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Academy Insurance Services Limited

Report and Financial Statements

Year Ended

30 June 2017

Company Number 3041967

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Academy Insurance Services Limited

Report and financial statements for the year ended 30 June 2017

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Directors

D M Bard
K R Munn

Secretary and registered office

V Farrelly, Unit 11, Horseshoe Park, Horseshoe Road, Pangbourne, RG8 7JW

Company number

3041967

Auditors

BDO LLP, Level 12 Thames Tower, Station Road Reading, Berkshire, RG1 1LX

Academy Insurance Services Limited

Strategic report for the year ended 30 June 2017

The directors present their strategic report, together with the directors' report and the audited financial statements, for the year ended 30 June 2017.

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 were increased despite 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 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 very bullish about future years' trading with growth of clients and premium at the forefront. The continued shift to commercial clients will be supplemented by further acquisitions lessening the need for expensive marketing campaigns aimed at the private motorist.

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 KPI's in a difficult marketplace.

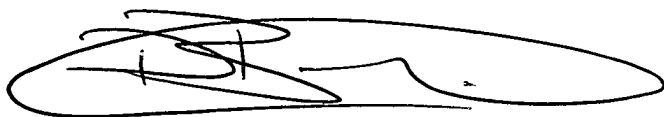
Financial KPI's	2017 £	2016 £	Movement £
Turnover	9,278,459	9,076,702	201,757
Operating profit before amortisation, impairment and exceptional costs	2,030,378	2,013,500	16,878
Cash balance**	135,312	917,009	(781,697)

*Cash balance excludes balances held in client accounts (note 13), which are not company assets.

** Due to Major Acquisition

Approval

This strategic report was approved on behalf of the Board on 28 March 2018.



D M Bard

Director

Academy Insurance Services Limited

Report of the Directors for the year ended 30 June 2017

The directors present their report, together with the strategic report and the audited financial statements, for the year ended 30 June 2017.

Principal activities

The company is a retail insurance broker.

The strategic report on page 1 includes a summary of performance for the year to 30 June 2017 and details of the principal risks and uncertainties, strategic objectives and key performance indicators of the company.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the profit for the year (2016 - loss).

During the year, the directors declared no dividend (2016 - 576.92p) per ordinary share, giving a total dividend of £nil for the year (2016 - £1,500,000).

Directors

The directors of the company during the year were as follows:

D M Bard
K R Munn

At 30 June 2017, third party indemnity provision for the benefit of the company's directors was in force.

Statement of directors' responsibilities

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 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 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.

Academy Insurance Services Limited

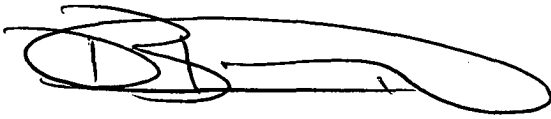
Report of the directors
for the year ended 30 June 2017 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board



D M Bard
Director

Date 28 March 2018

Academy Insurance Services Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ACADEMY INSURANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Academy Insurance Services Limited ("the company") for the year ended 30 June 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and 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 2017 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 (*continued*)

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 director's 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.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 determine 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.

Academy Insurance Services Limited

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

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.

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.

BDO LLP

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

Date 28 March 2018

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 2017

	Note	2017 £	2016 £
Turnover	3	9,278,459	9,076,702
Administrative expenses		7,637,579	12,762,472
<i>Operating profit before amortisation of intangible assets, impairment of investments and exceptional costs</i>			
		2,040,379	2,013,500
Amortisation of intangible assets	9	(399,498)	(423,830)
Impairment of tangible assets	10	-	(24,682)
Impairment of investments	11	(1)	(238,751)
Exceptional costs	18	-	(5,012,007)
Operating profit / (loss)	6	1,640,880	(3,685,770)
Share of operating loss of equity accounted associate		-	(1,248)
Interest receivable		-	10,794
Interest payable	7	(35,236)	(340,056)
Profit / (loss) on ordinary activities before taxation		1,605,644	(4,016,280)
Taxation on profit / (loss) from ordinary activities	8	(466,389)	749,521
Profit / (loss) on ordinary activities after taxation		1,139,255	(3,266,759)
Total comprehensive profit / (loss) for the year		1,139,255	(3,266,759)

All amounts relate to continuing activities.

The notes on pages 10 to 24 form part of these financial statements.

