Registered number: 02827690

CETA INSURANCE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

CETA INSURANCE LTD

COMPANY INFORMATION

Directors	I Gilbert B J Devine 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 Seacourt Tower Botley Oxford OX2 OJJ
Bankers	Barclays Bank UK PLC PO Box 299 Birmingham B1 3PF

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Summary

CETA Insurance is a tech-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 technology platform, supported by a specialist contact centre. Using data enrichment and insight the business is able to improve its offering to customers and suppliers.

Business review

During the year, the group focused on growing the business organically, both from existing and new distribution channels.

The Company's turnover was £10.5m in the period to 30 September 2021 *(2020: £9.2m)*. The operating profit was £0.2m *(2020: £1.5m)*. The profit before tax was £0.2m *(2020: £1.5m)*.

Covid-19

At the onset of the pandemic in 2020, the business responded well by rapidly deploying its technology capability and adapting quickly to working from home. The timing of new business sales was impacted, but the acceleration of the trend to digitally sourced insurance led to continued growth.

This growth continued in 2021. Whilst the pandemic continues, the seasonal profile in 2021 was more closely aligned with pre-pandemic years. In addition, the business has grown organically in both core divisions. The directors believe that the Group has demonstrated resilience and is well-insulated from volatility introduced by the pandemic. As such, the Group considers itself well placed to continue to successfully navigate through the remainder of the pandemic.

Summary of Key Performance Indicators

The key financial indicators in the year were as follows:

	2021	2020
	£000	£000
Turnover	**10,498**	9,234
Operating Profit	**237**	1,537

Turnover grew by 14% to £10.5m from £9.2m. This was a result of successful organic growth in both our core divisions, from existing and new distribution channels. Operating profit was £0.2m after impairment charges (note 14). Excluding this Operating profit would be £1.5m, in line with the prior year.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal risks to the Business

Regulation and Legislation - The board of directors continue to carefully monitor and 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 help respond to changing markets and mitigate impacts.

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/IT security, data analytics, distribution partnerships and compliance place the business in a great position for growth across all of its key operating areas.

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

Ian Gilbert

I Gilbert
Director

Date: 28/1/2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

Results and dividends

The profit for the year, after taxation, amounted to £13,523 *(2020: £1,557,320)*.

No dividend was proposed or paid in the year *(2020: £Nil)*.

Directors

The directors who served during the year were:

I Gilbert
J M Thomson (resigned 13 August 2021)
B J Devine
P A Yates

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.

Going concern

The directors have reviewed the Company's forecasts and latest management accounts and as a result have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Specifically, management review trading on a daily basis, so that the business is able to identify and respond to any risks, and also capitalise on any available opportunities. In addition to the annual strategic planning and budget process, the group undertakes a comprehensive quarterly reforecasting process including sensitivity analysis on key assumptions and a review of the current and future financing position.

As the bank loan, in the group, is repayable in September 2022, there is a requirement to refinance within 12 months from the date of approval of the financial statements. The strong trading performance and underlying health of the business, coupled with favourable market conditions with respect to availability and pricing of debt lead the directors to believe that a successful refinance is achievable. This is supported by work undertaken to date. Nevertheless, the directors acknowledge the inherent material uncertainty given that refinancing is required within 12 months of the signing of the financial statements and does not have the available funds to repay the liability as it falls due; this may cast significant doubt on the ability of the group (and each company within it) to continue as a going concern.

For these reasons, they continue to adopt the going concern basis in preparing the financial statements, which do not include adjustments that would result if the Company was unable to continue as a going concern.

Qualifying third party indemnity provisions

The Company has maintained directors' liability insurance in respect of its directors.

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.

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 and signed on its behalf.

Ian Gilbert

I Gilbert
Director

Date: 28/1/2022

Grant Thornton

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 2021, which comprise the Statement of Comprehensive Income, 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 2021 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the group's banking facilities are due for refinancing within 12 months from the date of approval of the financial statements. As stated in note 2.3 these events or conditions along with other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

Responsibilities of directors for the financial statements

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to the financial statements are those related to the reporting frameworks (FRS 102 and the Companies Act 2006).

