

Registered number: 2890075

## **ABLE INSURANCE SERVICES LIMITED**

**Annual report and financial statements**  
**for the year ended 31 December 2016**

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## ABLE INSURANCE SERVICES LIMITED

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### Company Information

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<b>Directors</b>	C M Price S D Clarke M A Gabriel
<b>Company secretary</b>	M R Waters
<b>Registered number</b>	2890075
<b>Registered office</b>	Ellipse Ground Floor Padley Road Swansea SA1 8AN
<b>Independent auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ

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**ABLE INSURANCE SERVICES LIMITED**

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## ABLE INSURANCE SERVICES LIMITED

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### Strategic report for the year ended 31 December 2016

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#### Introduction

The Company, which trades under the names of Gladiator and Admiral Van, is an insurance broker, primarily offering van insurance but also other products to individuals and small businesses.

#### Business review

During April 2017, Admiral Group announced its intention to cease operating Able Insurance Services Limited as a commercial van broker, with no new activity undertaken in this area after May 2017. Able will continue to service its remaining customers until their policies are due for renewal, and also continue to act as a broker for public liability insurance going forward.

During 2016, the Company increased its turnover by 7% to £16.7m (2015: £15.7m), driven by increased unit sales. During the year the Company focused on growing the policy base and customer numbers increased from 146,600 to 170,800 at the end of 2016. The increased volume has also led to an increase in the cost base, with administration expenses rising by 8%.

Profit before tax for 2016 was £109,619 (2015: £468,301).

#### Principal risks and uncertainties

Given the Company ceased broking new van policies in May 2017, the principal risks for the Company are around the retention of its remaining customers for public liability policies, along with retention of employees to enable the continuation of the business that remains.

Engagement with customers around the cessation of the van business has been positive to date. The majority of employees have been transferred to Admiral Group's van insurance operation and will remain in the existing building with their costs allocated as appropriate to EUI's Direct Van operation or Gladiator Van, thus mitigating the risk around retention of employees.

This report was approved by the board on 27 September 2017 and signed on its behalf.



**M R Waters**  
Secretary

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## ABLE INSURANCE SERVICES LIMITED

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### Directors' report for the year ended 31 December 2016

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

#### Results and dividends

The profit for the year, after taxation, amounted to £180,674 (2015 - £371,374).

#### Directors

The Directors who served during the year were:

C M Price  
S D Clarke  
M A Gabriel

#### Future developments

Broker services for public liability insurance will continue along with services and operations for existing van customers until their policies expire.

#### Employee involvement

The Company provides employees with regular information on its performance and other information that concerns them. It provides a forum through which employee representatives can give their views on all aspects of the Company.

Every member of staff is invited to attend an annual staff general meeting to achieve a common awareness throughout the Company of the financial and economic factors that affect the performance of the Company and the wider Admiral Group.

#### Disabled employees

In considering applications for employment from disabled people the Company seeks to ensure that fair consideration is given to the abilities and aptitudes of the applicant while having regard to the requirements of the job for which he or she has applied. Employees who become unable to carry out the job for which they were employed are given individual consideration and depending on the nature, severity and duration of the disability may be considered for alternative work, and the Company continues to train and encourage the career development of disabled persons in its employment.

#### Disclosure of information to auditor

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

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

#### Post balance sheet events

As set out above, in April 2017 it was announced that the commercial van broker operation would cease activity.

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**ABLE INSURANCE SERVICES LIMITED**

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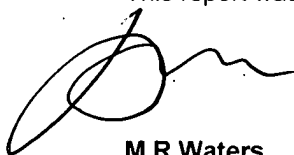
**Directors' report (continued)  
for the year ended 31 December 2016**

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**Auditor**

At the Annual General Meeting of Admiral Group plc on 28 April 2016, shareholders approved the appointment of Deloitte LLP as auditor to the Group and its subsidiaries. Deloitte LLP have indicated a willingness to continue in office and resolutions to reappoint it and to authorise the Directors of Admiral Group plc to fix its remuneration were approved at the Group's Annual General Meeting on 26 April 2017.

This report was approved by the board on 27 September 2017 and signed on its behalf.



**M R Waters**  
Secretary

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## ABLE INSURANCE SERVICES LIMITED

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### **Directors' responsibilities statement for the year ended 31 December 2016**

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The Directors are responsible for preparing the Strategic report, 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 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

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## ABLE INSURANCE SERVICES LIMITED

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### Independent auditor's report to the shareholders of Able Insurance Services Limited

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We have audited the financial statements of Able Insurance Services Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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.

#### Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

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 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.



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**ABLE INSURANCE SERVICES LIMITED**

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**Independent auditor's report to the shareholders of Able Insurance Services Limited (continued)**

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**Opinion on other matter 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.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**Matters on which we are required to report by exception**

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.