Academy Insurance Services Limited

Balance sheet at 30 June 2017

<i>Company number 3041967</i>	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	9		136,205		535,703
Tangible assets	10		207,450		373,755
Investments	11		1,589,142		1
			<u>1,932,797</u>		<u>909,459</u>
Current assets					
Debtors	12	3,798,198		2,626,710	
Cash at bank	13	1,122,369		1,783,777	
			<u>4,920,567</u>	<u>4,410,487</u>	
Creditors: amounts falling due within one year	14	<u>(6,579,024)</u>		<u>(4,840,369)</u>	
Net current liabilities			(1,658,457)		(429,882)
Creditors: amounts falling due in greater than one year	15		(2,033,536)		-
Provisions for liabilities	18		-		(3,378,028)
Net liabilities			(1,759,196)		(2,898,451)
Capital and reserves					
Called up share capital	19		260,000		260,000
Profit and loss account			(2,069,196)		(3,208,451)
Capital contribution			50,000		50,000
Shareholder's deficit			(1,759,196)		(2,898,451)

The financial statements were approved by the Board and authorised for issue on 28 March 2018.


D M Bard
Director

The notes on pages 10 to 24 form part of these financial statements.

Academy Insurance Services Limited

Statement of changes in equity for the year ended 30 June 2017

	Share capital £	Profit and loss account £	Capital contribution £	Total equity £
1 July 2015	260,000	1,558,308	50,000	1,868,308
Comprehensive loss for the year				
Loss on ordinary activities after taxation	-	(3,266,759)	-	(3,266,759)
Contributions by and distributions to owners				
Dividends	-	(1,500,000)	-	(1,500,000)
30 June 2016	260,000	(3,208,451)	50,000	(2,898,451)
Comprehensive profit for the year				
Profit on ordinary activities after taxation	-	1,139,255	-	1,139,254
Contributions by and distributions to owners				
Dividends	-	-	-	-
30 June 2017	260,000	(2,069,196)	50,000	(1,759,197)

The notes on pages 10 to 24 form part of these financial statements.

Academy Insurance Services Limited

Notes forming part of the financial statements for the year ended 30 June 2017

1 Accounting policies

Academy Insurance Services Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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's accounting policies, see note 2.

Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of The Unbeatable Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

FRS 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 for qualifying entities:

- Section 3 Financial Statement Presentation paragraph 3.17(d) and Section 7 Statement of Cash Flows not to prepare a cash flow statement;
- Section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year; and
- Section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

This information is included in the consolidated financial statements of The Unbeatable Group Limited as at 30 June 2017 and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied:

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 £1,139,255 (2016 – loss of £3,266,759) for the year, had net current liabilities of £1,658,457 (2016 – net current liabilities of £429,882) and had net liabilities of £1,759,196 (2016 – net liabilities of £2,898,451) at the balance sheet date.

Academy Insurance Services Limited

Notes forming part of the financial statements for the year ended 30 June 2017 (continued)

1 Accounting policies (continued)

Going concern (continued)

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.

Turnover

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 incept.

Associates and joint ventures

An entity is treated as an associated undertaking where the company exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

Interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate, or joint venture.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated on a straight line basis at the following rates:

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

Intangible assets

a) Goodwill

Prior to the adoption of FRS 102, goodwill represents the cost of intangible assets acquired which are not separable from the revenue earning activity to which they contribute. In accordance with FRS 102 section 35.10(a), FRS 102 section 19 has not been applied retrospectively and these intangible assets subsumed within goodwill have not been separately recognised.

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.

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

1 Accounting policies (*continued*)

Intangible assets (continued)

a) Goodwill (*continued*)

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.

b) 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.

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.

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 investment value is recognised instead as goodwill and intangible assets.

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 instrument's 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.

Academy Insurance Services Limited

Notes forming part of the financial statements for the year ended 30 June 2017 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax balances are not discounted.

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 dilapidations 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.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

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.

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

1 Accounting policies (*continued*)

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has 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.

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.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Capital contribution reserve represents contributions to the company made by its parent for which the balances are not required to be repaid.

2 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 21)*

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 9)*

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 14 and 15)*

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.

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

- *Provisions (see note 18)*

In recognising a provision, the directors have considered the probability that the company will be required to transfer economic benefits in settlement and have concluded that it is more likely than not. The directors have taken advice from taxation advisors regarding the amount of the obligation and have included that amount as a provision in the financial statements.

Other key sources of estimation uncertainty

- *Intangible fixed assets – books of business (see note 9)*

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.

3 Turnover

All turnover is derived from commissions and fees earned from insurance policies sold wholly within the United Kingdom.

