Registered number: 8142321

XACT RISK SOLUTIONS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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XACT RISK SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Ian Charles Barker Stewart Edward Juniper Andrew Edward Wilson Rupert Francis Osborn Paul Robin Goodman
Registered number	8142321
Registered office	c/o PKF Littlejohn Accounts Limited 1 Westferry Circus Canary Wharf London E14 4HD
Accountants	PKF Littlejohn Accounts Limited Chartered Accountants 1 Westferry Circus Canary Wharf London E14 4HD

XACT RISK SOLUTIONS LIMITED

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XACT RISK SOLUTIONS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activity

The principal activity of the Company is that of insurance broking services.

Directors

The directors who served during the year were:

Ian Charles Barker
Stewart Edward Juniper
Andrew Edward Wilson
Rupert Francis Osborn
Paul Robin Goodman

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 on 19 September 2017 and signed on its behalf.

Rupert Francis Osborn
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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.

XACT RISK SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	*2015 £*
Turnover		**1,271,669**	*1,156,632*
Gross profit		**1,271,669**	*1,156,632*
Administrative expenses		**(1,153,547)**	*(1,234,839)*
Operating profit/(loss)		**118,122**	*(78,207)*
Interest receivable and similar income		**24,621**	*12,183*
Interest payable and expenses		**(5,973)**	*(1,574)*
Profit/(loss) before tax		**136,770**	*(67,598)*
Tax on profit/(loss)		**(32,115)**	*6,951*
Profit/(loss) for the year		**104,655**	*(60,647)*

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 6 to 13 form part of these financial statements.

XACT RISK SOLUTIONS LIMITED
REGISTERED NUMBER: 8142321

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	4		**4,370**		*11,842*
			4,370		*11,842*
Current assets					
Debtors: amounts falling due within one year	5	**1,791,648**		*3,551,249*	
Cash at bank and in hand	6	**3,685,810**		*2,621,144*	
		5,477,458		*6,172,393*	
Creditors: amounts falling due within one year	7	**(5,186,828)**		*(6,091,716)*	
Net current assets			**290,630**		*80,677*
Total assets less current liabilities			**295,000**		*92,519*
Creditors: amounts falling due after more than one year	8		**(104,576)**		*(71,250)*
Net assets			**190,424**		*21,269*
Capital and reserves					
Called up share capital			**319,500**		*255,000*
Profit and loss account			**(129,076)**		*(233,731)*
			190,424		*21,269*

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 on 19 September 2017.

Rupert Francis Osborn
Director
The notes on pages 6 to 13 form part of these financial statements.

XACT RISK SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	200,000	(173,084)	26,916
Loss for the year	-	(60,647)	(60,647)
Shares issued during the year	55,000	-	55,000
At 1 January 2016	255,000	(233,731)	21,269
Profit for the year	-	104,655	104,655
Shares issued during the year	64,500	-	64,500
At 31 December 2016	319,500	(129,076)	190,424

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

1. General information

Xact Risk Solutions Limited provides insurance broking services to the UK and overseas. The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1 Westferry Circus, Canary Wharf, London, E14 4HD.

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 following principal accounting policies have been applied:

2.2 Going concern

The Directors believe the Company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Turnover

Turnover represents brokerage, profit commission and fees net of any commission payable to third parties. Turnover represents brokerage and profit commission arising on the placement of insurance contracts by the Company.

Turnover is recognised when the company's contractual right to such income is established and to the extent that the Company's relevant obligations under the contracts concerned have been performed. For the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of insurance concerned.

2. Accounting policies (continued)

2.4 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.

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% straight line basis
Website development costs	-	25% straight line basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.5 Financial instruments

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

Short term debtors are measured at the transaction price, less impairment. Short term creditors are measured at the transaction price.

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

The impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational 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.

2.7 Finance costs

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

2.8 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income 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 charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet date in the countries where the Company operates and generates income.

