

Registrar's Copy

**Academy Insurance Services  
Limited**

Annual Report and Financial Statements

Year Ended

30 June 2018

Registered Company Number 03041967



# Academy Insurance Services Limited

## Company Information

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<b>Directors</b>	V Farrelly N Turner
<b>Company secretary</b>	Blackshaw Secretaries Limited
<b>Registered number</b>	03041967
<b>Registered office</b>	Unit 11 Horseshoe Park Horseshoe Road Pangbourne Berkshire RG8 7JW
<b>Independent auditor</b>	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX

# Academy Insurance Services Limited

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# Academy Insurance Services Limited

## Strategic Report for the Year Ended 30 June 2018

The directors present their strategic report, together with the directors' report and the audited financial statements, for the year ended 30 June 2018.

### Trading review

As forecast last year, legislation continued to have an adverse impact on industry incomes. Despite this the directors are happy with a strong sales performance this year. Policy count and income remained static even due to further erosion of income from our third party claims services.

### Principal risks and uncertainties

The domestic motor insurance market experienced re adjustment with the legislation regarding minor injury payments. More recently the government introduced new Ogden tables substantially reducing the expected level of return from injury compensation investment. This in turn resulted in premium rises across all classes of liability insurance. The government is still reviewing the impact of their decision and may indeed introduce a differential which will result in a further reduction of premiums going forward.

### Objectives and strategies

The directors are excited about the future years' trading with growth of clients and premium at the forefront along with continued acquisitions to boost the portfolio. Continued shift to commercial clients will continue to be one of their priorities.

### Key performance indicators

The directors consider turnover, operating profit before amortisation, impairment and provisions and cash balances to be the key performance indicators for the business. All of these are disclosed within the financial statements and the directors continue to be pleased with how the company is performing in relation to these:

### Financial KPI's

	2018 £	2017 £	Movement £
Turnover	9,100,563	9,278,459	(177,896)
Operating profit before amortisation, impairment and exceptional costs	2,347,580	2,040,378	307,202
Cash balance*	368,902	135,213	(233,689)

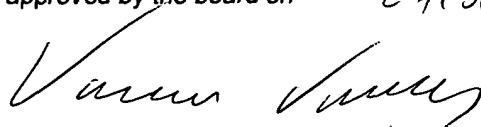
\* Cash balance excludes balances held in client accounts (note 14), which are not company assets.

This report was approved by the board on

27/3/2019

and signed on its behalf.

V Farrelly  
Director



# **Academy Insurance Services Limited**

## **Directors' Report For the Year Ended 30 June 2018**

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The directors present their report, together with the audited financial statements for the year ended 30 June 2018.

### **Principal activity**

The company is a retail insurance broker.

### **Business review**

The strategic report on page 1 includes a summary of performance for the year to 30 June 2018 and details of the principal risks and uncertainties, strategic objectives and key performance indicators of the company.

### **Directors' responsibilities statement**

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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,038,668 (2017 - £1,139,255).

During the year, the directors declared no dividend (2017 - £Nil) per ordinary share, giving a total dividend of £Nil for the year (2017 - £Nil).

In March 2019 an ordinary dividend of £78,775 was declared.

### **Directors**

The directors who served during the year were:

V Farrelly (appointed 29 June 2018)  
N Turner (appointed 29 June 2018)  
D Bard (resigned 29 June 2018)  
K Munn (resigned 29 June 2018)

At 30 June 2018, third party indemnity provision for the benefit of the company's directors was in force.

# Academy Insurance Services Limited

## Directors' Report (continued) For the Year Ended 30 June 2018

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### 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

There have been no significant events affecting the company since the year end.

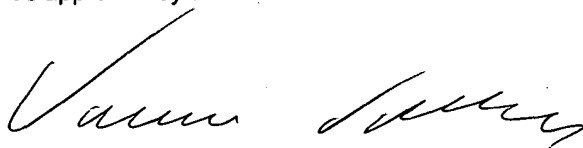
### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

27/3/2019

and signed on its behalf.



**V Farrelly**  
Director

# **Academy Insurance Services Limited**

## **Independent Auditor's Report to the Members of Academy Insurance Services Limited**

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### **Opinion**

We have audited the financial statements of Academy Insurance Services Limited ("the company") for the year ended 30 June 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related 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 Financial Reporting Standard 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 30 June 2018 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.