In addition, we concluded that there are certain significant laws and regulations, such as those governed by the Financial Conduct Authority and the Employment Law and Health and Safety regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.

We understood how CETA Insurance Ltd complies with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies.

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

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the entity's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
- the applicable statutory provisions;
- the rules and interpretative guidance issued by the Financial Conduct Authority
- the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

We assessed the susceptibility of CETA Insurance Ltd's financial statements to material misstatement, including how fraud might occur, by making enquires of management and those charged with governance. We utilised internal and external information to corroborate these enquiries and to perform a high-level fraud risk assessment. We considered the risk of fraud to be higher through the potential for management override of controls.

Our audit procedures involved:

- journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those posted directly from the income statement to the balance sheet;
- challenging assumptions and judgements made by management in its significant accounting estimates, including recoverability of intangible assets, investments, and goodwill;
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

GrantThornton

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

We assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates;
- reading key correspondence with the Financial Conduct Authority, including those in relation to compliance with laws and regulations;
- understanding of the legal and regulatory requirements specific to the entity including:
  - the provisions of the applicable legislation;
  - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
  - the applicable statutory provisions.

We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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

Madeleine Malenczuk FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford
Date: 28/1/2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Turnover	4	**10,498,140**	*9,234,973*
Gross profit		**10,498,140**	*9,234,973*
Administrative expenses		**(9,114,688)**	*(7,824,984)*
Other operating income	5	**126,788**	*126,707*
Impairment of intangible assets	7	**(1,273,724)**	*-*
Operating profit	6	**236,516**	*1,536,696*
Interest receivable and similar income	11	**272**	*7,841*
Interest payable and expenses	12	**(10,476)**	*(5,757)*
Profit before tax		**226,312**	*1,538,780*
Tax on profit	13	**(212,789)**	*18,540*
Profit for the financial year		**13,523**	*1,557,320*
Other comprehensive income for the year			
Total comprehensive income for the year		**13,523**	*1,557,320*

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 29 form part of these financial statements.

CETA INSURANCE LTD
REGISTERED NUMBER:02827690

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note		2021 £		*As restated* 2020 £
Fixed assets					
Intangible assets	14		**934,932**		*1,896,569*
Tangible assets	15		**337,827**		*314,792*
			1,272,759		*2,211,361*
Current assets					
Debtors: amounts falling due within one year	17	**8,709,121**		*7,532,280*	
Cash at bank and in hand	18	**5,460,399**		*4,019,356*	
		14,169,520		*11,551,636*	
Creditors: amounts falling due within one year	19	**(5,956,079)**		*(4,480,584)*	
Net current assets			**8,213,441**		*7,071,052*
Total assets less current liabilities			**9,486,200**		*9,282,413*
Creditors: amounts falling due after more than one year	20		**(49,998)**		*(40,260)*
Provisions for liabilities					
Deferred tax	22	**(180,853)**		*(327)*	
			(180,853)		*(327)*
Net assets			**9,255,349**		*9,241,826*
Capital and reserves					
Called up share capital	23		**5,100**		*5,100*
Profit and loss account	24		**9,250,249**		*9,236,726*
			9,255,349		*9,241,826*

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

Ian Gilbert

I Gilbert
Director

Date: 28/1/2022

The notes on pages 12 to 29 form part of these financial statements.

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 sale of insurance policies direct to consumers or via other intermediaries.

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 11.42, 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 2021 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

The directors have reviewed the Company's forecasts and latest management accounts and as a result have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Specifically, management review trading on a daily basis, so that the business is able to identify and respond to any risks, and also capitalise on any available opportunities. In addition to the annual strategic planning and budget process, the group undertakes a comprehensive quarterly reforecasting process including sensitivity analysis on key assumptions and a review of the current and future financing position.

As the bank loan, in the group, is repayable in September 2022, there is a requirement to refinance within 12 months from the date of approval of the financial statements. The strong trading performance and underlying health of the business, coupled with favourable market conditions with respect to availability and pricing of debt lead the directors to believe that a successful refinance is achievable. This is supported by work undertaken to date. Nevertheless, the directors acknowledge the inherent material uncertainty given that refinancing is required within 12 months of the signing of the financial statements and does not have the available funds to repay the liability as it falls due; this may cast significant doubt on the ability of the group (and each company within it) to continue as a going concern.

