

Abbey Protection Limited

Annual Report and Financial Statements for
the year ended 31 December 2016

Registered Number 06352358



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for the year ended 31 December 2016

Contents

Directors and Administration	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Financial Position	9
Notes to the Financial Statements	10

Directors and Administration

Board of Directors

Richard H Candy
Andrew J Davies
Colin Davison
William D Stovin
Christopher Ward
Simon Wilson

Company Secretary

Andrew J Bailey

Registered office

20 Fenchurch Street
London
EC3M 3AZ

Company number

Registered number is 06352358

Registered Auditor

KPMG LLP, London

Strategic Report

The Directors submit their Strategic Report for Abbey Protection Limited ("the Company") for the year ended 31 December 2016.

Principal activity

The Company is a United Kingdom intermediate holding company and was incorporated on 24 August 2007. The Company's principal operating subsidiaries as at the reporting date are;

- Abbey Protection Group Limited which sells and underwrites commercial legal expenses insurance that reimburses the legal fees incurred by businesses.
- Abbey Tax & Consultancy Services Limited which sells and underwrites professional fees insurance which reimburses fees incurred by taxpayers when HMRC undertakes an investigation as well as providing a range of related consultancy services.
- LHS Solicitors LLP which is a legal services practice.
- Effective Tax Solutions Limited which provides tax advisor services in respect of Research and Development.

During 2016 Abbey Protection plc was re-registered from a public company to a private limited company.

Results and performance

The Company's loss for the financial year was £1,000 (2015, £5,005,000 profit). There was no dividend income received in the year from the Company's subsidiaries (2015, £5,000,000)

Business environment and future developments

The Company intends to continue as a holding company.

Going Concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Principal risks and uncertainties

The principal risk to the Company is a permanent diminution in the value of its investments in Abbey Protection Group Limited ("APG") and Abbey Tax & Consultancy Services Limited ("ATCS"). The main risks to APG and ATCS are set out in the accounts of the respective companies.

By order of the Board,



Andrew J Davies
Director
London

21 March 2017

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 December 2016.

Business review

A review of the business, the principal risks it faces, an assessment of its ability to continue as a going concern and a summary of future developments is disclosed within the Strategic Report on page 2.

Dividends

No dividends were paid in the year (2015, £6,000,000).

Directors

The Directors set out on page 1 have held office during the whole of the period from 1 January 2016 to the date of this report unless otherwise stated.

Events since the reporting date

There have been no material events since the reporting date.

Political donations

No political donations were made in the year.

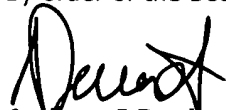
Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will, therefore remain in office.

By order of the Board,



Andrew J Davies

Director
London

21 March 2017

Statement of Directors' Responsibilities

in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Abbey Protection Limited

We have audited the Financial Statements of Abbey Protection Limited for the year ended 31 December 2016, as set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Statement of Directors' responsibilities set out on page 4, 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the Financial Statements.

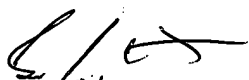
Based solely on the work required to be undertaken in the course of the audit of the Financial Statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Ben Priestley (Senior Statutory Auditor)
for and on behalf of KPMG LLP,

Chartered Accountants
15 Canada Square,
London,
E14 5GL

21 March 2017

Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover		-	-
Operating expenses and charges		(1)	-
Operating (loss)/result	3	(1)	-
Income from shares in group undertakings - dividends from subsidiary		-	5,000
(Loss)/profit on ordinary activities before taxation		(1)	5,000
Taxation credit on (loss)/profit on ordinary activities	4	-	5
Total comprehensive (retained loss)/income for the year		(1)	5,005

The notes on pages 10 to 14 form part of these Financial Statements.

Statement of Changes in Equity

2016	Called-up Share Capital £'000	Share Premium £'000	Comprehensive Income £'000	Capital Redemption Reserve £'000	Total £'000
At beginning of year	1,012	4,114	1,047	50	6,223
Total comprehensive retained loss for the year	-	-	(1)	-	(1)
At end of year	1,012	4,114	1,046	50	6,222

2015	Called-up Share Capital £'000	Share Premium £'000	Comprehensive Income £'000	Capital Redemption Reserve £'000	Total £'000
At beginning of year	1,012	4,114	2,042	50	7,218
Total comprehensive income for the year	-	-	5,005	-	5,005
Dividends paid	-	-	(6,000)	-	(6,000)
At end of year	1,012	4,114	1,047	50	6,223

Statement of Financial Position

as at 31 December 2016

	Notes	2016 £'000	2015 £'000
Fixed Assets			
Investments in subsidiaries	6	5,045	5,045
		<u>5,045</u>	<u>5,045</u>
Current Assets			
Trade receivables	7	2,995	6,748
Cash at bank and in hand		1	-
		<u>2,996</u>	<u>6,748</u>
Current liabilities			
Trade payables	8	(1,819)	(5,570)
		<u>(1,819)</u>	<u>(5,570)</u>
Net current assets		1,177	1,178
Net assets		<u>6,222</u>	<u>6,223</u>
Equity			
Called up share capital	9	1,012	1,012
Share premium		4,114	4,114
Comprehensive income		1,046	1,047
Capital redemption reserve		50	50
Total shareholder's funds		<u>6,222</u>	<u>6,223</u>

These Financial Statements were approved by the Board of Directors and authorised for issue on 21 March 2017.

Signed on behalf of the Board of the Directors,



Andrew J Davies
Director

21 March 2017

The notes on pages 10 to 14 form part of these Financial Statements.

