

Registrar's Copy

Company Name

Supernumerary Director

Director

Additional Information

Company Number

Company Name

Company Name

Company Name

to

**Academy Insurance Services Limited**

Report and Financial Statements

Year ended

30 June 2015

Company Name

Company Name

Company Name

Company Name

Company Name

Company Number 3041967

Company Name

Company Name

Company Name

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# Academy Insurance Services Limited

Report and financial statements  
for the year ended 30 June 2015

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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, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

# Academy Insurance Services Limited

## Strategic report for the year ended 30 June 2015

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The directors present their strategic report, together with the audited financial statements, for the year ended 30 June 2015.

### Principal activities, trading review and future developments

Despite difficult market conditions the company was able to achieve turnover growth of £442,456 (2014 - £383,103) in the financial year ending in 2015. Despite rising overheads, the strict cost disciplines previously imposed have resulted in an overall satisfactory financial outcome with an operating profit before amortisation of goodwill of £2,089,858 (2014 - £1,569,517). The balance sheet has also returned to a healthy positive position of £1,868,308 (2014 - £452,696).

### Principal risks and uncertainties

The domestic insurance market is continuing to see price reductions and erosions of profit margins. This is an industry cyclical pattern which appears to take longer with each passing cycle. This means that the company will have to work harder to achieve growth and will continue with strict spending controls.

The insurance marketplace is still experiencing a consumer shift in buying patterns with the internet becoming the first port of call for most insurance purchases. The directors continue to keep a watching brief in order to define an internet broking business model that would allow for profitable internet trading.

Marketing to new customers is increasingly challenging. The rush to research and buy on the internet has all but killed off the page advertising other than for branding purposes. This has now permeated down to telephone call brokers passing on increasingly more expensive and poorer quality leads generated from clients who have failed to finalise an internet purchase.

### Objectives and strategies

Despite the challenges ahead the company will continue to strive for year on year growth of revenue. It has become apparent that acquiring established brokers is a more attractive growth strategy for the company to pursue and by diverting expenditure earmarked for traditional marketing towards acquisitions will help achieve this growth.

# Academy Insurance Services Limited

Strategic report  
for the year ended 30 June 2015 (continued)

## Key performance indicators


The Directors consider turnover, operating profits 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	2015 £	2014 £	Movement £
Turnover	9,111,697	8,669,241	442,456
Operating profit	1,833,735	1,403,597	430,138
Cash balance*	770,766	239,112	531,654

\*Cash balance excludes balances held in client accounts, (note 11), which are not company assets.

## Approval

This strategic report was approved on behalf of the Board on 4/3/2016



D M Bard

Director

# Academy Insurance Services Limited

## Report of the directors for the year ended 30 June 2015

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The directors present their report, together with the audited financial statements, for the year ended 30 June 2015.

### Business review

The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 and 2. The strategic report includes details of the principal risks and uncertainties, key performance indicators, strategic objectives and a summary of 2015 performance.

### Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year (2014 - profit).

The directors approved the payment of a final dividend of 13.85p per ordinary share, giving a total dividend of £36,000 for the year (2014 - £36,000).

### Directors

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

D M Bard  
K R Munn

At 30 June 2015, 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 2015 (*continued*)

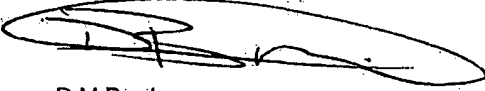
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## Auditors

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 4/3/2016

# Academy Insurance Services Limited

## Independent auditor's report

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### TO THE MEMBERS OF ACADEMY INSURANCE SERVICES LIMITED

We have audited the financial statements of Academy Insurance Services Limited for the year ended 30 June 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

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. 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

# Academy Insurance Services Limited

## Independent auditor's report (*continued*)

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### 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.

*BDO LLP*

*Christopher Pooles (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Reading  
United Kingdom*

Date *4 MARCH 2016*

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



## Academy Insurance Services Limited

### Profit and loss account for the year ended 30 June 2015

	Note	2015 £	2014 £
Turnover	2	9,111,697	8,669,241
Administrative expenses		7,277,962	7,265,644
<b>Operating profit</b>	5	<b>1,833,735</b>	<b>1,403,597</b>
Interest receivable		4,909	12,277
Interest payable	6	(3,353)	(8,388)
<b>Profit on ordinary activities before taxation</b>		<b>1,835,291</b>	<b>1,407,486</b>
Taxation on profit from ordinary activities	7	(383,679)	(351,642)
<b>Profit on ordinary activities after taxation</b>	16	<b>1,451,612</b>	<b>1,055,844</b>

All amounts relate to continuing activities.

There are no recognised gains or losses other than those reported in the profit and loss account.

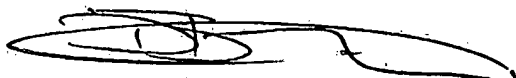
The notes on pages 9 to 17 form part of these financial statements.