For these reasons, they continue to adopt the going concern basis in preparing the financial statements, which do not include adjustments that would result if the Company was unable to continue as a going concern.

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 and fees on annual policies are recognised at the commencement of the policy as this is the point at which the Company has completed the steps required for the policy to be live and to collect the cash.

A cancellation provision is made to cover commissions repayable to insurers and finance partners in the event that customers cancel during the term of the policy.

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. Accounting policies (continued)

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 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.

2.8 Interest income

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

2.9 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.

2.10 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.

2. Accounting policies (continued)

2.11 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.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.13 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 Comprehensive Income 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 bought into a working condition. At that point the software is considered to have a useful life of five years.

2. Accounting policies (continued)

2.14 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	25%
Fixtures and fittings	-	25%
Computer equipment	-	25%

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.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 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. Accounting policies (continued)

2.17 Insurance intermediary assets and liabilities

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and capacity providers.

They collect insurance premiums, fees and Insurance Premium Tax (IPT) from their clients and hold these funds on behalf of the insurers in segregated trust accounts. They then settle the insurance premium and IPT to the insurer and collect the fees and commission in to their own operating accounts.

The funds held on trust have a different status to the operating bank accounts of the broker, in particular;

i. they cannot be offered as security to lenders in the event of a default;
ii. they are contractually considered to belong to the insurers under a risk transfer arrangement as defined by the Financial Conduct Authority (FCA), and;
iii. the accounts are distinguished by the bank as being held on trust and operated in accordance with FCA rules.

However, brokers do control the funds and receive the benefits of any interest earned on the deposits.

Consequently, funds held within in insurer trust accounts are included within cash and cash equivalents and a corresponding liability to the insurers is included within insurance payables. For operational purposes, the trust accounts are entirely segregated.

2.18 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.

Included within cash and cash equivalents is £3,326,953 (2020: £2,718,140) which is considered to restricted, as it relates to insurer funds held on trust under risk transfer arrangements in accordance with the rules of the Financial Conduct Authority (FCA). Although included within cash and cash equivalents, these are legally and operationally segregated from the operating bank accounts and not available for use by the Group / Company.

2.19 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.

2.20 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.

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 profits and cashflows with reference to market valuations for similar companies 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. An impairment is considered when there is uncertainty over the technical feasibility of the asset, the future economic benefits or the intention or ability of the company to use it. In the instance that these factors cannot be demonstrated, the asset would be impaired.

Separability of intangible assets on acquisition
The directors are required to consider whether there are any intangible assets arising as part of the acquisition in the prior year 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.

4. Turnover

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

	2021 £	2020 £
Commission and fees	10,498,140	9,234,973

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,498,140	9,234,973

5. Other operating income

	2021 £	2020 £
Research and development tax credits	126,788	126,707

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Other operating lease rentals	170,338	161,130

7. Exceptional items

Impairment of intangible assets	1,273,724	-

8. Auditor's remuneration

	2021 £	*2020 £*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**36,000**	*30,500*

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.

The audit fee for the group is met by CETA Insurance Ltd.

The above amounts are exclusive of VAT.

9. Employees

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

	2021 £	*2020 £*
Wages and salaries	**3,659,584**	*3,464,368*
Social security costs	**385,174**	*352,195*
Cost of defined contribution scheme	**112,328**	*75,970*
	4,157,086	*3,892,533*

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

	2021 No.	*2020 No.*
Directors	**4**	*5*
Administrative staff	**106**	*114*
	110	*119*

10. Directors' remuneration

	2021 £	*2020 £*
Directors salaries	**797,804**	*656,125*
Company contributions to defined contribution pension schemes	**24,074**	*18,637*
Compensation for loss of office	**30,000**	*35,000*
	851,878	*709,762*

During the year retirement benefits were accruing to 4 directors *(2020: 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £296,338 *(2020: £263,558)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 *(2020: £7,500)*.

