Registered number: 05601837

INSURANCE HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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INSURANCE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D J Ezzard N C Lenihan S S Sulaiman
Company secretary	S Goldstone
Registered number	05601837
Registered office	48 Gracechurch Street London EC3V 0EJ
Independent auditors	Moore Stephens LLP Statutory Auditor 150 Aldersgate Street London EC1A 4AB
Bankers	Natwest Bank PO Box 2354 65 Piccadilly London W1A 2PP
	Clydesdale Bank PLC 2nd Floor 35 Regent Street London SW1Y 4ND

INSURANCE HOLDINGS LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present the strategic report of the company and the group for the year ended 30 June 2016.

Principal Activities of the Business

The principal activities of the Group during the year were that of Authorised Insurance Intermediaries. The Group operates as accredited Lloyd's Brokers and an underwriter agency accepting business on behalf of insurance companies and Lloyd's Syndicates into Delegated. In addition, the company has continued to develop its back office accounting and market settlement services for third party insurance businesses.

Following a post year end internal re-structure, The Company is delighted to announce that Sami Sulaiman will take over as Managing Director from Noel Lenihan in respect of Carroll & Partners Ltd, and Ian Hamilton will become Managing Director of Breeze Underwriting Limited. Noel Lenihan will become CEO of the UK Operations, which will allow him to focus on the growth of all UK assets within the PSC UK group.

Business Review for the financial year

The Group reports a pre-tax profit of £1,325k for the year against a profit of £816k for the previous year. The directors measure the performance throughout the year using a variety of metrics, particularly operating profit or loss, and earnings before interest, tax, depreciation and amortisation (EBITDA). EBITDA for the year was significantly improved and represents 29% of turnover, compared to 24% in 2017. The Group also measures activity and performance including, monthly income and expenditure against budgets, 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 three principal divisions, broking, underwriting and outsourcing and each operates in a niche area which is independent of the others, thus mitigating the risks associated with a single business line and providing a resilience that belies the scale of the business. All divisions are tasked with profitable, compliant growth and are advancing well in this direction as evidenced in the financial results.

Principal Risks and Uncertainties

The management of risk is overseen by the Company's Chief Operating Officer and is achieved through the Board's strategic review and planning processes. The Board maintains a regular review of risk via its Board Reporting, Compliance, Governance and Operational Meetings and seeks to ensure that risks identified in its risk register are mitigated wherever possible.

The principal areas of risk remain those arising from changes in markets, Regulatory risk, and the risk of wide scale business interruption as a result of a major external event. The Group continues to maintain diversification in its principal activities, compliance with the Regulator, and testing of its Business Continuity Plan, which is also mitigated by having the business spread over 4 geographical locations within the UK.

The Strategic Report was approved by the Board on 17 August 2017

Signed on behalf of the board

S Sulaiman
Director

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.

Directors

The directors who served during the year were:

D J Ezzard
N C Lenihan
P R Dwyer (Resigned 9 August 2017)
B M Austin (Resigned 9 August 2017)
S S Sulaiman

Qualifying third party indemnity provisions

A subsidiary undertaking of the Company has purchased and maintained director's and officer's liability insurance for the Company and the directors.

Future Developments

The Group continues to seek opportunities for future growth.

Events after the balance sheet date

On the 12th July 2017 the Company successfully refinanced its facility at the rate of Libor plus 3.5%.

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 director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 and the Group's auditors are aware of that information.

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 on 17/08/2017 and signed on its behalf.