## Academy Insurance Services Limited

Balance sheet  
at 30 June 2015

<i>Company number 3041967</i>	Note	2015 £	2015 £	2014 £	2014 £
<b>Fixed assets</b>					
Intangible assets	8		487,585		261,209
Tangible assets	9		467,222		454,191
			<u>954,807</u>		<u>715,400</u>
<b>Current assets</b>					
Debtors	10	4,180,975		3,738,873	
Cash at bank	11	1,056,598		524,977	
			<u>5,237,573</u>	<u>4,263,850</u>	
<b>Creditors: amounts falling due within one year</b>	12	(4,324,072)		(4,526,554)	
<b>Net current assets/(liabilities)</b>			<u>913,501</u>		<u>(262,704)</u>
<b>Net assets</b>			<u>1,868,308</u>		<u>452,696</u>
<b>Capital and reserves</b>					
Called up share capital	14		260,000		260,000
Profit and loss account	16		1,558,308		142,696
Capital contribution	16		50,000		50,000
<b>Shareholder's funds</b>	17		<u>1,868,308</u>		<u>452,696</u>

The financial statements were approved by the Board and authorised for issue on 4/3/2016



D M Bard  
Director

The notes on pages 9 to 17 form part of these financial statements.

# Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents commissions and fees earned from customers recognised when the company has performed its obligations.

### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by The Unbeatable Group Limited and the company is included in its consolidated financial statements which are publically available.

### *Depreciation*

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:

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

### *Goodwill*

Purchased goodwill is amortised over 2-3 years on a straight line basis, following acquisition. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### *Leased assets*

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

### *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 2015 (continued)

## 1 Accounting policies (continued)

### Assets and liabilities relating to insurance transactions

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

## 2 Turnover

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

## 3 Employees

	2015 £	2014 £
Staff costs (including directors) consist of:		
Wages and salaries	3,571,213	3,432,189
Social security costs	329,329	341,627
Pension costs	216,084	35,994
	<u>4,116,626</u>	<u>3,809,810</u>

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

	Number	Number
Sales and administration	<u>128</u>	<u>128</u>

## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

4 Directors' emoluments	2015 £	2014 £
Directors' emoluments consist of:		
Fees and remuneration for management services	160,486	167,955
Pension contributions	190,000	-
	350,486	167,955
Emoluments of:		
Highest paid director	211,396	119,384
There was one director (2014 - Nil) in the company's defined contribution pension scheme during the year.		
5 Operating profit	2015 £	2014 £
This is arrived at after charging/(crediting):		
Depreciation	184,382	158,685
Amortisation of goodwill	256,124	165,920
Auditors' remuneration:		
- audit services	24,000	27,000
- services relating to taxation	5,500	5,500
- all other services	7,500	3,075
Operating lease rentals - land and buildings	316,083	274,955
Profit on disposal of fixed assets	-	(483)
	1,007,572	845,118
6 Interest payable	2015 £	2014 £
Interest on other loans (note 20)	3,353	8,388

## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

### 7 Taxation on profit from ordinary activities

	2015 £	2014 £
<i>Current tax:</i>		
UK corporation tax on profit of the year	372,567	316,939
Adjustments in respect of prior periods	(2,164)	38,082
	370,403	355,021
<i>Deferred tax:</i>		
Origination and reversal of timing differences	13,276	19,450
Effect of tax rate change on opening balance	-	(23,684)
Adjustments in respect of prior periods	-	855
	383,679	351,642

The tax assessed for the year is calculated at a rate that is lower (2014 – higher) to the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,835,291	1,407,486
	1,835,291	1,407,486
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	380,823	316,704
<i>Effects of:</i>		
Fixed asset differences	1,832	2,397
Expenses not deductible for tax purposes	3,687	20,277
Capital allowances in excess of depreciation	(13,755)	(21,883)
Adjustments in respect of prior periods	(2,164)	38,082
Marginal relief	-	(556)
	370,403	355,021

## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

8 Intangible assets	Purchased Goodwill £
<i>Cost</i>	
At 1 July 2014	2,966,414
Additions	482,500
	3,448,914
At 30 June 2015	3,448,914
<i>Amortisation</i>	
At 1 July 2014	2,705,205
Provided for the year	256,124
	2,961,329
At 30 June 2015	2,961,329
<i>Net book value</i>	
At 30 June 2015	487,585
At 30 June 2014	261,209

The above goodwill relates to acquisitions of books of insurance policies from third parties.

