

Scout Insurance Services Limited
(Trading as Unity Insurance Services)

Report and Financial Statements

Year Ended

31 March 2018

Company Number 5038294

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Scout Insurance Services Limited

Report and financial statements for the year ended 31 March 2018

Contents

Page:

3	Report of the directors
5	Independent auditor's report
8	Statement of comprehensive income
9	Balance sheet
10	Statement of changes in equity
11	Notes forming part of the financial statements

Directors

Michael Tripp (Chairman)
Peter Friend
Matt Hyde
Mark Hislop
Jake Myatt
Benjamin Smith
Mary Thornton (Appointed 19 December 2017)

Secretary

Yvonne Smithers

Registered Office

Gilwell Park, Chingford, London, E4 7QW

Trading office

Suites 10 & 10A, The Quadrant, 60 Marlborough Road, Lancing Business Park, Lancing, West Sussex, BN15 8UW

Company number

5038294

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers

Barclays Bank Plc, 1 Churchill Place, London, E14 5HP

Scout Insurance Services Limited

Report of the directors for the year ended 31 March 2018

The directors present their report together with the audited financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of insurance broker.

Business review and future activities

During the year 2017/18 the Company continued with progression of its plans to grow the business by providing expert advice, bespoke service and high quality insurance products.

Successful re-negotiation of contracts with two major suppliers has delivered improved earnings and expansion of our insurer panel has also provided a broader range of products to meet customer needs.

The dedicated new business team continues to deliver good results and in addition to regular on-line advertising some Google Ad Words advertising was undertaken towards the end of the year to boost our profile to our target market.

Also during the year a review was undertaken of our brand and website which resulted in a proposal to re-fresh the brand and replace the existing website in order to create an inspiring and engaging digital platform, including a mobile ready website that hosts relevant content and creates more opportunities for our customers and prospects to do business with us. A project team has been created to implement this in the coming year.

There were some significant staff changes during the year not least the retirement of the Managing Director at the end of May 2017. Mary Thornton, the Insurance Operations Manager, was appointed as the new MD with effect from November 2017 having acted up in the intervening period. Mary has worked for the company for over 8 years and is extremely familiar with the business. The various staff changes provided an opportunity to review overall staffing needs resulting in some new roles being created as well as promotion opportunities for some existing members of staff. These changes will help put the Company in a strong position to meet future challenges and business opportunities.

The Company is very pleased to have exceeded its targets for the year and remains on course to achieve its longer term strategic and financial aims.

Results

Profit for the year amounts to £1,004,927 (2017 - £574,269) before donations to the company's parent charity, The Scout Association, and taxation.

Directors

The directors who served during the year were:

Michael Tripp	
Hira Choudhury	(Resigned 31 May 2017)
Peter Friend	
Matt Hyde	
Peter D Webster	(Resigned 19 May 2017)
Mark Hislop	
Jake Myatt	
Benjamin Smith	
Mary Thornton	(Appointed 19 December 2017)

The company has put in place qualifying third party indemnity provision for all of the directors of Scout Insurance Services Limited.

Scout Insurance Services Limited

Report of the directors for the year ended 31 March 2018 (*continued*)

Directors' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

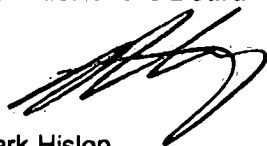
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the Board



Mark Hislop
Director

Date: 15 June 2018

Scout Insurance Services Limited

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SCOUT INSURANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Scout Insurance Services Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The 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.

Scout Insurance Services Limited

Independent auditor's report (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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

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.

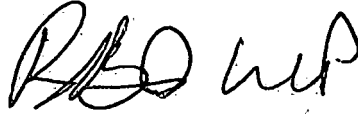
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

Scout Insurance Services Limited

Independent auditor's report (continued)

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

David Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London



Date 16 August 2018.

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

Scout Insurance Services Limited

Statement of comprehensive income for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	2	1,847,133	1,608,518
Administrative expenses		(857,116)	(1,034,809)
Operating profit	3	990,017	573,709
Interest receivable	6	864	560
Profit on ordinary activities before taxation		990,881	574,269
Taxation written back	8	14,046	-
Total comprehensive income for the year		1,004,927	574,269

All amounts relate to continuing activities.

The notes on pages 11 to 17 form part of these financial statements.

