

Company Registration No. 03839322 (England and Wales)

Action 365 Limited

**Financial statements
for the year ended 30 September 2018**

Pages for filing with the Registrar



Action 365 Limited

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Action 365 Limited

Statement of financial position

As at 30 September 2018

			2018		2017
	Notes	£	£	£	£
Non-current assets					
Property, plant and equipment	4		332,270		274,841
Investments	5		38,209		38,209
			<u>370,479</u>		<u>313,050</u>
Current assets					
Trade and other receivables	8	2,778,109		2,270,620	
Cash and cash equivalents		902,104		727,963	
		<u>3,680,213</u>		<u>2,998,583</u>	
Current liabilities	9	(3,051,547)		(1,709,217)	
Net current assets			<u>628,666</u>		<u>1,289,366</u>
Total assets less current liabilities			<u>999,145</u>		<u>1,602,416</u>
Non-current liabilities	10		(316,416)		(522,112)
Provisions for liabilities			<u>(44,184)</u>		<u>(12,707)</u>
Net assets			<u><u>638,545</u></u>		<u><u>1,067,597</u></u>
Equity					
Called up share capital	11		8		8
Retained earnings	12		638,537		1,067,589
Total equity			<u><u>638,545</u></u>		<u><u>1,067,597</u></u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

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

Action 365 Limited

Statement of financial position (continued)

As at 30 September 2018

The financial statements were approved by the board of directors and authorised for issue on 04/06/19 and are signed on its behalf by:


.....

Sam White

Director

Company Registration No. 03839322

1 Accounting policies

Company information

Action 365 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Eden Point, Three Acres Lane, Cheadle, Cheshire, SK8 6RL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Freedom Services Group Limited. These consolidated financial statements are available from its registered office, Eden Point, Three Acres Lane, Cheadle, Cheshire, SK8 6RL.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Where the company undertakes claims management services on behalf of insurance companies, either a flat fee or a percentage fee is recognised at the time the claim is accepted. Where the company acts as a *managing general agent*, the fee received is recognised in equal instalments over the 12 month period for which the company, on average, may have to supply services.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% straight line
Plant and equipment	25% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

The company's listed investments are measured at their fair value, being the mid point valuation. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Action 365 Limited

Notes to the financial statements (continued)

For the year ended 30 September 2018

1 Accounting policies (continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Revenue

	2018	2017
	£	£
Other significant revenue		
Interest income	65,525	85,465
Management charges received	120,000	-
	<u> </u>	<u> </u>

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 198 (2017 - 147).

Notes to the financial statements (continued)

For the year ended 30 September 2018

4 Property, plant and equipment

	Leasehold improvements	Assets under construction	Plant and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 October 2017	130,283	183,728	308,567	523,053	1,145,631
Additions	1,387	3,856	3,402	98,120	106,765
Disposals	(83,654)	-	(294,783)	(442,782)	(821,219)
At 30 September 2018	48,016	187,584	17,186	178,391	431,177
Depreciation and impairment					
At 1 October 2017	105,004	-	300,662	465,124	870,790
Depreciation charged in the year	9,603	-	3,558	36,172	49,333
Eliminated in respect of disposals	(83,654)	-	(294,783)	(442,782)	(821,219)
At 30 September 2018	30,953	-	9,437	58,514	98,904
Carrying amount					
At 30 September 2018	17,063	187,584	7,749	119,874	332,270
At 30 September 2017	25,279	183,728	7,905	57,929	274,841

5 Fixed asset investments

	2018 £	2017 £
Investments	38,209	38,209

Notes to the financial statements (continued)
For the year ended 30 September 2018

5 Fixed asset investments (continued)

Movements in non-current investments

	Shares in group undertakings £	Listed investments £	Total £
Cost or valuation			
At 1 October 2017 & 30 September 2018	3	38,206	38,209
Carrying amount			
At 30 September 2018	3	38,206	38,209
At 30 September 2017	3	38,206	38,209

6 Subsidiaries

Details of the company's subsidiaries at 30 September 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Concierge Legal Services Limited	England and Wales	Disaster recovery services	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Concierge Legal Services Limited	27,114	266,400

7 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	38,206	38,206

Notes to the financial statements (continued)
For the year ended 30 September 2018