11. Interest receivable

	2021 £	*2020 £*
Other interest receivable	**272**	*7,841*

12. Interest payable and similar expenses

	2021 £	*2020 £*
Finance leases and hire purchase contracts	**10,476**	*5,757*

13. Taxation

	2021	*2020*
	£	*£*
Corporation tax		
Current tax on profits for the year	**31,403**	*31,463*
Adjustments in respect of previous periods	**860**	*4,815*
Total current tax	**32,263**	*36,278*
Deferred tax		
Origination and reversal of timing differences	**180,526**	*(27,542)*
Adjustment in respect of previous periods	**-**	*(27,276)*
Total deferred tax	**180,526**	*(54,818)*
Taxation on profit/(loss) on ordinary activities	**212,789**	*(18,540)*

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2020: lower than)* the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	2021 £	*2020 £*
Profit on ordinary activities before tax	**226,312**	*1,538,780*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%*(2020 : 19%)*	**42,999**	*292,368*
Effects of:		
Fixed asset differences	**243,430**	*868*
Expenses not deductible for tax purposes	**1,544**	*3,977*
Adjustments to tax charge in respect of prior periods - current tax	**860**	*4,815*
Adjustments to tax charge in respect of prior periods - deferred tax	**-**	*(27,276)*
R&D expenditure credits	**7,313**	*7,186*
Deferred tax not recognised	**59,105**	*(4,319)*
Adjust closing deferred tax to rate of 19%	**64,990**	*-*
Adjust opening deferred tax to rate of 19%	**-**	*5,980*
Group relief	**(207,452)**	*(302,139)*
Total tax charge for the year	**212,789**	*(18,540)*

Factors that may affect future tax charges

The rate of UK corporation tax is currently 19%. Under Finance Act 2016, the main corporation tax rate was due to reduce to 17% from 1 April 2020. However, in the 2020 Budget, the UK Government announced its intention to reverse the planned rate reduction and to maintain the current rate of 19%. This was substantively enacted on 17 March 2020. Temporary differences at the Statement of Financial Position date have been measured using the enacted tax rates and reflected in these financial statements.

At Budget 2021, the government announced that the main rate of corporation tax for the years starting 1 April 2023 would increase to 23%. The government also announced that the small profits corporation tax rate would remain at 19% for profits upto £50k tapering to 25% for profits of £250k or more.

14. Intangible assets

	Software under construction £	Software - developed internally £	Other intangibles £	Goodwill £	Total £
Cost					
At 1 October 2020	660,206	447,835	5,000	850,889	1,963,930
Additions	226,974	260,009	-	-	486,983
At 30 September 2021	887,180	707,844	5,000	850,889	2,450,913
Amortisation					
At 1 October 2020	-	-	-	67,361	67,361
Charge for the year	64,891	67,461	-	42,544	174,896
Impairment charge	633,341	640,383	-	-	1,273,724
At 30 September 2021	698,232	707,844	-	109,905	1,515,981
Net book value					
At 30 September 2021	188,948	-	5,000	740,984	934,932
At 30 September 2020	*660,206*	*447,835*	*5,000*	*783,528*	*1,896,569*

Amortisation on intangible assets is charged to administrative expenses.

Software under construction and software developed internally relates to policy administration systems, point of sale systems and systems to enable insurance distribution. Other intangibles relate to domain names.

The other classes are distinct in nature arising from the purchase of other businesses and are therefore presented separately.

Following a change in the leadership team and a strategic review, the business took the decision to terminate an internal policy administration software project concluding that the purchase of an established third party solution offered a better way forward. This led to the impairment charge.

15. Tangible fixed assets

	Leasehold Improvements £	Computer equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2020	**14,286**	**184,902**	**428,747**	**627,935**
Additions	**48,370**	**88,607**	**43,859**	**180,836**
Disposals	**-**	**-**	**(1,374)**	**(1,374)**
At 30 September 2021	**62,656**	**273,509**	**471,232**	**807,397**
Depreciation				
At 1 October 2020	**2,119**	**26,505**	**284,519**	**313,143**
Charge for the year	**14,067**	**88,543**	**54,305**	**156,915**
Disposals	**-**	**-**	**(488)**	**(488)**
At 30 September 2021	**16,186**	**115,048**	**338,336**	**469,570**
Net book value				
At 30 September 2021	**46,470**	**158,461**	**132,896**	**337,827**
At 30 September 2020	*12,167*	*158,397*	*144,228*	*314,792*

16. Fixed asset investments

The Company owns 100% of the ordinary share capital of each of the following dormant entities.