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

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

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

2.12 Insurance assets and liabilities

The Company acts as agent in broking the insurable risk of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with client and underwriters, the company has followed generally accepted accounting practice for insurance intermediaries by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself. This recognises that the company is entitled to retain the investment income on any cash flows arising from the transactions.

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of net balance due to or from them rather than the amount due to and from the individual third parties which it represents.

However, under Financial Reporting Standard 102 assets and liabilities may not be offset unless net settlement is legally enforceable, and therefore the insurance broking debtors and creditors are shown gross within these financial statements.

3. Employees

The average monthly number of employees, including directors, during the year was 13 *(2015 - 13)*.

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

4. Tangible fixed assets

	Office equipment £	Website development costs £	Total £
Cost			
At 1 January 2016	**10,585**	**19,300**	**29,885**
At 31 December 2016	**10,585**	**19,300**	**29,885**
Depreciation			
At 1 January 2016	**3,568**	**14,475**	**18,043**
Charge for the year on owned assets	**2,647**	**4,825**	**7,472**
At 31 December 2016	**6,215**	**19,300**	**25,515**
Net book value			
At 31 December 2016	**4,370**	**-**	**4,370**
At 31 December 2015	*7,017*	*4,825*	*11,842*

5. Debtors

	2016 £	*2015 £*
Trade debtors	**1,593,777**	*3,239,619*
Other debtors	**24,268**	*41,831*
Prepayments and accrued income	**159,390**	*223,471*
Deferred taxation	**14,213**	*46,328*
	1,791,648	*3,551,249*

6. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	3,685,810	2,621,144
Less: bank overdrafts	-	(88,016)
	3,685,810	2,533,128

Cash at bank and in hand includes £3,543,146 (2015: £2,621,144) held in client money bank accounts, which is not available to the Company for working capital purposes.

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	-	88,016
Bank loans	9,081	-
Trade creditors	4,983,296	5,710,448
Other taxation and social security	25,691	54,191
Other creditors	152,198	196,570
Accruals and deferred income	16,562	42,491
	5,186,828	6,091,716

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

	2016 £	2015 £
Bank loans	33,326	-
Subordinated loan	71,250	71,250
	104,576	71,250

Secured loans

The subordinated loan note is unsecured and non interest bearing. It has been agreed by the providers of the subordinated loan that the amount to be repaid when the Company is financially able to do so or after two years, whichever is the later.

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

9. Loans

Analysis of the maturity of bank loan is given below:

	2016 £	*2015 £*
Amounts falling due within one year		
Bank loans	**9,081**	-
	9,081	-
Amounts falling due 2-5 years		
Bank loans	**33,326**	-
	33,326	-
	42,407	-

10. Deferred taxation

	2016 £	*2015 £*
At beginning of year	**46,328**	*39,378*
Charged to profit or loss	**(32,115)**	*6,950*
At end of year	**14,213**	*46,328*

	2016 £	*2015 £*
Tax losses carried forward	**14,213**	*46,328*
	14,213	*46,328*

11. 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 £29,125 (2015: £78,775). Contributions totalling £1,704 (2015: £14,100) were payable to the fund at the balance sheet date.

12. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	*2015* *£*
Not later than 1 year	**41,190**	*52,020*
	41,190	*52,020*

13. Related party transactions

During the year the Company earned commission of £77,422 (2015: £65,903) from Cerberos Pty Limited, a Company in which Ian Barker is a common director. Included within prepayments and accrued income at the balance sheet date is an amount of £78,935 (2015: £72,937) due from Cerberos Pty Limited.

The short term loan balance at the year end includes a balance of £241 (2015: £54,741) and £40,000 (2015: £50,000) due to Ian Baker and Paul Goodman respectively.

The subordinated loan balance of £71,250 (2015: £71,250) is due to Paul Goodman, a director of the Company.

14. Controlling party

In the opinion of the directors there is no ultimate controlling party.