Registered number: 02267055

CARROLL & PARTNERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

CARROLL & PARTNERS LIMITED

COMPANY INFORMATION

Directors	D J Ezzard G C Bremerman S Goldstone N C Lenihan R T Stewart (appointed 5 December 2017) S S Sulaiman
Registered number	02267055
Registered office	48 Gracechurch Street London EC3V 0EJ
Independent auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

CARROLL & PARTNERS LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their strategic report together with the audited financial statements for the year ended 30 June 2018.

REVIEW AND ANALYSIS OF THE COMPANY'S BUSINESS DURING THE CURRENT YEAR

Principal Activities of the Business

The principal activities of the Company during the year were that of an Authorised Insurance Intermediary. The Company is an accredited Lloyd's broker. In addition, the Company provides back office accounting and market settlement services for third party insurance businesses.

The Company continued its principal activities throughout the current year and has prepared its financial statements under UK GAAP.

Business Review for the Financial Year

The objective of the Company is to generate sustainable growth through its ongoing principal activities. Management are delighted to report that revenue for the period is £6.2m and the Earnings before interest, tax depreciation and amortisation (EBITDA) is £1.4m, a margin of 23% during the current period. The Company measures activity and performance including monthly income and expenditure against budgets and prior year, Prudent Capital margins, Contract Certainty, Treating Customers Fairly and the timely collection of insurance amounts from clients and their onward settlement to underwriters.

The business is split into two principal divisions, being broking and outsourcing and each operates in a niche area which is independent of the other. This approach mitigates the risks associated with a single business stream and provides resilience for the Company from a risk perspective. Both divisions are operated with a view to profitability, compliant growth and all are achieving this objective.

Key performance indicators

Management used a range of financial and non-financial key performance indicators to measure the performance of the company throughout the year.

Revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) are reviewed monthly against agreed budgets.

Revenue

As reported in the Statement of Comprehensive Income, revenue increased from £5.5m to £6.2m during the current year. This represents an increase of 13% and management are pleased with the underlying performance of the business and the prospects for future growth and development.

EBITDA

Earnings before interest, tax, depreciation and amortisation increased from £1.1m to £1.4m during the current year. The EBITDA as a percentage increased by of 2% on the prior year.

Management also monitor performance against a comprehensive range of non-financial performance indicators. These include Operational KPIs such as response times on claims settlements and client queries, Compliance KPIs in respect of general procedures, and Human Resources KPIs such as staff retention rates.

Development and financial performance during the year

As reported in the Statement of Comprehensive Income, revenue has increased from £5,455,689 to £6,189,652 during the year.

Financial position at the reporting date

The Statement of Financial Position shows that net assets have increased from £3,140,294 to £4,070,600.

PRINCIPAL RISKS AND UNCERTANTIES FACING THE COMPANY

Management monitor the principal risks and uncertainties facing the Company, and assess the controls in place to mitigate these risks through the application of the risk register as reported and reviewed by the Management Committee and the board of directors.

The principal areas of risk remain those of exchange rate, credit, regulatory, commercial and major external event, as shown below:

Commercial Risk

The company operates in a highly competitive and dynamic market with an ever present risk of clients changing their risk appetite, consolidating or moving to another intermediary. Market competition also brings rating/pricing uncertainty, leading to budgeting risk. Commercial risks, including risks associated with consolidation, are mitigated through the diverse nature of the Company's client base and production sources, both internal and external.

Exchange Rate Risk

A large proportion of the Company's revenue is generated in foreign currencies. Management regularly review the need to hedge foreign currency revenue.

Credit Risk

There is a risk that third party debtors do not settle amounts due and management ensure that appropriate systems are in place to mitigate this, including the operation of the Security committee and the on-boarding process for clients and trading partners.

Regulatory Risk

The Company has ongoing regulatory responsibilities in an increasingly complex regulatory environment.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

Major External Event

The Company maintains and reviews a Business Continuity Plan I order to mitigate the risk. The plan includes us of secondary office locations, immediate documentation recovery and remote working facilities.

