

Registered number: 02200510

# **H&H Insurance Brokers Limited**

**Annual report**

**30 June 2019**

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# H&H Insurance Brokers Limited

## Company information

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<b>Directors</b>	P T Graham R A Rankin (appointed 2 July 2018)
<b>Company secretary</b>	M Irving
<b>Registered number</b>	02200510
<b>Registered office</b>	Borderway Mart Montgomery Way Rosehill Industrial Estate Carlisle Cumbria CA1 2RS
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

# **H&H Insurance Brokers Limited**

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# **H&H Insurance Brokers Limited**

## **Directors' report For the year ended 30 June 2019**

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

### **Directors**

The directors who served during the year were:

P T Graham  
R A Rankin (appointed 2 July 2018)

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

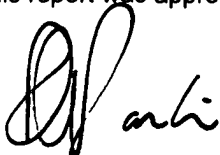
### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and therefore UNW LLP will continue in office.

### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 December 2019 and signed on its behalf by:



**R A Rankin**  
Director

# **H&H Insurance Brokers Limited**

## **Directors' responsibilities statement For the year ended 30 June 2019**

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The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements 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 to 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.



## **Independent auditor's report to the members of H&H Insurance Brokers Limited**

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### **Opinion**

We have audited the financial statements of H&H Insurance Brokers Limited (the 'company') for the year ended 30 June 2019, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, 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 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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



## **Independent auditor's report to the members of H&H Insurance Brokers Limited (continued)**

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### **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.

### **Opinion 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 Directors' 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.



## **Independent auditor's report to the members of H&H Insurance Brokers Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

A handwritten signature in black ink, appearing to read 'Michael Morris'.

**Michael Morris, ACA FCCA (Senior statutory auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

13 December 2019



## H&H Insurance Brokers Limited

### Statement of comprehensive income For the year ended 30 June 2019

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	Note	2019 £	2018 £
<b>Prot and loss account</b>			
Turnover		1,354,181	1,429,575
Administrative expenses		(1,259,943)	(1,356,604)
Other operating income		4,428	3,216
<b>Operating profit</b>		<u>98,666</u>	<u>76,187</u>
Tax on profit	5	(1,673)	3,299
<b>Profit for the financial year</b>		<u><u>96,993</u></u>	<u><u>79,486</u></u>

There was no other comprehensive income for 2019 (2018:£nil).

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

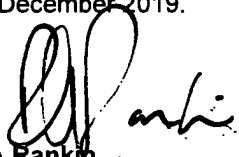
# H&H Insurance Brokers Limited

## Balance sheet As at 30 June 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	6	23,946	30,984
Tangible assets	7	80,599	42,941
		<u>104,545</u>	<u>73,925</u>
<b>Current assets</b>			
Debtors	8	1,197,538	1,052,702
Bank and cash balances		502,432	477,164
		<u>1,699,970</u>	<u>1,529,866</u>
Creditors: amounts falling due within one year	9	(972,208)	(868,477)
<b>Net current assets</b>		<u>727,762</u>	<u>661,389</u>
<b>Total assets less current liabilities</b>		<u>832,307</u>	<u>735,314</u>
<b>Net assets</b>		<u><u>832,307</u></u>	<u><u>735,314</u></u>
<b>Capital and reserves</b>			
Called up share capital		100,000	100,000
Profit and loss account		732,307	635,314
<b>Total equity</b>		<u><u>832,307</u></u>	<u><u>735,314</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2019.

  
R A Rankin  
Director

Company registered number: 02200510

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

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

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### 1. General information

H&H Insurance Brokers Limited ('the company') is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

### 2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

### 3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 3.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

#### 3.2 Going concern

Having reviewed the company's working capital requirements, forecasts and projections, which take account of reasonably possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Additionally the company has access to group composite banking arrangements as described in note 13. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 3.3 Revenue

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

The turnover and profit is attributable to the principal activity of the company and is earned entirely within the United Kingdom. As the company acts as a broker for their clients, turnover represents the commission earned only.



# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

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### 3. Accounting policies (continued)

#### 3.4 Current and deferred taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only 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 balance sheet date that are expected to apply to the reversal of timing differences.

#### 3.5 Intangible assets

##### ***Goodwill***

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value.

##### ***Other intangible fixed assets***

Other intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on assets so as to write off the cost of each asset over its estimated useful life as follows:

Computer software	-	5 years straight line
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Useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

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### 3. Accounting policies (continued)

#### 3.6 Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation on tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	4 years straight line
Computer equipment	-	3 years straight line
Fixtures and fittings	-	15% reducing balance
Office equipment	-	5 years straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, adjusted if appropriate. The effect of any change is accounted for prospectively.

