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Orange Genie Cover Limited

Financial Statements

For the year ended 31st March 2016

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Orange Genie Cover Limited
Financial Statements
year ended 31st March 2016

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Orange Genie Cover Limited
Officers and Professional Advisers

The board of directors

R.W. Baker
D. Cochrane
G. Fisher
C.W. Graham

Company secretary

R.W. Baker

Registered office

3rd Floor, Buckingham House,
Buckingham Street,
Aylesbury,
Bucks,
HP20 2LA.

Auditor

Benjamin, Taylor & Co.,
Chartered accountant & statutory auditor
201, Great Portland Street,
London,
W1W 5AB

Orange Genie Cover Limited

Strategic Report

year ended 31st March 2016

The directors present their strategic report for Orange Genie Cover Limited (the company) for the year ended 31st March 2016.

Review and Analysis of the Business during the year

The company's principal business activity is the supply of consultancy services.

There have not been any significant changes in the company's principal activities in the period under review and the directors have no plans, at the date of this report, to make any major changes in the company's activities in the next year.

A robust and compliant business model continues to ensure that the company is competitive in the service provider sector during the year through its' reputation for compliance, world class customer service and the continuous improvement of its' quality processes (UKAS accredited ISO 9001:2008).

Principal risks and uncertainties facing the business

The most significant risk to the company is the regulatory risk around the changes to employment and tax legislation and aggressive competition.

Customer credit risk continues to be monitored closely and deferred payment terms are only offered to customers who have a long term relationship with the company and satisfy credit worthiness procedures.

Financial performance during the year

The company reports a net profit for the year amounting to £10,092 compared with a net profit for 2015 of £7,335.

Financial position at the reporting date

The directors consider the state of affairs at the balance sheet date to be in line with their expectations for the year.

The balance sheet on page 9 shows the company's capital and reserves increased by £10,092 to £64,603 during the year.

Key performance indicators

The principal key performance indicator used by the company is the level of turnover for the year. During the year the turnover increased from £67m to £73m.

Financial risk, management objectives and policies

The company's principle financial instruments comprise bank balances, bank overdraft, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for and finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Orange Genie Cover Limited

Strategic Report *(continued)*

year ended 31st March 2016

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of a deposit account with the higher rate of interest where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the board of directors on 15th December 2016 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'R.W. Baker', with a long horizontal stroke extending to the right.

R.W. Baker
Director

Orange Genie Cover Limited

Directors' Report

year ended 31st March 2016

The directors present their report and the financial statements of the company for the year ended 31st March 2016.

Directors

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

R.W. Baker
G. Fisher
C.W. Graham
D. Cochrane

(Appointed 14th December 2015)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors continue to focus on existing markets in order to grow market share.

Employment of disabled persons

The company gives full consideration to application for employment from the disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between senior management and employees to allow a free flow of information and ideas.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 15th December 2016 and signed on behalf of the board by:

R.W. Baker
Director

Orange Genie Cover Limited
Directors' Responsibilities Statement
year ended 31st March 2016

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Orange Genie Cover Limited

Independent Auditor's Report to the Members of Orange Genie Cover Limited

year ended 31st March 2016

We have audited the financial statements of Orange Genie Cover Limited for the year ended 31st March 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Orange Genie Cover Limited

Independent Auditor's Report to the Members of Orange Genie Cover Limited *(continued)*

year ended 31st March 2016

Matters on which we are required to report by exception

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

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

Jeffrey Diner FCA (Senior Statutory Auditor)

For and on behalf of
Benjamin, Taylor & Co.,
Chartered accountant & statutory auditor
201, Great Portland Street,
London,
W1W 5AB

15th December 2016

Orange Genie Cover Limited
Statement of Income and Retained Earnings
year ended 31st March 2016

	Note	2016 £	2015 £
Turnover	4	73,018,303	66,976,245
Cost of sales		70,528,805	64,682,107
Gross Profit		<u>2,489,498</u>	<u>2,294,138</u>
Administrative expenses		<u>2,479,898</u>	<u>2,289,953</u>
Operating Profit	5	9,600	4,185
Other interest receivable and similar income	8	<u>3,015</u>	<u>3,150</u>
Profit on Ordinary Activities Before Taxation		12,615	7,335
Tax on profit on ordinary activities	9	<u>2,523</u>	<u>—</u>
Profit for the Financial Year and Total Comprehensive Income		<u>10,092</u>	<u>7,335</u>
Retained Earnings at the Start of the Year		54,509	47,174
Retained Earnings at the End of the Year		<u>64,601</u>	<u>54,509</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 17 form part of these financial statements.

Orange Genie Cover Limited
Statement of Financial Position
31st March 2016

		2016		2015	
	Note	£	£	£	£
Fixed Assets					
Intangible assets	10		–		32,400
Current Assets					
Debtors	11	3,568,259		4,605,291	
Cash at bank and in hand		2,686,364		2,721,690	
		<u>6,254,623</u>		<u>7,326,981</u>	
Creditors: Amounts Falling due Within One Year	12	<u>6,190,020</u>		<u>7,304,870</u>	
Net Current Assets			64,603		22,111
Total Assets Less Current Liabilities			64,603		54,511
Net Assets			<u>64,603</u>		<u>54,511</u>
Capital and Reserves					
Called up share capital	14		2		2
Profit and loss account	15		64,601		54,509
Shareholders Funds			<u>64,603</u>		<u>54,511</u>

These financial statements were approved by the board of directors and authorised for issue on 15th December 2016, and are signed on behalf of the board by:

R.W. Baker
Director



G. Fisher
Director



Company registration number: 04896166

The notes on pages 10 to 17 form part of these financial statements.