# **Academy Insurance Services Limited**

## **Independent Auditor's Report to the Members of Academy Insurance Services Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### **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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.



# Academy Insurance Services Limited

## Independent Auditor's Report to the Members of Academy Insurance Services Limited (continued)

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### Responsibilities of directors

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, and for such internal control as the directors determines 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 at the Financial Reporting Council's website at: <https://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.

*BDO LLP*

**Christopher Pooles** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Reading  
United Kingdom

*27 MARCH 2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Academy Insurance Services Limited

## Statement of Comprehensive Income For the Year Ended 30 June 2018

	Note	2018 £	2017 £
Turnover		9,100,563	9,278,459
Administrative expenses		(6,902,100)	(7,637,579)
<b>Operating profit</b>	5	<b>2,198,463</b>	1,640,880
Interest payable	8	(14,652)	(35,236)
<b>Profit before tax</b>		<b>2,183,811</b>	1,605,644
Tax on profit	9	(145,143)	(466,389)
<b>Profit for the financial year</b>		<b>2,038,668</b>	1,139,255

All amounts relate to continuing activities.

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 10 to 25 form part of these financial statements.

# Academy Insurance Services Limited

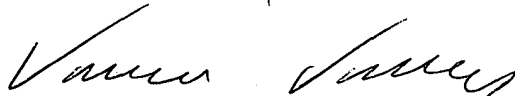
Registered number: 03041967

## Balance Sheet As at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	10	21,226	136,205
Tangible assets	11	145,511	207,450
Investments	12	1,589,142	1,589,142
		<u>1,755,879</u>	<u>1,932,797</u>
<b>Current assets</b>			
Debtors	13	3,857,098	3,798,198
Cash at bank		1,444,254	1,122,369
		<u>5,301,352</u>	<u>4,920,567</u>
Creditors: amounts falling due within one year	15	(6,777,759)	(6,579,024)
<b>Net current liabilities</b>		<u>(1,476,407)</u>	<u>(1,658,457)</u>
Creditors: amounts falling due in greater than one year	16	-	(2,033,536)
<b>Net assets/(liabilities)</b>		<u><u>279,472</u></u>	<u><u>(1,759,196)</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	260,000	260,000
Capital contribution	20	50,000	50,000
Profit and loss account	20	(30,528)	(2,069,196)
<b>Total equity</b>		<u><u>279,472</u></u>	<u><u>(1,759,196)</u></u>

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

27/3/2019



**V Farrelly**  
Director

The notes on pages 10 to 25 form part of these financial statements.

# Academy Insurance Services Limited

## Statement of Changes in Equity For the Year Ended 30 June 2018

	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
At 1 July 2017	260,000	50,000	(2,069,196)	(1,759,196)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,038,668	2,038,668
<b>Total comprehensive income for the year</b>	-	-	2,038,668	2,038,668
<b>At 30 June 2018</b>	<b>260,000</b>	<b>50,000</b>	<b>(30,528)</b>	<b>279,472</b>

## Statement of Changes in Equity For the Year Ended 30 June 2017

	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
At 1 July 2016	260,000	50,000	(3,208,451)	(2,898,451)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,139,255	1,139,255
<b>Total comprehensive income for the year</b>	-	-	1,139,255	1,139,255
<b>At 30 June 2017</b>	<b>260,000</b>	<b>50,000</b>	<b>(2,069,196)</b>	<b>(1,759,196)</b>

The notes on pages 10 to 25 form part of these financial statements.

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

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### 1. General information

Academy Insurance Services Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

### 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Unbeatable Group Limited as at 30 June 2018 and these financial statements may be obtained from Companies House.

#### 2.3 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate. The company made a profit after taxation of £2,038,668 (2017 - £1,139,255) for the year, had net current liabilities of £1,476,407 (2017 - net current liabilities of £1,658,457) and had net assets of £279,472 (2017 - net liabilities of £1,759,196) at the balance sheet date.