Scout Insurance Services Limited

Balance sheet
at 31 March 2018

Company number 5038294	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		43,590		61,345
Current assets					
Debtors	10	1,055,364		734,301	
Cash at bank and in hand	11	1,791,325		1,715,189	
		<u>2,846,689</u>		<u>2,449,490</u>	
Creditors: amounts falling due within one year	12	<u>(2,781,829)</u>		<u>(2,383,636)</u>	
Net current assets			64,860		65,854
Total assets less current liabilities			<u>108,450</u>		<u>127,199</u>
Capital and reserves					
Called up share capital	14		100,000		100,000
Profit and loss account			8,450		27,199
Shareholder's funds			<u>108,450</u>		<u>127,199</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 15 June 2018


Mark Hislop
Director

The notes on pages 11 to 17 form part of these financial statements.

Scout Insurance Services Limited

Statement of changes in equity for the year ended 31 March 2018

	Share capital £	Profit and loss account £	Total equity £
1 April 2017	100,000	27,199	127,199
Comprehensive income for the year	-	1,004,927	1,004,927
Gift Aid contribution to The Scout Association	-	(1,023,676)	(1,023,676)
31 March 2018	100,000	8,450	108,450

	Share Capital £	Profit and loss account £	Total equity £
1 April 2016	100,000	36,939	136,939
Comprehensive income for the year	-	574,269	574,269
Gift Aid contribution to The Scout Association	-	(584,009)	(584,009)
31 March 2017	100,000	27,199	127,199

The notes on pages 11 to 17 form part of these financial statements.

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018

1 Accounting policies

Scout Insurance Services Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102).

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

Disclosure exemptions

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- The requirements of Section 7: Statement of cash flows
- Disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided within the consolidated financial statements of The Scout Association and these financial statements can be obtained from The Company Secretary, The Scout Association, Gilwell Park, Chingford, London, E4 7QW; and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

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.

The following principal accounting policies have been applied:

Turnover

Insurance commission is recognised at the date of inception of the policy. The amount recognised is the total brokerage due to the company less an overall provision for unearned commission.

Historic profit commission is recognised when it can be reliably calculated and forecast to be receivable. Profit commission is calculated as a percentage of profit once claims have been paid. As the outcome will not be known for several years it is generally paid in arrears. In the first year profit commission will not be paid, but in subsequent years a deposit may be paid until such time as there are no more claims.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives, on the following basis:

Motor vehicles	-	20% per annum straight line
IT systems	-	20% - 25% per annum straight line
Fixtures, fittings and equipment	-	10% per annum straight line
Office refurbishment	-	20% per annum straight line

Deferred taxation

Deferred tax is provided, where material, in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing difference reverse.

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (*continued*)

1 Accounting policies (*continued*)

Operating leases

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

Assets and liabilities relating to insurance transactions

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

Pension commitments

All of the staff of the company are employed by its parent charity, The Scout Association. A number of the permanent members of staff are members of The Scout Association Pension Scheme. This is a contributory funded defined benefit scheme which was available to all eligible members of staff, but is now closed to new members. The scheme funds are administered by Trustees and are independent of The Scout Association and the company's finances. The employer's contributions, which are paid to the fund in accordance with the recommendations of the Scheme's independent actuaries, are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company as disclosed below.

The Scheme falls to be accounted for as a multi-employer scheme as defined in Financial Reporting Standard 102 "Retirement benefits" as the company is unable to identify the share of the underlying assets and liabilities in the scheme relating to its staff on a consistent and reasonable basis. All participating employers are part of the group, but the share attributable to SISL cannot be identified. Hence, recognised as a DC scheme in these accounts but a DB scheme in the group accounts. As a result the scheme is accounted for as if it were a defined contribution pension scheme, as required by Financial Reporting Standard 102. Pension payments recognised as an expense during the year amount to £35,403 (2017: £40,999).

Contributions towards individual defined contribution personal pension schemes were also made in respect of certain members of staff, these schemes are administered by The Scout Association. Further details of both schemes can be found in the financial statements of The Scout Association.

The pension costs charged in the financial statements represents the contributions payable by the company during the period as described in note 5.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether the company has sufficient cash to enable it to make qualifying charitable donations to its parent charity within 9 months of the year end. A tax liability would arise if the company was unable to make payments within this time limit. The company is confident in receiving the historic profit commissions either during the financial year or soon after and so far has not encountered any problems in receiving these.

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

2. Turnover

The total turnover of the company for the year has been derived from its principal activity, wholly undertaken in the United Kingdom.