Mark McQueen (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
27 September 2017

**ABLE INSURANCE SERVICES LIMITED**

**Statement of comprehensive income  
for the year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover		16,729,915	15,671,688
<b>Gross profit</b>		<b>16,729,915</b>	<b>15,671,688</b>
Administrative expenses		(16,641,231)	(15,267,619)
<b>Operating profit</b>	2	<b>88,684</b>	<b>404,069</b>
Interest receivable and similar income	6	20,935	64,232
<b>Profit before tax</b>		<b>109,619</b>	<b>468,301</b>
Tax on profit	7	71,055	(96,927)
<b>Profit for the year</b>		<b>180,674</b>	<b>371,374</b>
<b>Total comprehensive income for the year</b>		<b>180,674</b>	<b>371,374</b>

The notes on pages 10 to 22 form part of these financial statements.

The statement of comprehensive income relates to continuing operations.

**ABLE INSURANCE SERVICES LIMITED**  
Registered number: 2890075

**Statement of financial position  
as at 31 December 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	8	67,500	124,653
Tangible fixed assets		29,000	40,205
		<u>96,500</u>	<u>164,858</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	21,250,558	16,028,399
Cash at bank and in hand	11	3,476,396	5,205,066
		<u>24,726,954</u>	<u>21,233,465</u>
Creditors: amounts falling due within one year	12	(13,551,850)	(10,497,578)
<b>Net current assets</b>		<u>11,175,104</u>	<u>10,735,887</u>
Creditors: amounts falling due after more than one year		(199,416)	-
		<u>11,072,188</u>	<u>10,900,745</u>
<b>Net assets</b>		<u><u>11,072,188</u></u>	<u><u>10,900,745</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Other reserves	16	352,737	361,968
Profit and loss account	16	10,718,451	10,537,777
		<u>11,072,188</u>	<u>10,900,745</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2017.



**S D Clarke**  
Director

The notes on pages 10 to 22 form part of these financial statements.

**ABLE INSURANCE SERVICES LIMITED**

**Statement of changes in equity  
for the year ended 31 December 2016**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2015</b>	<b>1,000</b>	<b>204,108</b>	<b>10,166,403</b>	<b>10,371,511</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	371,374	371,374
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>371,374</b>	<b>371,374</b>
Deferred tax credit on share scheme charges	-	157,860	-	157,860
<b>Total transactions with owners</b>	<b>-</b>	<b>157,860</b>	<b>-</b>	<b>157,860</b>
<b>At 1 January 2016</b>	<b>1,000</b>	<b>361,968</b>	<b>10,537,777</b>	<b>10,900,745</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	180,674	180,674
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>180,674</b>	<b>180,674</b>
Deferred tax charge on share scheme charges	-	(9,231)	-	(9,231)
<b>Total transactions with owners</b>	<b>-</b>	<b>(9,231)</b>	<b>-</b>	<b>(9,231)</b>
<b>At 31 December 2016</b>	<b>1,000</b>	<b>352,737</b>	<b>10,718,451</b>	<b>11,072,188</b>

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## ABLE INSURANCE SERVICES LIMITED

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### Notes to the financial statements for the year ended 31 December 2016

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements of Able Insurance Services Limited for the year ended 31 December 2016 were authorised for issue by the board of directors on 26 September 2017 and the statement of financial position was signed on the board's behalf by Stuart Clarke, Director. Able Insurance Services Limited is a limited company incorporated and domiciled in the United Kingdom and registered in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The amendments to FRS 101 (2015/16 Cycle) issued in June 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Management do not consider there to be any significant accounting estimates or use of judgement in applying the Company's accounting policies.

##### 1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements to produce a cash flow statement, a third balance sheet and to make an explicit and unreserved statement of compliance with IFRSs
- FRS 101.8 (h): the requirements of IAS 7 Statements of Cash Flows to produce a cash flow statement
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to include a list of new IFRSs that have been issued but that have yet to be applied
- FRS 101.8 (k): the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to transaction is wholly owned by such a member
- FRS 101.8 (l): the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets to disclose details of valuation techniques and assumptions used for assets held at fair value less cost to sell categorised as Level 2 and Level 3 in accordance with the IFRS 13 fair value hierarchy (where equivalent disclosures are made in the group's consolidated financial statements)

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The Company's parent undertaking, Admiral Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Admiral Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary at the registered office – Ty Admiral, David Street, Cardiff, CF10 2EH.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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## ABLE INSURANCE SERVICES LIMITED

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### Notes to the financial statements for the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.3 Going concern

As set out in the Director's report, the Company ceased its commercial van broker operations in May 2017. However, the broker operation for public liability insurance remains and there are no plans for the Company to fully cease trading. The financial statements have therefore been prepared on a going concern basis.