S Sulaiman
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

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 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSURANCE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Insurance Holdings Limited (the "parent company") and its subsidiaries (the "group") for the year ended 30 June 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet and the Company Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at Year End and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 3, 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 form material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INSURANCE HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

Thomas Reed

Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: 17/8/2017

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

	Note	2017 £	2016 £
Turnover	4	**7,372,077**	*5,336,132*
Gross profit		**7,372,077**	*5,336.132*
Administrative expenses		**(6,191,280)**	*(4,355,364)*
Exceptional administrative expenses	14	**-**	*(150,825)*
Other operating income	5	**233,376**	*46,148*
Operating profit	6	**1,414,173**	*876,091*
Interest receivable and similar income	10	**4,503**	*4,701*
Interest payable and expenses	11	**(94,032)**	*(64,784)*
Profit before taxation		**1,324,644**	*816,008*
Tax on profit	12	**(402,451)**	*(181,422)*
Profit for the financial year		**922,193**	*634,586*
Total comprehensive income for the year		**922,193**	*634,586*
Owners of the parent Company		**922,193**	*634,586*
		922,193	*634,586*

The notes on pages 16 to 35 form part of these financial statements.

INSURANCE HOLDINGS LIMITED
REGISTERED NUMBER: 05601837

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2017

	Note		2017 £		*2016 £*
Fixed assets					
Intangible assets	15		**2,445,790**		*2,841,139*
Tangible assets	17		**115,216**		*132,497*
			2,561,006		*2,973,636*
Current assets					
Debtors: amounts falling due within one year	19	**15,443,954**		*15,198,440*	
Current asset investments	20	**-**		*12,911*	
Cash at bank and in hand	21	**7,314,996**		*7,210,971*	
		22,758,950		*22,422,322*	
Creditors: amounts falling due within one year	22	**(22,386,335)**		*(22,742,655)*	
Net current assets/(liabilities)			**372,615**		*(320,333)*
Total assets less current liabilities			**2,933,621**		*2,653,303*
Creditors: amounts falling due after more than one year	23		**(1,734,993)**		*(2,376,871)*
Net assets			**1,198,628**		*276,432*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

	Note	2017 £	*2016 £*
Capital and reserves			
Called up share capital	27	**2**	*2*
Share premium account		**186,276**	*186,276*
Profit and loss account		**1,011,134**	*88,938*
Equity attributable to owners of the parent Company		**1,197,412**	*275,216*
Non-controlling interests		**1,216**	*1,216*
		1,198,628	*276,432*

The Company's financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council.

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

S Sulaiman
Director
17/08/2017

The notes on pages 16 to 35 form part of these financial statements.

INSURANCE HOLDINGS LIMITED
REGISTERED NUMBER: 05601837

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017 £		*2016 £*
Fixed assets					
Investments	18		**6,190,292**		*6,043,816*
			6,190,292		*6,043,816*
Current assets					
Debtors: amounts falling due within one year	19	**8,166**		*13,612*	
Cash at bank and in hand	21	**45,875**		*426,438*	
		54,041		*440,050*	
Creditors: amounts falling due within one year	22	**(3,671,601)**		*(3,453,322)*	
Net current liabilities			**(3,617,560)**		*(3,013,272)*
Total assets less current liabilities			**2,572,732**		*3,030,544*
Creditors: amounts falling due after more than one year	23		**(1,710,432)**		*(2,376,871)*
Net assets			**862,300**		*653,673*
Capital and reserves					
Called up share capital			**2**		*2*
Share premium account			**186,276**		*186,276*
Profit and loss account			**676,022**		*467,395*
			862,300		*653,673*

The Company's financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council.

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

S Sulaiman
Director
17/08/2017
The notes on pages 16 to 35 form part of these financial statements.

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

	Share capital	Share premium account	Retained earnings	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2016	2	186,276	88,941	275,219	1,216	276,435
Comprehensive income for the year						
Profit for the year	-	-	922,193	922,193	-	922,195
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	922,193	922,193	-	922,195
Total transactions with owners	-	-	-	-	-	-
At 30 June 2017	2	186,276	1,011,134	1,197,412	1,216	1,198,628

