

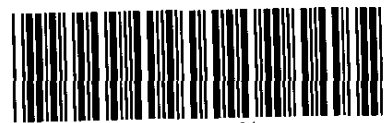
Company Registration No. 05658734 (England and Wales)

Intelligent Claims Management Limited

Report and Unaudited Financial Statements

For the year ended 31 December 2019

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Intelligent Claims Management Limited

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Intelligent Claims Management Limited

Company Information

Directors	D J L Whitmore A L Wilford
Company secretary	E L Humphrey
Company number	05658734
Registered office	58 Mosley Street Manchester M2 3HZ

Intelligent Claims Management Limited

Directors' Report

For the year ended 31 December 2019

The Directors present their report, together with the unaudited financial statements for the year ended 31 December 2019. The prior period had been extended to 31 December 2018 and therefore the comparative figures represent an 18 month period.

Principal activities

The principal activities of Intelligent Claims Management Limited ("the Company") are to provide software, business and technology consulting services, administration and management services, SaaS solutions and other services to the technology sector. The Company is incorporated and domiciled in England and Wales.

Results, dividends and key performance indicators

The results for the year are set out on page 6. The Directors do not recommend the payment of a dividend in respect of the current year (2018: £nil).

Directors

The Directors in office at any time during the financial year and up to the date of this report are:

- K J Fowlie (resigned 30 January 2019)
- D J L Whitmore
- A L Wilford (appointed 30 January 2019)

Employee involvement

The Company's policy is to continuously consult and discuss matters likely to affect employees' interests and engagement. The Company has a dedicated Internal Communications function which supports our drive to engage with our colleagues regularly.

Information is given through media such as regular online information updates, employee surveys and face-to-face Executive briefings which seek to achieve a common awareness on financial and operational matters affecting the Company's performance.

Disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Modern slavery

The Company is committed to ensuring the prevention of modern slavery practices across the Company and in its supply chains. The Company has a zero-tolerance approach which reflects our commitment to acting ethically and with integrity in all our business relationships. Anti-slavery awareness has been incorporated within induction and annual training programmes.

Anti-bribery and corruption

The Slater and Gordon Group has a group-wide anti-bribery and corruption policy, which is in compliance with the Bribery Act 2010. Procedures are reviewed periodically to ensure continued effective compliance across the Group (including the Company).

Intelligent Claims Management Limited

Directors' Report (continued)

For the year ended 31 December 2019

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 their 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.

Subsequent events

During 2020, the UK economy experienced downturn in the market performance due to the outbreak of Covid-19. The Directors of the Company have assessed the ability for the ultimate parent undertaking, Slater and Gordon UK Holdings Limited ("the Group") to support the Company to continue on a going concern basis.

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 31st December 2019, the Group had net assets of £125.7m and cash of £26.1m. 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. 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 Group for the foreseeable future being a period of 12 months from the date of approval of these financial statements. Management has also considered the impact of Covid-19 on these forecasts and concluded that the Slater and Gordon Group expects to be able to discharge its obligations to all stakeholders.

Management has reasonable expectations that the Group has adequate resources to continue trading for the foreseeable future. Accordingly, the Directors of the Company continue to adopt the going concern basis of accounting for preparing these financial statements.

Intelligent Claims Management Limited

Directors' Report (continued)

For the year ended 31 December 2019

Statement of Directors' responsibilities

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), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



A L Wilford
Director

1 July 2020

58 Mosley Street, Manchester, M2 3HZ

Intelligent Claims Management Limited

Statement of Comprehensive Income

For the year ended 31 December 2019

		Year ended 31 December 2019	Period ended 31 December 2018
	Notes	£'000	£'000
Revenue	2	118	1,222
Cost of sales		(1)	(1)
Gross profit		117	1,221
Administrative expenses		(46)	(779)
Profit before tax	3	71	442
Tax on profit on ordinary activities	6	-	(3)
Total comprehensive income		71	439

The comparative period financial information reflects an 18 month accounting period. The Company changed its accounting year end from 30 June to 31 December.

