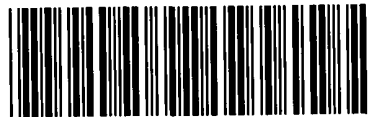


Company Registration No. 02809921 (England and Wales)

UNICOM INSURANCE SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2016

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UNICOM INSURANCE SERVICES LIMITED

COMPANY INFORMATION

Directors	J F Humphreys L D Middleton D J Ratledge FCCA A B Tyler M R Tyler
Secretary	A B Tyler
Company number	02809921
Registered office	300 Southbury Road Enfield Middlesex EN1 1TS
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
Bankers	Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA Barclays Bank Lea Valley Group 2 Turnford Place Great Cambridge Road Herts EN10 6NH

UNICOM INSURANCE SERVICES LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present the strategic report for the period ended 31 December 2016.

Fair review of the business

The business of the company continues to be dominated by Motor Trade Road Risks which has seen healthy growth generated by the company's focus on targeted marketing and social media. Furthermore, the company is now expanding by offering other types of insurance such as private car and breakdown cover.

During the year in accordance with the contract terms, the company repaid prior year's commission amounting to £500k (2015 £ NIL) to its principal underwriter, Tradewise Insurance Company Limited "TWIC", a related party by common control as a contribution towards TWIC's poor underwriting performance of those years and the necessity to strengthen TWIC's balance sheet with regards to Solvency II capital requirements.

At the year end the company's net assets amounted to £544k (2015 - £663k) with net working capital of £527k (2015 - £649k). Cash balances have increased to £1.2m (2015 - £0.7m).

Principal risks and uncertainties

The company recognises the need to risk assess its insurance partners and can confirm that the board has received confirmation from its partners that they continue to meet the standards required by the new Solvency II regime.

Furthermore, many of the company's insurance providers are based in Gibraltar. The directors have been in discussion with these companies since the result of the "Brexit" vote and confirm that they do not see any change to the changing style or relationship between these companies as a result of the vote to leave the European Union.

Key performance indicators

The company has continued its focus on writing profitable business for its insurance capacity providers and has seen top line commission income remain steady at £2.2m (2015 £2.2m).

Due to marginal increases in costs gross operating margin has decreased to £1.6m (2015 £1.8m).

The EBITDA has decreased to £60k loss (2015 - £533k profit) due to the repayment of commission income (£500K) and marginal increases in operating costs.

Staff numbers have grown by 15% to 38 (2015 - 33).

Future development

Currently commission growth in 2017 is around 5% due primarily to a hardening insurance market and increased prices. This is forecast to continue. As no material costs or recruitments are planned, this is expected to provide a more robust EBITDA and earnings per share.

On behalf of the board


.....
D J Ratledge FCCA
Director
..... 19/9/17

UNICOM INSURANCE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the period ended 31 December 2016.

Principal activities

The company is a subsidiary of Tradewise Group of Companies Limited, a company incorporated in the United Kingdom.

The company's principal activity is the provision of insurance services in the United Kingdom. There have not been any significant changes in the company's principal activity in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Directors

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

J F Humphreys
L D Middleton
D J Ratledge FCCA
A B Tyler
M R Tyler

Results and dividends

The results for the period are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

A resolution to reappoint RSM UK Audit LLP as auditor will be put to the members at the annual general meeting. RSM UK Audit LLP has indicated its willingness to continue in office.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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


.....
D J Ratledge FCCA
Director

9/9/17
.....

UNICOM INSURANCE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNICOM INSURANCE SERVICES LIMITED

Opinion on financial statements

We have audited the financial statements on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the period 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, 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 or 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

RSM UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Davidson House

Forbury Square

Reading

Berkshire, RG1 3EU

21.5.17

UNICOM INSURANCE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

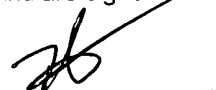
		Period ended 31 December 2016 £	Period ended 30 December 2015 £
	Notes		
Turnover	3	2,178,133	2,238,325
Cost of sales		(536,052)	(423,558)
Gross profit		1,642,081	1,814,767
Administrative expenses		(1,606,541)	(1,510,773)
Repayment of commission	4	(500,000)	-
Other operating income	3	396,009	217,863
Operating (loss)/profit	5	(68,451)	521,857
Interest receivable and similar income	9	1,624	803
Interest payable and similar charges	10	(51,767)	(52,586)
(Loss)/profit before taxation		(118,594)	470,074
Taxation	11	421	2,986
(Loss)/profit for the financial period	19	(118,173)	473,060

The income statement has been prepared on the basis that all operations are continuing operations.