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Share capital	Share premium account	Retained earnings	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2015	**2**	**186,276**	**(343,145)**	**(156,867)**	**1,216**	**(155,651)**
Comprehensive income for the year						
Profit for the year	-	-	**634,586**	**634,586**	-	**634,586**
Total comprehensive income for the year	-	-	**634,586**	**634,586**	-	**634,586**
Dividends: Equity capital	-	-	**(202,500)**	**(202,500)**	-	**(202,500)**
Total transactions with owners	-	-	**(202,500)**	**(202,500)**	-	**(202,500)**
At 30 June 2016	**2**	**186,276**	**88,941**	**275,219**	**1,216**	**276,435**

The notes on pages 16 to 35 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	**2**	**186,276**	**467,395**	**653,673**
Comprehensive income for the year				
Profit for the year	-	-	**208,627**	**208,627**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**208,627**	**208,627**
Total transactions with owners	-	-	-	-
At 30 June 2017	**2**	**186,276**	**676,022**	**862,300**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Called up share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 July 2015	**2**	**186,276**	**310,908**	**497,186**
Comprehensive income for the year				
Profit for the year	-	-	**356,487**	**356,487**
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	**356,487**	**356,487**
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	**(200,000)**	**(200,000)**
Total transactions with owners	-	-	**(200,000)**	**(200,000)**
At 30 June 2016	**2**	**186,276**	**467,395**	**653,673**

The notes on pages 16 to 35 form part of these financial statements.

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

1. General information

These financial statements are presented in Pounds Sterling (GBP), which is also the Company's functional currency.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 48 Gracechurch Street, London, EC1A 4AB.

The Company acts as an UK investment holding company.

The principal activities of the Group during the year were that of Authorised Insurance Intermediaries. The Group had three accredited Lloyd's Brokers during both the current and preceding year and operated as a placing broker, an underwriter accepting business on behalf of insurance companies and Lloyd's Syndicates into Binding Authorities and also acts as a Third Party Administrator of insurance business. In addition, the Group has continued to develop its back office accounting and market settlement services for third party insurance businesses.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and except Current Asset Investments which are presented at Fair Value, and are prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council.

2.2 Basis of consolidation

The Group financial statements consolidate the financial statement of the Company and its subsidiary undertakings made up for the year ended 30 June 2017.

Acquisitions are included in the financial statements using the acquisition method of accounting. The difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities is recorded as Goodwill.

2.3 Turnover

Turnover represents brokerage earned. The group takes credit for retained brokerage at the date of inception or renewal of the policy. Adjustment premiums are 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 group can be reasonably ascertained.

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided on the following bases:

Goodwill	-	20% straight line

2.5 Tangible fixed assets

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

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line
Motor vehicles	- 20% straight line
Fixtures & fittings	- 10% straight line
Office equipment	- 10 - 20% straight line
Computer equipment	- 33.3% straight line

2.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

2.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2. Accounting policies (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2.17 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2. Accounting policies (continued)

2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated Statement of Comprehensive Income in the year that the Group 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.

2.20 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2.21 Insurance broking assets and liabilities

The group 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 group'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 practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the group itself.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgments 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 and liabilities. Use of available information and application of judgment 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 Director's consider the only significant judgement is the value of the deferred consideration.

4. Turnover

The Group's turnover is split between UK Income: 85% (2016: 84%) and International Income: 15% (2016: 16%).

5. Other operating income

	2017 £	*2016* *£*
Sundry income	**233,376**	*46,148*
	233,376	*46,148*

6. Operating profit

The operating profit is stated after charging:

	2017 £	*2016* *£*
Depreciation of tangible fixed assets	**62,887**	*51,777*
Amortisation of intangible assets, including goodwill	**572,573**	*241,806*
Auditors' remuneration	**56,204**	*70,810*
Pension costs	**175,764**	*148,709*

7. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**10,338**	*10,000*
Fees payable for the audit of the interim financial statements	**7,500**	*7,500*
Fees payable for the audit of subsidiary undertakings	**30,366**	*44,310*
Fees payable in respect of taxation services	**6,000**	*6,000*
Fees payable for the preparation of financial statements	**2,000**	*3,000*
	56,204	*70,810*

8. Employees

Wages and salaries	**3,461,944**	*2,317,530*
Social security costs	**388,469**	*248,224*
Cost of defined contribution scheme	**175,764**	*148,709*
	4,026,177	*2,714,463*

The average number of employees in the Group for the period was 75 (2016: 53).