The total comprehensive income for the current year and preceding periods arises wholly from the Company's continuing operations.

The notes on pages 9 to 15 are an integral part of these financial statements.

Intelligent Claims Management Limited

Statement of Financial Position

At 31 December 2019

	Notes	31 December 2019 £'000	31 December 2018 £'000
Non-current assets			
Property, plant and equipment	7	1	3
		1	3
Current assets			
Trade and other receivables	8	27,133	27,409
Cash and cash equivalents		40	142
Total current assets		27,173	27,551
Total assets		27,174	27,554
Current liabilities			
Trade and other payables	9	(3,654)	(4,105)
Total liabilities		(3,654)	(4,105)
Net assets		23,520	23,449
Equity			
Called-up share capital	10	-	-
Retained earnings		23,520	23,449
Total shareholders' funds		23,520	23,449

The notes on pages 9 to 15 are an integral part of these financial statements.

For the year ended 31 December 2019, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps adequate accounting records which comply with Sections 386 and 387 of the Companies Act 2006, 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 Sections 393, 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements were approved by the board of Directors and authorised for issue on 1 July 2020.



A L Wilford
Director

Company Registration No. 05658734

Intelligent Claims Management Limited

Statement of Changes in Equity

For the year ended 31 December 2019

	Called-up share capital £'000	Retained earnings £'000	Total £'000
Balance as at 1 July 2017	-	23,010	23,010
Total comprehensive income for the period	-	439	439
Balance as at 31 December 2018	-	23,449	23,449
Total comprehensive income for the year	-	71	71
Balance as at 31 December 2019	-	23,520	23,520

The notes on pages 9 to 15 are an integral part of these financial statements.

Intelligent Claims Management Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1. Accounting policies

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated. The prior period had been extended to 31 December 2018 and therefore the Company presents an 18 month period for the comparative figures.

a) Basis of preparation

Intelligent Claims Management Limited (the "Company") is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company is shown on page 2.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006. These financial statements are separate financial statements.

The consolidated financial statements of Slater and Gordon UK Holdings Limited (the ultimate parent) are available to the public and can be obtained as set out in note 12.

The Company's financial statements are prepared in Pounds Sterling (GBP), its functional currency. All values are rounded to the nearest thousand pounds (£000) except when otherwise indicated. These financial statements have been prepared under the historical cost convention.

b) Compliance with accounting standards

The financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006 (the 'Act'). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

The Company adopted IFRS 9 "Financial Instruments" and IFRS 16 "Leases" from 1 January 2019. The adoption of these accounting standards resulted in no impact to the financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The following disclosure exemptions from the requirements of IFRS have been adopted in the preparation of these financial statements, in accordance with FRS 101:

- A statement of cash flows has not been presented.
- Disclosures in respect of compensation of key management personnel.
- The categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed.
- Comparative period reconciliations for property plant and equipment.
- IAS 24 "Related party disclosures", including related party transactions between two or more wholly-owned members of the group have not been disclosed.
- The future impact of new and revised IFRS standards in issue but not yet effective, has not been given.

Where relevant, equivalent disclosures have been given in the Group accounts of Slater and Gordon UK Holdings Limited.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

1. Accounting policies (continued)

c) Significant accounting estimates and judgements

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. During the year there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

d) Trade and other receivables

Trade receivables are held at amortised cost less any impairment provisions and this equates to their recoverable value.

From 1 January 2019, the Company has adopted IFRS 9 applying the simplified approach to measure the expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. The adoption of IFRS 9 during the year had no impact on the financial statements.

Collectability of intercompany and related party balances is reviewed at each reporting period. Management considers whether an impairment is required based upon recoverability. Debts that are known to be uncollectable are written off when identified.

e) Trade and other payables

Trade and other payables are non-interest bearing and are stated at their nominal value. Trade and other payables are classified as current liabilities if payment is due within one year or less.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and short-term deposits with an original maturity of three months or less.

g) 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.

