

Registered number: 2890075

ABLE INSURANCE SERVICES LIMITED

**Directors' report and financial statements
for the year ended 31 December 2013**

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ABLE INSURANCE SERVICES LIMITED

Company Information

DIRECTORS	D G Stevens (resigned 11 September 2013) C M Price S D Clarke M Gabriel (appointed 13 August 2013)
COMPANY SECRETARY	M R Waters
REGISTERED NUMBER	2890075
REGISTERED OFFICE	Ellipse Ground Floor Padley Road Swansea SA1 8AN
INDEPENDENT AUDITOR	KPMG Audit Plc 3 Assembly Square Britannia Quay Cardiff CF10 4AX
BANKERS	Lloyds Bank PO Box 72 Bailey Drive Gillingham Business Park ME8 0LS

ABLE INSURANCE SERVICES LIMITED

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ABLE INSURANCE SERVICES LIMITED

Strategic report for the year ended 31 December 2013

INTRODUCTION

The company, which trades under the name of Gladiator Commercial, is an insurance broker, primarily offering van insurance but also other products to individuals and small businesses.

BUSINESS REVIEW

The turnover for the business showed growth in 2013 rising 12% from the 2012 level; this has been driven by increased unit sales. The increased volume has also lead to an increase in the cost base, with admin expenses rising by 15%.

Profit before taxation fell slightly during the year from £1.2m to £1.0m. There were several drivers of this; revenue grew however this was more than offset by higher acquisition and staff costs.

PRINCIPAL RISKS AND UNCERTAINTIES

Management expects total premium to increase slightly within 2014, although the level of competition within the market remains high.

Management is confident that Gladiator has the appropriate strategies in place to maintain its operating margin in this environment.

This report was approved by the board on 19 August 2014 and signed on its behalf.



M R Waters
Company Secretary

ABLE INSURANCE SERVICES LIMITED

Directors' report for the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £849,946 (2012 - £895,951).

Interim dividends of £NIL per share have been paid (2012 - £NIL). No final dividend has been declared (2012 - £NIL).

DIRECTORS

The directors who served during the year were:

D G Stevens (resigned 11 September 2013)
C M Price
S D Clarke
M Gabriel (appointed 13 August 2013)

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

AUDITOR

KPMG Audit Plc informed the Company that they wished to formally change the entity which conducts the Company's audit from KPMG Audit Plc to KPMG LLP. The directors are proposing that KPMG LLP will be appointed auditor of the Company.

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



M R Waters
Secretary

Date: 19 August 2014

Ellipse Ground Floor
Padley Road
Swansea
SA1 8AN

ABLE INSURANCE SERVICES LIMITED

Directors' responsibilities statement for the year ended 31 December 2013

The directors are responsible for preparing the Directors' report, Strategic 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 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;
- 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.

ABLE INSURANCE SERVICES LIMITED

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

We have audited the financial statements of Able Insurance Services Limited for the year ended 31 December 2013, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Salim Tharani (Senior statutory auditor)

for and on behalf of
KPMG Audit Plc, Statutory Auditor

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

20 August 2014

ABLE INSURANCE SERVICES LIMITED

**Profit and loss account
for the year ended 31 December 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	13,892,857	12,415,260
Administrative expenses		<u>(12,943,987)</u>	<u>(11,300,495)</u>
OPERATING PROFIT	3	948,870	1,114,765
Interest receivable and similar income		<u>33,560</u>	<u>41,840</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		982,430	1,156,605
Tax on profit on ordinary activities	7	<u>(132,484)</u>	<u>(260,654)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>849,946</u>	<u>895,951</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 15 form part of these financial statements.

ABLE INSURANCE SERVICES LIMITED
Registered number: 2890075

Balance sheet
as at 31 December 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		228,900		427,722
Investments	9		1		1
			<u>228,901</u>		<u>427,723</u>
CURRENT ASSETS					
Debtors	10	16,542,795		13,877,690	
Cash at bank		4,219,103		5,602,087	
		<u>20,761,898</u>		<u>19,479,777</u>	
CREDITORS: amounts falling due within one year	11	<u>(11,431,913)</u>		<u>(11,198,560)</u>	
NET CURRENT ASSETS			<u>9,329,985</u>		<u>8,281,217</u>
NET ASSETS			<u>9,558,886</u>		<u>8,708,940</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>9,557,886</u>		<u>8,707,940</u>
SHAREHOLDERS' FUNDS	15		<u>9,558,886</u>		<u>8,708,940</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2014.



S D Clarke
Director

The notes on pages 7 to 15 form part of these financial statements.

ABLE INSURANCE SERVICES LIMITED

Notes to the financial statements for the year ended 31 December 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

1.2 Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Company's projections for the next twelve months and beyond, including cash flow forecasts and regulatory capital surpluses. The Company has no debt.

As a result of this review the Directors have satisfied themselves that it is appropriate to prepare these financial statements on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to ST leasehold buildings	-	4 years
Furniture and fittings	-	4 years
Office equipment	-	4 years
Computer equipment and software	-	4 years

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

ABLE INSURANCE SERVICES LIMITED

Notes to the financial statements for the year ended 31 December 2013

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 Employee share schemes

Able Insurance Services Limited's ultimate parent undertaking, Admiral Group Plc, operates a number of equity settled compensation schemes for its employees. For these schemes, 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.

