

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 30TH JUNE 2010

Company Number: 06765891

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THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

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THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 2010

Accounting Period

The directors present their report and the audited financial statements for the year ended 30th June 2010

Principal Activity

The principal activity of the company is that of a holding company

The principal additional activities of the group are that of general insurance broking, commercial finance broking and independent financial advisors

Business Review

General

On 31st October, 2009 the group acquired a further 5% of the issued share capital of its subsidiary undertaking, CTL Three Limited to increase its holding to 77.5% in that undertaking

On 31st March, 2010 the group acquired 20% of the issued share capital of its subsidiary undertaking, The Insurance Partnership Commercial Finance Limited, and a further 25% of the issued share capital was acquired on 31st May, 2010 making this undertaking a wholly owned subsidiary of the group at that date

Financial Performance

The group has made an operating profit of £392,187 (2009 £115,539 – three months) in its first full year of trading from a consolidated turnover of £7,501,545 (2009 £1,888,126 – three months). The key performance indicators and comments for the year are as follows

	2010	2009 (3 months)
Turnover	£7,501,545	£1,888,126
Operating Profit %	5.2%	6.1%
EBITDA	£800,138	£181,091
Shareholders' Funds	£2,717,326	£2,610,627

General insurance broking

This is the main core business activity of the group and whilst the insurance market generally continues to be “soft” and fiercely competitive, the business achieved growth in both its profits and turnover for the year under review on a year on year comparison. The business increased its locations from which it now operates, with an office being established in Scotland and also the opening of a new Leeds office during the last quarter of the year to further its ambitions to service larger corporate risks

Financial advice

This area of the group's activities has seen strong growth in profits during the year under review. The business has benefited from corrective actions put in place during the latter part of the previous financial period when it significantly reduced its cost base and has also benefited from the recovery in world stock markets, which has seen an increase in its renewal income on a year on year comparison

**THE INSURANCE PARTNERSHIP HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2010**

Commercial finance broking

This part of the group's activities has been badly affected by a very difficult market place within the banking sector from which it operates and funding lines continue to be limited. This has resulted in the business incurring an operating loss of £55,538 during the year under review, which included a bad debt of £22,500. Whilst these results are very disappointing, they do not reflect the business's role within the overall group activity offering which cannot be understated.

Following a review of its fixed overheads in the last quarter of the year, its advisors now work under license rather than being directly employed by the business which should ensure that this part of the group's activities will have a more profitable future.

Energy inspections

This activity is new to the group having commenced to trade on 1st November, 2009 during the year. The business is designed to supplement the ever increasing group offerings to its clients by providing both domestic and commercial energy inspection services. The business incurred a small loss during the year under review in respect of its set up period.

The group's profit for the year after taxation, but before minority interests increased to £128,495 (2009 £18,412 – three months). This result was after taking a profit on disposal of subsidiary undertakings of £2,842 in respect of its shareholdings in Investspend Limited, Lifestyle Financial Services Limited and Protection and Mortgages 4 All Limited whose deemed date of disposal was 7th July, 2009.

The group's shareholder funds have increased by 3% to £2,717,326 as at the balance sheet date.

Principal risks and uncertainties facing the group

As a holding company, the risks and uncertainties facing the company are those directly attributable to its subsidiary investments being both financial and operational, including both a market risk which the group protects itself against by the maintenance of the relationships between itself and both its clients and insurers, and a regulatory risk which the group protects against by way of the allocation of significant resources to ensure compliance. The company also holds borrowings raised to fund the acquisition of these investments. This financing also exposes the company to certain risks as detailed below.

Risks relating to financial instruments

The group's operations expose it to a variety of financial risks including the effects of changes in interest rates, credit risk and liquidity risk. The board of directors actively monitor these and, where necessary, take action to mitigate identified risks.

Credit risk

By holding investments only, the company is not exposed to credit risk. The credit risk facing the company's subsidiaries, is considered minimal as when acting as an agent, the broker is not generally liable as principal for the amount arising from transactions.

Liquidity risk

The group's cash flow and liquidity risk are closely monitored by the directors. The group have a stable and manageable capital and debt structure with a significant amount of the group's bank debt protected against future LIBOR rate increases by entering into fixed interest swaps until the year 2014. The group's financing arrangements are sufficient to allow funds to be made available for expansion should the opportunity arise.