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

S. Sulaiman

S S Sulaiman
Directors

Date: 12/08/18

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Principal activity

The principal activity of the Company is that of broking wholesale insurance.

Results and dividends

The profit for the year, after taxation, amounted to £1,330,306 *(2017: £820,102).*

During the year the Company paid a dividend of £400,000 (2017: £nil).

Directors

The directors who served during the year were:

D J Ezzard
G C Bremerman
S Goldstone
N C Lenihan
R T Stewart (appointed 5 December 2017)
S S Sulaiman

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

S. Sulaiman

S S Sulaiman
Directors

Date: 12/08/18

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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 AUDITORS' REPORT TO THE SHAREHOLDERS OF CARROLL & PARTNERS LIMITED

Opinion

We have audited the financial statements of Carroll & Partners Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 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 Auditors' 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.

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

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 Strategic report or 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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, 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARROLL & PARTNERS LIMITED (CONTINUED)

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Tom Reed

Thomas Reed (Senior statutory auditor)

for and on behalf of
Moore Stephens LLP

Statutory Auditors

150 Aldersgate Street
London
EC1A 4AB

Date: 17 August 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £	*2017* *£*
Turnover	4	**6,189,652**	*5,455,689*
Gross profit		**6,189,652**	*5,455,689*
Administrative expenses		**(5,074,659)**	*(4,636,963)*
Other operating income	5	**178,470**	*232,174*
Operating profit	6	**1,293,463**	*1,050,900*
Interest receivable and similar income	10	**3,752**	*4,420*
Profit before tax		**1,297,215**	*1,055,320*
Tax on profit	11	**33,091**	*(235,218)*
Profit for the financial year		**1,330,306**	*820,102*
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		**1,330,306**	*820,102*

The notes on pages 12 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note		2018 £		2017 £
Fixed assets					
Intangible assets	13		**64,795**		*86,393*
			64,795		*86,393*
Fixed assets					
Tangible assets	14		**136,001**		*112,792*
			200,796		*199,185*
Current assets					
Debtors: amounts falling due within one year	15	**19,629,142**		*17,946,616*	
Cash at bank and in hand	16	**9,044,111**		*6,631,199*	
		28,673,253		*24,577,815*	
Creditors: amounts falling due within one year	17	**(24,803,449)**		*(21,636,706)*	
Net current assets			**3,869,804**		*2,941,109*
Total assets less current liabilities			**4,070,600**		*3,140,294*
Net assets excluding pension asset			**4,070,600**		*3,140,294*
Net assets			**4,070,600**		*3,140,294*
Capital and reserves					
Called up share capital	19		**500,000**		*500,000*
Profit and loss account			**3,570,600**		*2,640,294*
			4,070,600		*3,140,294*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17/8/18

S. Sulaiman

S S Sulaiman
Directors

The notes on pages 12 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	500,000	1,820,192	2,320,192
Comprehensive income for the year			
Profit for the year	-	820,102	820,102
Total comprehensive income for the year	-	820,102	820,102
At 1 July 2017	500,000	2,640,294	3,140,294
Comprehensive income for the year			
Profit for the year	-	1,330,306	1,330,306
Total comprehensive income for the year	-	1,330,306	1,330,306
Dividends: Equity capital	-	(400,000)	(400,000)
Total transactions with owners	-	(400,000)	(400,000)
At 30 June 2018	500,000	3,570,600	4,070,600

The notes on pages 12 to 24 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 30 June 2018 and presented to the nearest pound.

The continuing activities of Carroll & Partners Limited is that of broking wholesale insurance.

The Company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The address of its registered office is 48 Gracechurch Street, London, EC3V 0EJ.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.3 Revenue

Turnover represents brokerage earned. The Company takes credit for retained brokerage at the date of inception or renewal of the policy. Adjustment premiums recognised at the date of processing.

Profit commission is credited to the profit and loss account on a receivable basis when the amount eventually receivable by the Company can be reasonably ascertained.