UNICOM INSURANCE SERVICES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	12		2,389		4,136
Tangible assets	13		14,777		9,884
			<u>17,166</u>		<u>14,020</u>
Current assets					
Debtors	14	1,025,168		798,686	
Cash at bank and in hand		1,180,095		740,823	
			<u>2,205,263</u>	<u>1,539,509</u>	
Creditors: amounts falling due within one year	15	(1,677,841)		(890,768)	
Net current assets			<u>527,422</u>		<u>648,741</u>
Total assets less current liabilities			<u>544,588</u>		<u>662,761</u>
Capital and reserves					
Called up share capital	18		100		100
Profit and loss reserves	19		544,488		662,661
Total equity			<u>544,588</u>		<u>662,761</u>

The financial statements were approved by the board of directors and authorised for issue on 19/9/17 and are signed on its behalf by:


D J Ratledge FCCA
Director

UNICOM INSURANCE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2015	100	189,601	189,701
Period ended 30 December 2015:			
Profit and total comprehensive income for the period	-	473,060	473,060
Balance at 30 December 2015	100	662,661	662,761
Period ended 31 December 2016:			
Loss and total comprehensive income for the period	-	(118,173)	(118,173)
Balance at 31 December 2016	100	544,488	544,588

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Unicom Insurance Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 300 Southbury Road, Enfield, Middlesex, EN1 1TS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

These financial statements have been drawn up to 31 December 2016, and the prior period financial statements to 30 December 2015.

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. The principal accounting policies adopted are set out below.

Reduced disclosures

The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the 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' - Carrying amounts, 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 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Tradewise Group of Companies Limited. The consolidated financial statements of Tradewise Group of Companies Limited are available from Companies House.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents commission income which comprises total commissions receivable for the period after deducting taxes levied and providing for expected policy cancellations. The company is entitled to commission on inception of the policy.

Intangible fixed assets - goodwill

Goodwill is stated at cost and amortisation calculated to write off the cost of the asset over the useful economic life being 5 years.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Software	25% Straight line basis
----------	-------------------------

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:

Leasehold improvements	Straight line over the remaining life of the lease
Fixtures and fittings	25% straight line and 20% reducing balance
Office equipment	25% straight line and 20% reducing balance

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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Financial assets

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 assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value. Specific provisions are made for bad and doubtful debts when, in the opinion of the directors the likelihood of recovery of all or part of a debt is remote.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or 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. The impairment loss is recognised in profit or loss.

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.

Financial liabilities

Basic financial liabilities, including trade and other 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.

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

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Premiums

The company collects gross premiums and passes these to the insurers after deducting commission as specified in the turnover accounting policy. The amounts of uncollected gross premiums from clients and net premiums due to Insurers are reflected within trade debtors and group creditors respectively.

2 Critical 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.

Turnover

During the current year, Tradewise Insurance Company Limited "TWIC", a related party by common control requested a repayment of commission for previous years. In making its judgement in recognising the turnover for the current year, management has considered the likelihood of any further repayment of commission to its related party and assessed it to be remote.

3 Turnover and other operating income

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Commission income	2,178,133	2,238,325
Other operating income		
Commissions received	224,531	205,863
Bookkeeping recharge	13,245	12,000
VAT refund	158,233	-

All turnover is derived from UK based insurance transactions.

4 Exceptional costs

	2016 £	2015 £
Repayment of commission	500,000	-

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

5 Operating (loss)/profit

	2016	2015
	£	£
Operating (loss)/profit for the period is stated after charging:		
Depreciation of owned tangible fixed assets	6,696	9,360
Loss on disposal of tangible fixed assets	1,612	4,446
Amortisation of intangible assets	1,747	1,747
Operating lease charges	9,161	6,273
	<u> </u>	<u> </u>

6 Employees

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

	2016	2015
	Number	Number
Management	1	1
Renewals	7	7
Sales	11	11
Administration	13	10
Support	6	4
	<u> </u>	<u> </u>
	38	33
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	891,264	767,799
Social security costs	52,081	46,993
Pension costs	15,951	14,805
	<u> </u>	<u> </u>
	959,296	829,597
	<u> </u>	<u> </u>

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	208,533	86,554
Company pension contributions to defined contribution schemes	8,967	8,500
	<u> </u>	<u> </u>
	217,500	95,054
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

7 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2016 £	2015 £
Remuneration for qualifying services	208,533	-
Company pension contributions to defined contribution schemes	8,967	-
	<u>217,500</u>	<u>-</u>

8 Auditor's remuneration

Fees payable to the company's auditor and its associates:

	2016 £	2015 £
For audit services		
Audit of the company's financial statements	11,100	10,600
For other services		
Taxation compliance services	1,900	1,061
Other taxation services	1,680	-
All other non-audit services	3,325	2,000
	<u>6,905</u>	<u>3,061</u>

9 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	1,624	803
	<u>1,624</u>	<u>803</u>

10 Interest payable and similar charges

	2016 £	2015 £
Other interest	51,767	52,586
	<u>51,767</u>	<u>52,586</u>

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

11 Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	(491)	(2,986)
Changes in tax rates	70	-
Total deferred tax	(421)	(2,986)

The total tax credit for the period included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
(Loss)/profit before taxation	(118,594)	470,074
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(23,719)	95,177
Tax effect of expenses that are not deductible in determining taxable profit	301	4,591
Group relief	(29,445)	(103,009)
Transfer pricing adjustments	51,289	-
Other tax adjustments	1,153	255
Taxation for the period	(421)	(2,986)

12 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 31 December 2015 and 31 December 2016	50,946	9,895	60,841
Amortisation and impairment			
At 31 December 2015	50,946	5,759	56,705
Amortisation charged for the period	-	1,747	1,747
At 31 December 2016	50,946	7,506	58,452
Carrying amount			
At 31 December 2016	-	2,389	2,389
At 30 December 2015	-	4,136	4,136

The amortisation charge for the year is recognised within administrative expenses.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

13 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 31 December 2015	14,021	22,928	33,952	70,901
Additions	-	5,003	8,198	13,201
Disposals	-	(1,248)	(3,034)	(4,282)
At 31 December 2016	14,021	26,683	39,116	79,820
Depreciation and impairment				
At 31 December 2015	12,944	18,254	29,819	61,017
Depreciation charged in the period	246	2,401	4,049	6,696
Eliminated in respect of disposals	-	(1,083)	(1,587)	(2,670)
At 31 December 2016	13,190	19,572	32,281	65,043
Carrying amount				
At 31 December 2016	831	7,111	6,835	14,777
At 30 December 2015	1,077	4,674	4,133	9,884

14 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	513,309	565,953
Corporation tax recoverable	270	270
Amounts owed by group undertakings	226,088	130,088
Other debtors	175,051	12,473
Prepayments and accrued income	108,769	88,642
	1,023,487	797,426
Deferred tax asset (note 16)	1,681	1,260
	1,025,168	798,686

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	73,831	73,074
Amounts due to group undertakings	1,011,276	624,364
Other taxation and social security	20,533	107,957
Other creditors	1,408	1,293
Accruals and deferred income	570,793	84,080
	<u>1,677,841</u>	<u>890,768</u>

Included in other creditors is an amount due in respect of pension contributions outstanding of £1,408 (2015 - £1,293).

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
Balances:		
Accelerated capital allowances	(1,047)	(1,607)
Other	2,728	2,867
	<u>1,681</u>	<u>1,260</u>

	2016 £
Movements in the period:	
Asset at 31 December 2015	1,260
Credit to profit or loss	491
Effect of change in tax rate - profit or loss	(70)
Asset at 31 December 2016	<u>1,681</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to other timing differences.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

17 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	15,951	14,805

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.

18 Share capital

	2016	2015
	£	£
Ordinary share capital Issued and fully paid		
100 Ordinary of £1 each	100	100

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

19 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

20 Operating lease commitments

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:

	2016	2015
	£	£
Within one year	7,253	9,160
Between one and five years	7,253	14,456
	14,506	23,616

21 Related party transactions

The directors are considered to be the key management personnel of the company, and details of the remuneration can be found in note 7 to the accounts.



UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

21 Related party transactions (Continued)

The company has taken advantage of the exemption under Section 33 of FRS 102 and has not reported details of transactions or balances with other wholly-owned companies. Details of transactions with other related parties are given below.

The company continues to trade with Tradewise Insurance Company Limited (a related party by common control) and during 2016 earned £2,048,541 of commission (2015: £1,937,512). There is an amount included in creditors of £484,037 due to Tradewise Insurance Company Limited in respect of premiums collected on its behalf.

The company agreed a repayment of prior year's commission to Tradewise Insurance Company Limited of £500,000. This was negotiated and agreed as a contribution based on poor underwriting performance. At the period end date, the balance of £500,000 due to Tradewise Insurance Company Limited was included in accruals.

22 Controlling party

Tradewise Group of Companies Limited, a company incorporated in the United Kingdom and registered in England and Wales owns the entire share capital of Unicom Insurance Services Limited. Tradewise Group of Companies Limited form the smallest and largest group for which group accounts are drawn up and are publicly available.

The ultimate controlling party is J W Humphreys by virtue of his shareholding in Tradewise Group of Companies Limited.