

Abbey Protection Limited

Annual Report and Financial Statements for
the year ended 31 December 2018

Registered Number 06352358



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for the year ended 31 December 2018

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Directors and Administration

Board of Directors

Andrew J Davies
William D Stovin
Simon Wilson

Company Secretary

Andrew J Bailey

Registered office

20 Fenchurch Street
London
EC3M 3AZ

Registered number

Registered number is 06352358

Registered Auditor

KPMG LLP, London
15 Canada Square
London
E14 5GL

Strategic Report

The Directors submit their Strategic Report for Abbey Protection Limited ("the Company") for the year ended 31 December 2018.

Principal activity

The Company is a United Kingdom intermediate holding company and was incorporated on 24 August 2007. The Company's principal operating subsidiaries as at the reporting date are;

- Markel Protection Limited ("MPL") which sells and underwrites commercial legal expenses insurance that reimburses the legal fees incurred by businesses.
- Markel Consultancy Services Limited ("MCSL") which sells and underwrites professional fees insurance which reimburses fees incurred by taxpayers when HMRC undertakes an investigation as well as providing a range of related consultancy services.
- Markel Law LLP which is a legal services practice.

Results and performance

The Company's result for the financial year was £Nil (2017, loss of £1,000).

Business environment and future developments

The Company intends to continue as a holding company.

Going Concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Principal risks and uncertainties

The principal risk to the Company is a permanent diminution in the value of its investments in MPL and MCSL. The main risks to MPL and MCSL are set out in the accounts of the respective companies.

By order of the Board,



Simon Wilson
Director

26 June 2019

Directors' Report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 31 December 2018.

Business review

A review of the business, the principal risks it faces, an assessment of its ability to continue as a going concern and a summary of future developments is disclosed within the Strategic Report on page 2.

Dividends

No dividends were paid in the year (2017, nil).

Directors

The Directors of the Company who served during the year ended 31 December 2018 and up to the date of this report were as follows:

Andrew J Davies
Colin Davison (resigned 31 December 2018)
William D Stovin
Christopher Ward (resigned 31 December 2018)
Simon Wilson

During the year, the Directors had no interests in the shares of the Company which require disclosure.

Events since the reporting date

There have been no material events since the reporting date.

Carbon policy

As set out in the "Markel Style" the Company has a commitment to its communities which we recognise includes environmental responsibilities. Our goal is to minimise our environmental impact whilst still adhering to our other company principles as expressed in the Markel Style and our company profile.

Through the development of best practices in our business, the Company aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Directors also believe that embedding environmental awareness throughout the organisation will be best achieved through a continuous programme of employee education.

Political donations

No political donations were made in the year (2017, Nil).

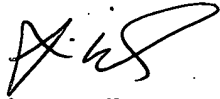
Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the 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.

Auditor

In accordance with Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will, therefore remain in office.

By order of the Board,

A handwritten signature in black ink, appearing to read 'S. Wilson', written over a horizontal line.

Simon Wilson
Director

26 June 2019

Statement of Directors' Responsibilities

in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Abbey Protection Limited

Opinion

We have audited the Financial Statements of Abbey Protection Limited for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the Financial Reporting Council ("FRC") Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the Financial Statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Strategic report and directors' report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the Financial Statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the Financial Statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for:

- the preparation of the Financial Statements and for being satisfied that they give a true and fair view;
- such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error;
- 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Karen Orr (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square,
London,
E14 5GL

26 June 2019

Statement of Comprehensive Income for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Turnover		-	-
Operating expenses and charges		-	(1)
Result/(loss) on ordinary activities before taxation	3	-	(1)
Taxation on result/(loss) on ordinary activities	4	-	-
Total comprehensive result/(retained loss) for the year		-	(1)

The notes on pages 12 to 16 form part of these Financial Statements.

Statement of Changes in Equity

for the year ended 31 December 2018

2018	Called-up Share Capital £'000	Share Premium £'000	Comprehensive Income £'000	Capital Redemption Reserve £'000	Total £'000
At beginning of year	1,012	4,114	1,045	50	6,221
Total comprehensive income for the year	-	-	-	-	-
At end of year	1,012	4,114	1,045	50	6,221

2017	Called-up Share Capital £'000	Share Premium £'000	Comprehensive Income £'000	Capital Redemption Reserve £'000	Total £'000
At beginning of year	1,012	4,114	1,046	50	6,222
Total comprehensive retained loss for the year	-	-	(1)	-	(1)
At end of year	1,012	4,114	1,045	50	6,221

Statement of Financial Position


as at 31 December 2018

	Notes	2018 £'000	2017 £'000
Fixed Assets			
Investments in subsidiaries	5	5,045	5,045
		<u>5,045</u>	<u>5,045</u>
Current Assets			
Trade receivables	6	2,979	2,981
Cash at bank and in hand		1	-
		<u>2,980</u>	<u>2,981</u>
Current liabilities			
Trade payables	7	(1,804)	(1,805)
		<u>(1,804)</u>	<u>(1,805)</u>
Net current assets		1,176	1,176
Net assets		<u>6,221</u>	<u>6,221</u>
Equity			
Called up share capital	8	1,012	1,012
Share premium		4,114	4,114
Comprehensive income		1,045	1,045
Capital redemption reserve		50	50
Total shareholder's funds		<u>6,221</u>	<u>6,221</u>

The notes on pages 12 to 16 form part of these Financial Statements.