The directors of the company have prepared cash flow forecasts and considered the cash flow requirement for the company for a period including twelve months from the date of approval of these financial statements. These projections show that no financing will be required from external parties during that period. Based on these projections the company's directors, who are also the only equity shareholders and directors of the parent company, consider that the company will have sufficient cash resources during this period to pay its liabilities as they fall due. As a result of the above the directors have prepared the financial statements on a going concern basis.

#### 2.4 Revenue

Turnover represents commissions and fees earned from insurance policies sold, recognised when the company has performed its obligations which is normally when the policy concerned incepts.

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

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### 2. Accounting policies (continued)

#### 2.5 Intangible assets

##### Goodwill

Goodwill acquired after the date of transition to FRS 102 represents the excess of the cost of a business combination over the fair value of the share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is present in the company due to the hive-up of the acquired company's net assets into the company and thus the recognition of goodwill and intangible assets rather than an investment. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 5 years. Goodwill is being amortised to 'administrative expenses' over periods ranging from 2 to 5 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

##### Other intangible assets

Where an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. Amortisation is charged to administration expenses in profit and loss so as to allocate the cost of assets over their estimated useful lives, using the straight line method. The estimated useful lives are as follows:

Books of insurance policies - 2 - 3 years

The initial fair value at the acquisition date and estimated useful lives of intangible assets is derived by reference to the company's past acquisitions of similar intangible assets.

#### 2.6 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.

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:

Motor vehicles	- 20% - 33% per annum
Fixtures and fittings	- 20% per annum
Computer equipment	- 20% per annum

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.

# **Academy Insurance Services Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2018**

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### **2. Accounting policies (continued)**

#### **2.7 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset, or cash-generating unit (CGU) to which the asset has been allocated, is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### **2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where the assets of a subsidiary are hived-up into the company, the excess of the investment value over net assets is recognised instead as goodwill and intangible assets.

#### **2.9 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.

#### **2.10 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.

#### **2.11 Financial assets**

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instruments contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### **2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

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### 2. Accounting policies (continued)

#### 2.13 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.

#### 2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

#### 2.15 Leased assets

All of the company's leases are operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 July 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 July 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Where the company has a legal obligation, a dilapidation's provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

#### 2.16 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.



# **Academy Insurance Services Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2018**

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### **2. Accounting policies (continued)**

#### **2.18 Assets and liabilities relating to insurance transactions**

The company acts as an agent in placing the insurance business of its clients; the company is not liable as principal for amounts arising from such transactions. The company is entitled to retain any investment income arising from the cash flows attributable to these transactions and has therefore included debtors, creditors and cash balances relating to insurance transactions within the assets and liabilities of the company.

#### **2.19 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.

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Leases (see note 22)

Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. The company has concluded all leases are operating leases.

- Intangible assets, including goodwill (see note 10)

Determine whether there are indicators of impairment of the company's intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

- Creditors and liabilities (see note 15 and 16)

Liabilities are recognised at the balance sheet date and include amounts for accrued holiday pay, bonuses, legal costs and other accruals. Although these amounts are reviewed on a regular basis and adjusted to reflect management's best current estimates, the judgemental nature of these items means that future amounts settled may be different from those provided.

#### *Other key sources of estimation uncertainty*

- Intangible fixed assets - books of business (see note 10)

In determining the fair value and useful life of acquired books of business the past performance of similar assets is assessed. The performance of these assets may be different to their expected performance and thus the actual value may be higher or lower than that included in the accounts. The nature, facts and circumstances of acquired assets are assessed in the valuation methodology.

### 4. Turnover

	2018 £	2017 £
Standard commission	4,902,667	4,840,750
Standard fees	2,927,143	3,269,849
Other insurance related income	1,270,753	1,167,860
	<u>9,100,563</u>	<u>9,278,459</u>

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Tangible fixed assets - depreciation	99,530	126,334
Intangible fixed assets - amortisation	148,941	399,498
Auditors remuneration:		
- audit services	29,950	29,950
- services relating to taxation	5,700	5,700
- all other services	14,050	14,050
Operating lease rentals - land and buildings	338,070	322,301
	<u>338,070</u>	<u>322,301</u>

### 6. Employees

Staff costs (including directors) consist of:

	2018 £	2017 £
Staff salaries	3,376,561	3,643,636
Staff national insurance	384,833	381,188
Staff pension costs - defined contribution schemes	96,187	41,280
	<u>3,857,581</u>	<u>4,066,104</u>

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

	2018	2017
Sales	87	97
Administration	37	42
Directors	2	2
Non executive directors	2	-
	<u>128</u>	<u>141</u>

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	<b>62,714</b>	178,267

There was one director (2017 - one) in the company's defined contribution pension scheme during the year. The key management personnel of the company are considered to be its directors.