Insuremyhome Ltd - Company number 05588026
Insuremyholiday Ltd - Company number 05587373
Insuremycar Ltd - Company number 05586944
Insuremybusiness Ltd - Company number 05586944
Insuremy Ltd - Company number 05583301

The registered office of all the above is Ceta House, Cromwell Business Park, Chipping Norton, Oxfordshire, England, OX7 5SR.

17. Debtors

	2021 £	2020 £
Trade debtors	450,259	289,102
Amounts owed by group undertakings	7,810,947	6,848,485
Other debtors	34,158	30,907
Corporation tax recoverable	165,872	134,128
Prepayments and accrued income	247,885	229,658
	8,709,121	7,532,280

18. Cash and cash equivalents

	2021 £	As restated 2020 £
Cash at bank and in hand	5,460,399	4,019,356

Included within cash and cash equivalents is £3,326,953 *(2020: £2,718,140)* which is considered to restricted, as it relates to insurer funds held on trust under risk transfer arrangements in accordance with the rules of the Financial Conduct Authority (FCA). Although included within cash and cash equivalents, these are legally and operationally segregated from the operating bank accounts and not available for use by the Group / Company.

19. *Creditors: Amounts falling due within one year*

	2021 £	As restated 2020 £
Trade creditors	962,471	825,224
Amounts due to insurers	3,326,953	2,718,140
Amounts owed to group undertakings	389,781	-
Corporation tax	31,635	-
Other taxation and social security	258,807	307,335
Obligations under finance lease and hire purchase contracts	57,384	26,444
Other creditors	36,514	36,647
Accruals and deferred income	892,534	566,794
	5,956,079	4,480,584

20. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	**49,998**	*40,260*

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	**57,384**	*26,444*
Between 1-5 years	**49,998**	*40,260*
	107,382	*66,704*

22. Deferred taxation

	2021 £	2020 £
At beginning of year	**(327)**	*(55,145)*
Charged to profit or loss	**(180,526)**	*54,818*
At end of year	**(180,853)**	*(327)*

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	**(270,845)**	*(63,084)*
RDEC carry forward amount	**52**	*58,537*
Short term temporary differences	**89,940**	*4,220*
	(180,853)	*(327)*

23. Share capital

	2021	*2020*
	£	*£*
Allotted, called up and fully paid		
5,100 *(2020: 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.

24. Reserves

Profit and loss account

Includes all retained profit and losses.

25. Prior year adjustment

In the prior period, cash held on behalf of insurers was offset against the corresponding liability to insurers. As the insurer trust accounts have a particular contractual and regulatory status the directors did not deem it appropriate to include the funds within cash and cash equivalents, as the cash is not available to be used by the company, so it would have been misleading to include it within the financial statements. Instead, the approach was taken to disclose the existence of the accounts and the amounts.

Upon further technical guidance, it has been determined that despite the legal and regulatory status, these funds are controlled by the regulated entity which receives the associated economic benefits (interest). As such, it is now considered appropriate to recognise the funds in cash and cash equivalents and to recognise a corresponding insurance payables liability.

The effect of this is to increase both cash and cash equivalents and current liabilities by £3,326,953 as at 30 September 2021, and by £2,718,140 at 30 September 2020. There is no impact on the statement of comprehensive income or on capital and reserves.

26. Pension commitments

The Company operates a defined contribution pension scheme and £32,145 *(2020: £22,208)* was outstanding at the year end and is included in other creditors.

27. Commitments under operating leases

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	*2020*
	£	*£*
Within 1 year	**142,473**	*115,757*
Between 2 and 5 years	**61,689**	*126,036*
	204,162	*241,793*

28. 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.

29. 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.