

LEXHAM INSURANCE CONSULTANTS LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



LEXHAM INSURANCE CONSULTANTS LIMITED
REGISTERED NUMBER: 03897329

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	384,683	195,404
Investments	5	3	-
		<u>384,686</u>	<u>195,404</u>
Current assets			
Debtors: amounts falling due within one year	6	2,559,470	2,054,028
Cash at bank and in hand	7	863,922	345,019
		<u>3,423,392</u>	<u>2,399,047</u>
Creditors: amounts falling due within one year	8	(1,855,343)	(1,155,247)
Net current assets		<u>1,568,049</u>	<u>1,243,800</u>
Total assets less current liabilities		<u>1,952,735</u>	<u>1,439,204</u>
Creditors: amounts falling due after more than one year		(321,968)	(443,470)
Provisions for liabilities			
Deferred tax	11	(15,968)	-
		<u>(15,968)</u>	<u>-</u>
Net assets		<u><u>1,614,799</u></u>	<u><u>995,734</u></u>
Capital and reserves			
Called up share capital	12	2,750	2,750
Capital redemption reserve	13	250	250
Profit and loss account	13	1,611,799	992,734
		<u>1,614,799</u>	<u>995,734</u>

LEXHAM INSURANCE CONSULTANTS LIMITED
REGISTERED NUMBER: 03897329

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
R K Ironmonger
Director

Date: 28 June 2019

The notes on pages 4 to 13 form part of these financial statements.

LEXHAM INSURANCE CONSULTANTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	3,000	-	1,639,630	1,642,630
Comprehensive income for the year				
Profit for the year	-	-	692,671	692,671
Dividends: Equity capital	-	-	(339,567)	(339,567)
Purchase of own shares	-	250	(1,000,000)	(999,750)
Shares cancelled during the year	(250)	-	-	(250)
Total transactions with owners	(250)	250	(1,339,567)	(1,339,567)
At 1 January 2018	2,750	250	992,734	995,734
Comprehensive income for the year				
Profit for the year	-	-	872,565	872,565
Dividends: Equity capital	-	-	(253,500)	(253,500)
Total transactions with owners	-	-	(253,500)	(253,500)
At 31 December 2018	2,750	250	1,611,799	1,614,799

The notes on pages 4 to 13 form part of these financial statements.

LEXHAM INSURANCE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Gilray Road, Diss, Norfolk, IP22 4NG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has applied the exemption available under FRS 102 Section 1A not to produce a Cashflow statement.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover consists of commissions receivable from underwriters for insurance policies written during the year and commission arising from credit arrangement facilities supplied to insurance clients during the year.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Short-term leasehold property	- 10% on cost
Motor vehicles	- 25% on cost
Fixtures and fittings	- 20% on cost
Office equipment	- 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.4 Insurance broking debtors and creditors

Insurance brokers usually act as agents in placing insurable risks of their clients with insurers and, as such, generally are not liable as Principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities because they provide the insurance broker with access to future economic benefits and, as such, meet the definitions of assets and liabilities.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.13 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 97 (2017 - 88).

LEXHAM INSURANCE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2018	38,777	277,988	127,549	113,043	557,357
Additions	-	264,975	2,414	43,478	310,867
Disposals	-	(101,600)	(17,112)	(74,939)	(193,651)
At 31 December 2018	<u>38,777</u>	<u>441,363</u>	<u>112,851</u>	<u>81,582</u>	<u>674,573</u>
Depreciation					
At 1 January 2018	38,777	180,554	70,930	71,693	361,954
Charge for the year on owned assets	-	29,128	22,283	24,307	75,718
Charge for the year on financed assets	-	43,786	-	-	43,786
Disposals	-	(99,517)	(17,112)	(74,939)	(191,568)
At 31 December 2018	<u>38,777</u>	<u>153,951</u>	<u>76,101</u>	<u>21,061</u>	<u>289,890</u>
Net book value					
At 31 December 2018	<u>-</u>	<u>287,412</u>	<u>36,750</u>	<u>60,521</u>	<u>384,683</u>
At 31 December 2017	<u>-</u>	<u>97,434</u>	<u>56,619</u>	<u>41,351</u>	<u>195,404</u>

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	253,272	91,265
	<u>253,272</u>	<u>91,265</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	3
At 31 December 2018	<u>3</u>

6. Debtors

	2018 £	2017 £
Trade debtors	432,105	187,617
Amounts owed by joint ventures and associated undertakings	1,733,517	1,461,918
Other debtors	109,500	177,950
Prepayments and accrued income	284,348	219,459
Deferred taxation	-	7,084
	<u>2,559,470</u>	<u>2,054,028</u>

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	863,922	345,019

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	202,233	178,702
Trade creditors	1,242,836	809,208
Corporation tax	180,110	11,274
Other taxation and social security	59,550	49,297
Obligations under finance lease and hire purchase contracts	54,216	22,600
Other creditors	116,398	84,166
	1,855,343	1,155,247

Trade creditors of £371,947 (2017 - £256,868) are secured on assets.

9. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	202,233	178,702
	202,233	178,702
Amounts falling due 2-5 years		
Bank loans	185,381	411,146
	185,381	411,146
	387,614	589,848

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	54,216	22,600
Between 1-2 years	136,587	27,079
Between 2-5 years	-	5,245
	<u>190,803</u>	<u>54,924</u>

11. Deferred taxation

	2018 £	2017 £
At beginning of year	7,084	(11,490)
Charged to profit or loss	(23,052)	18,574
At end of year	<u>(15,968)</u>	<u>7,084</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Excess of depreciation over capital allowances	(15,968)	6,124
Temporary timing differences	-	960
	<u>(15,968)</u>	<u>7,084</u>

LEXHAM INSURANCE CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
750 (2017 - 750) Ordinary shares of £1.00 each	750	750
2,000 (2017 - 2,000) Ordinary B non-voting shares of £1.00 each	2,000	2,000
	<hr/> 2,750 <hr/>	<hr/> 2,750 <hr/>

Ordinary B shares have the same rights as Ordinary shares except that they are non-voting.

On 27 November 2017 the company purchased 250 of its Ordinary £1 A shares for £1,000,000.

13. Reserves

Capital redemption reserve

The capital redemption reserve represents the nominal value of the company's ordinary shares purchased back in the current and prior periods.

Profit and loss account

The profit and loss account includes all current and prior period profits and losses less dividends declared and paid, and amounts paid for the company's own shares in the current and prior periods.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £51,422 (2017 - £46,649). Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 28 June 2019 by Christopher Ridgeon (Senior Statutory Auditor) on behalf of Whiting & Partners.