Interest free directors' loans of £95,140 and £133,960 were outstanding from K Munn and D Bard respectively at 30 June 2018. No loan amounts were repaid during the year and the full loan balances outstanding were settled after the year end. No loan amount was waived and no loan amounts were written off.

### 8. Interest payable and similar expenses

	2018 £	2017 £
Interest on other loans	<b>14,652</b>	12,030
Interest accrued on corporation tax liabilities	-	23,206
	<b>14,652</b>	35,236

### 9. Taxation

	2018 £	2017 £
<b>Corporation tax</b>		
UK corporation tax on profit of the year	<b>75,038</b>	415,311
Adjustments in respect of previous periods	<b>70,105</b>	57,527
<b>Total current tax</b>	<b>145,143</b>	472,838
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(52,467)
Effect of tax rate change on opening balance	-	60
Adjustments in respect of prior periods	-	45,958
<b>Total deferred tax</b>	-	(6,449)
<b>Taxation on profit on ordinary activities</b>	<b>145,143</b>	466,389

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 -19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	2,183,811	1,605,644
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 -19.75%)	414,924	317,126
Effects of:		
Fixed asset differences	5,030	1,778
Expenses not deductible for tax purposes	4,299	35,451
Other permanent differences	(352,963)	-
Adjustment for change in deferred tax rate	4,147	8,549
Adjustment to tax change in respect of prior periods	69,706	103,485
<b>Total tax charge for the year</b>	<b>145,143</b>	<b>466,389</b>

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 10. Intangible assets

	Books of insurance policies £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2017	954,448	2,966,414	3,920,862
Additions	33,962	-	33,962
Disposals	(360,000)	(2,966,414)	(3,326,414)
At 30 June 2018	628,410	-	628,410
<b>Amortisation</b>			
At 1 July 2017	818,243	2,966,414	3,784,657
Charge for the year	148,941	-	148,941
On disposals	(360,000)	(2,966,414)	(3,326,414)
At 30 June 2018	607,184	-	607,184
<b>Net book value</b>			
At 30 June 2018	21,226	-	21,226
At 30 June 2017	136,205	-	136,205

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 11. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2017	115,907	584,856	602,220	1,302,983
Additions	-	68,102	18,066	86,168
Disposals	(115,907)	(176,844)	(207,423)	(500,174)
At 30 June 2018	-	476,114	412,863	888,977
<b>Depreciation</b>				
At 1 July 2017	46,383	507,314	541,836	1,095,533
Charge for the year on owned assets	20,884	41,465	37,181	99,530
Disposals	(67,267)	(176,907)	(207,423)	(451,597)
At 30 June 2018	-	371,872	371,594	743,466
<b>Net book value</b>				
At 30 June 2018	-	104,242	41,269	145,511
At 30 June 2017	69,524	77,542	60,384	207,450

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 12. Investments

	£
<b>Cost</b>	
At 1 July 2017	1,589,142
At 30 June 2018	<u>1,589,142</u>
<b>Net book value</b>	
At 30 June 2018	<u>1,589,142</u>
At 30 June 2017	<u>1,589,142</u>

Investments represent the company's interest in its wholly owned subsidiary undertakings. Each of the company's subsidiary undertakings is registered in the United Kingdom.

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Glynwood Insurance Services Limited	Ordinary	100 %	Retail insurance broker

The registered office of Glynwood Insurance Services Limited is Unit 11, Horseshoe Park, Horseshoe Road, Pangbourne, RG8 7JW.

The aggregate of the share capital and reserves as at 30 June 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Glynwood Insurance Services Limited	<u>361,876</u>	<u>6,793</u>



# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 13. Debtors

	2018 £	2017 £
Insurance transaction debtors	1,784,150	1,868,072
Amounts owed by group undertakings	1,031,674	959,674
Other debtors	274,503	220,238
Prepayments	677,862	696,730
Deferred tax asset	88,909	53,484
	<b>3,857,098</b>	<b>3,798,198</b>

All amounts shown under debtors fall due for payment within one year.

