

Registered number: 03492137

PULSE INSURANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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PULSE INSURANCE LIMITED

COMPANY INFORMATION

Directors	D Boyles D A Elliott (resigned 20 October 2017) T C W McLusky A D Pilcher P F Sandilands
Registered number	03492137
Registered office	6 Oxford Court St. James Road Brackley Northamptonshire NN13 7XY
Independent auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Bankers	Barclays Bank Plc 10 South Street Dorchester Dorset DT1 1BT Allied Irish Banks Plc Bankcentre Branch Ballsbridge Dublin 4 Eire Ulster Bank 33 College Green Dublin 2 Dublin
Solicitors	Holman Fenwick Willan LLP Friary Court 65 Crutched Friars London EC2N 2AE

PULSE INSURANCE LIMITED

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PULSE INSURANCE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors

The directors who served during the year were:

D Boyles
D A Elliott (resigned 20 October 2017)
T C W McLusky
A D Pilcher
P F Sandilands

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T C W McLusky
Director

Date: 25th September 2018

PULSE INSURANCE LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

PULSE INSURANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PULSE INSURANCE LIMITED

Opinion

We have audited the financial statements of Pulse Insurance Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, 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 Financial Reporting Standard 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 31 December 2017 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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

PULSE INSURANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PULSE INSURANCE LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, 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.

PULSE INSURANCE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PULSE INSURANCE LIMITED
(CONTINUED)**

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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 in an Auditors' 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.



Alexander Barnes (Senior statutory auditor)

for and on behalf of
Moore Stephens LLP

150 Aldersgate Street
London
EC1A 4AB

Date: 26th September 2018

PULSE INSURANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover		382,209	504,172
Administrative expenses		(496,885)	(440,431)
Operating (loss)/profit		(114,676)	63,741
Interest receivable and similar income		266	2,197
Interest payable and expenses		(854)	-
(Loss)/profit before tax		(115,264)	65,938
Tax on (loss)/profit		(23,324)	(14,845)
(Loss)/profit for the financial year		(138,588)	51,093

There was no other comprehensive income for 2017 (2016:£NIL).

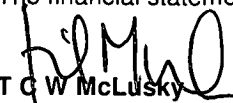
PULSE INSURANCE LIMITED
REGISTERED NUMBER: 03492137

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	30,044	6,855
		30,044	6,855
Current assets			
Debtors: amounts falling due after more than one year	7	701,275	818,630
Debtors: amounts falling due within one year	7	281,465	317,783
Cash at bank and in hand	8	38,675	112,489
		1,021,415	1,248,902
Creditors: amounts falling due within one year	9	(56,579)	(55,233)
Net current assets		964,836	1,193,669
Total assets less current liabilities		994,880	1,200,524
Creditors: amounts falling due after more than one year	10	(22,251)	
Provisions for liabilities	11	(730,427)	(819,734)
		(730,427)	(819,734)
Net assets		242,202	380,790
Capital and reserves			
Called up share capital		55,179	55,179
Share premium account		10,096	10,096
Profit and loss account		176,927	315,515
		242,202	380,790

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


T C W McLusky
 Director

Date: 25th September 2018
 The notes on pages 8 to 14 form part of these financial statements.

PULSE INSURANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the period ended 31st December 2017 and presented to the nearest pound.

The continuing activities of the Company is that of broking insurance.

The Company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The address of its registered office is 6 Oxford Court, St James Road, Brackley, Northamptonshire, NN13 7XY.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents commissions and fees for the arrangement of insurance and fees for consultancy services.

Credit is taken for brokerage, commission and fees on inception of the policy.

On certain lines of insurance business, a provision is made for cancellations which is unwound over the life of the insurance policy.

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.

PULSE INSURANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 basis:

Office equipment	- 25% on cost
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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 profit or loss.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Long term debtors are discounted to present value.

2.5 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.

2.6 Creditors

Short term creditors are measured at the transaction price.

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

PULSE INSURANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 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 also based on an estimate of the likelihood of cancellation of policies during their policy term.

Provisions are charged as an expense to profit or loss 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.

2.11 Taxation

Tax is recognised in profit or loss, 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

A key estimate within the financial statements is the level of provision for commission clawback.

This is explained in Note 11.

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,200</u>	<u>14,580</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>14,340</u>	<u>13,200</u>
	<u>14,340</u>	<u>13,200</u>

5. Employees

Staff costs, including directors' remuneration, were £334,762.

The average monthly number of employees, including directors, during the year was 11 (2016 - 10).

6. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2017	72,637
Additions	35,220
At 31 December 2017	<u>107,857</u>
Depreciation	
At 1 January 2017	65,782
Charge for the year on owned assets	12,031
At 31 December 2017	<u>77,813</u>
Net book value	
At 31 December 2017	<u>30,044</u>
At 31 December 2016	<u>6,855</u>

PULSE INSURANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Debtors

	2017 £	2016 £
Due after more than one year		
Trade debtors	701,275	818,630
	<u>701,275</u>	<u>818,630</u>
Due within one year		
Trade debtors	227,478	252,039
Other debtors	53,987	65,744
	<u>281,465</u>	<u>317,783</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	38,675	112,489
	<u>38,675</u>	<u>112,489</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Corporation tax	16,040	14,866
Other creditors	40,539	40,367
	<u>56,579</u>	<u>55,233</u>

PULSE INSURANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	22,251	-
	<u>22,251</u>	<u>-</u>

11. Provisions for liabilities

	Other provision £
At 1 January 2017	819,734
Charged to profit or loss	(89,307)
At 31 December 2017	<u><u>730,427</u></u>

Many of the policies the Company arranges are long term. On long-term business, commission is paid to the Company on both an indemnity and non-indemnity basis. If the policy is cancelled early future annual commission would not be paid and any indemnity commission would have to be repaid. In the case of indemnity commission the Company has established a provision for this commission clawback. This provision is based on an estimate of the likelihood of cancellation of policies during the first four years of the policy term (Clawback is not usually payable after four years). The estimate considers the risk of cancellation as a result of either a housing market crash or the risk of cancellation as a result of changes to relevant rules due to political intervention. The provision is established on inception of the policy and unwound on a straight line basis over the first four years of the policy terms.

Where commission is paid annually for the duration of the policy, the provision is based on an estimate of the likelihood of cancellation of policies during the full policy term. The estimate considers the risk of cancellation as a result of either a housing market crash or the risk of cancellation as a result of changes to relevant rules due to political intervention. The provision is established on inception of the policy and unwound on a straight line basis over the life of the policy. There is a high level of uncertainty around this annual commission provision given that the events that could trigger payments are unpredictable. The appropriateness of the assumptions in this provision are reconsidered annually by the board.

During the year the entity has changed its estimation technique to explicitly include the discounting of long term debtors and Provisions, in particular the treatment of future annual commission payments. This has caused a reduction in the profit for the year of £34,049.

12. 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 £6,933 (2016: £5,417).

PULSE INSURANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	24,873	31,710
Later than 1 year and not later than 5 years	52,313	76,336
	<u>77,186</u>	<u>108,046</u>

14. Related party transactions

There are no related party transactions other than those concerning Directors remuneration of £177,853 (2016: £143,400).

15. Post balance sheet events

Subsequent to the year end, on the 25th January 2018, a lease was entered into with minimum committed future payments of £18,300 excluding VAT over the course of 1 year.

A rights issue took place between 16th February 2018 to 24th July 2018. 307,139 shares were issued for total consideration of £142,819, with the proceeds used to fund the development of the personal accident underwriting team.