An analysis of turnover by business segment is as follows:

	2017 £	2016 £
Standard commission	4,840,750	4,719,073
Standard fees	3,269,849	3,115,653
Other insurance related income	1,167,860	1,241,976
	<u>9,278,459</u>	<u>9,076,702</u>

4 Employees

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	3,643,636	8,012,636
Social security costs	381,188	983,697
Pension costs	41,280	28,685
	<u>4,066,104</u>	<u>9,025,018</u>

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (continued)

4 Employees (continued)

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

	Number	Number
Sales	97	106
Administration	42	30
Directors	2	2
	141	138

5 Directors' emoluments

	2017 £	2016 £
Directors' emoluments consist of:		
Fees and remuneration for management services	178,267	156,417
Pension contributions	-	-
	178,267	156,417

There was one director (2016 - 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.

6 Operating loss

	2017 £	2016 £
This is arrived at after charging:		
Depreciation	126,334	175,642
Impairment of tangible assets	-	24,682
Impairment of investment	-	238,751
Amortisation of intangible assets	399,498	423,830
Auditors' remuneration:		
- audit services	29,950	29,000
- services relating to taxation	5,700	5,500
- all other services	14,050	16,000
Operating lease rentals - land and buildings	322,301	296,931
	322,301	296,931

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

7 Interest payable	2017 £	2016 £
Interest on other loans	12,030	-
Interest accrued on corporation tax provisions	-	340,056
Interest accrued on corporation tax liabilities	23,206	-
	35,236	340,056
	35,236	340,056
8 Taxation on profit from ordinary activities	2017 £	2016 £
<i>Current tax:</i>		
UK corporation tax on profit / (loss) of the year	415,311	(675,459)
Adjustments in respect of prior periods	57,527	-
	472,838	(675,459)
Total current tax charge	472,838	(675,459)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(52,467)	(71,360)
Effect of tax rate change on opening balance	60	(2,702)
Adjustments in respect of prior periods	45,958	-
	466,389	(749,521)
Taxation on profit / (loss) on ordinary activities	466,389	(749,521)
	466,389	(749,521)

The tax assessed for the year is calculated at a rate that differs to the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	2016 £
Profit / (loss) on ordinary activities before tax	1,605,644	(4,016,280)
	1,605,644	(4,016,280)
Profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 19.75% (2016 - 20.00%)	317,126	(803,256)
Effects of:		
Fixed asset differences	1,778	4,156
Expenses not deductible for tax purposes	35,451	334,922
Income not taxable for tax purposes	-	(291,319)
Other permanent differences	-	748
Adjustment for change in deferred tax rate	8,549	5,226
Adjustments to tax charge in respect of prior periods	103,485	-
Other differences	-	2
	466,389	(749,521)
	466,389	(749,521)

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

9 Intangible assets

	Books of insurance policies £	Goodwill £	Total £
<i>Cost</i>			
At 1 July 2016 and 30 June 2017	954,448	2,966,414	3,920,862
<i>Amortisation</i>			
At 1 July 2016	440,094	2,945,065	3,385,159
Provided for the year	378,149	21,349	399,498
	<hr/>	<hr/>	<hr/>
At 30 June 2017	818,243	2,966,414	3,784,657
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2017	136,205	-	136,205
	<hr/>	<hr/>	<hr/>
At 30 June 2016	514,354	21,349	535,703
	<hr/>	<hr/>	<hr/>

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

10 Tangible assets

	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 July 2016	245,314	574,806	583,853	1,403,973
Additions	-	27,351	1,003	28,354
Disposals	(129,407)	-	-	(129,407)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2017	115,907	602,220	584,856	1,302,920
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 July 2016	80,999	491,500	457,719	1,030,218
Charge for the year	26,466	50,273	49,595	126,334
Disposals	(61,082)	-	-	(61,082)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2017	46,383	541,773	507,314	1,095,470
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 June 2017	69,524	60,384	77,542	207,450
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2016	164,315	83,306	126,134	373,755
	<hr/>	<hr/>	<hr/>	<hr/>

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (continued)

11 Investments	£
At 1 July 2016	1
Additions in the year	1,589,142
Disposals in the year	(1)
	1,589,142
At 30 June 2017	1,589,142

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. Glynwood Insurance Services Limited was acquired in the year on 1 April 2017. On 17 November 2015 the trade and assets of Key Worker Insure Limited were hived-up into the company and Key Worker Insure Limited ceased trading from that date. Key Worker Insure Limited was dissolved on 21 February 2017.

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

Subsidiary undertaking	Nature of business	% Ordinary shares and voting rights	Country of incorporation
Key Worker Insure Limited	Dissolved	100 – now dissolved	England and Wales
Glynwood Insurance Services Limited	Retail insurance broker	100	England and Wales

The following table shows the amount of capital and reserves at 30 June 2017, and the profit or loss for the period of ownership to that date.