9 Tangible assets	Motor vehicles £	Computer equipment £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 July 2014	190,373	594,790	658,519	1,443,682
Additions	106,835	32,311	58,267	197,413
Disposals	-	(75,046)	-	(75,046)
	297,208	552,055	716,786	1,566,049
At 30 June 2015	297,208	552,055	716,786	1,566,049
<i>Depreciation</i>				
At 1 July 2014	40,310	429,442	519,739	989,491
Provided for the year	56,358	65,469	62,555	184,382
Disposals	-	(75,046)	-	(75,046)
	96,668	419,865	582,294	1,098,827
At 30 June 2015	96,668	419,865	582,294	1,098,827
<i>Net book value</i>				
At 30 June 2015	200,540	132,190	134,492	467,222
At 30 June 2014	150,063	165,348	138,780	454,191

## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (*continued*)

### 10 Debtors

	2015 £	2014 £
Insurance transaction debtors	2,333,351	2,016,882
Amount owed by parent undertaking	911,674	887,674
Other debtors	154,787	143,553
Prepayments and accrued income	781,163	690,764
	4,180,975	3,738,873
	4,180,975	3,738,873

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

### 11 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 £285,832 (2014 - £285,865).

### 12 Creditors: amounts falling due within one year

	2015 £	2014 £
Insurance transaction creditors	2,619,183	2,302,747
Payments on account	108,334	208,334
Trade creditors	201,142	140,048
Corporation tax	372,537	393,311
Taxation and social security	84,979	212,878
Other creditors	120,883	113,447
Other loans (note 20)	-	250,000
Accruals and deferred income	789,987	892,038
Deferred tax liability (note 13)	27,027	13,751
	4,324,072	4,526,554
	4,324,072	4,526,554



## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 *(continued)*

13 Deferred taxation	£	
At 1 July 2014		(13,751)
Charged to profit and loss account		(13,276)
		(27,027)
At 30 June 2015		(27,027)
	2015 £	2014 £
The deferred tax liability consists of the following:		
Accelerated capital allowances	(37,027)	(23,751)
Short term timing differences	10,000	10,000
	(27,027)	(13,751)
	(27,027)	(13,751)
14 Share capital	2015 £	2014 £
<i>Allotted, called up and fully paid</i> 260,000 ordinary shares of £1 each	260,000	260,000
	260,000	260,000
	260,000	260,000
15 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 (2014 - £Nil).		
16 Reserves	Capital contribution £	Profit and loss account £
At 1 July 2014	50,000	142,696
Profit for the year	-	1,451,612
Dividend paid in the year	-	(36,000)
	50,000	1,558,308
At 30 June 2015	50,000	1,558,308

## Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

### 17 Reconciliation of movements in shareholder's funds

	2015 £	2014 £
Profit for the year	1,451,612	1,055,844
Dividend paid in the year	(36,000)	(36,000)
Opening shareholder's funds / (deficit)	452,696	(567,148)
	1,868,308	452,696
	1,868,308	452,696

### 18 Commitments under operating leases

As at 30 June 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Land and buildings 2014 £
Operating leases which expire:		
Within one year	-	25,058
Within one to five years	177,779	155,599
After five years	122,722	93,600
	300,501	274,257
	300,501	274,257

### 19 Contingent liabilities

In prior years the company has entered into certain arrangements to incentivise employees. H M Revenue & Customs have made enquiries into these arrangements and have notified the company that there is a possibility that additional amounts of tax may become payable by the company as a result of these enquiries. The directors are unable to quantify any amount that H M Revenue & Customs may seek to recover or the time frame over which any enquiry may take place. The directors are of the opinion that the company has complied in full with the relevant tax legislation in respect of these arrangements. Accordingly no provision for any liability from these enquiries has been made in the financial statements.

### 20 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" 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 £50,000 (2014 - £50,176). A balance of £10,776 was outstanding at the year end (2014 - £9,069).

# Academy Insurance Services Limited

Notes forming part of the financial statements  
for the year ended 30 June 2015 (continued)

## 20 Related party disclosures (continued)

The Trustees of the David Morgan Bard 2005 Family Trust and the Trustees of the Kevin Richard Munn 2005 Family Trust have made loans to the company. The amount owed to these trusts at 30 June 2015 was £Nil (2014 - £250,000) and is shown within "other loans" on the balance sheet. Interest of £3,353 (2014 - £8,388) was charged to the profit and loss account in respect of these loans during the year.

At year end a balance of £15,305 (2014 - £3,035) was due from D M Bard and K R Munn in respect of transactions paid on their behalf by the company. A balance of £2,652 (2014 - £Nil) was due to D M Bard in respect of expense reclaims.

In the prior year V Farrelly, the company secretary, purchased a car from the company for £6,000. A loan of £Nil was outstanding at year end (2014 - £6,000). No interest was charged on this loan (2014 - £Nil).

In the prior year Mrs L Bard, the wife of D M Bard, purchased a car from the company for £27,165. A loan of £2,308 was outstanding at year end (2014 - £10,385). No interest has been charged on this loan (2014 - £Nil).

At year end a loan of £14,507 (2014 - £Nil) was outstanding with Key Worker Insurance Limited, a company in which D M Bard and K R Munn are shareholders. No interest has been charged on this loan.

At year end a balance of £100,089 (2014 - £Nil) 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.

## 21 Dividends

A dividend of 13.85p per ordinary share was declared in the year, giving a total dividend of £36,000 for the year (2014 - £36,000).

## 22 Post balance sheet event

On 17 November 2015, the company acquired the entire share capital of Key Worker Insure Limited, for approximately £600,000 total consideration. The consideration payable includes an amount of deferred consideration.

## 23 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 2015.

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