Dividends

The directors have not considered it appropriate to pay a dividend for the year ended 30th June 2010.

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 2010

Directors

The directors who served during the period are as follows -

I G Hakes
R L Worrell
L J Reveley
K Lunn
M J Green
F A Crayton
R N Smaje

Directors' Responsibilities for the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- a) select suitable accounting policies and then apply them consistently,
- b) make judgements and estimates that are reasonable and prudent,
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business

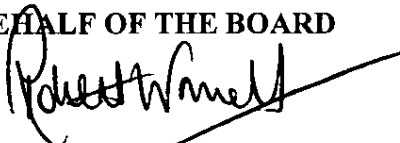
The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention of fraud and other irregularities.

In addition to the general duties of the directors specified in section 170 to 177 of the Act, the directors are responsible for ensuring that the company and group complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



R.L. WORRELL
DIRECTOR

HULL
25th NOVEMBER 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

We have audited the financial statements of The Insurance Partnership Holdings Limited for the year ended 30th June 2010 on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Section 475 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's and group's affairs as at 30th June 2010 and of the group's results for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

The Companies Act 2006 requires us to report to you in respect of the following matters 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 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.

We have nothing to report in respect of these matters.



**John Gilleard FCA
Senior Statutory Auditor
For and on behalf of
DUTTON MOORE
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR**

HULL

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THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2010

	Notes	2010	2009
Turnover	2	7,501,545	1,888,126
Cost of sales		(469,695)	(129,285)
		<hr/>	<hr/>
Gross profit		7,031,850	1,758,841
Administrative expenses		(6,723,592)	(1,643,302)
Other operating income		83,929	-
		<hr/>	<hr/>
Operating profit	3	392,187	115,539
Share of losses of associated undertaking		-	(9,417)
Disposal of subsidiary undertakings		2,842	-
		<hr/>	<hr/>
Profit on ordinary activities before interest		395,029	106,122
Interest receivable and similar income	4	10,444	6,271
Interest payable and similar charges	5	(125,960)	(38,144)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		279,513	74,249
Tax on profit on ordinary activities	7	(151,018)	(55,837)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		128,495	18,412
Attributable to minority interest		(21,796)	21,504
		<hr/>	<hr/>
Profit for the year		<u>£106,699</u>	<u>£39,916</u>

All of the activities undertaken by the group during 2010 and 2009 are continuing activities. All 2009 activities related to acquisitions made during that year.


The group has no recognised gains or losses during 2010 and 2009 other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses is required.


The notes on pages 10 to 25 form part of these accounts

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED
(Company Number 06765891)
CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE 2010

	Notes	2010	2009
FIXED ASSETS			
Tangible assets	8	2,923,476	3,096,093
Intangible assets	9	2,754,374	2,808,370
Investments	10	25	25
		<hr/>	<hr/>
		5,677,875	5,904,488
CURRENT ASSETS			
Debtors	11	3,656,096	3,355,960
Client account cash at bank and in hand		1,168,658	1,027,179
Office account cash at bank and in hand		1,110,690	379,159
		<hr/>	<hr/>
		5,935,444	4,762,298
CREDITORS: amounts falling due within one year	12	(6,489,701)	(5,447,243)
Net Current Liabilities		<hr/>	<hr/>
		(554,257)	(684,945)
Total Assets less Current Liabilities		<hr/>	<hr/>
		5,123,618	5,219,543
CREDITORS: amounts falling due after more than one year	13	(2,409,197)	(2,707,749)
Provisions for Liabilities and Charges	16	(88,184)	(105,820)
		<hr/>	<hr/>
		£2,626,237	£2,405,974
CAPITAL AND RESERVES		<hr/>	<hr/>
Called up share capital	17	488,840	488,840
Share premium account	18	2,081,871	2,081,871
Profit and loss account	18	146,615	39,916
		<hr/>	<hr/>
Shareholders' Funds	19	2,717,326	2,610,627
Minority interest		(91,089)	(204,653)
		<hr/>	<hr/>
		£2,626,237	£2,405,974
		<hr/>	<hr/>

