

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Company Registration No. 01916098 (England and Wales)

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

COMPANY INFORMATION

Directors	Mr A Gibbons Mr M B Owen
Company number	01916098
Registered office	7th Floor 20 Chapel Street Liverpool L3 9AG
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

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MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

The principal activity of the company during the year remain those of insurance consultancy and insurance broking.

The company has continued to increase revenue from £277k to £445k in the year and net assets have remained strong at £58k (2019: £279k). Due to a strong year the directors agreed to pay a dividend to Mason Owen Financial Services Limited.

The company continues to develop within the intermediary sector specialising in the insurance of the merchant trades and related products.

The firm is authorised and regulated by the Financial Conduct Authority (FCA) independently from its parent company Mason Owen Financial Services Limited. Fees payable to a regulator, the Financial Conduct Authority (FCA), may see a continuing rise in regulatory fees in years to come as reviews are undertaken to the fee charging structure, in particular where a Firm holds Client Money.

The company has maintained membership of the British Insurance Brokers Association (BIBA), which provides valuable support to the business in terms of the ability to access new markets, to provide networking opportunities and in depth technical information concerning matters such as Regulation.

Staffing levels across the business have been stable during the current year with a total of 8 people employed in the Wirral office.

The flexibility of IT, investment in a new back office insurance management system and working arrangements have also provided additional strength to business continuity plans, which was demonstrated in the initial Covid 19 lockdown, when the business deployed all staff to home working without any interruption to the business.

Principal risks and uncertainties

Exposure to credit risk

The risk of non-payment by clients is assessed by the directors. The company aims to minimise the risk by management of credit limits and monthly reviews of debtor days.

Coronavirus risk

The uncertainty brought by covid 19 to the wider economy could impact upon the performance of the company if firms who utilise the services of the company do not survive the current economic conditions. These would not necessarily result in bad debts to the company, moreover a loss of renewal revenue. However, the business is reliant upon the builders merchant and other merchant trades, which is a sector that is performing reasonably given wider economic circumstances. Any concentration to our customer base is however mitigated by the more general Property and Casualty classes within the wider business. The company believes that the business remain in a strong position to withstand the effects of the impact on the economy due to the make up of the client base and the robust continuity plan that we have deployed and the prudent financial management that we employ.

Specific risks

There is a continued risk given the current economic climate that clients could go out of business however, our management team monitors our business plans on a regular basis and takes appropriate mitigating action to risks posed.

Key performance indicators

In assessing the performance of the business against key performance indicators (KPI's) such as income cost control and overall profitability it is believed there is a foundation for developing a good business. KPI's are monitored closely to ensure that the business continues to develop and it has made a profit in the current year.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Future developments

In terms of general market conditions, rates are starting to increase markedly due to restrictions in capacity and deteriorating insurer results. This will have a positive effect on the income earned by the company as earnings are generally commission based. However, increased rates and terms could result in business being lost but it is envisaged that any reduction in client base may be mitigated by the overall increase in income.

Whilst there has been uncertainty surrounding the UK's decision to withdraw from the EU, the initial friction following the implementation of the Brexit deal means that business may be affected in the short term. Continuing pressure from other Statutory obligations such as SM&CR have also contributed to increasing compliance costs in the year.

On behalf of the board

Mr A Gibbons
Director
26 March 2021

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

The report contains the statutory information disclosed in addition to that set out in the strategic report. Information relating to the principal activity, financial risk management policies and future developments, which would otherwise be included in the Directors Report, are included in the Strategic Report.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £323,624. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Gibbons
Mr M B Owen

Auditor

DSG were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A Gibbons
Director

26 March 2021

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

The directors are responsible for preparing the annual 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 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.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

Opinion

We have audited the financial statements of Mason Owen Financial Services (Wirral) Limited (the 'company') for the year ended 30 June 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 30 June 2020 and of its profit 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior year financial statements were not subject to audit.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

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.

Andrew Moss BA FCA (Senior Statutory Auditor)
For and on behalf of DSG

26 March 2021

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	444,676	277,363
Administrative expenses		(341,816)	(251,398)
Other operating income		13,659	-
Exceptional item	4	-	(74,288)
Operating profit/(loss)	5	116,519	(48,323)
Interest receivable and similar income	7	121	93
Profit/(loss) before taxation		116,640	(48,230)
Tax on profit/(loss)	8	(22,329)	-
Profit/(loss) for the financial year		94,311	(48,230)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	£	£
Profit/(loss) for the year	94,311	(48,230)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>94,311</u>	<u>(48,230)</u>

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		6,070		8,026
Current assets					
Stocks	11	-		750	
Debtors	12	128,868		3,925	
Cash at bank and in hand		237,567		354,682	
		<u>366,435</u>		<u>359,357</u>	
Creditors: amounts falling due within one year	14	<u>(323,040)</u>		<u>(88,605)</u>	
Net current assets			43,395		270,752
Total assets less current liabilities			<u>49,465</u>		<u>278,778</u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss reserves			48,465		277,778
Total equity			<u>49,465</u>		<u>278,778</u>

The financial statements were approved by the board of directors and authorised for issue on 26 March 2021 and are signed on its behalf by:

Mr A Gibbons
Director

Company Registration No. 01916098

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 July 2018	1,000	326,008	327,008
Year ended 30 June 2019:			
Loss and total comprehensive income for the year	-	(48,230)	(48,230)
Balance at 30 June 2019	1,000	277,778	278,778
Year ended 30 June 2020:			
Profit and total comprehensive income for the year	-	94,311	94,311
Dividends	9	(323,624)	(323,624)
Balance at 30 June 2020	1,000	48,465	49,465

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Mason Owen Financial Services (Wirral) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, 20 Chapel Street, Liverpool, L3 9AG.