### 14. Cash at bank

Cash at bank at the year end includes insurance premiums due on behalf of customers placed in a separate clients' account amounting to £1,075,352 (2017 - £987,057).

### 15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Insurance transaction creditors	2,821,932	2,855,129
Trade creditors	338,143	165,315
Corporation tax	110,640	402,838
Taxation and social security	95,370	81,736
Other creditors	460,856	905,986
Amount owed to group undertaking	2,377,740	209,400
Accruals and deferred income	573,078	1,118,620
HMRC settlement liability	-	840,000
	<b>6,777,759</b>	<b>6,579,024</b>

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 16. Creditors: amounts falling due in greater than one year

	2018 £	2017 £
HMRC settlement liability	-	2,033,536

During the prior year a settlement agreement was reached with HMRC in relation to additional tax due on certain arrangements to incentivise employees. The full balance was repaid on 29 June 2018 by the parent company, The Unbeatable Group Limited.

### 17. Deferred taxation

	2018 £
At beginning of year	53,484
Utilised in year	35,425
<b>At end of year</b>	<b>88,909</b>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	75,081	39,656
Tax losses carried forward	8,500	8,500
Tax losses carried forward and other deductions	5,328	5,328
	<b>88,909</b>	<b>53,484</b>

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 18. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are equity instruments measured at cost less impairment	1,589,142	1,501,642
Financial assets that are debt instruments measured at amortised cost	3,090,327	3,047,983
Financial assets that are cash and cash equivalents	1,444,254	1,122,369
	<u>6,123,723</u>	<u>5,671,994</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>6,571,749</u>	<u>7,144,711</u>

Financial assets that are equity instruments measured at cost less impairment comprise fixed asset investments in unlisted company shares.

Financial assets that are debt instruments measured at amortised cost comprise other debtors, amounts owed by parent undertaking and insurance transaction debtors.

Financial liabilities measured at amortised cost comprise insurance transaction creditors, trade creditors, other creditors, amounts owed to parent and subsidiary undertakings and accruals.

### 19. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
260,000 ordinary shares of £1 each	<u>260,000</u>	<u>260,000</u>

### 20. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Capital contribution reserve

Capital contribution reserve represents contributions to the company made by its parent for which the balances are not required to be repaid.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Academy Insurance Services Limited

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge included within salaries and wages represents contributions payable by the company to the fund. No contributions were outstanding at the year end (2017 - £Nil).

### 22. Commitments under operating leases

At 30 June 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	Land and building 2018 £	Land and building 2017 £
Within one year	231,622	309,531
Within one to five years	618,655	715,005
After five years	422,673	519,636
	<u>1,272,950</u>	<u>1,544,172</u>

### 23. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 33.1A not to disclose transactions with wholly owned members of the group headed by The Unbeatable Group Limited on the grounds that all of the voting rights in the company are controlled within that group and the company is included in its consolidated financial statements. The consolidated financial statements are publicly available and may be obtained from Companies House.

The company has entered into agreements to lease premises from Caramello Services Limited, a company owned by the trustees of settlements of which both D M Bard and K R Munn are beneficiaries. The rent charged to the profit and loss account in respect of these premises during the year was £51,000 (2017 - £51,500). A balance of £Nil was prepaid at year end (2017 - £867).

At year end a balance of £Nil (2017 - £73,239) was outstanding with BCM Acquisition Limited, a company in which D M Bard and K R Munn are shareholders. No interest has been charged on this loan.

### 24. Ultimate holding and controlling entity

The company is a wholly owned subsidiary of The Unbeatable Group Limited (incorporated in UK) which is regarded by the directors as the company's immediate parent company and ultimate controlling party until 29 June 2018. On 29 June 2018 VMANS Limited acquired The Unbeatable Group Limited as part of a management buyout. The ultimate controlling party at 30 June 2018 was VMANS Limited.

Copies of the consolidated financial statement of The Unbeatable Group Limited are available from Companies House.