In considering this assumption, the Board has also reviewed the Company's projections for the next 12 months from signing the financial statements. The Company is in a strong net assets position and has no external debt.

The Directors therefore have a reasonable expectation that the Company has the intention and adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

##### 1.4 Revenue

Turnover comprises the commission and related income on sales of small commercial vehicle insurance and ancillary products within the United Kingdom. Commission income is credited to the profit and loss account upon sale of the related underlying policy. Instalment income is credited to the profit and loss account over the period of the related underlying policy.

##### 1.5 Intangible assets

Software licences are classified as intangible assets, and stated in the balance sheet at cost less accumulated amortisation. Amortisation is provided to write off the cost of the licence over the licence term, typically 4 years.

##### 1.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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## ABLE INSURANCE SERVICES LIMITED

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### Notes to the financial statements for the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- 4 years
Fixtures and fittings	- 4 years
Office equipment	- 4 years
Computer equipment	- 4 years

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 Statement of comprehensive income.

##### 1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 1.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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## ABLE INSURANCE SERVICES LIMITED

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### Notes to the financial statements for the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.10 Share based payments

Able Insurance Services Limited's ultimate parent undertaking, Admiral Group Plc, operates a number of equity settled compensation schemes for its employees. For schemes commencing 1 January 2004 and after, the fair value of the employee services received in exchange for the grant of free shares under the schemes is recognised as an expense, with a corresponding increase in equity.

The total charge expensed over the vesting period is determined by reference to the fair value of the free shares granted as determined at the grant date (excluding the impact of non-market vesting conditions). Non-market conditions such as profitability targets as well as staff attrition rates are included in assumptions over the number of free shares to vest under the applicable scheme. At each balance sheet date, the Group revises its assumptions on the number of shares to be granted with the impact of any change in the assumptions recognised through income.

Admiral Group Plc recharges the share scheme expenses to Able Insurance Services Limited, as Able Insurance Services Limited has received the benefit of the employees' services.

##### 1.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

##### 1.12 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

##### 1.13 Interest income

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



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## ABLE INSURANCE SERVICES LIMITED

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### Notes to the financial statements for the year ended 31 December 2016

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#### 1. Accounting policies (continued)

##### 1.14 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 reporting 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 Statement of financial position 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 reporting date.

# ABLE INSURANCE SERVICES LIMITED

## Notes to the financial statements for the year ended 31 December 2016

### 2. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	23,070	69,496
Amortisation of intangible assets	57,153	67,156
Operating lease rentals	267,382	351,236
	<u>267,382</u>	<u>351,236</u>

### 3. Auditor's remuneration

Fees payable in respect of the audit of the financial statements and for other services provided to the Company were as follows:

	2016 £	2015 £
Fees for the audit of the Company	14,520	15,000
	<u>14,520</u>	<u>15,000</u>

### 4. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	6,223,594	5,584,799
Social security costs	489,173	430,883
Share scheme costs	1,401,435	1,254,821
	<u>8,114,202</u>	<u>7,270,503</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No.	2015 No.
Direct customer contact staff	158	144
Support staff	127	113
	<u>285</u>	<u>257</u>

**ABLE INSURANCE SERVICES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2016**

**5. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	61,928	56,919
Amounts receivable under long term incentive schemes	56,787	50,651
	<u>118,715</u>	<u>107,570</u>

**6. Interest receivable**

	2016 £	2015 £
Other interest receivable	20,935	64,232
	<u>20,935</u>	<u>64,232</u>

**7. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	(80,584)	25,077
Adjustments in respect of previous periods	23,963	(5,689)
	<u>(56,621)</u>	<u>19,388</u>
<b>Total current tax</b>	<u>(56,621)</u>	<u>19,388</u>
<b>Deferred tax</b>		
Current period deferred taxation	115,523	77,539
Adjustments in respect of previous periods	(129,957)	-
<b>Total deferred tax</b>	<u>(14,434)</u>	<u>77,539</u>
<b>Taxation on profit</b>	<u>(71,055)</u>	<u>96,927</u>

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ABLE INSURANCE SERVICES LIMITED

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Notes to the financial statements  
for the year ended 31 December 2016

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7. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2015 - *higher than*) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit before tax	109,619	468,301
Profit multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	21,924	94,831
Effects of:		
Expenses not deductible for tax purposes	8,749	3,036
Adjustments to tax charge in respect of prior periods	(105,994)	(5,687)
Difference in tax rate on deferred tax	4,266	4,747
Total tax (credit)/charge for the year	(71,055)	96,927

Factors that may affect future tax charges

The UK corporation tax rate reduced from 21% to 20% on 1 April 2015. The average effective rate of tax for 2016 is 20.00% (2015: 20.25%). Further reductions to the main rate of corporation tax to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted on 26 October 2015 and 15 September 2016 respectively. This will reduce the Company's future current tax charge accordingly.