The parent company recharges the share scheme expenses to Able Insurance Services Limited, as it has received the benefit of the employees' services.

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

2. TURNOVER

All turnover arose within the United Kingdom.

Analysis of gross income and turnover derived therefrom:

	2013 £	2012 £
Premiums Written	61,320,034	54,213,348
Commissions Earned	13,892,857	12,415,260
Total turnover	<u>13,892,857</u>	<u>12,415,260</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets: - owned by the company	200,739	335,661
Operating lease rentals: - other operating leases	<u>214,928</u>	<u>161,904</u>

During the year, no director received any emoluments (2012 - £NIL).

4. AUDITOR'S REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>12,865</u>	<u>14,400</u>

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

5. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	4,388,965	4,183,039
Social security costs	319,827	317,883
Share scheme charges	1,248,612	1,174,189
	<u>5,957,404</u>	<u>5,675,111</u>

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

2013 No.	2012 No.
<u>202</u>	<u>193</u>

6. DIRECTORS' REMUNERATION

Directors are remunerated by another group company, EUI Limited. In the current and prior year, the company did not make any payments to EUI Limited in respect of directors' services.

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	76,136	379,347
Deferred tax (see note 12)		
Origination and reversal of timing differences	56,348	(118,693)
Tax on profit on ordinary activities	<u>132,484</u>	<u>260,654</u>

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

7. TAXATION (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>982,430</u>	<u>1,156,605</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	228,415	283,368
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,744	7,350
Capital allowances for year in excess of depreciation	26,710	52,635
Adjustments to tax charge in respect of prior periods	(86,314)	24,681
Other timing differences leading to an increase (decrease) in taxation	(29,063)	(30,626)
Other tax charge (relief) on exceptional items	(65,356)	41,939
Current tax charge for the year (see note above)	<u>76,136</u>	<u>379,347</u>

Factors that may affect future tax charges

Reductions in the rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

8. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2013	197,614	291,921	111,591	1,494,272	2,095,398
Additions	-	575	-	1,342	1,917
At 31 December 2013	197,614	292,496	111,591	1,495,614	2,097,315
Depreciation					
At 1 January 2013	176,887	235,834	41,826	1,213,129	1,667,676
Charge for the year	17,362	28,943	21,561	132,873	200,739
At 31 December 2013	194,249	264,777	63,387	1,346,002	1,868,415
Net book value					
At 31 December 2013	3,365	27,719	48,204	149,612	228,900
At 31 December 2012	20,727	56,087	69,765	281,143	427,722

9. FIXED ASSET INVESTMENTS

	Unlisted investments £
Cost or valuation	
At 1 January 2013 and 31 December 2013	10,667
Impairment	
At 1 January 2013 and 31 December 2013	10,666
Net book value	
At 31 December 2013	1
At 31 December 2012	1

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

10. DEBTORS

	2013 £	2012 £
Trade debtors	16,049,810	13,488,401
Other debtors	364,011	226,772
Prepayments and accrued income	45,945	23,140
Deferred tax asset (see note 12)	83,029	139,377
	<u>16,542,795</u>	<u>13,877,690</u>

11. CREDITORS:

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	4,385,221	3,983,608
Amounts owed to group undertakings	3,382,983	4,209,952
Corporation tax	1,110,605	1,034,469
Other creditors	919,697	652,721
Accruals and deferred income	1,633,407	1,317,810
	<u>11,431,913</u>	<u>11,198,560</u>

12. DEFERRED TAX ASSET

	2013 £	2012 £
At beginning of year	139,377	20,684
Other movement (P&L)	(56,348)	118,693
	<u>83,029</u>	<u>139,377</u>

13. SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

14. RESERVES

	Profit and loss account £
At 1 January 2013	8,707,940
Profit for the financial year	849,946
	<u>9,557,886</u>
At 31 December 2013	<u>9,557,886</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	8,708,940	7,812,989
Profit for the financial year	849,946	895,951
	<u>9,558,886</u>	<u>8,708,940</u>
Closing shareholders' funds	<u>9,558,886</u>	<u>8,708,940</u>

16. CAPITAL COMMITMENTS

At 31 December 2013 the company had capital commitments as follows:

	2013 £	2012 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>-</u>

17. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	2012 £
Expiry date:		
Within 1 year	90,654	215,872
Between 2 and 5 years	176,335	-
	<u>90,654</u>	<u>215,872</u>

18. RELATED PARTY TRANSACTIONS

As the results of the Company are included in the consolidated financial statements of Admiral Group plc, which are publicly available, and the Company is a wholly owned subsidiary, the Company has taken advantage of the exemption from the requirement to disclose transactions with other group companies.

ABLE INSURANCE SERVICES LIMITED

**Notes to the financial statements
for the year ended 31 December 2013**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate and immediate parent company is Admiral Group plc. Copies of the consolidated group financial statements of Admiral Group plc (in which the results of the Company are consolidated) can be obtained from the Company Secretary at the registered office, Capital Tower, Greyfriars Road, Cardiff, CF10 3AZ.