Subsidiary undertaking	Year ended	Profit for the period of ownership to 30 June 2017	Capital and reserves at 30 June 2017
		£	£
Key Worker Insure Limited	30 June 2017	-	-
Glynwood Insurance Services Limited	30 June 2017	36,243	355,084
		36,243	355,084

12 Debtors	2017	2016
	£	£
Insurance transaction debtors	1,868,072	1,725,191
Amount owed by parent undertaking	959,674	-
Other debtors	220,238	163,761
Prepayments	696,730	690,723
Deferred tax asset (note 16)	53,484	47,035
	3,798,198	2,626,710

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

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (continued)

13 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 £987,057 (2016 - £866,768).

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Insurance transaction creditors	2,855,129	2,591,959
Trade creditors	165,315	167,066
Corporation tax	402,838	-
Taxation and social security	81,736	76,556
Other creditors	905,986	46,813
Amount owed to parent undertaking	-	552,326
Amount owed to subsidiary undertaking	209,400	-
Accruals and deferred income	1,118,620	1,405,649
HMRC settlement liability (note 15 and 18)	840,000	-
	6,579,024	4,840,369

15 Creditors: amounts falling due in greater than one year

	2017 £	2016 £
HMRC settlement liability (note 18)	2,033,536	-
	2,033,536	-

During the year a settlement agreement was reached with HMRC in relation to additional tax due on certain arrangements to incentivise employees. This amount has been recognised as a current and non-current liability in line with the agreed payment plan. The amounts are expected to be repaid over the period to June 2019.

16 Deferred taxation

		£
At 1 July 2016		47,035
Credited to profit and loss account		6,449
		53,484
At 30 June 2017		53,484
	53,484	53,484
	2017 £	2016 £
The deferred tax asset consists of the following:		
Accelerated capital allowances	39,656	27,566
Short term timing differences	8,500	9,000
Tax losses carried forward and other deductions	5,328	10,469
	53,484	47,035

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (continued)

17 Financial instruments

The company's financial instruments may be analysed as follows:

	2017 £	2016 £
Financial assets		
Financial assets that are equity instruments measured at cost less impairment	1,501,642	1
Financial assets that are debt instruments measured at amortised cost	3,047,983	2,233,055
Financial assets that are cash and cash equivalents	1,122,369	1,783,777
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	7,144,711	3,884,561
	<hr/>	<hr/>

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.

18 Provisions

In prior years the company entered into certain arrangements to incentivise employees. H M Revenue & Customs made enquiries into these arrangements and notified the company during the year that there is additional amounts of tax payable by the company as a result of these enquiries. At 30 June 2016, the directors had considered the probability that the company would be required to transfer economic benefits in settlement and concluded that it was more likely than not. The directors had taken advice from taxation advisors regarding the amount of the obligation and included that amount as a provision in the financial statements at 30 June 2016. During the year a settlement agreement plan was agreed with HMRC and the amount has been transferred to creditors.

	HMRC provision 2017 £	HMRC provision 2016 £
At 1 July	3,378,028	-
Provided in respect of payroll and social security costs	-	5,012,007
Provided in respect of interest costs	-	340,056
Adjusted in respect of interest receipts	-	(4,349)
Adjusted in respect of corporation tax deductions	-	(675,459)
Adjusted in respect of advance payments made	-	(1,294,227)
Transferred to creditors	(3,378,028)	-
	<hr/>	<hr/>
At 30 June	-	3,378,028
	<hr/>	<hr/>

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (continued)

19 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
260,000 ordinary shares of £1 each	260,000	260,000
	260,000	260,000

20 Pensions

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 (2016 - £Nil).

21 Commitments under operating leases

As at 30 June 2017 the company had minimum lease commitments under non-cancellable operating leases as set out below:

	Land and buildings 2017 £	Land and buildings 2016 £
Operating leases which expire:		
Within one year	309,531	296,931
Within one to five years	715,005	837,905
After five years	519,636	693,667
	1,544,172	1,828,503

22 Related party disclosures

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 £51,500 (2016 - £50,000). A balance of £867 was prepaid at year end (2016 - £10,860).

At year end a balance of £nil (2016 - £1,198) was due to D M Bard and £nil (2016 - £2,029) was due to K R Munn in respect of expense reclaims.

A loan of £nil was outstanding at year end (2016 - £8,441) with Mrs L Bard, the wife of D M Bard. No interest has been charged on this loan (2016 - £Nil).

At year end a balance of £73,239 (2016 - £91,042) 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.

Academy Insurance Services Limited

Notes forming part of the financial statements
for the year ended 30 June 2017 (*continued*)

23 Dividends

During the year, the directors declared no dividend (2016 - 576.92p) per ordinary share, giving a total dividend of £nil for the year (2016 - £1,500,000).

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 at 30 June 2017.

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