Orange Genie Cover Limited
Notes to the Financial Statements
year ended 31st March 2016

1. General Information

The Company is a private company limited by shares, incorporated in England and Wales. Its registered office is 3rd Floor, Buckingham House, Buckingham Street, Aylesbury, Bucks, HP20 2LA.

The company's principal business activity is the supply of consultancy services.

2. Statement of Compliance

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

3. Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The accounting policies adopted reflect United Kingdom Law and Accounting Standards. The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The transition from the previous financial reporting framework to FRS 102 has not affected the reporting financial position and financial performance. The last financial statements under previous UK GAAP were for the year ended 31st March 2015. The transition date was 1st April 2014. Therefore changes in accounting policies introduced by FRS 102 have not had any impact on the reported results for the year.

Going Concern

The company meets its day-to-day working capital requirements through careful management of working capital positions. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without any third party support. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

3. Accounting Policies (continued)

Disclosure Exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures.

In the opinion of the directors, the ultimate and controlling party is Orange Genie Group Limited, a company incorporated in England. As Orange Genie Group Limited prepares publicly available consolidated accounts which include the results of Orange Genie Cover Limited, the company is taking advantage of the exemptions granted by FRS 102 as stated above. Copies of the group financial statements of Orange Genie Group Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Judgements and Key Sources of Estimation Uncertainty

In the application of the entities accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The financial statements do not included any significant judgements or estimates.

Revenue Recognition

Revenue represents the sale of consultancy services, and is measured at the fair value of the consideration received or receivable for consultancy services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income Tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

3. Accounting Policies (continued)

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

3. Accounting Policies (continued)

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would received for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of consultancy services	<u>73,018,303</u>	<u>66,976,245</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

5. Operating Profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	32,400	48,400
Impairment of trade debtors – provision for doubtful debts	17,150	–

6. Auditor's Remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>14,500</u>	<u>18,100</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>500</u>	<u>500</u>

7. Staff Costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Consultants	<u>3,680</u>	<u>3,179</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	65,260,562	59,602,386
Social security costs	<u>4,832,670</u>	<u>4,658,757</u>
	<u>70,093,232</u>	<u>64,261,143</u>

8. Other Interest Receivable and Similar Income

	2016	2015
	£	£
Interest on cash and cash equivalents	<u>3,015</u>	<u>3,150</u>

9. Tax on Profit on Ordinary Activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	<u>2,523</u>	–
Tax on profit on ordinary activities	<u>2,523</u>	–

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

9. Tax on Profit on Ordinary Activities (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	12,615	7,335
Profit on ordinary activities by rate of tax	2,523	1,467
Utilisation of tax losses	–	(1,467)
Tax on profit on ordinary activities	<u>2,523</u>	<u>–</u>

10. Intangible Assets

	Goodwill
	£
Cost	
At 1 Apr 2015 and 31 Mar 2016	<u>484,156</u>
Amortisation	
At 1st April 2015	451,756
Charge for the year	32,400
At 31st March 2016	<u>484,156</u>
Carrying amount	
At 31st March 2016	<u>–</u>
At 31st March 2015	<u>32,400</u>

11. Debtors

	2016	2015
	£	£
Trade debtors	3,258,516	3,552,205
Amounts owed by group undertakings	266,772	1,014,793
Prepayments and accrued income	42,678	38,048
Other debtors	293	245
	<u>3,568,259</u>	<u>4,605,291</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

12. Creditors: Amounts Falling due Within One Year

	2016	2015
	£	£
Bank loans and overdrafts	–	203,665
Amounts owed to group undertakings	174,975	308,664
Accruals and deferred income	96,876	90,670
Corporation tax	2,523	–
Social security and other taxes	4,018,125	4,446,073
Other creditors	1,897,521	2,255,798
	<u>6,190,020</u>	<u>7,304,870</u>

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

12. Creditors: Amounts Falling due Within One Year (continued)

Amounts owed to group undertakings are unsecured, repayable on demand and interest free.

13. Financial Instruments

The company's principal financial instruments include bank overdrafts, loans and other borrowings, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the company's operations.

The company has the following financial instruments:

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments at amortised cost	<u>3,525,288</u>	<u>4,566,998</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>2,072,495</u>	<u>2,564,461</u>

14. Called Up Share Capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Each share is entitled to one vote.

Orange Genie Cover Limited
Notes to the Financial Statements (continued)
year ended 31st March 2016

15. Reserves

Profit and loss account

The profit and loss account reserve records retained earnings and accumulated losses.

	2016	2015
	£	£
Retained earnings brought forward	54,509	47,174
Profit for the financial year	10,092	7,335
Retained earnings carried forward	<u>64,601</u>	<u>54,509</u>

Share Capital

Called-up share capital represents the nominal value of shares that have been issued.

16. Related Party Transactions

As the company is a wholly owned subsidiary of Orange Genie Group Limited and the group publishes consolidated accounts, it has taken advantage of the exemptions contained in FRS 102 Section 33 and has therefore not disclosed transactions with entities which form part of the group.

17. Ultimate Parent Company

The directors regard Orange Genie Group Limited, a company incorporated in England as being the ultimate holding company and controlling party.

Orange Genie Group Limited was under the control of the directors G. Fisher, C. Graham, R. Baker and J. Ward throughout the year, by virtue of their 99% shareholding in the company.