

Collegiate Management Services Limited

Directors' report and financial
statements

Registered number 02065041

For the year ended 31 December 2018



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Directors and advisers

Directors

M G Womack
M R Archer
R J W Turnbull
R Marino

Registered office

2nd Floor
Somerset House
18 Mansell Street
London E1 8FE

Registered Number

02065041

Independent auditor

PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London E14 4HD

Bankers

Lloyds TSB Bank plc
72 Fenchurch Street
London EC3P 3EH

Strategic report

The directors present their Strategic report for Collegiate Management Services Limited ("the Company") for the year ended 31 December 2018.

Overview

The principal activity of the company is the provision of underwriting and claim management services to professional indemnity insurance companies.

Business review and future developments

The Company underwrote, on behalf of a number of insurance companies, just under £11.4m gross written premium in 2018 (£10.0m in 2017) generating a corresponding increase in commission income. While claims handling services income remained in line with budget, profit commissions significantly increased over the prior year due to a strong 2015 year of account performance.

The Directors are confident regarding the future outlook of the Company. There are not likely to be any major changes to the Company's activities in the foreseeable future.

Key performance indicators

The Company's key performance indicators during the year were as follows:

	2018	2017
	£	£
Turnover	4,665,214	4,352,854
Profit on ordinary activities before taxation	1,617,255	1,418,191
Cash at bank (excluding cash held in client designated accounts)	2,219,367	1,671,482

The Company's turnover increased 7% in 2018 compared to 2017 as a result of continued growth of the Professional indemnity portfolio.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are outlined below.

Operational risk

The operational risk of the Company is the ability to adequately underwrite on behalf of insurance companies. Although its main capacity provider is Amtrust Europe Ltd, the Company also receives capacity from other insurance carriers whose participation is critical for continued development.

Credit risk

The key aspect of credit risk is the failure of an insured or intermediary to fulfil the premium payment obligations or for an insurance company client to fail to pay claims handling fees to the Company.

Risk monitoring is performed during the underwriting process; overdue balances are monitored regularly and communicated to brokers and underwriters.

Market risk

The key aspects of market risk would be the inability of the Company to profitably grow its portfolio due to competition or a deterioration of the quality of risks. The Company mitigates these risks by ensuring the strict implementation of underwriting guidelines, controls and authorities, monitoring regularly the results of its portfolios.

Liquidity risk

This is the risk that the Company will not be able to meet its liabilities as they fall due, owing to a shortfall in liquid funds. To mitigate this risk, minimum levels of working capital are maintained and cash flow is actively monitored.

Staff matters

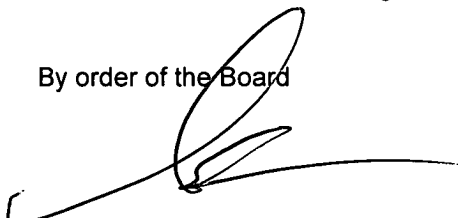
The Company considers its staff to be its key resource and the retention of staff is fundamental to the success of the business. The strategy adopted by the Company is designed to ensure that the terms and conditions offered to employees, as part of their overall remuneration package, remain competitive.

The Company seeks to provide a good working environment for its staff that is safe and complies with appropriate legislation. During the year, there has been no significant injury to staff in the workplace or any significant actions taken by any regulatory bodies with regard to staff matters.

Brexit

The impact of Brexit has been assessed and it has been concluded that it is immaterial due to the small number (£123k premium) of Republic of Ireland policies. Directors are actively considering the options available to continue servicing Irish based clients post Brexit.

By order of the Board



M G Womack
Director

2nd Floor
Somerset House
18 Mansell Street
London
E1 8FE
26 JUNE 2019

Directors' report

Financial Statements

The directors present their report and the audited financial statements for the Company for the year ended 31 December 2018.

Disclosure of Information to Auditors

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of that information and to establish that the company's auditors are aware of that information.

Principal activities and review of business

The principal activity of the Company is the provision of underwriting and claim management services to professional indemnity insurance companies.