These Financial Statements were approved by the Board of Directors and authorised for issue on 26 June 2019.

Signed on behalf of the Board of the Directors,



Simon Wilson
Director

26 June 2019

Notes to the Financial Statements

1 Accounting policies

The Financial Statements have been prepared in compliance with Financial Reporting Standard ("FRS") 102, being the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements on the grounds that the consolidated Financial Statements of its ultimate parent, Markel, for the year ended 31 December 2018 are publicly available and include the Company in the consolidation. These Financial Statements present information about the Company as an individual undertaking and not about its group.

In these Financial Statements, the Company is considered to be a qualifying entity for the purposes of this FRS and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Key Management Personnel compensation; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules.

These Financial Statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain assets as required by the Standard. A summary of the more important accounting policies that have been applied consistently is set out below.

a) Investments in subsidiaries

Investments in subsidiaries are stated at the lower of cost and net realisable value. Any impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the subsequent increase in fair value can be related objectively to an event after the impairment loss was recognised. The reversal is recognised in the Statement of Comprehensive Income.

b) Use of judgements and estimates

In preparing these Financial Statements, the Directors of the Company have made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the 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. Revisions to estimates are recognised prospectively.

c) Financial assets and liabilities

In applying FRS 102, the Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU).

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the Statement of Comprehensive Income. Financial assets and liabilities are classified on their initial recognition. Subsequent reclassifications

are permitted only in restricted circumstances.

Recognition

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Company commits itself to purchase or sell the asset.

Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Company in the management of its short-term commitments.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

d) Dividend income

Dividend income from investments in subsidiaries is recognised when the right to receive payment is established.

e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and laws that have been enacted or substantively enacted by the reporting date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in Financial Statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

f) Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

2 Information regarding Directors and employees

At the reporting date, there were three Directors (2017, five) who were members of a money purchase pension scheme. The Directors emoluments in the year were paid by Markel International Services Limited ("MISL"), which makes no recharge to the Company. These Directors are also Directors of other companies in the Group and it is not possible to make an accurate apportionment

of the emoluments in respect of each company of the Group that these Directors provide services to. Messrs Davies, Stovin and Wilson emoluments are disclosed in the Financial Statements of Markel International Insurance Company Limited as this is the entity where the Directors are considered to spend the majority of their time.

3 Result/(Loss) on Operating Activities

In 2018 audit fees of £6,000 (2017, £5,138) were paid on the Company's behalf by an affiliated group expense company, MISL. These audit fees were not allocated to the Company during the year.

4 Taxation

	2018 £'000	2017 £'000
(a) Analysis of charge in the year:		
Current taxation		
UK corporation taxation at 19.00% (2017, 19.25%) on the result/(loss) for the year on ordinary activities	-	-
Prior year adjustment	-	-
Total current taxation	-	-
(b) Factors affecting the taxation charge for the year:		
The rate of taxation differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:		
	2018 £'000	2017 £'000
Result/(loss) on ordinary activities	-	(1)
Result/(loss) on ordinary activities multiplied by standard rate of corporation taxation in the UK of 19.00% (2017, 19.25%)	-	-
Effects of:	-	-
Current taxation charge	-	-

5 Investments in subsidiaries

Investment in subsidiary undertakings are:

	2018 £'000	2017 £'000
Opening balance	5,045	5,045
Impairment	-	-
As at 31 December	5,045	5,045

Details of the investments in which the Company holds are as follows:

Company		Country of Incorporation	Activity	Portion of ownership interests
Markel Protection Limited		United Kingdom	Insurance intermediation / Consultancy	100%
Markel Consultancy Services Limited	1	United Kingdom	Insurance intermediation / Consultancy	100%
Markel Law LLP	1	United Kingdom	Legal Services	Controlling Member
Effective Tax Solutions Limited	2	United Kingdom	Dormant	100%
Acctx Consulting Limited	1	United Kingdom	Dormant	100%
Accountax Law Limited	1	United Kingdom	Dormant	100%
Acctx UK Limited	2	United Kingdom	Dormant	100%

1 held by Markel Protection Limited

2 held by Markel Consultancy Services Limited

The registered office of Markel Law LLP is, The Observatory, Chapel Walks, Manchester, M2 1HL. For all other subsidiaries, listed above, the registered office is, 20 Fenchurch Street, London, EC3M 3AZ.

In the Directors' opinion, the aggregate value of these investments is not less than the amounts at which those assets are included in the Statement of Financial Position.

The dormant subsidiaries were dormant throughout the year.

6 Trade Receivables

	2018 £'000	2017 £'000
Due within one year		
Amounts owed by group undertakings	2,979	2,981
Total	2,979	2,981

7 Trade Payables

	2018 £'000	2017 £'000
Amounts owed to group undertakings	1,803	1,763
Accruals	1	42
	1,804	1,805

8 Share capital

	2018 £'000	2017 £'000
Issued, allocated and fully paid:		
Equity shares:		
101,212,786 (2017: 101,212,786) ordinary shares of 0.01p each	1,012	1,012
	1,012	1,012

9 Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with entities that are part of the Markel Corporation.

10 Ultimate parent company

The Company's immediate parent company is Markel Capital Holdings Limited. The Company's ultimate holding company is Markel Corporation, which is incorporated in the USA. Copies of the holding company's consolidated financial statements may be obtained from 4521 Highwoods Parkway, Glen Allen, Virginia 23060, USA. The website address is www.markelcorp.com.