

Company Registration No. 02809921 (England and Wales)

UNICOM INSURANCE SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017



UNICOM INSURANCE SERVICES LIMITED

COMPANY INFORMATION

Directors	L D Middleton D J Ratledge FCCA A B Tyler M R Tyler
Secretary	J A Jones
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 YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

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 £325k (2016 £500k) 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 £618k (2016 - £544k) with net current assets of £606k (2016 - £527k). Cash balances have remained stable at £1.1m (2016 - £1.2m).

Principal risks and uncertainties

The company recognises the need to risk assess its insurance partners and can confirm that all its partners 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

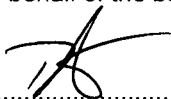
The company has continued its focus on writing profitable business for its insurance capacity providers and has seen top line commission income remain steady at £2.3m (2016 £2.2m) and the gross operating margin increasing to £1.9m (2016 £1.6m).

The profit before tax has increased to £417k (2016 £382k) before the extraordinary commission repayment mentioned above.

Future development

Currently commission growth is expected to be around 5% in 2018, due primarily to a hardening insurance market and increased prices. As no material costs or recruitments are planned, this will provide a more robust EBITDA and earnings per share.

On behalf of the board



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D J Ratledge FCCA

Director

22/9/2018

UNICOM INSURANCE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 year 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

(Resigned 31 July 2018)

Results and dividends

The results for the year are set out on page 6.

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

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.

Matters of strategic importance

Information in respect of future developments is not shown within the Directors' Report as it is instead included within the Strategic Report under S414c(11).

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
27/9/18
.....

UNICOM INSURANCE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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 MEMBER OF UNICOM INSURANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Unicom Insurance Services Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF UNICOM INSURANCE SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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

27.9.18

UNICOM INSURANCE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

		Year ended 31 December 2017 £	Period ended 31 December 2016 £
	Notes		
Turnover	3	2,265,527	2,178,133
Cost of sales		(331,954)	(536,052)
Gross profit		1,933,573	1,642,081
Administrative expenses		(1,785,323)	(1,606,541)
Repayment of commission	4	(325,000)	(500,000)
Other operating income	3	322,752	396,009
Operating profit/(loss)	5	146,002	(68,451)
Interest receivable and similar income	9	228	1,624
Interest payable and similar expenses	10	(54,280)	(51,767)
Profit/(loss) before taxation		91,950	(118,594)
Taxation	11	(18,050)	421
Profit/(loss) for the financial year		73,900	(118,173)

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 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	12		642		2,389
Tangible assets	13		11,520		14,777
			<u>12,162</u>		<u>17,166</u>
Current assets					
Debtors	14	951,628		1,025,168	
Cash at bank and in hand		1,059,897		1,180,095	
		<u>2,011,525</u>		<u>2,205,263</u>	
Creditors: amounts falling due within one year	15	(1,404,794)		(1,677,841)	
Net current assets			<u>606,731</u>		<u>527,422</u>
Total assets less current liabilities			<u>618,893</u>		<u>544,588</u>
Provisions for liabilities	16		(405)		-
Net assets			<u><u>618,488</u></u>		<u><u>544,588</u></u>
Capital and reserves					
Called up share capital	19		100		100
Profit and loss reserves	20		618,388		544,488
Total equity			<u><u>618,488</u></u>		<u><u>544,588</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27.9.18 and are signed on its behalf by:



 D J Ratledge FCCA
 Director

UNICOM INSURANCE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 31 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
Period ended 31 December 2017:			
Profit and total comprehensive income for the period	-	73,900	73,900
Balance at 31 December 2017	100	618,388	618,488

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

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

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

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.

Other income

Arrangement fee income is recognised over the period in which instalments are paid.

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 YEAR ENDED 31 DECEMBER 2017

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
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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 group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

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

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Basic 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.

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.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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.

Leases

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

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 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.

Repayment of commission

During the current year, Tradewise Insurance Company Limited "TWIC", a related party by common control requested a repayment of commission for the current and previous years in the sum of £650,000 (2016: £500,000). £325,000 (2016: £nil) pertaining to current year was adjusted against turnover for 2017 and the balance of £325,000 (2016: £500,000) relating to the previous year is disclosed separately in the statement of comprehensive income. In making its judgement in recognising the repayment of commission 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:

	2017 £	2016 £
Turnover analysed by class of business		
Commission income	2,265,527	2,178,133
Other operating income		
Arrangement fee income	307,452	224,531
Bookkeeping recharge	15,300	13,245
VAT refund	-	158,233
	<u>322,752</u>	<u>396,009</u>

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other operating income (Continued)

All turnover is derived from UK based insurance transactions.

4 Exceptional costs

	2017 £	2016 £
Repayment of commission	325,000	500,000

Refer to note 2 for explanation of exceptional cost.