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**460,782**	*234,641*
Pension Contributions	**29,458**	*23,959*
Compensation for loss of office	**99,208**	-
	589,448	*258,600*

At the year-end retirement benefits were accruing to 4 directors *(2016 - 4)* in respect of defined contribution pension schemes.

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FOR THE YEAR ENDED 30 JUNE 2017

10. Interest receivable

	2017	2016
	£	£
Other interest receivable	4,503	4,701
	4,503	4,701

11. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	81,244	58,089
Other loan interest payable	11,769	6,688
Finance leases and hire purchase contracts	1,019	27
	94,032	64,804

12. Taxation

	2017	2016
	£	£
Corporation Tax		
Current tax on profits for the year	293,114	181,524
Adjustment in respect of prior periods	-	(102)
Total current tax	293,114	181,422
Deferred tax		
Arising on group tax losses brought forward	109,337	-
Total deferred tax	109,337	-
Taxation on profit on ordinary activities	402,451	181,422

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 – higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20.00%). The differences are explained below:

	2017 £	*2016* *£*
Profit on ordinary activities before tax	**1,324,644**	*632,268*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20.00%)	**261,617**	*126,454*
Effects of:		
Disallowable expenses	**131,559**	54,968
Excess of depreciation over capital allowances	**708**	-
Other timing differences	**8,567**	-
Total tax charge for the year	**402,451**	*181,422*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

As referred to in Note 26 the Group has carried forward losses which are available to offset against the historic trade of Carroll London Markets.

13. Dividends

	2017 £	*2016* *£*
Final Dividend declared and paid to the Parent Company	-	*202,500*
	-	*202,500*

14. Exceptional items

	2017 £	*2016* *£*
Loss on disposal of fixed assets	-	*2,039*
Shares granted to employees by Parent Company	-	*148,786*
	-	*150,825*

Included within exceptional items above for 2016 is an amount of £148,786 which is a charge relating to shares granted to certain employees of the Group by PSC Insurance Group Pty Ltd the Ultimate Parent entity. The shares were issued immediately prior to the listing on the Australian Stock Exchange of the ultimate parent undertaking.

15. Intangible assets

Group

	Goodwill £	Total £
Cost		
At 1 July 2016	**4,807,580**	**4,807,580**
Additions	**177,224**	**177,224**
At 30 June 2017	**4,984,804**	**4,984,804**
Amortisation		
At 1 July 2016	**1,966,441**	**1,966,441**
Charge for the year	**572,573**	**572,573**
At 30 June 2017	**2,539,014**	**2,539,014**
Net book value		
At 30 June 2017	**2,445,790**	**2,445,790**
At 30 June 2016	*2,841,139*	*2,841,139*

16. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £208,627 *(2016 - £356,487).*

17. Tangible fixed assets

Group

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 July 2016	**19,578**	**377,971**	**397,549**
Additions	**1,860**	**44,074**	**45,934**
Disposals	**-**	**(5,244)**	**(5,244)**
At 30 June 2017	**21,438**	**416,801**	**438,239**
Depreciation			
At 1 July 2016	**10,812**	**254,239**	**265,051**
Charge for the year on owned assets	**3,314**	**59,573**	**62,887**
Disposals	**-**	**(4,915)**	**(4,915)**
At 30 June 2017	**14,126**	**308,897**	**323,023**
Net book value			
At 30 June 2017	**7,312**	**107,904**	**115,216**
At 30 June 2016	*8,766*	*123,732*	*132,498*

