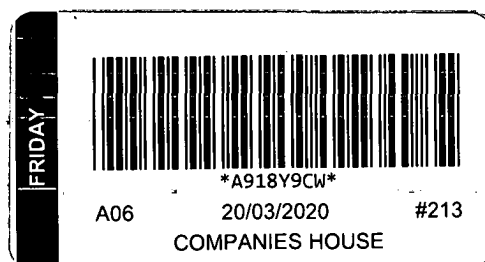


Registered number: 02827690

CETA INSURANCE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



CETA INSURANCE LTD

COMPANY INFORMATION

Directors	J B Bibby A M Blowers I Gilbert P A Yates
Registered number	02827690
Registered office	CETA House Cromwell Business Park Chipping Norton Oxfordshire OX7 5SR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford Business Park South Oxford Oxfordshire OX4 2WB

CETA INSURANCE LTD

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CETA INSURANCE LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Summary

CETA Insurance is a technology enabled insurance distribution platform specialising in niche personal lines and small commercial insurance products.

The company trades with both business to consumer and business to business customers through its sophisticated online "quote and buy" platform, supported by a specialist contact centre. Using sophisticated algorithms and data enrichment the business is able to improve its offering to customers and suppliers.

Business review

The Company's turnover was £8.5m in the period to 30 September 2019 (2018: £8.1m). The operating profit was £2.2m (2018: £2m). The profit before tax was £2.2m (2018: £2m).

During the year, the Company invested significantly in developing its technology platform, making use of both external developers and new permanent hires.

Revenue growth exceeded this additional investment and operating profit grew by 9%.

Summary of Key Performance Indicators

The key financial indicators in the year were as follows:

	2019	2018
	£000	£000
Turnover	8,482	8,079
Operating Profit	2,188	2,006

Principal risks to the Business

- **Regulation and Legislation** -The board of directors continue to carefully monitor and quickly respond to Regulatory requirements and changes in legislation that could impact the company and its employees.
- **Competition** – The Company operates within very competitive markets and has put in place a framework of key metrics to monitor and respond to changing markets and mitigate impact where possible.
- **Insurance Risk** – The Company constantly measures and reacts to insurer loss ratio performance across all of its insurer partners.
- **Credit Risk** - The Company has minimal credit risk as insurance premium payments are generally received from brokers or customers prior to inception of the policy.
- **Brexit Risk** – The Company has minimal exposure to Brexit

Outlook for the Business

The Directors look forward to the coming year and beyond with increasing confidence. The investment in products, systems, data analytics, distribution partnerships and compliance place the business in a great position for growth across all of its key operating areas.

CETA INSURANCE LTD

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

This report was approved by the board on 28 January 2020 and signed on its behalf.

I 

I Gilbert
Director

CETA INSURANCE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors

The directors who served during the year were:

J B Bibby
A M Blowers
A H Elston (resigned 1 May 2019)
J M Thomson
P A Yates

On the 17 October 2019 I Gilbert was appointed as a director of the company.

Directors' responsibilities statement

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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CETA INSURANCE LTD

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **28 January 2020** and signed on its behalf.

I. 

I Gilbert
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CETA INSURANCE LTD

Opinion

We have audited the financial statements of CETA Insurance Ltd (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 September 2019 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CETA INSURANCE LTD (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 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CETA INSURANCE LTD (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

Grant Thornton UK LLP

Mark Bishop FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford
Date: 28 January 2020

CETA INSURANCE LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

		2019 £	2018 £
Turnover	4	8,482,323	8,079,427
Gross profit		8,482,323	8,079,427
Administrative expenses		(6,413,898)	(6,073,511)
Other operating income	5	119,606	-
Operating profit		2,188,031	2,005,916
Interest receivable and similar income	10	15,877	7,932
Interest payable and expenses	11	(1,450)	(1,157)
Profit before tax		2,202,458	2,012,691
Tax on profit	12	(66,921)	209,440
Profit after tax		2,135,537	2,222,131
Retained earnings at the beginning of the year		5,543,869	3,321,738
		5,543,869	3,321,738
Profit for the year		2,135,537	2,222,131
Retained earnings at the end of the year		7,679,406	5,543,869

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 8 to 15 form part of these financial statements.