The principal activity of the company is disclosed in the strategic report.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mason Owen & Partners (Holdings) Limited. These consolidated financial statements are available from its registered office, 20 Chapel Street, Liverpool, L3 9AG.

1.2 Going concern

After taking into account the current economic uncertainty including the potential implications that Brexit may have on consumer confidence, as well as reviewing the company's forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The risks associated with COVID-19 have been assessed by the directors and it has been concluded that the business is in good shape to be able to withstand the effects on the UK economy. Cash flow models have been done on a conservative basis and they have shown that the business can retain liquidity and fulfil the statutory solvency obligations laid down by the Financial Conduct Authority.

The company therefore continues to adopt the going concern basis in preparing its financial statement.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover comprises revenue recognised by the company in relation to commission relating to insurance premiums finalised with insurers and confirmed by the client within the accounting period, net of commission shared to third parties and is recognised at the point the policy is agreed with the customer. Commission on returns, additional premiums and adjustments are brought into the accounts when these occur. Profit shares from insurance companies are recognised on a received basis.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Fiduciary funds

Fiduciary funds are required to be kept in certain regulated bank accounts subject to rules contained in the Financial Conduct Authority CASS 5 Sourcebook which emphasise capital preservation and liquidity. Such funds are not available to service the company's debt or for other corporate purposes.

1.17 Insurance broking debtors and creditors

The company acts as agent in placing the insurable risks of its clients with insurers and, as such, is not principal to the contracts under which the right to receive premiums from clients, or reimbursement of insured losses from insurers, arise. However, the company is contractually entitled to demand premiums from clients and may be liable to insurers for any uncollected amounts arising from such transactions.

In recognition of this relationship, uncollected premiums from insurance broking transactions or payments due to insurers are included as assets and liabilities of the company in spite of the fact that they represent fiduciary funds. Such assets and liabilities are reflected at individual client or insurer level with the balance of premium due to the company or from the company includes the commission or fees owed to or due to be repaid by the company.

In certain exceptional circumstances, the company advances premiums or refunds to insurers or clients prior to collection of fiduciary funds. To the extent that these advances result in an increased credit risk this is reflected in the recognition and adjustment of fiduciary funds where provision is made for the transaction.

2 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.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Commission received	444,676	277,363
	<u>444,676</u>	<u>277,363</u>

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to commission relating to insurance premiums finalised with insurers and confirmed with the client within the accounting period, net of commission shared with third parties.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

4 Exceptional item

	2020	2019
	£	£
Expenditure		
Exceptional item	-	74,288
	<u> </u>	<u> </u>

No exceptional items noted in the current year. In the prior year, on the 6 June 2019 the company sold the land and buildings at Royal Oak Chambers for £170,000, and hence exceptional items represents the loss on disposal.

5 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(13,659)	-
Fees payable to the company's auditor for the audit of the company's financial statements	3,500	-
Depreciation of owned tangible fixed assets	2,023	1,853
Loss on disposal of tangible fixed assets	8,026	-
Operating lease charges	15,000	-
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
	8	8
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	224,809	171,167
Social security costs	11,759	-
Pension costs	14,331	1,603
	<u> </u>	<u> </u>
	250,899	172,770
	<u> </u>	<u> </u>

Wages and salaries are recharged from other companies within the group.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

7	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest receivable from group companies	121	93
		<u> </u>	<u> </u>

8	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	22,329	-
		<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit/(loss) before taxation	116,640	(48,230)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	22,162	(9,164)
Tax effect of expenses that are not deductible in determining taxable profit	1,552	352
Unutilised tax losses carried forward	-	8,812
Permanent capital allowances in excess of depreciation	(1,385)	-
	<u> </u>	<u> </u>
Taxation charge for the year	22,329	-
	<u> </u>	<u> </u>

9	Dividends	2020	2019
		£	£
	Final paid	323,624	-
		<u> </u>	<u> </u>

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

10 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 July 2019	164,266
Additions	8,093
Disposals	(164,266)
	<hr/>
At 30 June 2020	8,093
	<hr/>
Depreciation and impairment	
At 1 July 2019	156,240
Depreciation charged in the year	2,023
Eliminated in respect of disposals	(156,240)
	<hr/>
At 30 June 2020	2,023
	<hr/>
Carrying amount	
At 30 June 2020	6,070
	<hr/> <hr/>
At 30 June 2019	8,026
	<hr/> <hr/>

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	-	750
	<hr/> <hr/>	<hr/> <hr/>

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	128,868	3,229
Prepayments and accrued income	-	696
	<hr/>	<hr/>
	128,868	3,925
	<hr/> <hr/>	<hr/> <hr/>

13 Cash and cash equivalents

Insurance broking accounts includes monies held on behalf of clients, amounts held at 30 June 2020 amounted to £146,521 (2019: £65,997).

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Insurance broking creditors	201,596	83,734
Amounts owed to group undertakings	82,045	-
Corporation tax	22,329	-
Other taxation and social security	-	4,398
Other creditors	-	473
Accruals and deferred income	17,070	-
	<u>323,040</u>	<u>88,605</u>

15 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,331	1,603
	<u>14,331</u>	<u>1,603</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
of £1 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	15,000	15,000
Between two and five years	45,000	60,000
	<u>60,000</u>	<u>75,000</u>

18 Related party transactions

There were no transactions during the year with related parties other than group companies. The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

MASON OWEN FINANCIAL SERVICES (WIRRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

19 Ultimate controlling party

The immediate parent company is Mason Owen Financial Services Limited.

The ultimate parent company is Mason Owen & Partners (Holdings) Limited. This is the smallest and largest group into which the results of this entity are consolidated. Copies of the group accounts can be obtained from the same registered address as the entity.

The ultimate controlling party is Mr M B Owen.

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