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

	2017 £	*2016* *£*
Long leasehold	**7,312**	*8,766*
	7,312	*8,766*

18. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	**6,135,825**
Additions	**146,476**
At 30 June 2017	**6,282,301**
Impairment	
At 1 July 2016	**92,009**
At 30 June 2017	**92,009**
Net book value	
At 30 June 2017	**6,190,292**
At 30 June 2016	*6,043,816*

19. Debtors

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade debtors	**15,094,914**	*14,571,142*	**-**	*-*
Amounts owed by group undertakings	**-**	*2,421*	**-**	*-*
Other debtors	**139,351**	*278,378*	**8,166**	*13,612*
Prepayments and accrued income	**188,733**	*208,147*	**-**	*-*
Deferred taxation	**20,956**	*138,351*	**-**	*-*
	15,443,954	*15,198,440*	**8,166**	*13,612*

20. Current asset investments

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Unlisted investments	**-**	*12,911*	**-**	*-*
	-	*12,911*	**-**	*-*

21. Cash and cash equivalents

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Cash at bank and in hand	**7,314,996**	*7,210,971*	**45,875**	*426,438*
	7,314,996	*7,210,971*	**45,875**	*426,438*

The company's subsidiary companies are regulated by the Financial Conduct Authority ("FCA"). As required by the FCA, client monies are held in 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 £6,102,219 (2016: £6,391,149) of client monies held in trust client bank accounts.

22. Creditors: Amounts falling due within one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Bank loans and overdrafts	-	*314,284*	-	*314,284*
Trade creditors	**20,097,957**	*19,889,065*	-	*888*
Amounts owed to group undertakings	**127,595**	*328,786*	**1,947,746**	*1,211,187*
Corporation tax	**161,858**	*110,865*	**20,056**	*40,718*
Taxation and social security	**129,429**	*69,805*	-	-
Obligations under finance lease and hire purchase contracts	-	-	-	-
Other creditors	**1,674,286**	*1,833,967*	**1,674,286**	*1,833,969*
Accruals and deferred income	**195,210**	*195,883*	**29,513**	*52,276*
	22,386,335	*22,742,655*	**3,671,601**	*3,453,322*

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FOR THE YEAR ENDED 30 JUNE 2017

23. Creditors: Amounts falling due after more than one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Bank loans	**1,571,432**	*1,885,716*	**1,571,432**	*1,885,716*
Amounts owed to group undertakings	**163,561**	*491,155*	**139,000**	*491,155*
	1,734,993	*2,376,871*	**1,710,432**	*2,376,871*

24. Bank Loan

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Amounts falling due within one year	**314,284**	*314,284*	**314,284**	*314,284*
Amounts falling due greater than one year	**1,571,432**	*1,885,716*	**1,571,432**	*1,885,716*
	1,885,716	*2,200,000*	**1,885,716**	*2,200,000*

The bank loan is subject to interest, payable at 3.5% above LIBOR. All of the subsidiary companies of IHL, as listed in note 33 are party to the loan agreement and the bank have taken security through a charge over the assets of all the so listed Group Companies.

25. Financial instruments

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Financial assets				
Cash and cash equivalents	**7,314,994**	*7,210,971*	**45,875**	*426,438*
Financial assets that are debt instruments measured at amortised cost	**15,255,220**	*14,988,137*	**8,166**	*13,611*
Current asset investments	**-**	*12,911*	**-**	*-*
	22,570,214	*22,212,019*	**54,041**	*440,049*
Financial liabilities				
Financial liabilities measured at amortised cost	**(24,121,328)**	*(25,063,130)*	**(5,382,033)**	*(5,789,475)*
	(24,121,328)	*(25,063,130)*	**(5,382,033)**	*(5,789,475)*

Financial assets measured at amortised cost comprise of debtors, as stated at note 19.

Financial Liabilities measured at amortised cost comprise of creditors, as stated at note 22 and note 23.