CETA INSURANCE LTD
REGISTERED NUMBER:02827690

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	1,509,652	25,000
Tangible assets	15	183,046	113,137
		<u>1,692,698</u>	<u>138,137</u>
Current assets			
Debtors: amounts falling due within one year	16	5,943,298	4,678,879
Cash at bank and in hand	17	1,018,898	1,725,979
		<u>6,962,196</u>	<u>6,404,858</u>
Creditors: amounts falling due within one year	18	(915,243)	(978,526)
Net current assets		<u>6,046,953</u>	<u>5,426,332</u>
Total assets less current liabilities		<u>7,739,651</u>	<u>5,564,469</u>
Provisions for liabilities			
Deferred tax	19	(55,145)	(15,500)
		<u>(55,145)</u>	<u>(15,500)</u>
Net assets		<u><u>7,684,506</u></u>	<u><u>5,548,969</u></u>
Capital and reserves			
Called up share capital	20	5,100	5,100
Profit and loss account	21	7,679,406	5,543,869
		<u><u>7,684,506</u></u>	<u><u>5,548,969</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 January 2020



I Gilbert
Director

The notes on pages 10 to 23 form part of these financial statements.

CETA INSURANCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

CETA Insurance Ltd is a private company limited by shares & incorporated in England and Wales. Registered number 02827690. Its registered head office is located at CETA House, Cromwell Business Park, Chipping Norton, Oxfordshire, OX7 5SR.

The principal activity of the Company is the provision of insurance.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements are presented in Sterling (£), which is the Company's functional currency, and rounded to the nearest £.

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 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Atec Group Holdings Limited as at 30 September 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

CETA INSURANCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Commissions on annual policies are recognised at the commencement of the policy as this is the point at which the Company has unconditional entitlement to the revenue.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and 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 in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life of 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Software assets under construction are not amortised until the asset is brought into a working condition. At that point the software is considered to have a useful life of five years.

CETA INSURANCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% on reducing balance
-----------------------	---	-------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, if and when better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgments that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Impairment of Goodwill

Management reviews goodwill for indicators of impairment at each reporting date, specifically by reviewing the trading performance of the business to which the goodwill relates, forecasting future cashflows and comparing those to the carrying value of goodwill.

Useful life of Goodwill

Management reviews its estimate of the useful life of goodwill at each reporting date, based on the expected future operations of the group.

Useful life of Other Intangible and Tangible assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT equipment.

Separability of intangible assets on acquisition

The directors are required to consider whether there are any intangible assets arising as part of the acquisition that should be separately recognised as intangible assets. The key assets that the directors identified were customer lists, the brand name and urls. The directors are of the opinion that neither of these meets the definition to be separable from the underlying business due to the nature of those assets and as such have not been separately recognised from goodwill.

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Commission	<u>8,482,323</u>	<u>8,079,427</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	<u>8,482,323</u>	<u>8,079,427</u>

5. Other operating income

	2019 £	2018 £
Research and development tax credits	<u>119,606</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Other operating lease rentals	<u>124,611</u>	<u>128,768</u>

7. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>27,500</u>	<u>23,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	3,021,811	2,529,966
Social security costs	289,005	217,973
Cost of defined contribution scheme	31,604	47,320
	<u>3,342,420</u>	<u>2,795,259</u>

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

	2019 No.	2018 No.
Directors	6	6
Administrative staff	109	107
	<u>115</u>	<u>113</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	645,652	442,357
Company contributions to defined contribution pension schemes	29,974	23,817
	<u>675,626</u>	<u>466,174</u>

During the year retirement benefits were accruing to 4 directors (2018: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £151,105 (2018 - £151,034).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,161 (2018 - £10,692).

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>15,877</u>	<u>7,932</u>

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	<u>1,450</u>	<u>1,157</u>

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	<u>27,276</u>	<u>(220,621)</u>
	<u>27,276</u>	<u>(220,621)</u>
Total current tax	<u>27,276</u>	<u>(220,621)</u>
Deferred tax		
Origination and reversal of timing differences	<u>39,645</u>	<u>11,181</u>
Total deferred tax	<u>39,645</u>	<u>11,181</u>
Taxation on profit/(loss) on ordinary activities	<u>66,921</u>	<u>(209,440)</u>

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>2,226,410</u>	<u>2,012,691</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	418,467	382,411
Effects of:		
Fixed asset differences	717	693
Expenses not deductible for tax purposes	14,190	1,800
Adjustments to tax charge in respect of prior periods	-	(220,621)
Other differences leading to an increase (decrease) in taxation	(319)	-
R&D expenditure credits	27,276	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(194,133)
Adjust closing deferred tax to rate of 19%	(6,488)	(1,824)
Adjust opening deferred tax to rate of 19%	1,786	-
Group relief	(388,708)	(177,766)
Total tax charge for the year	<u><u>66,921</u></u>	<u><u>(209,440)</u></u>