The directors plan to continue with pursuing the same business activities, which have led to the satisfactory result achieved in the year.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, United Kingdom Accounting Standards including The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and applicable law for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements are properly prepared in accordance with the applicable provisions of 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. The directors are responsible for ensuring that the report of the directors is prepared in accordance with company law in the United Kingdom.

Results and Dividends

The profit on the ordinary activities of the Company before taxation amount to £1,617,255 (2017: £1,418,191). After taxation, the profit of £1,311,695 (2017: £1,132,764) has been transferred to reserves. Dividends of £1,665,690 were paid in the year (2017: £576,615).

Post Balance Sheet events

There have been no significant events to report after year-end.

Directors

The directors, who served during the year, were as follows:

M R Archer

R J W Turnbull

R Marino

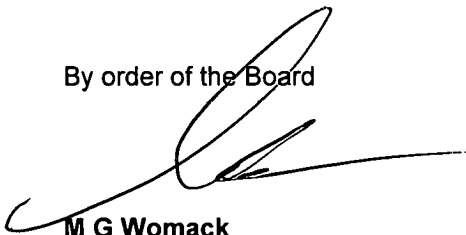
M G Womack (appointed 25th January 2018)

The Company is a wholly owned subsidiary of AmTrust Europe Limited.

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditors.

By order of the Board



M G Womack
Director

2nd Floor
Somerset House
18 Mansell Street
London
E1 8FE

26 JUNE 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLLEGIATE MANAGEMENT SERVICES LIMITED

Opinion

We have audited the financial statements of Collegiate Management Services Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's responsibilities for the audit of the financial statements

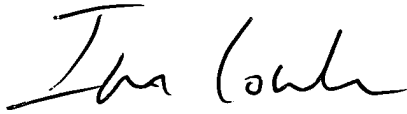
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other

purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

27 June 2019

Statement of comprehensive Income

for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	1c)	4,665,214	4,352,854
Administrative expenses		(3,050,591)	(2,934,989)
Operating profit	3	1,614,623	1,417,865
Interest receivable	5	2,632	326
Interest payable		-	-
Profit on ordinary activities before taxation		1,617,255	1,418,191
Tax (charge) on profit on ordinary activities	6	(305,560)	(285,427)
Profit for the financial year		1,311,695	1,132,764

The Company's turnover and expenses all relate to continuing operations.

The Company had no other comprehensive income other than the profit for the financial year stated above.

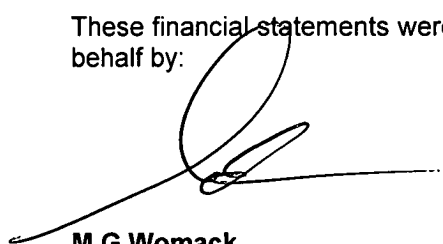
The notes on pages 12 to 19 form part of these financial statements.

Statement of financial position

as at 31 December 2018

	Note	£	2018 £	£	2017 £
Non-current assets					
Tangible assets	8		68,015		108,605
Current assets					
Debtors	9	1,655,029		1,633,125	
Cash at bank	10	3,418,171		2,736,141	
			<u>5,073,200</u>	<u>4,369,266</u>	
Creditors: amounts falling due within one year	11	(2,713,357)		(1,696,018)	
Net current assets			<u>2,359,843</u>	<u>2,673,248</u>	
Total net assets			<u>2,427,858</u>	<u>2,781,853</u>	
Capital and reserves					
Called up share capital	14		352,568		352,568
Share premium account	15		5,925		5,925
Capital redemption reserve	15		36,663		36,663
Profit and loss account	15		2,032,702		2,386,697
Total shareholder's funds - equity interests			<u>2,427,858</u>	<u>2,781,853</u>	

These financial statements were approved by the board of directors on 26 JUNE 2019 and signed on its behalf by:



M G Womack

Director

26 JUNE 2019

The notes on pages 12 to 19 form part of these financial statements

Statement of changes in equity

as at 31 December 2018

	Share Capital	Share Premium Account	Capital Redemption Reserve	Retained Earnings	Total Equity
1 January 2017	352,568	5,925	36,663	1,830,548	2,225,704
Profit for the year				1,132,764	1,132,764
Dividends				(576,615)	(576,615)
31 December 2017	352,568	5,925	36,663	2,386,697	2,781,853
1 January 2018	352,568	5,925	36,663	2,386,697	2,781,853
Profit for the year				1,311,695	1,311,695
Dividends				(1,665,690)	(1,665,690)
31 December 2018	352,568	5,925	36,663	2,032,702	2,427,858

1. Accounting Policies

(a) General Information and basis of preparation

Collegiate Management Services Limited provides underwriting and claim management services to professional indemnity insurance companies. All services are provided in the United Kingdom.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 2nd Floor, Somerset House, 18 Mansell Street, London, E1 8FE.

The financial statements of Collegiate Management Services Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The Company has taken advantage of the exemption under FRS 102 paragraph 1.12(b) not to prepare a cash flow statement as it is consolidated in the financial statements of its UK parent company which are publicly available. The Company has also taken advantage of the shared based payment disclosure exemption under paragraph 1.12 (d) as the equivalent disclosures are included in the consolidated group financial statements. The related party transactions exemption has been exercised, as the Company is not required to disclose transactions with other companies that are wholly owned within the group.

The financial statements have been prepared on a going concern basis. The preparation of financial statements in conformity with FRS102 requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in Note 2.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Turnover

Turnover represents the income receivable for services provided by the Company during the financial year. This includes commissions receivable for acting as a managing general agent for certain leading insurers, profit commissions and claims handling fees. Revenue from which is recognised when the right to consideration is reached and is capable of reliable measurement and no significant uncertainty remains. All services are provided in the United Kingdom.

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The principal annual rates and methods used are:

Computer equipment	33%	Straight line
Fixtures and fittings	20%	Straight line
Fit out costs	Period of lease	Straight line

(e) Leasing and hire purchase

All leases held are operating leases and the payments made under them are charged to profit and loss on a straight line basis over the lease term.

(f) Taxation

Taxation expense for the period comprises current and deferred taxation recognised in the reporting period.

(i) **Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) **Deferred tax**

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet 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 legislation. Timing differences arise from the inclusion of items of income and expenditure in the taxation computation in periods different from those in which they are included in the accounts.

Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered.

(g) **Pension costs**

The company operates a defined contribution pension scheme.

The cost of providing retirement pension and related benefits is charged to the profit and loss account as incurred.

(h) **Insurance debtors and creditors**

The Company recognises insurance debtors and fiduciary cash only to the extent that the Company has a material economic interest in those balances. Accordingly, only insurance creditors relating to the insurance cash are recognised in the Company's balance sheet.

(i) **Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit and loss in other administrative expenses.

(j) **Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) **Critical judgements in applying the entity's accounting policies**

No judgements have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements

(b) **Critical accounting estimates and assumptions**

In order to reflect the ongoing servicing obligations of the Company in relation to the placing of insurance contracts, 50% of commission income relating to policies incepting in the current month is deferred to the following month. Any income relating to policies not yet incepted is deferred until inception date to ensure certainty of the contractual right to that income has been established.

3. Operating profit

	2018 £	2017 £
The operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	48,810	65,139

Amounts payable to the Auditors in respect of:

Audit of Company's accounts	14,750	13,800
Defined contribution pension	78,492	74,914
	=====	=====

4. Directors and Employees

	2018 £	2017 £
Staff costs during the year were as follows:		
Wages and salaries	1,756,603	2,004,445
Social Security costs	203,397	230,906
Other pension costs	78,492	74,914
	-----	-----
	2,038,492	2,310,265
	=====	=====

This includes direct payroll expenses and those recharged from other group entities.

The company has made payments totalling £78,492 (2017: £74,914) to defined contribution pension schemes, the assets of which are held in independently administered funds.

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

	2018 Number	2017 Number
Office and Management	7	29
	=====	=====

The 2018 figure represents average headcount before staff were transferred to the AmTrust Management Services Ltd payroll.