All turnover is derived from placement and back office activity occurring in the United Kingdom.

2. Summary of significant accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Summary of significant accounting policies (continued)

2.8 Other intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probably and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is amortised over 5 years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line
Fixtures & fittings	- 10% straight line
Office equipment	- 10 - 20% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Summary of significant accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 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 Statement of financial position 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 Statement of financial position.

2.14 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Statement of financial position at fair value with changes in fair value recognised in the Statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that

2. Summary of significant accounting policies (continued)

2.14 *Financial instruments (continued)*

are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

The Company comprises only out-of-the-money derivatives. They are carried in the Statement of financial position at fair value with changes in fair value recognised in the Statement of comprehensive income.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	*2017 £*
United Kingdom	**6,189,652**	*5,455,689*

5. Other operating income

	2018 £	*2017 £*
Other operating income	-	*(1,115)*
Sundry income	**178,470**	*233,289*
	178,470	*232,174*

6. Operating profit

The operating profit is stated after charging:

	2018 £	*2017 £*
Depreciation of tangible fixed assets	**89,261**	*62,429*
Amortisation of intangible assets	**21,598**	*21,598*
Exchange differences	**56,687**	*(13,774)*
Defined contribution pension cost	**172,487**	*153,715*

7. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2018 £	*2017 £*
Fees for the audit of the Company	**46,956**	*39,832*

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

8. Employees

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

	2018 £	*2017 £*
Wages and salaries	3,497,449	*2,927,449*
Social security costs	109,191	*340,079*
Cost of defined contribution scheme	172,487	*153,715*
	3,779,127	*3,421,243*

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

	2018 No.	*2017 No.*
Staff	65	*65*

9. Directors' remuneration

	2018 £	*2017 £*
Directors' emoluments	521,088	*336,213*
Company contributions to defined contribution pension schemes	17,155	*21,474*
Compensation for loss of office	-	*99,208*
	538,243	*456,895*

During the year retirement benefits were accruing to 3 directors *(2017 - 5)* in respect of defined contribution pension schemes.

The highest paid directors received remuneration of £201,909 *(2017 - £150,254).*

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid directors amounted to £NIL *(2017 - £10,298).*

10. Interest receivable

	2018 £	*2017 £*
Other interest receivable	3,752	*4,420*

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	257,241	125,881
Adjustments in respect of previous periods	(7,112)	-
Total current tax	250,129	125,881
Deferred tax		
Origination and reversal of timing differences	(283,220)	109,337
Total deferred tax	(283,220)	109,337
Taxation on (loss)/profit on ordinary activities	(33,091)	235,218

Factors affecting tax charge for the year

	2018 £	2017 £
Profit on ordinary activities before tax	1,297,215	1,055,321
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.75%)	246,470	208,425
Effects of:		
Non-tax deductible amortisation	-	4,266
Expenses not deductible for tax purposes	17,176	25,254
Capital allowances for year in excess of depreciation	(5,342)	1,339
Utilisation of brought forward losses	(109,898)	-
Adjustments to tax charge in respect of prior periods	(7,214)	-
Short term timing difference leading to an increase (decrease) in taxation	(961)	-
Other differences leading to an increase (decrease) in the tax charge	(173,322)	(4,066)
Total tax charge for the year	(33,091)	235,218

11. Taxation (continued)

Factors that may affect future tax charges

The Company has trading losses carried forward at 30 June 2018 of £1,022,517 (2017: £1,600,925) arising from the transfer of trade and assets of Carroll London Markets Limited to Carroll & Partners Limited which is available to offset against the historic trade of Carroll London Markets. The associated deferred tax asset has been recognised, as it is considered likely that the trade of Carroll London Market's will generate sufficient profit to utilise all tax losses.