#### 3.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

#### 3.8 Financial instruments

##### ***Basic debt financial instruments***

The company's basic debt financial instruments, including cash and bank balances and trade, intercompany and other debtors and creditors, are all due within one year and are measured, initially, and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

#### 3.9 Employee benefits

##### ***Short term benefits***

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### ***Defined contribution pension plan***

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

### 4. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 27).

### 5. Taxation

	2019 £	2018 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,673	(3,299)
<b>Total deferred tax</b>	1,673	(3,299)
<b>Taxation on profit/(loss) on ordinary activities</b>	1,673	(3,299)

#### Factors affecting tax charge for the year

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

	2019 £	2018 £
Profit on ordinary activities before tax	98,666	76,187
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	18,927	14,476
<b>Effects of:</b>		
Utilisation of group relief for no consideration	(17,254)	(17,775)
<b>Total tax (credit)/charge for the year</b>	1,673	(3,299)

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

### 6. Intangible assets

	Computer software £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2018	66,024	277,023	343,047
Additions	3,504	-	3,504
Disposals	(15,960)	-	(15,960)
At 30 June 2019	53,568	277,023	330,591
<b>Amortisation</b>			
At 1 July 2018	35,040	277,023	312,063
Charge for the year	10,542	-	10,542
On disposals	(15,960)	-	(15,960)
At 30 June 2019	29,622	277,023	306,645
<b>Net book value</b>			
At 30 June 2019	23,946	-	23,946
At 30 June 2018	30,984	-	30,984

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

### 7. Tangible fixed assets

	Motor vehicles £	Office equipment and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2018	87,420	41,725	29,312	158,457
Additions	-	1,618	18,588	20,206
Disposals	27,669	-	(21,355)	6,314
At 30 June 2019	115,089	43,343	26,545	184,977
<b>Depreciation</b>				
At 1 July 2018	57,461	32,145	25,910	115,516
Charge for the year	21,015	3,368	2,474	26,857
Disposals	(16,640)	-	(21,355)	(37,995)
At 30 June 2019	61,836	35,513	7,029	104,378
<b>Net book value</b>				
At 30 June 2019	53,253	7,830	19,516	80,599
At 30 June 2018	29,959	9,580	3,402	42,941

### 8. Debtors

	2019 £	2018 £
Trade debtors	961,270	797,836
Prepayments and accrued income	232,061	248,986
Deferred tax asset	4,207	5,880
	1,197,538	1,052,702



# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

### 9. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	779,812	728,838
Amounts owed to group undertakings	127,003	105,323
Accruals and deferred income	65,393	34,316
	<u>972,208</u>	<u>868,477</u>

### 10. Deferred taxation

	2019 £	2018 £
At beginning of year	5,880	2,581
Credited to the profit and loss account	(1,673)	3,299
<b>At end of year</b>	<u><b>4,207</b></u>	<u><b>5,880</b></u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>4,207</u>	<u>5,880</u>

### 11. Pension scheme

All employees are eligible to join group pension schemes. The group operates a funded defined benefit scheme which became paid up with effect from 28 February 2001, i.e. members are earning no further benefits. Details of the scheme are disclosed in the financial statements of H&H Group plc.

As the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 102.28 'Retirements benefits', the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. No contributions have been made in the year (2018: £nil).

The latest full actuarial valuation was carried out at 30 June 2017 and was updated for FRS 102.28 purposes to 30 June 2019 by a qualified independent actuary. The deficit at the year end before deferred tax £832,000 (2018: £338,000).

The group also operates a group personal pension scheme and a stakeholder pension scheme. Charges for these schemes in the accounts for the year relate to contributions made during the year, and amounted to £22,520 (2018: £18,340). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

# H&H Insurance Brokers Limited

## Notes to the financial statements For the year ended 30 June 2019

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### 12. Commitments under operating leases

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

	2019 £	2018 £
Not later than 1 year	359	4,301
Later than 1 year and not later than 5 years	-	466
	<u>359</u>	<u>4,767</u>

### 13. Contingent liabilities

At 30 June 2019 the company was party to a group composite banking arrangements under which overdrafts, loans and cash balances can be offset. The company and its fellow group undertakings have *cross guarantee arrangements in connection with bank facilities*. The total group liability under these arrangements at 30 June 2019 amounted to £7,311,000 (2018: £5,765,000).

### 14. Controlling party

The company is a subsidiary undertaking, and is controlled by H&H Group Plc, incorporated in England and Wales. Results of the company are consolidated only in the accounts of H&H Group plc. Consolidated accounts of H&H Group plc are available from the group at Borderway Mart, Rosehill, Carlisle, CA1 2RS.