

CARROLL LONDON MARKETS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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CARROLL LONDON MARKETS LIMITED

COMPANY INFORMATION

Directors	B M Austin P R Dwyer D J Ezzard N C Lenihan S S Sulaiman
Registered number	02858300
Registered office	3rd floor 48 Gracechurch Street London EC3V 0EJ
Accountants	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

CARROLL LONDON MARKETS LIMITED

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CARROLL LONDON MARKETS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The directors present their report and the financial statements for the year ended 30 June 2017.

Business review

Following a reorganisation of the Insurance Holdings Limited Group, as of 1 July 2016, the Company ceased trading in its own right and the entire business, assets and liabilities of the Company were transferred to its fellow subsidiary, Carroll & Partners Limited.

Directors

The directors who served during the year were:

B M Austin
P R Dwyer
D J Ezzard
N C Lenihan
S S Sulaiman

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 27/3/18 and signed on its behalf.



N C Lenihan
Director

CARROLL LONDON MARKETS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

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 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 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.

CARROLL LONDON MARKETS LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CARROLL LONDON MARKETS LIMITED
FOR THE YEAR ENDED 30 JUNE 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Carroll London Markets Limited for the year ended 30 June 2017 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes from the Company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of directors of Carroll London Markets Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Carroll London Markets Limited and state those matters that we have agreed to state to the Board of directors of Carroll London Markets Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Carroll London Markets Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Carroll London Markets Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Carroll London Markets Limited. You consider that Carroll London Markets Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Carroll London Markets Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Moore Stephens LLP

Moore Stephens LLP

150 Aldersgate Street
London

EC1A 4AB

Date: 29/3/2018

CARROLL LONDON MARKETS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 £	2016 £
Turnover	4	-	2,422,896
Gross profit		-	2,422,896
Administrative expenses		-	(2,544,798)
Operating profit/(loss)		-	(121,902)
Interest receivable and similar income	7	-	14,425
Profit/(loss) before tax		-	(107,477)
Tax on profit/(loss)	8	-	(35,226)
Profit/(loss) for the financial year		-	(142,703)

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 7 to 17 form part of these financial statements.

CARROLL LONDON MARKETS LIMITED
REGISTERED NUMBER: 02858300

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	-	36,687
		<u>-</u>	<u>36,687</u>
Current assets			
Debtors: amounts falling due within one year	10	828,696	7,772,772
Current asset investments	11	-	12,910
Cash at bank and in hand	12	-	2,492,905
		<u>828,696</u>	<u>10,278,587</u>
Creditors: amounts falling due within one year	13	-	(9,486,578)
Net current assets		<u>828,696</u>	<u>792,009</u>
Total assets less current liabilities		<u>828,696</u>	<u>828,696</u>
Net assets		<u><u>828,696</u></u>	<u><u>828,696</u></u>
Capital and reserves			
Called up share capital	15	500,000	500,000
Profit and loss account		328,696	328,696
		<u><u>828,696</u></u>	<u><u>828,696</u></u>

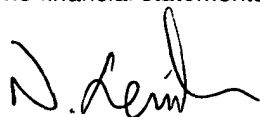
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



27/3/18

N C Lenihan
Director

The notes on pages 7 to 17 form part of these financial statements.

CARROLL LONDON MARKETS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2015	500,000	471,399	971,399
Comprehensive income for the year			
Loss for the year	-	(142,703)	(142,703)
Total comprehensive income for the year	-	(142,703)	(142,703)
At 1 July 2016	500,000	328,696	828,696
Total comprehensive income for the year	-	-	-
At 30 June 2017	500,000	328,696	828,696

CARROLL LONDON MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies

1.1 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 financial statements have been prepared on the historical costs basis.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows

1.3 Foreign currency translation

The Company has a presentation currency of Pound Sterling (GBP). The Company has determined that the Pound Sterling (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominately operates

Transactions in currencies other than GBP are recorded at rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in profit or loss. The Company does not operate in a hyper-inflationary economy.

1.4 Revenue recognition

The Company generates revenue principally from brokerage, commissions and fees associated with placing new insurance and renewal insurance contracts through both the Lloyd's of London insurance market and other worldwide insurance markets. Commission income is recognised on the inception date that the cover is placed. Fee income is billed separately and recognised on the same date. Any adjustments to premiums, binding authorities and treaties are recognised on a periodic basis when the consideration due is confirmed by third parties.