Remuneration in respect of directors was as follows:

	2018 £	2017 £
Highest paid director (joint)	263,603	244,197
	=====	=====
Remuneration	612,344	743,442
Payments to defined contribution pension schemes	19,500	18,000
	-----	-----
	631,844	761,442
	=====	=====

The highest paid directors did not exercise any share options during the year.

The number of directors to whom pension benefits are accrued under pension schemes are:

	2018 Number	2017 Number
Defined contribution pension scheme	3	2
	=====	=====

5. Interest receivable

	2018	2017
	£	£
Interest received	2,632	326
	===	===

6. Tax on Profit on Ordinary Activities

	2018	2017
	£	£
Based on the profit for the year:		
UK Corporation tax at 19% (2017: 19.25%)	313,406	81,467
Adjustment in respect of previous years	(2,513)	
	-----	-----
Current tax charge	310,893	81,467
Deferred taxation		
Origination of reversal of timing differences	(5,333)	194,069
Adjustment in respect of prior periods	-	9,891
	-----	-----
Tax on profit on ordinary activities	305,560	285,427
	=====	=====
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,617,255	1,418,191
	=====	=====
Profit on ordinary activities before taxation multiplied by the relevant standard rate of UK Corporation tax of 19% (2017: 19.25%)	307,279	273,002
	-----	-----
Effect of:		
Expenses not deductible for tax purposes	794	2,534
Adjustment for exercise of share options	-	-
Adjustments to previous periods	(2,513)	9,891
Marginal relief	-	-
Rate change adjustments	-	-
	-----	-----
	(1,719)	12,425
	-----	-----
	305,560	285,427
	=====	=====

Factors that may affect future tax charges

Further reductions to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2017 on 7 September 2017. These reduce the standard rate to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

7. Dividends

	2018	2017
	£	£
Paid dividend on ordinary shares	1,665,690	576,615
	=====	=====

8. Tangible Fixed Assets

	Computer Equipment £	Fixtures and Fittings £	Total £
Costs			
At 1 January 2018	583,987	281,223	865,210
Additions	4,677	3,543	8,220
Disposals	-	-	-
	-----	-----	-----
At 31 December 2018	588,664	284,766	873,430
	=====	=====	=====
Depreciation			
At 1 January 2018	561,220	195,385	756,605
Charge for the year	19,930	28,880	48,810
Disposals	-	-	-
	-----	-----	-----
At 31 December 2018	581,150	224,265	805,415
	=====	=====	=====
Net book value			
At 31 December 2018	7,514	60,501	68,015
	=====	=====	=====
At 31 December 2017	22,767	85,838	108,605
	=====	=====	=====

There were no leased assets. Fixtures and fittings include the fit out costs for the offices.

9. Debtors

	2018 £	2017 £
Trade debtors	1,434,059	1,394,375
Amounts owed by group undertakings	62,692	-
Other debtors	61,047	63,488
Corporation tax debtor	-	75,669
Deferred tax asset	6,295	962
Prepayments and accrued income	90,936	98,631
	-----	-----
	1,655,029	1,633,125
	=====	=====

10. Cash at Bank and in hand

Cash at bank and in hand includes £1,198,804 held on client designated accounts [2017: £1,064,659]. These assets are protected from being claimed by third parties by signed undertakings from the holders of the accounts.

11. Creditors: amounts falling due within one year.

	2018	2017
	£	£
Trade creditors	27,460	29,231
Other taxes and social security	22,269	244,644
Other creditors	147,079	104,807
Amounts due to group undertakings	824,584	17,638
Insurance creditors	1,198,804	1,064,659
Accruals and deferred income	257,937	235,039
Corporation tax creditor	235,224	-
	2,713,357	1,696,018
	=====	=====

12. Deferred Taxation

	2018	2017
	£	£
At 1 January 2018	962	204,922
Tax (charge)/credit in the P&L	5,333	(203,960)
	6,295	962
	=====	=====

Analysis of Deferred Taxation balance:-

Capital allowances in excess of depreciation	6,295	(402)
Unutilised tax losses	-	-
Other timing differences	-	1,364
	6,295	962
	=====	=====