Revenue is measured at the fair value of the consideration received and represents amounts receivable for services provided in the ordinary course of business, net of discounts and sales taxes.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

1. Accounting policies (continued)

h) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation method
Plant and machinery	4 years	Straight Line

An asset's residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any impairment losses are recognised in the profit or loss.

i) Taxation including deferred tax

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 year's taxable income based on the applicable income tax rate for the 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 year in the country where the Company operates and generates taxable income.

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.

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.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

2. Revenue

	Year ended 31 December 2019	Period ended 31 December 2018
	£'000	£'000
Provision of services	118	1,222

The revenue of the Company for the year has been derived wholly from activities undertaken in the United Kingdom.

3. Profit before tax

Profit before tax is stated after charging:

	Year ended 31 December 2019	Period ended 31 December 2018
	£'000	£'000
Operating lease rentals	-	25
Depreciation of property, plant and equipment (note 7)	1	5

4. Employee information

4.1 Employee benefits

The aggregate employee expense comprised:

	Year ended 31 December 2019	Period ended 31 December 2018
	£'000	£'000
Wages and salaries	237	353
Social security costs	22	33
Pension costs	5	4
	264	390

4.2 Employee numbers

The average number of people employed by the Company during the year / period was:

	Year ended 31 December 2019	Period ended 31 December 2018
	Number	Number
Average number of employees	4	6

5. Director's remuneration

The emoluments of the Directors for the year ended 31 December 2019 were £nil (period ended 31 December 2018: £nil). Directors' emoluments for both the current year and prior period were borne by other group companies.

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

6. Taxation

	Year ended 31 December 2019	Period ended 31 December 2018
	£'000	£'000
Deferred taxation:		
Adjustments in respect of prior periods	-	3
Total tax charge	-	3

Factors affecting the tax charge for the year / period:

The tax assessed on the profit on ordinary activities for the year / period differs from the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	Year ended 31 December 2019	Period ended 31 December 2018
	£'000	£'000
Profit on ordinary activities before taxation	71	442
At the statutory income tax rate of 19%	13	84
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</i>		
Utilisation of previous tax losses	(13)	(86)
Short term timing differences	-	1
Disallowable expenses	-	1
Adjustment in respect of prior years	-	3
Total tax for the year / period	-	3

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, in the 2020 Budget it was announced that this reduction in rate would be reversed with 19% being maintained from 1 April 2020.

7. Property, plant and equipment

	Plant & machinery £'000
Cost	
At 31 December 2018	17
Disposals	(7)
At 31 December 2019	10
Depreciation	
At 31 December 2018	14
Charge in the year	1
Disposals	(7)
At 31 December 2019	9
Net book value	
At 31 December 2019	1
At 31 December 2018	3

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

8. Trade and other receivables

	31 December 2019	31 December 2018
	£'000	£'000
Trade debtors	4	-
Amounts owed by immediate parent	12,259	12,520
Amounts owed by related parties	14,868	14,887
Prepayments	2	2
	27,133	27,409

The fair value of the trade receivables and prepayments is considered to be equal to their carrying value.

Amounts owed by immediate parent and related parties at 31 December 2019 and at 31 December 2018 do not attract interest and are repayable on demand.

9. Trade and other payables

	31 December 2019	31 December 2018
	£'000	£'000
Provision	3,620	4,038
Accruals	34	67
	3,654	4,105

The provision relates to the potential VAT payable and associated interest and penalties on commissions received.

10. Share capital

	31 December 2019	31 December 2018
	£'000	£'000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	-	-
	-	-

11. Contingent liabilities

The Company is party to a GBP currency Super Senior Facility Agreement ("SSFA") dated 22 December 2017 pursuant to which the Company's direct parent company, Slater & Gordon (UK) 1 Limited, is a borrower having fully drawn the facility. The principal and accrued interest under the facility at 31 December 2019 were £30.0m (2018: £22.4m). 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).

Intelligent Claims Management Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2019

12. Ultimate parent company

The immediate parent 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.