Company Registration No. 13422679 (England and Wales)

FEC MUTUAL LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
22 OCTOBER 2025

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Company Registration No. 13422679

FEC MUTUAL LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 22 OCTOBER 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	6	499,118		202,629	
Cash at bank and in hand		4,440,482		3,381,404	
		4,939,600		3,584,033	
Creditors: amounts falling due within one year	7	(30,062)		(15,626)	
Net current assets			4,909,538		3,568,407
Provisions for liabilities	8		(4,693,860)		(3,473,260)
Net assets			215,678		95,147
Reserves					
Income and expenditure account			215,678		95,147
Members' funds			215,678		95,147

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

For the financial year ended 22 October 2025 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20/04/26 and are signed on its behalf by:

P H Jenkinson

P H Jenkinson
Director

FEC MUTUAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 22 OCTOBER 2025

1 Accounting policies

Company information
FEC Mutual Limited is a private company limited by guarantee and is registered and incorporated in England and Wales. The registered office is 7-9 Church Road, Lytham St.Annes, Lancashire, United Kingdom, FY8 5LH.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The discretionary protection covers provided by the company are not contracts of insurance as the company has absolute discretion as to whether any benefit is provided to its members, however for accounting purposes, the discretionary protection provided by the company operates in a similar way to insurance and so the accounting principles in Financial Reporting Standard 103 (FRS 103) have been applied in the preparation and presentation of the financial statements.

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.

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.

Contributions
Contributions are recognised as earned in full on the basis of risks attaching during the year. Where contributions are received in advance of the period being covered the amounts are treated as deferred income. Contributions include amounts received for mutual cover and amounts received for the operations of the company (overages).

Incurred claims
Incurred claims comprise claims paid in the year and provisions for outstanding claims. Liability for reported claims is recognised upon notification at the discretion of the board. The mutual engages professional loss adjustors to advise on the estimated reserves in respect of significant claims.

Liability adequacy tests
Liability adequacy tests are performed to ensure the adequacy of claims reserves. In performing these tests, current best estimates of future contractual cash flows are used.

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.

1 **Accounting policies (Continued)**

Basic financial assets

Basic financial assets, which include amounts due from members, other debtors, cash and bank balances and amounts due in respect of indemnity claims, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

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.

Basic financial liabilities

Basic financial liabilities, including accruals and other creditors, are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Taxation

The company is subject to corporation tax on it's non-mutual income. The company is not subject to UK corporation tax on mutual income earned from its members.

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 tax is charged or credited to surplus or deficit.

Current tax assets and current 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 surplus for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the future obligations of unsettled claims, as well as any loss adjustor fees associated with the settlement of the claims, not yet incurred. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance costs in surplus or deficit in the period in which it arises.

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.

Critical judgements
In the opinion of the directors there are no critical judgements that could cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Claims reserving
A provision is made at the year-end for the estimated cost of claims incurred but not settled at the reporting date. The estimate of the cost of claims includes direct expenses to be incurred in settling claims. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures, including the reported claims' circumstances and any information available from loss adjustors. The estimate of the claims reserve is generally subject to a greater degree of uncertainty than the estimates of the cost of settling claims already notified to the company, because more information about the claim event is usually available. Given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the estimated liability initially provided.

3 Employees

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

	2025 Number	2024 Number
Total	-	-

The company has no employees. The day-to-day management of the company is carried out by the managers, Tower Insurance Brokers Limited.

The company has no pension schemes.

4 Directors' remuneration

	2025 £	2024 £
Remuneration paid to directors	27,139	-

5 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	23,102	8,906

6 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Amounts due from members	491,042	194,856
Other debtors	8,076	7,773
	499,118	202,629

7 Creditors: amounts falling due within one year

	2025	2024
	£	£
Corporation tax	23,102	8,906
Accruals	6,960	6,720
	30,062	15,626

8 Provisions for liabilities

	2025	2024
	£	£
Claims reserve	4,693,860	3,473,260

This amount is an estimate of the potential claim value, which is at the discretion of the board, and loss adjustor fees.

9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.