13. Pension Costs

	2018	2017
	£	£
Contribution payable by the company for the year	78,492	74,914
	=====	=====
Contribution payable to the fund at the year end and included in creditors	-	7,177
	=====	=====

14. Share Capital

	2018	2017
	£	£
Allotted, called up and full paid	352,568	352,568
352,568 Ordinary Equity Shares of £1 each	=====	=====

15. Reserves

	Share Premium Account	Capital Redemption Reserve
	£	£
At 1 January 2018 and at 31 December 2018	5,925 =====	36,663 =====
Profit and loss account	2018	2017
	£	£
Balance as at 1 January	2,386,697	1,830,548
Profit for the year	1,311,695	1,132,764
	-----	-----
	3,698,392	2,963,312
Dividends paid	(1,665,690)	(576,615)
	-----	-----
Balance as at 31 December	2,032,702 =====	2,386,697 =====

Share premium account records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve records the nominal value of shares repurchased by the company.

16. Financial Commitments Under Operating Leases

At 31 December 2018 the company had the following future minimum lease payments under non-cancellable leases as follows:

	2018	2017
	£	£
Leases of land and buildings:		
Within one year	46,605	139,815
In two to five years	594,214	35,731
	=====	=====

17. Ultimate Controlling Party

The company was under the immediate control of Collegiate Limited, its parent undertaking, itself a subsidiary of AmTrust Europe Ltd, a company registered in England.

The ultimate holding parent undertaking AmTrust Financial Services Inc which is incorporated in the USA. AmTrust Financial Services Inc. is the parent company of the largest group for which consolidated financial statements are produced which include Collegiate Management Services Limited. Copies of its group financial statements are available from 42nd Floor, 59 Maiden Lane, New York, USA.

In the opinion of the directors, there is no ultimate controlling party.

18. Related Party Transactions

The company has provided an interest free season ticket loan to Mr R Turnbull, a director. The amount outstanding at 31 December 2018 was £3,018 (2017: £2,916).

19. Share-Based Payments

Subject to conditions of individual employment contracts the Company is entitled to pay up to 50% of the value of the employee's bonus in Restricted Stock Units (RSUs) issued by the Company's holding company, AmTrust Financial Services Inc. (AmTrust). The RSUs vest over a period of one to four years over which time employees are required to remain in employment with the group.

The cost of both grant and exercise is borne by the holding company and not recharged to the Company.

COLLEGIATE MANAGEMENT SERVICES LIMITED

**Trading Account
 For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
Turnover		4,665,213		4,352,854
Other operating income		-		-
		<u>4,665,213</u>		<u>4,352,854</u>
Overheads				
Administrative expenses (per schedule)	(3,050,591)		(2,934,989)	
Interest receivable	2,632		326	
Interest payable				
		<u>(3,047,959)</u>		<u>(2,934,663)</u>
Profit on Ordinary Activities before Taxation		1,617,254		1,418,191
		=====		=====

This page does not form part of the statutory financial statements.

COLLEGIATE MANAGEMENT SERVICES LIMITED

Schedule to Trading Account

	2018 £	2017 £
Administrative Expenses		
Directors' remuneration	598,043	841,730
Salaries and wages	1,361,957	1,393,620
Pension costs	78,492	74,914
Recruitment, training and other staff costs	36,157	45,100
Motor expenses	249	5,765
Marketing costs	27,962	3,036
Travel	3,656	1,769
Entertaining	4,181	6,872
Legal and professional fees	24,482	34,880
Audit and accountancy	18,300	13,800
Depreciation	48,811	65,139
Insurance	28,195	34,621
Maintenance	36,448	29,872
Printing, postage and stationery	4,718	4,926
Telephone, internet, email and fax	17,330	19,948
Computer costs	43,215	19,162
Rent, rates and service charge	240,287	235,762
Bank charges	748	638
Irrecoverable VAT	59,549	60,437
General expenses	8,154	16,886
Office costs	30,181	26,112
Profit on disposal of assets	-	-
Provision for bad debts	-	-
AmTrust Group Recharges	379,476	-
	----- 3,050,591 =====	----- 2,934,989 =====

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