

**LEXHAM INSURANCE CONSULTANTS LIMITED**

**FILLETED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**LEXHAM INSURANCE CONSULTANTS LIMITED**  
**REGISTERED NUMBER: 03897329**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	448,342	384,683
Investments	5	-	3
		<u>448,342</u>	<u>384,686</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	2,837,776	2,559,467
Cash at bank and in hand	7	1,048,677	863,922
		<u>3,886,453</u>	<u>3,423,389</u>
Creditors: amounts falling due within one year	8	(1,984,020)	(1,855,340)
<b>Net current assets</b>		<u>1,902,433</u>	<u>1,568,049</u>
<b>Total assets less current liabilities</b>		<u>2,350,775</u>	<u>1,952,735</u>
Creditors: amounts falling due after more than one year		(134,161)	(321,968)
<b>Provisions for liabilities</b>			
Deferred tax	11	(17,250)	(15,968)
		<u>(17,250)</u>	<u>(15,968)</u>
<b>Net assets</b>		<u><u>2,199,364</u></u>	<u><u>1,614,799</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	2,750	2,750
Capital redemption reserve	13	250	250
Profit and loss account	13	2,196,364	1,611,799
		<u>2,199,364</u>	<u>1,614,799</u>

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**LEXHAM INSURANCE CONSULTANTS LIMITED**  
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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

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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 on 25 September 2020.

**R K Ironmonger**

Director

The notes on pages 3 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**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 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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**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 105 (2018 - 97).



LEXHAM INSURANCE CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	38,777	441,363	112,851	81,582	674,573
Additions	30,632	216,130	-	142,932	389,694
Disposals	(38,777)	(296,920)	-	-	(335,697)
At 31 December 2019	<u>30,632</u>	<u>360,573</u>	<u>112,851</u>	<u>224,514</u>	<u>728,570</u>
<b>Depreciation</b>					
At 1 January 2019	38,777	153,951	76,101	21,061	289,890
Charge for the year on owned assets	2,042	96,571	11,560	43,561	153,734
Disposals	(38,777)	(124,619)	-	-	(163,396)
At 31 December 2019	<u>2,042</u>	<u>125,903</u>	<u>87,661</u>	<u>64,622</u>	<u>280,228</u>
<b>Net book value</b>					
At 31 December 2019	<u><u>28,590</u></u>	<u><u>234,670</u></u>	<u><u>25,190</u></u>	<u><u>159,892</u></u>	<u><u>448,342</u></u>
<b>At 31 December 2018</b>	<u><u>-</u></u>	<u><u>287,412</u></u>	<u><u>36,750</u></u>	<u><u>60,521</u></u>	<u><u>384,683</u></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:

	2019 £	2018 £
Motor vehicles	211,102	253,272
	<b>211,102</b>	<b>253,272</b>

5. **Fixed asset investments**

	Investments in subsidiary companies £
At 1 January 2019	3
Disposals	(3)
At 31 December 2019	-
<b>Net book value</b>	
At 31 December 2019	-
<b>At 31 December 2018</b>	<b>3</b>

6. **Debtors**

	2019 £	2018 £
Trade debtors	521,027	432,104
Amounts owed by joint ventures and associated undertakings	2,050,885	1,733,517
Other debtors	102,002	109,498
Prepayments and accrued income	163,862	284,348
	<b>2,837,776</b>	<b>2,559,467</b>

**LEXHAM INSURANCE CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. Cash and cash equivalents**

	2019	2018
	£	£
Cash at bank and in hand	<u>1,048,677</u>	<u>863,922</u>

**8. Creditors: Amounts falling due within one year**

	2019	2018
	£	£
Bank loans	185,381	202,233
Trade creditors	1,297,945	1,242,835
Corporation tax	198,364	180,110
Other taxation and social security	62,660	59,550
Obligations under finance lease and hire purchase contracts	45,271	54,216
Other creditors	194,399	116,396
	<u>1,984,020</u>	<u>1,855,340</u>

Trade creditors of £383,919 (2018 - £371,947) are secured on assets.

**9. Loans**

Analysis of the maturity of loans is given below:

	2019	2018
	£	£
<b>Amounts falling due within one year</b>		
Bank loans	185,381	202,233
	<u>185,381</u>	<u>202,233</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	185,381
	<u>-</u>	<u>185,381</u>
	<u>185,381</u>	<u>387,614</u>

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**10. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	45,271	54,216
Between 1-2 years	44,937	136,587
Between 2-5 years	89,224	-
	<u>179,432</u>	<u>190,803</u>

**11. Deferred taxation**

	2019 £	2018 £
At beginning of year	(15,968)	7,084
Charged to profit or loss	(1,282)	(23,052)
<b>At end of year</b>	<u>(17,250)</u>	<u>(15,968)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Excess of depreciation over capital allowances	(17,250)	(15,968)
	<u>(17,250)</u>	<u>(15,968)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**12. Share capital**

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
<b>Allotted, called up and fully paid</b>		
750 (2018 - 750) Ordinary shares of £1.00 each	<b>750</b>	<i>750</i>
2,000 (2018 - 2,000) Ordinary B non-voting shares of £1.00 each	<b>2,000</b>	<i>2,000</i>
	<b>2,750</b>	<i>2,750</i>
	<b>2,750</b>	<i>2,750</i>

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

**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 £66,411 (2018 - £51,422). Contributions totalling £nil (2018 - £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 2019 was unqualified.

The audit report was signed on 30 September 2020 by Christopher Ridgeon (Senior Statutory Auditor) on behalf of Whiting & Partners.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.