuneration in connection with contributions to pension schemes.

Total employee costs were as follows:

	<b>Period Ended 31 Dec 2018 £'000</b>	<b>Period Ended 30 Jun 2017 £'000</b>
Wages and salaries	353	279
Social security costs	33	25
Pension Costs	4	2
	<b>390</b>	<b>306</b>

## Notes to the Financial Statements

### 7. Taxation

	Period Ended 31 Dec 2018 £'000	Period Ended 30 Jun 2017 £'000
The taxation charge comprises:		
Current tax:		
Current year	-	
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Deferred tax:		
- Origination and reversal of temporary differences	-	(1)
- Adjustments for prior years	3	-
<b>Total deferred tax</b>	<b>3</b>	<b>(1)</b>
<b>Total tax credit</b>	<b>3</b>	<b>(1)</b>

Income tax for the UK is calculated at the standard rate of UK corporation tax of 19% (2017: 19.75%) on the estimated assessable profit for the year. The total charge for the period/year can be reconciled to the accounting profit as follows:

	Period Ended 31 Dec 2018 £'000	Period Ended 30 Jun 2017 £'000
Profit/(loss) on ordinary activities before tax	442	(2,230)
Tax at 19% (2017: 19.75%) thereon	84	(440)
Effect of:		
Non-recognition of deferred tax	(86)	
Derecognition of deferred tax asset	3	
Short term timing differences - no deferred tax previously recognised	1	
Expenses not deductible for tax purposes	1	1
Group Relief	-	440
<b>Total tax charge/(credit) for the period/year</b>	<b>3</b>	<b>1</b>

#### Future developments

Reductions in the UK corporation tax rate from 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate down to 17% was announced in the 2018 Budget and substantively enacted on 6 September 2018 (to be effective from 1 April 2020).

## Notes to the Financial Statements

### 8. Property, plant and equipment

	Plant and Machinery £'000
<b>Cost</b>	
At 1 July 2017	27
Additions	3
Disposals	(13)
<b>At 31 December 2018</b>	<b>17</b>
<b>Depreciation</b>	
At 1 July 2017	19
Charge for the period	5
Disposals	(10)
<b>At 31 December 2018</b>	<b>14</b>
<b>Net book value</b>	
<b>31 December 2018</b>	<b>3</b>
30 June 2017	8

### 9. Trade and other receivables

	31 Dec 2018 £'000	30 Jun 2017 £'000
Trade receivables (net of impairment review)	-	65
Amounts due from group companies	27,407	26,395
Prepayments and accrued income	2	14
	<b>27,409</b>	<b>26,474</b>

The directors consider that the net carrying amount of Trade receivables approximates to their fair value.

### 10. Trade and other payables

	31 Dec 2018 £'000	30 Jun 2017 £'000
<b>Current liabilities</b>		
Trade payables	-	8
Provisions	4,038	3,800
Accruals and deferred income	67	96
	<b>4,105</b>	<b>3,904</b>

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of Trade payables approximates to their fair value.

The Commissions Provision relates to potential VAT, interest and penalties on commissions received

## Notes to the Financial Statements

### 11. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period:

	Accelerated Capital Allowances £'000	Provisions and other temporary differences £'000	Total £'000
At 1 July 2017	-	-	-
(Credit)/charge to income statement	-	-	-
<b>At 31 December 2018</b>	-	-	-
	<b>31 Dec 2018 £'000</b>	<b>30 Jun 2017 £'000</b>	
<b>Deferred tax assets</b>	-	-	

### 12. Share capital

	31 Dec 2018		30 Jun 2017	
	Number	Nominal Value £'000	Number	Nominal value £'000
<b>Issued and fully paid ordinary shares of £1 each:</b>				
At the start and end of the year	100	-	100	-

### 13. Operating lease commitments

The payments that the Company is committed to make for minimum lease payments due under non-cancellable operating leases are as follows:

	31 Dec 2018 £'000	30 Jun 2017 £'000
Within one year	-	18
Expiring between two and five years	-	-
<b>Total</b>	-	18

## Notes to the Financial Statements

### *14. Ultimate parent company*

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The immediate parent company is Slater & Gordon (UK) 1 Limited, a company registered in England and Wales.

From 22 December 2017 the ultimate parent undertaking is Slater and Gordon UK Holdings Limited, a company incorporated in England and Wales. Copies of the consolidated accounts of Slater and Gordon UK Holdings Limited can be obtained from 58 Mosley Street, Manchester, England, M2 3HZ.

Prior to 22 December 2017, the ultimate parent undertaking was Slater and Gordon Limited, a company incorporated in Australia. Copies of the consolidated accounts of Slater and Gordon Limited can be obtained from 485 La Trobe Street, Melbourne, Victoria, Australia 3000.

### *15. Contingent liabilities*

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The Company is party to a GBP currency Super Senior Facility Agreement ("SSFA") dated 22 December 2017, as amended on 3 September 2018, pursuant to which the Company's direct parent company, Slater and Gordon (UK) 1 Limited, is a borrower. Pursuant to the terms of the SSFA, the Company has given a cross-guarantee (along with other UK Group Companies) in relation to all liabilities outstanding under the SSFA in favour of the Finance Parties (as defined under the SSFA), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company.

The Company is also party to a debenture dated 22 December 2017 (the "Debenture") pursuant to which the Company (together with other UK Group Companies) covenants with GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties (as defined in the Debenture), which are all shareholders of Slater and Gordon UK Holdings Limited, the ultimate parent company) that it will on demand pay all liabilities outstanding under the SSFA (and associated finance documents) when they are due and payable and grants security over all of its assets in favour of GLAS Trust Corporation Limited (acting as Security Trustee for itself and the Secured Parties).

### *16. Related party transactions*

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The company is taking advantage of the exemption granted under FRS101, paragraph 8(12), "Related Party Transactions", not to disclose transactions with wholly owned group companies, which are related parties.