Notes to the Financial Statements

1 Accounting policies

The Financial Statements have been prepared in compliance with Financial Reporting Standard ("FRS") 102, being the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements on the grounds that the consolidated Financial Statements of its ultimate parent, Markel, for the year ended 31 December 2015 are publicly available and include the Company in the consolidation. These Financial Statements present information about the Company as an individual undertaking and not about its group.

In these Financial Statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Key Management Personnel compensation;
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules.

These Financial Statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain assets as required by the Standard. A summary of the more important accounting policies that have been applied consistently is set out below.

a) Investments in subsidiaries

Investments in subsidiaries are stated at the lower of cost and net realisable value. Any impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the subsequent increase in fair value can be related objectively to an event after the impairment loss was recognised. The reversal is recognised in the Statement of Comprehensive Income.

b) Use of judgements and estimates

In preparing these Financial Statements, the Directors of the Company have made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

c) Financial assets and liabilities

In applying FRS 102, the Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU).

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the Statement of Comprehensive Income. Financial assets and liabilities are classified on their initial recognition. Subsequent reclassifications

are permitted only in restricted circumstances.

Recognition

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Company commits itself to purchase or sell the asset.

Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

d) Dividend income

Dividend income from investments in subsidiaries is recognised when the right to receive payment is established.

e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and laws that have been enacted or substantively enacted by the reporting date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Information regarding Directors and employees

At the reporting date, there were six Directors (2015, six) who were members of a money purchase pension scheme. The Directors emoluments in the year were paid by Markel International Services Limited ("MISL"), which makes no recharge to the Company. These Directors are also Directors of other companies in the Group and it is not possible to make an accurate apportionment of the emoluments in respect of each company of the Group that these Directors provide services to. Messrs Davies, Stovin and Wilson emoluments are disclosed in the Financial Statements of Markel International Insurance Company Limited as this is the entity where the Directors are considered to spend the majority of their time.

Messrs Candy and Ward emoluments are disclosed in the Financial Statements of APG, and Mr Davison's are disclosed in the Financial Statements of ATCS.

3 Operating (loss)/result

In 2016 audit fees of £5,138 (2015, £4,157) were paid on the Company's behalf by an affiliated group expense company, MISL. These audit fees were not allocated to the Company during the year.

4 Taxation

	2016 £'000	2015 £'000
(a) Analysis of charge/(credit) in the year:		
Current taxation		
UK corporation taxation at 20.00% (2015, 20.25%) on the (loss)/profit for the year on ordinary activities	-	-
Prior year adjustment	-	(5)
Total current taxation	-	(5)
(b) Factors affecting the taxation charge/(credit) for the year:		
The rate of taxation differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:		
	2016 £'000	2015 £'000
(Loss)/profit on ordinary activities	(1)	5,000
(Loss)/profit on ordinary activities multiplied by standard rate of corporation taxation in the UK of 20.00% (2015, 20.25%)	-	1,013
Effects of:		
Non-taxable dividends	-	(1,013)
Prior year adjustments	-	(5)
Current taxation charge/(credit)	-	(5)

5 Dividends

	2016 £'000	2015 £'000
Ordinary dividend:		
Dividends paid in the year	-	6,000

Details of ordinary dividends paid during the year are disclosed within the Directors' Report on page 3.

6 Investments in subsidiaries

Investment in subsidiary undertakings are:

	2016	2015
	£'000	£'000
Opening balance	5,045	5,045
Impairment	-	-
As at 31 December	5,045	5,045

Details of the investments in which the Company holds are as follows:

Company	Country of Incorporation	Activity	Portion of ownership interests
Abbey Protection Group Limited	United Kingdom	Insurance intermediation / Consultancy	100%
Abbey Tax & Consultancy Services Limited	United Kingdom	Insurance intermediation / Consultancy	100%
LHS Solicitors LLP	United Kingdom	Legal Services	Controlling Member
Effective Tax Solutions Limited	United Kingdom	Consultancy	100%
Abbey Legal Holdings Limited	United Kingdom	Dormant	100%
Abbey Legal Protection Limited	United Kingdom	Dormant	100%
Abbey Tax Protection Limited	United Kingdom	Dormant	100%
Accountax Consulting Limited	United Kingdom	Dormant	100%
Accountax Law Limited	United Kingdom	Dormant	100%
Accountax UK Limited	United Kingdom	Dormant	100%

The registered office of LHS Solicitors LLP is, The Observatory, Chapel Walks, Manchester, M2 1HL. For all other subsidiaries, listed above, the registered office is, 20 Fenchurch Street, London, EC3M 3AZ.

In the Directors' opinion, the aggregate value of these investments is not less than the amounts at which those assets are included in the Statement of Financial Position.

The dormant subsidiaries were dormant throughout the year.

7 Trade Receivables

	2016	2015
	£'000	£'000
Due within one year		
Amounts owed by group undertakings	2,995	6,748
Total	2,995	6,748

8 Trade Payables

	2016 £'000	2015 £'000
Amounts owed to group undertakings	1,777	5,367
Corporation tax	-	161
Accruals	42	42
	1,819	5,570

9 Share capital

	2016 £'000	2015 £'000
Issued, allocated and fully paid:		
Equity shares:		
101,212,786 (2015: 101,212,786) ordinary shares of 0.01p each	1,012	1,012
	1,012	1,012

10 Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with entities that are part of the Markel Corporation.

11 Ultimate parent company

The Company's immediate parent company is Markel Capital Holdings Limited. The Company's ultimate holding company is Markel Corporation, which is incorporated in the USA. Copies of the holding company's consolidated financial statements may be obtained from 4521 Highwoods Parkway, Glen Allen, Virginia 23060, USA. The website address is www.markelcorp.com.