3 Operating profit

	2018 £	2017 £
This has been arrived at after charging:		
Hire of other assets – operating leases	33,318	31,417
Auditors' remuneration	10,100	7,800
	<u> </u>	<u> </u>

4 Directors' emoluments

	2018 £	2017 £
Emoluments	55,623	101,372
	<u> </u>	<u> </u>
Company pension contributions	5,166	9,191
	<u> </u>	<u> </u>

5 Employees

	2018 £	2017 £
Staff costs, including directors' remuneration, consist of:		
Wages and salaries	478,576	533,750
Social security costs	52,523	58,195
Other pension costs	35,403	40,999
	<u> </u>	<u> </u>
	566,502	632,944
	<u> </u>	<u> </u>

The average monthly number of employees (full time equivalent), including directors, during the year was as follows:

	2018 Number	2017 Number
Management and administration	3	5
Client account management	7	7
Business development	7	7
	<u> </u>	<u> </u>
	17	19
	<u> </u>	<u> </u>

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

6	Interest receivable	2018	2017
		£	£
	The company earned interest during the year as follows:		
	Interest on client's premium account	864	560
		<hr/>	<hr/>
7	Amount payable to The Scout Association under Gift Aid	2018	2017
		£	£
	Current year donation	1,023,676	584,009
		<hr/>	<hr/>
		1,023,676	584,009
		<hr/>	<hr/>
8.	Taxation	2018	2017
		£	£
	UK Corporation Tax		
	Current tax on profits of the year	-	-
		<hr/>	<hr/>
	Total Current tax	-	-
		<hr/>	<hr/>
		2018	2017
		£	£
	Profit on ordinary activities before tax	1,004,927	574,269
		<hr/>	<hr/>
	Profit on ordinary activities at the standard rate of corporation tax in the UK 19% (prior year – 20%)	190,936	114,854
	Expenses not deductible	-	13
	Capital allowances in deficit of depreciation	-	-
	Adjustments to tax for timing differences	14,046	1,935
	Allowable gift aid deduction	(190,936)	(116,802)
		<hr/>	<hr/>
	Current tax Credit	14,046	-
		<hr/>	<hr/>

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

9 Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	IT systems £	Total £
<i>Cost</i>				
At 1 April 2017	34,443	79,267	352,795	466,506
Additions	-	-	2,450	2,450
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	34,443	79,267	355,245	468,956
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2017	23,229	34,892	347,039	405,160
Charge for the year	4,272	12,675	3,258	20,206
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	27,501	47,567	350,297	425,366
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2018	6,942	31,700	4,948	43,590
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	11,214	44,375	5,756	61,345
	<hr/>	<hr/>	<hr/>	<hr/>

10 Debtors

	2018 £	2017 £
Insurance premiums receivable	242,424	242,575
Amounts owed by parent charity	382,830	405,102
Other debtors and prepayments	430,110	85,624
	<hr/>	<hr/>
Insurance premiums receivable	1,055,364	734,301
	<hr/>	<hr/>

11 Cash at bank and in hand

Cash at bank includes £886,756 (2017 - £838,628) which constitutes client money and is not available to pay the general debts of the company.

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Insurance premiums payable	1,565,185	1,558,017
Amounts owed to parent charity	1,071,702	671,458
Other creditors and accruals	144,942	140,115
Corporation tax payable		14,046
	<u>2,781,829</u>	<u>2,383,636</u>

13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

14 Share capital

	2018 £	2017 £
<i>Allotted, called up and full paid</i> 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

15 Reserves

Profit and Loss account

This reserve represents comprehensive income/loss and transactions with parent company.

16 Control

The ultimate controlling party is The Scout Association, charity numbers 306101 (England and Wales) and SCO38447 (Scotland). The Scout Association exists by authority of a Royal Charter and owns 100% of the share capital of the company. Group accounts are available from The Company Secretary, The Scout Association, Gilwell Park, Chingford, and London, E4 7QW.

The company donates to The Scout Association each year a sum based on profits of the company which is an allowable deduction for corporation tax purposes so long as it is paid within nine months of the company's year-end.

Scout Insurance Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2018 (continued)

17 Financial commitments

At 31 March 2018, the company had the following minimum lease payments under non-cancellable operating leases:

	2018 £	2017 £
Due in less than one year	39,679	31,308
Due between one and five years	32,870	32,497
Expiring between three and five years	<u>72,549</u>	<u>63,805</u>