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ABLE INSURANCE SERVICES LIMITED

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Notes to the financial statements  
for the year ended 31 December 2016

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8. Intangible assets

	Software £
<b>Cost</b>	
At 1 January 2016	714,589
At 31 December 2016	<u>714,589</u>
<b>Amortisation</b>	
At 1 January 2016	589,936
Charge for the year	57,153
At 31 December 2016	<u>647,089</u>
<b>Net book value</b>	
At 31 December 2016	<u>67,500</u>
At 31 December 2015	<u>124,653</u>

**ABLE INSURANCE SERVICES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2016**

**9. Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2016	208,438	296,630	127,034	997,024	1,629,126
Additions	1,125	10,740	-	-	11,865
At 31 December 2016	209,563	307,370	127,034	997,024	1,640,991
<b>Depreciation</b>					
At 1 January 2016	199,136	274,164	124,995	990,626	1,588,921
Charge for the period on owned assets	3,318	11,445	2,039	6,268	23,070
At 31 December 2016	202,454	285,609	127,034	996,894	1,611,991
<b>Net book value</b>					
At 31 December 2016	7,109	21,761	-	130	29,000
At 31 December 2015	9,302	22,466	2,039	6,398	40,205

**10. Debtors**

	2016 £	2015 £
Trade debtors	18,370,551	15,555,487
Amounts owed by group undertakings	2,000,000	-
Other debtors	674,045	260,060
Prepayments and accrued income	96,940	109,033
Deferred taxation	109,022	103,819
	<u>21,250,558</u>	<u>16,028,399</u>

**ABLE INSURANCE SERVICES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2016**

**11. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	3,476,396	5,205,066
	<u>3,476,396</u>	<u>5,205,066</u>

**12. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	4,729,913	4,039,760
Amounts owed to group undertakings	3,232,483	1,679,299
Corporation tax	-	25,077
Other creditors	3,771,185	3,214,649
Accruals and deferred income	1,818,269	1,538,793
	<u>13,551,850</u>	<u>10,497,578</u>

Included within other creditors is an indemnity claim provision balance for which a settlement amount has not been agreed at the date of signing. Given the size of this provision in the context of the Company's operating profit, a settlement amount that is significantly different from the amount provided may have a material impact on the operating profit and net asset position of the Company. No separate disclosure has been made of the provision as it is considered that this would seriously prejudice the position of the Company in the resolution of the case.

**13. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Onerous contracts	199,416	-
	<u>199,416</u>	<u>-</u>

This provision represents the costs of service contracts that will no longer be fully utilised once the commercial van broker operation has ceased servicing its remaining customers.

**ABLE INSURANCE SERVICES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2016**

**14. Deferred taxation**

	2016 £	2015 £
At beginning of year	103,819	23,498
Credited/(charged) to the profit or loss	14,434	(77,539)
(Charged)/credited to other reserves	(9,231)	157,860
<b>At end of year</b>	<b>109,022</b>	<b>103,819</b>

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	45,765	48,611
Share schemes	61,257	53,208
Other timing differences	2,000	2,000
	<b>109,022</b>	<b>103,819</b>

**15. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

**16. Reserves**

**Other reserves**

Other reserves relate to deferred tax credits on share schemes. See the statement of changes in equity.



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**ABLE INSURANCE SERVICES LIMITED**

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**Notes to the financial statements  
for the year ended 31 December 2016**

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**17. 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	320,386	320,386
Later than 1 year and not later than 5 years	-	1,073,041
Later than 5 years	-	846,406
	<u>320,386</u>	<u>2,239,833</u>

As a result of the Company ceasing trading in May 2017 and the building being utilised by another Group entity, no future operating lease commitments in respect of land and buildings are payable by the Company beyond 2017.

**18. Controlling party**

The Company's immediate and ultimate parent undertaking is Admiral Group plc, a Company registered in England & Wales. The consolidated accounts of Admiral Group plc are the only accounts in which the results of the Company are included. Copies of the Admiral Group plc financial statements can be obtained from the Company Secretary at Ty Admiral, David Street, Cathays, Cardiff CF10 2EH.

**19. Post balance sheet events**

In April 2017 the Company announced its intention to cease its commercial van operation, with no new policies brokered after May 2017. The Company continues to broker public liability insurance. As a result, it is estimated that annual turnover will reduce to approximately £500k in future periods.