12. Dividends

	2018 £	*2017* *£*
Dividends paid on equity capital	**400,000**	-

13. Intangible assets

	2018 £
Cost	
At 1 July 2017	**107,991**
At 30 June 2018	**107,991**
Amortisation	
At 1 July 2017	**21,598**
Charge for the year	**21,598**
At 30 June 2018	**43,196**
Net book value	
At 30 June 2018	**64,795**
At 30 June 2017	*86,393*
	86,393

Cash generating units

	2018	*2017*
	£	*£*
Goodwill is allocated to the company's cash generating unit as follows:		
Motor Sports	64,795	*86,393*
	64,795	*86,393*

The useful economic life of the book of business is considered to be 5 years, and is being amortised on a straight line basis.

14. Tangible fixed assets

	L/Term Leasehold Property	Other fixed assets	Total
	£	£	£
Cost or valuation			
At 1 July 2017	19,578	413,084	432,662
Additions	2,056	111,086	113,142
Disposals	-	(672)	(672)
At 30 June 2018	21,634	523,498	545,132
Depreciation			
At 1 July 2017	13,816	306,054	319,870
Charge for the year on owned assets	3,306	85,955	89,261
At 30 June 2018	17,122	392,009	409,131
Net book value			
At 30 June 2018	4,512	131,489	136,001
At 30 June 2017	*5,762*	*107,030*	*112,792*

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2018	*2017*
	£	*£*
Long leasehold	**4,512**	*5,762*

15. Debtors

	2018	*2017*
	£	*£*
Trade debtors	**16,644,062**	*15,099,564*
Amounts owed by group undertakings	**1,992,536**	*2,519,665*
Other debtors	**416,004**	*121,122*
Prepayments and accrued income	**382,262**	*185,309*
Deferred taxation	**194,278**	*20,956*
	19,629,142	*17,946,616*

16. Cash and cash equivalents

	2018	*2017*
	£	*£*
Cash at bank and in hand	**9,044,111**	*6,631,199*

17. Creditors: Amounts falling due within one year

	2018 £	*2017 £*
Trade creditors	24,417,347	*20,019,829*
Amounts owed to group undertakings	-	*1,226,283*
Corporation tax	106,140	*63,846*
Other taxation and social security	114,513	*106,374*
Other creditors	-	*9,457*
Accruals and deferred income	165,449	*210,917*
	24,803,449	*21,636,706*

Included in the above are Insurance Broker Balances which are due and payable on behalf of clients. The following is the amounts due to the Company for its own account.

	2018 £	*2017 £*
Insurance broking debtors	15,579,953	*15,099,564*
Client Money Cash	8,807,706	*6,102,219*
Insurance broking creditors	(23,181,560)	*(2,075,543)*
Net Balance due to Carroll & Partners	1,206,099	*19,126,240*

18. Deferred taxation

	2018 £	*2017 £*
At beginning of year	20,956	*(7,423)*
Acquired during the year	283,220	*(109,337)*
Utilised in year	(109,898)	*137,716*
At end of year	194,278	*20,956*

The deferred tax asset is made up as follows:

	2018 £	*2017 £*
Accelerated capital allowances	194,278	*20,956*

19. Share capital

	2018	*2017*
	£	*£*
Allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	**500,000**	*500,000*

20. Pension commitments

The Company operates a defined contribution pensions scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £172,487 (2017: £153,715). Contributions totalling £2,850 (2017: £nil) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	*2017*
	£	*£*
Not later than 1 year	**220,226**	*230,353*
Later than 1 year and not later than 5 years	**146,996**	*360,506*
	367,222	*590,859*

22. Finance lease commitments

At the year end there are finance lease commitments due within 1 year of £9,080 (2017: £9,591) and 2 - 5 years of £3,688 (2017: £13,809).

23. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

24. Ultimate parent undertaking and controlling party

The ultimate controlling parent company is PSC Insurance Group Ltd, a publically quoted entity registered in Australia, whose registered address is 96 Wellington Parade, East Melbourne, Victoria, 3002, the majority shareholder of the parent company.

The immediate holding company is Insurance Holdings Limited by way of its shareholding in the Company.