26. Deferred taxation

Group

	Deferred tax £
At 1 July 2016	**138,351**
Utilised during the year	**(109,337)**
Adjustments in respect of prior year	**(8,058)**
At 30 June 2017	**20,956**

	Group 2017 £	*Group 2016 £*
Brought forward losses	**20,956**	*138,351*
	20,956	*138,351*

The Group has trading losses carried forward at 30 June 2017 of £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 not been recognised due to uncertainty as to the availability of future profits generated by the Carroll London Markets' trade.

27. Share capital

	2017 £	*2016 £*
Allotted, called up and fully paid		
10,000 - Ordinary A shares of £0.0001 each	**1**	*1*
4,469 - Ordinary B share of £0.0001	**1**	*1*
	2	*2*

Each A Ordinary share is entitled to one vote; each A Ordinary share is entitled, pari passu, to dividend payments or a distribution; each Ordinary A share is entitled to participate pari passu in a distribution arising from a winding up of the company and each A Ordinary share is non-redeemable.

Each B Ordinary share is entitled to one vote and each B Ordinary share is entitled, pari passu, to dividend payments or a distribution.

28. Pension commitments

Included within accruals is £792 (2016: £3,084) in respect of accrued contributions to the pension scheme.

29. Commitments under operating leases

At 30 June 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	**Group 2017** £	*Group 2016* £	**Company 2017** £	*Company 2016* £
Less than 1 year	**247,603**	*134,914*	-	-
Between 1 and 5 years	**389,256**	*103,552*	-	-
	636,859	*238,466*	-	-

During the year, the Group paid £326,721 under operating and finance leases.

30. Finance lease commitments

At the year end, there are finance lease commitments due within one year of £9,080 (2016: £2,755) and due within 2 - 5 years of £13,809 (2016: £2,755).

31. Related party transactions

Included in Notes 22 and 23 - Creditors are balances due to the following shareholders of Insurance Holdings Limited:

	Group 2017 £	*Group 2016* £	**Company 2017** £	*Company 2016* £
PSC UK Pty Limited	**291,156**	*819,940*	**138,900**	*819,940*

Included in the interest paid is an amount of £11,769 (2016: £1,522) to PSC UK Pty Limited.

During the year, the Company received £368,296 of brokerage from its subsidiary – Carroll & Partners Limited – in respect of business placed on behalf of the ultimate parent PSC Insurance Group Pty Ltd.

32. Controlling party

The company's immediate parent undertaking is Insurance PSC UK Pty Limited, a company registered in Australia. The ultimate parent company and ultimate controlling entity is PSC Insurance Group Pty Ltd who draws up the consolidated financial statements, a company registered in Australia. The group consolidated financial statements can be obtained from Suite 1, 90-94 Tram Road, Doncaster, Victoria, 3108.

33. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Carroll and Partners Limited	England & Wales	100%	Insurance Broker
Carroll London Markets Limited (Previously John Holman and Sons Limited)	England & Wales	100%	Insurance Broker
UK Facilities Limited	England & Wales	100%	Insurance Broker
Fenchurch Insurance Risk Management Limited	England & Wales	100%	Insurance Broker
Just Motorsport Limited	England & Wales	100%	Insurance Broker
Breeze Underwriting Limited	England & Wales	100%	Insurance Broker
Carroll London Markets Holdings Limited	England & Wales	100%	Holding Company

All subsidiary undertakings as listed above have a registered address of 48 Gracechurch Street, London, EC1A 4AB.

The aggregate of the share capital and reserves as at 30 June 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Net Assets £	Profit/(Loss) for the year £
Carroll and Partners Limited	3,140,291	820,101
Carroll London Markets Limited	828,696	-
UK Facilities Limited	80,000	Dormant
Fenchurch Insurance Risk Management Limited	600	Dormant
Just Motorsport Limited	547	Dormant
Breeze Underwriting Limited	485,639	260,714
Carroll London Markets Holdings Limited	Dormant	Dormant

All of the Dormant entities have claimed exemption from audit under section 479A of the Companies Act 2006.