When contractual obligations exist for the performance of post placement activities, and the cost of these activities is not expected to be covered by future income, a relevant proportion of revenue due on placements deferred and recognised over the period during which these activities are performed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

CARROLL LONDON MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies (continued)

1.5 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:

Office equipment	- 5 years (hardware) and 4 years (software)
Computer equipment	- 3.33 years and 6.67 years

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.

1.6 Insurance broking debtors and creditors

The company acts as an agent in broking the insurable risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the company's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by the insurance intermediaries, it has followed generally accepted accounting practices by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself. In the ordinary course of insurance broking business, settlement is required to be made with certain markets, market settlement bureau or insurance intermediaries on the basis of the net balance due to the market, bureau or intermediary in question, rather than the amounts to or from individual third parties which it represents. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

1.7 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

1.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of taxation, from the proceeds.

CARROLL LONDON MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies (continued)

1.9 Borrowings and borrowing costs

Borrowing costs are recognised in net profit or loss in the period in which they are incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

1.10 Employee benefits

Retirement benefit obligations: The Company has a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all of the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases where the Company is the lessee are charged to income on a straight-line basis over the term of the relevant lease.

CARROLL LONDON MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. Accounting policies (continued)

1.12 Current and deferred taxation

Tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the same component of the income statement, other comprehensive income or equity as the transaction or event that resulted in the tax expense or income.

Deferred tax is the tax expected to be payable or recoverable on differences between taxable profits and the total comprehensive income as reported in the financial statements.

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted, or substantively enacted, and are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

A change in deferred tax assets and liabilities as a result of change in the tax rates or laws are recognised in profit or loss or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Critical accounting estimates and judgements

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period relate to the claims handling provision, which is based upon the length time to complete claims. The current value ascribed to the claims handling reserve is £Nil (2016: £76,733).

CARROLL LONDON MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. Financial risk management

The Company reviews its exposure to the following risks from its use or non-use of financial instruments:

- Interest rate risk
- Liquidity risk
- Foreign currency risk
- Credit risk

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. There have been no changes to the Company's exposures to risk or the methods used to measure and manage these risks during the year.

3.1 Interest rate risk

The Company did not have any borrowings at the reporting date and does not foresee any likely requirement to take any on in the foreseeable future and as such is not currently exposed to any material interest rate risk.

3.2 Liquidity risk

The company manages liquidity risk by forecasting and monitoring cash flows and by maintaining an appropriate level of undistributed reserves to ensure cash flow requirements are fully funded.

3.3 Foreign currency risk

The Company generates the vast majority of its turnover in GBP and the Company also incurs nearly all its expenses in GBP. As such the Company has minimal exposure to fluctuations in rates of exchange.

3.4 Credit Risk

Potential material areas of credit risk consist of trade accounts receivable. Trade accounts receivable derive from a widespread client base. The Company monitors the concentration of its counterparties on an ongoing basis whilst the granting of agent status is controlled by application and regular reviews are made of the Company's outstanding debtors listing with appropriate follow up. An allowance is made for specific bad debts if applicable and at the reporting date management did not consider there to be any additional material credit risk exposure.

4. Turnover

The Company's turnover in the prior year was all derived from its principal activity wholly undertaken in the United Kingdom.

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

5. Employees

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

	2017 No.	2016 No.
Management and administration	-	37

6. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	-	187,170
Company contributions to money purchase scheme	-	46,783
	-	233,953

The Directors are deemed to be the key management for the purposes of accounts information disclosure. The number of directors for whom retirement benefits accrued under money purchase schemes during the year amounts to 0 (2016: 3) and the number of directors for whom retirement benefits accrued under defined benefit schemes during the year amounted to £nil (2016: nil).

7. Other interest receivable and similar income

	2017 £	2016 £
Net accrued interest	-	1,590
Dividends received from investments	-	3,000
Profit on disposals of investments	-	7,230
Bank interest	-	2,605
	-	14,425

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Taxation

	2017 £	2016 £
Corporation tax		
Payment for Group relief	-	27,168
	<u>-</u>	<u>27,168</u>
Total current tax	<u>-</u>	<u>27,168</u>
Deferred tax		
Deferred tax charge in current year	-	8,058
Total deferred tax	<u>-</u>	<u>8,058</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>35,226</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.67% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	-	(107,477)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	-	(21,495)
Effects of:		
Not deductible expenses	-	5,615
Depreciation less than capital allowance	-	(9,615)
Tax losses carried forward	-	33,334
Dividends & distributions received	-	(1,618)
Other tax charge (relief)	-	1,289
payment to group companies for group relief	-	27,716
Total tax charge for the year	<u>-</u>	<u>35,226</u>

Factors that may affect future tax charges

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

8. Taxation (continued)

If provisions were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would increase by £nil (2016: £nil).