5 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the period is stated after charging:		
Depreciation of owned tangible fixed assets	6,368	6,696
Loss on disposal of tangible fixed assets	-	1,612
Amortisation of intangible assets	1,747	1,747
Operating lease charges	6,897	9,161

6 Employees

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

	2017 Number	2016 Number
Management	1	1
Renewals	9	7
Sales	11	11
Administration	13	13
Support	8	6
	42	38

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	909,572	891,264
Social security costs	70,364	52,081
Pension costs	17,543	15,951
	997,479	959,296

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	114,174	208,533
Company pension contributions to defined contribution schemes	9,338	8,967
	<u>123,512</u>	<u>217,500</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

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

	2017 £	2016 £
Remuneration for qualifying services	n/a	208,533
Company pension contributions to defined contribution schemes	n/a	8,967
	<u></u>	<u></u>

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

8 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	14,400	11,100
	<u></u>	<u></u>
For other services		
Audit-related assurance services	13,275	-
Taxation compliance services	4,500	1,900
Other taxation services	7,900	1,680
All other non-audit services	4,900	3,325
	<u>30,575</u>	<u>6,905</u>

9 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	218	1,624
Other interest income	10	-
	<u></u>	<u></u>
Total income	<u>228</u>	<u>1,624</u>

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Interest payable and similar expenses

	2017	2016
	£	£
Other interest	54,280	51,767

11 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	15,701	-
Adjustments in respect of prior periods	263	-
Total current tax	15,964	-
Deferred tax		
Origination and reversal of timing differences	2,086	(491)
Changes in tax rates	-	70
Total deferred tax	2,086	(421)
Total tax charge/(credit)	18,050	(421)

The main rate of corporation tax reduced to 19% from 20% with effect from 1 April 2017.

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

	2017	2016
	£	£
Profit/(loss) before taxation	91,950	(118,594)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	17,700	(23,719)
Tax effect of expenses that are not deductible in determining taxable profit	210	301
Adjustments in respect of prior years	263	-
Group relief	-	(29,445)
Fixed asset differences	100	-
Transfer pricing adjustments	-	51,289
Other tax adjustments	(223)	1,153
Taxation charge/(credit) for the period	18,050	(421)

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2017 and 31 December 2017	50,946	9,895	60,841
Amortisation and impairment			
At 1 January 2017	50,946	7,506	58,452
Amortisation charged for the year	-	1,747	1,747
At 31 December 2017	50,946	9,253	60,199
Carrying amount			
At 31 December 2017	-	642	642
At 31 December 2016	-	2,389	2,389

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

13 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2017	14,021	26,683	39,116	79,820
Additions	-	440	2,671	3,111
Disposals	-	-	(362)	(362)
At 31 December 2017	14,021	27,123	41,425	82,569
Depreciation and impairment				
At 1 January 2017	13,190	19,572	32,281	65,043
Depreciation charged in the year	246	2,556	3,566	6,368
Eliminated in respect of disposals	-	-	(362)	(362)
At 31 December 2017	13,436	22,128	35,485	71,049
Carrying amount				
At 31 December 2017	585	4,995	5,940	11,520
At 31 December 2016	831	7,111	6,835	14,777

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	576,022	513,309
Corporation tax recoverable	-	270
Amounts owed by group undertakings	226,088	226,088
Other debtors	40,974	175,051
Prepayments and accrued income	108,544	108,769
	<u>951,628</u>	<u>1,023,487</u>
Deferred tax asset (note 17)	-	1,681
	<u>951,628</u>	<u>1,025,168</u>

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,604	73,831
Amounts due to group undertakings	619,383	1,011,276
Corporation tax	15,701	-
Other taxation and social security	20,960	20,533
Other creditors	1,543	1,408
Accruals and deferred income	715,603	570,793
	<u>1,404,794</u>	<u>1,677,841</u>

Other creditors represents an amount outstanding in respect of pension contributions payable.

16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	405	-
		<u>405</u>	<u>-</u>

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 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:

	Liabilities 2017 £	Liabilities 2016 £	Assets 2017 £	Assets 2016 £
Balances:				
Accelerated capital allowances	605	-	-	(1,047)
Other	(200)	-	-	2,728
	<u>405</u>	<u>-</u>	<u>-</u>	<u>1,681</u>
Movements in the year:				2017 £
Asset at 1 January 2017				(1,681)
Charge to profit or loss				2,086
Liability at 31 December 2017				<u>405</u>

The deferred tax liability set out above is expected to reverse within a year and relates to accelerated capital allowances that are expected to mature within the same period.

18 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>17,543</u>	<u>15,951</u>

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

19 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary of £1 each	<u>100</u>	<u>100</u>

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.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

21 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:

	2017 £	2016 £
Within one year	7,253	7,253
Between one and five years	-	7,253
	<u>7,253</u>	<u>14,506</u>

Operating lease payments represent rentals in respect of operational premises.

22 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.

Transactions with related parties

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 2017 earned £2,182,867 of commission (2016: £2,048,541). There is an amount included in creditors of £545,115 (2016: £484,037) due to Tradewise Insurance Services Limited which is ultimately payable to Tradewise Insurance Company Limited in respect of premiums collected on its behalf. The company agreed a repayment of current and prior year's commission to Tradewise Insurance Company Limited of £650,000 (2016: £500,000). This was negotiated and agreed as a contribution based on poor underwriting performance. At the period end date, the balance of £650,000 (2016: £500,000) due to Tradewise Insurance Company Limited was included in accruals.

UNICOM INSURANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 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 from Companies House.

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