8 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade receivables	794,538	758,200
Corporation tax recoverable	2,673	-
Amounts owed by group undertakings	1,271,657	1,187,691
Other receivables	641,212	324,729
	<u>2,710,080</u>	<u>2,270,620</u>
Deferred tax asset	68,029	-
	<u>2,778,109</u>	<u>2,270,620</u>

9 Current liabilities

	2018	2017
	£	£
Bank loans	270,364	266,940
Obligations under finance leases	40,753	163,239
Trade payables	656,748	482,105
Amounts owed to group undertakings	12,537	-
Corporation tax	(17,107)	30,220
Other taxation and social security	250,423	285,234
Other payables	758,310	133,944
Accruals and deferred income	1,079,519	347,535
	<u>3,051,547</u>	<u>1,709,217</u>

10 Non-current liabilities

	2018	2017
	£	£
Bank loans	255,173	522,112
Obligations under finance leases	61,243	-
	<u>316,416</u>	<u>522,112</u>

Notes to the financial statements (continued)

For the year ended 30 September 2018

10 Non-current liabilities (continued)

The bank loan, disclosed in both short-term, and long-term creditors, is secured by a fixed and floating charge over the freehold property of the company's subsidiary and other assets of the company. It is repayable in equal monthly instalments of £2,028, and interest is charged at 1.75% over the Bank of England base rate.

Obligations under finance leases are secured on the assets to which they relate.

11 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
350 A Ordinary shares of 1p each	4	3
- B Ordinary shares of 1p each	-	1
100 C Ordinary shares of 1p each	1	1
25 D ordinary shares of 1p each	-	-
25 E ordinary shares of 1p each	-	-
25 F Ordinary shares of 1p each	1	1
100 Preference shares of 1p each	1	2
100 B Preference shares of 1p each	1	-
	<u>8</u>	<u>8</u>

During the year, 100 Preference shares were re-assigned to 100 A Ordinary shares, and 100 B Ordinary shares were re-assigned to 100 B Preference shares.

The rights of the shares are as follows:

A, C, D, and E, shares - each share is entitled to one vote in any circumstances. Each share is entitled pari passu to dividend payments or any other distribution.

F shares - do not have the right to receive notice of, nor to attend and nor to speak nor to vote at any general meetings of the company in respect of their holdings.

Preference and B Preference shares - do not have the right to receive notice of, nor to attend and nor to speak nor to vote at any general meetings of the company in respect of their holdings. Each share is entitled pari passu to dividend payments or any other distribution. The shares are not redeemable.

Action 365 Limited**Notes to the financial statements (continued)****For the year ended 30 September 2018****12 Retained earnings**

	2018 £	2017 £
At the beginning of the year	1,067,589	931,107
(Loss)/profit for the year	(429,052)	255,823
Dividends declared and paid in the year	-	(119,341)
At the end of the year	<u>638,537</u>	<u>1,067,589</u>

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Simon Kite BSc FCA.
The auditor was Saffery Champness LLP.

14 Financial commitments, guarantees and contingent liabilities

The company is party to a Composite Company Limited Multilateral Guarantee dated 24 September 2015 given by Action 365 Limited, and Concierge Legal Services Limited.

At 30 September 2018 the total borrowing under this arrangement amounted to £354,215 (2017 - £450,491).

15 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018 £	2017 £
<u>411,447</u>	<u>600,649</u>

Notes to the financial statements (continued)
For the year ended 30 September 2018

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Revenue		Costs	
	2018	2017	2018	2017
	£	£	£	£
Entities with control, joint control or significant influence over the company	1,768,000	-	9,749	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	500,000	-
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	1,259,120	-
	<u> </u>	<u> </u>

17 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Closing balance
		£	£	£
Loan account	-	120,719	334,623	455,342
		<u> </u>	<u> </u>	<u> </u>
		120,719	334,623	455,342
		<u> </u>	<u> </u>	<u> </u>

Action 365 Limited

Notes to the financial statements (continued)
For the year ended 30 September 2018

18 Parent company

The company's ultimate parent company is Freedom Services Group Limited. Its registered office address is Eden Point, Three Acres Lane, Cheadle, Cheshire, SK8 6RL.

The company's ultimate controlling party is Sam White, by virtue of her majority shareholding in the ultimate parent company.