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Intangible assets

	Software under construction £	Software - developed internally £	Goodwill £	Total £
Cost				
At 1 October 2018	25,000	-	-	25,000
Additions	482,932	175,649	850,889	1,509,470
At 30 September 2019	<u>507,932</u>	<u>175,649</u>	<u>850,889</u>	<u>1,534,470</u>
Amortisation				
Charge for the year	-	-	24,818	24,818
At 30 September 2019	<u>-</u>	<u>-</u>	<u>24,818</u>	<u>24,818</u>
Net book value				
At 30 September 2019	<u>507,932</u>	<u>175,649</u>	<u>826,071</u>	<u>1,509,652</u>
At 30 September 2018	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>

Amortisation on intangible assets is charged to administrative expenses.

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Business Combination

On 15 March 2019 the Company purchased the trade and assets of Love Your Hut for a consideration of £800,702 cash and up to £159,743 of deferred contingent consideration. The transaction is considered to be a Business Combination as the set of activities acquired is considered to meet the definition of a Business in FRS 102. No tangible assets were acquired and there are not considered to be any intangible assets acquired which meet the revised criteria for separate recognition under FRS 102. Therefore the entire consideration has been allocated to goodwill in these financial statements.

The consideration recorded in the financial statements is made up as follows. The directors do not believe the criteria for paying the contingent consideration will be met and therefore this has not been included in the calculation.

	2019 £
Cash paid on completion	800,702
Transaction costs	50,187
Contingent consideration	-
	<hr/> 850,889 <hr/>

15. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 October 2018	270,979
Additions	125,226
	<hr/>
At 30 September 2019	396,205 <hr/>
Depreciation	
At 1 October 2018	157,842
Charge for the year	55,317
	<hr/>
At 30 September 2019	213,159 <hr/>
Net book value	
At 30 September 2019	183,046 <hr/>
At 30 September 2018	113,137 <hr/>

CETA INSURANCE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

16. Debtors

	2019 £	2018 £
Trade debtors	135,092	150,544
Amounts owed by group undertakings	5,513,361	4,353,618
Other debtors	29,717	33,164
Corporation tax recoverable	116,282	-
Prepayments and accrued income	148,846	141,553
	<u>5,943,298</u>	<u>4,678,879</u>

17. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,018,898</u>	<u>1,725,979</u>

At the Statement of Financial Position date the Company held a balance of £2,820,717 (2018: £3,023,684) in a separate account which represents customer money to be paid over to insurers. This cash is not available for the use of the Company and as such is not considered to be free cash. This amount has not been included in the financial statements and the directors consider that to do so would be misleading to users of the financial statements. If this amount was to be included in the accounts the impact would be to increase cash by £2,820,717 (2018: £3,023,684) and to increase creditors by the same amount, with no impact on net assets.

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	546,352	593,740
Other taxation and social security	172,107	160,498
Other creditors	20,975	11,934
Accruals and deferred income	175,809	212,354
	<u>915,243</u>	<u>978,526</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Deferred taxation

	2019 £	2018 £
At beginning of year	(15,500)	(4,319)
Charged to profit or loss	(39,645)	(11,181)
At end of year	(55,145)	(15,500)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(56,504)	(15,500)
Short term temporary differences	1,359	-
	(55,145)	(15,500)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,100 (2018 - 5,100) Ordinary shares of £1 each	5,100	5,100

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. Reserves

Profit and loss account

Includes all retained profit and losses.

22. Pension commitments

The Company operates a defined contribution pension scheme and £9,450 (2018: £6,042) was outstanding at the year end and is included in other creditors.

CETA INSURANCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

23. Commitments under operating leases

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	31,500	76,660
Between 2 and 5 years	64,000	-

24. Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned members of the group.

25. Controlling party

The parent company is ATEC Group Limited, a company incorporated on the 4th of July 2017 in England & Wales whose registered office is the same as the Company.

ATEC Group Holdings Limited is both the smallest and largest group for which consolidated accounts which include this Company are produced. Copies of these financial statements can be obtained from Companies House.

The ultimate controlling party is Kester Capital LLP.