The Company has estimated carried forward trading losses of £nil (2016: £2,112,917) and capital losses of £nil (2016: £10,689) which are available for offset in future years.

The Company has recognised a deferred tax asset in respect of its trading losses of £nil (2016: £110,151) as set out in note 14)

The IAS 12 "Income Tax" reconciliation above reconciles the actual tax charge in the financial statements to that computed on the Company's corporation tax returns as submitted to HM Revenue and Customs. The disclosed losses above are also those based on the Company's corporation tax returns.

9. Tangible fixed assets

	Office furniture & equipment £	Computer equipment £	Total £
At 1 July 2016	22,964	628,967	651,931
Disposals	(22,964)	(628,967)	(651,931)
At 30 June 2017	-	-	-
At 1 July 2016	22,638	592,606	615,244
Disposals	(22,638)	(592,606)	(615,244)
At 30 June 2017	-	-	-
Net book value			
At 30 June 2017	-	-	-
At 30 June 2016	326	36,361	36,687

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

10. Debtors

	2017	2016
	£	£
Trade debtors	-	7,252,807
Amounts owed by group undertakings	828,696	88,927
Other debtors	-	277,841
Prepayments and accrued income	-	15,481
Deferred tax asset	-	137,716
	828,696	7,772,772

11. Current asset investments

	2017	2016
	£	£
Listed investments	-	12,910
	-	12,910

The market value of listed investments at 30 June 2017 was £nil (2016: £12,910). These assets were transferred to its fellow subsidiary on 1 July 2016.

12. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	-	2,492,905
	-	2,492,905

The Company is regulated by the Financial Conduct Authority ("FCA"). As required by the FCA, client monies are held in non-statutory trust client bank accounts. The use and governance of the balances held within these accounts are determined by trust deeds and by the FCA's client asset rules source book (CASS). The cash at bank and in hand as at 30 June 2017 includes £nil (2016: £2,044,699) of client monies held in non-statutory trust client bank accounts.

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	9,160,975
Other taxation and social security	-	2,025
Other creditors	-	89,061
Accruals and deferred income	-	234,517
	<u>-</u>	<u>9,486,578</u>

14. Deferred taxation

	2017 £	2016 £
At beginning of year	137,716	145,774
On transfer of trade and assets	(137,716)	-
Charge in year	-	(8,058)
	<u>-</u>	<u>(8,058)</u>

15. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
50,000,000 Ordinary shares of £0.01 each	<u>500,000</u>	<u>500,000</u>

16. Pension commitments

Defined benefit pension scheme

From 23 March 2016, the Company transferred principal employer status of the scheme to Holdfield Group Limited who accepted the obligations of funding the scheme on behalf of this company. The Company then withdrew from this scheme and has ceased to be a sponsoring employer.

Defined contribution scheme

The Company transferred the defined contribution pension plan for employees to its fellow subsidiary, Carroll & Partners Limited on 1 July 2016.

CARROLL LONDON MARKETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases as at the reporting date in the current and prior year.

18. Ultimate parent undertaking and related parties

The immediate parent of the Company is Carroll London Markets Holdings Limited, a company registered in England.

The intermediate parent and Group consolidating company is Insurance Holdings Limited, a company registered in England.

The ultimate parent undertaking and controlling party is PSC Insurance Group Ltd, a publicly quoted entity registered in Australia whose registered address is 3 Whitfield Street, Darwin, Northern Territory.

Following a reorganisation of the Insurance Holdings Limited Group, as of 1 July 2016, the Company ceased trading in its own right and the entire business, assets and liabilities of the Company were transferred to its fellow subsidiary, Carroll & Partners Limited. As at 30 June 2017 £828,696 (2016: £88,927) was owed from Carroll & Partners Limited.

The Directors are satisfied that there are no other material related party transactions requiring disclosure under IAS 24.