Approved on behalf of the Board


R.L. WORRELL
 Director


R.N. SMAJE
 Director

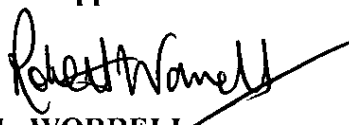
Dated: 25th NOVEMBER, 2010

The notes on pages 10 to 25 form part of these accounts

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED
(Company Number 06765891)
BALANCE SHEET AS AT 30TH JUNE 2010

	Notes	2010	2009
FIXED ASSETS			
Intangible assets	9	63,359	67,833
Investments	10	3,609,456	3,600,091
		<hr/>	<hr/>
		3,672,815	3,667,924
CURRENT ASSETS			
Debtors	11	509	-
Cash at bank and in hand		4,420	9,763
		<hr/>	<hr/>
		4,929	9,763
CREDITORS: amounts falling due within one year	12	(692,622)	(413,967)
Net Current Liabilities		<hr/> (687,693) <hr/>	<hr/> (404,204) <hr/>
Total Assets less Current Liabilities		2,985,122	3,263,720
CREDITORS amounts falling due after more than one year	13	(343,060)	(535,569)
Provisions for Liabilities and Charges	16	-	-
		<hr/>	<hr/>
		£2,642,062	£2,728,151
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	17	488,840	488,840
Share premium account	18	2,081,871	2,081,871
Profit and loss account	18	71,351	157,440
		<hr/>	<hr/>
Shareholders' Funds	19	£2,642,062	£2,728,151
		<hr/>	<hr/>

Approved on behalf of the Board


R.L. WORRELL
 Director


R. N. SMAJE
 Director

Dated: 25th NOVEMBER 2010

The notes on pages 10 to 25 form part of these accounts

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2010

	Notes	2010	2009
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		392,187	115,539
Depreciation and amortisation		406,703	106,435
Disposal of subsidiary investments (net of minority interest)		13,232	-
(Increase) in debtors		(300,136)	(375,332)
Increase in creditors		1,021,784	707,179
		<hr/>	<hr/>
Net cash inflow from operating activities		£1,533,770	£553,821
		<hr/>	<hr/>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,533,770	553,821
Returns on investments and servicing of finance	24	(115,516)	(31,873)
Taxation	24	(125,966)	(115,000)
Capital expenditure and financial investment	24	(39,525)	(88,795)
Acquisitions	24	(9,367)	642,172
		<hr/>	<hr/>
		£1,243,396	£960,325
Financing	24	(370,386)	446,013
		<hr/>	<hr/>
Increase in cash in the year		£873,010	£1,406,338
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		873,010	1,406,338
Cash movement from change in debts and asset finance		370,386	(2,600,085)
		<hr/>	<hr/>
Change in net debt resulting from cash flows		1,243,396	(1,193,747)
Major non-cash transactions	25	(49,820)	(29,300)
Net debt at 1 st July 2009		(1,223,047)	-
		<hr/>	<hr/>
Net debt at 30th June 2010	25	£ (29,471)	£ (1,223,047)
		<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

1. Principal Accounting Policies:-

1.1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.2 Accounts

Accounts have been prepared under the historical cost convention.

1.3 Turnover

Turnover represents commissions and fees receivable by the group during the period. Income is recognised on the inception date of the policy. For general insurance brokerage where there is an expectation of further servicing, an element of income relating to the policy is deferred to cover the future contractual obligations.

1.4 Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the identifiable net assets acquired. Goodwill is being amortised on a straight line basis over a period of twenty years.

Purchased goodwill is written off on a systematic basis over its useful economic life.

1.5 Tangible fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Freehold Buildings	Straight line over fifty years
Plant and Machinery	20-33% p a on cost
Fixtures, Fittings and Equipment	15-20% p a on written down value
Motor Vehicles	25% p a on cost

1.6 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.7 Asset finance

Assets obtained under asset finance contracts are capitalised as tangible assets and depreciated over their useful lives. 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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Pensions

The group makes payments to defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

1.9 Deferred taxation

Provision is made for taxation deferred in respect of all timing differences. Deferred tax assets are recognised where there is a reasonable certainty of the group being able to achieve recovery of the asset in the foreseeable future.

1.10 Basis of consolidation

The group financial statements consolidate the financial statements of The Insurance Partnership Holdings Limited and its subsidiary undertakings using the acquisition method. The identifiable assets and liabilities of those companies acquired are included in the consolidated balance sheet at their fair value at the date of acquisition. The results and cash flows of the acquired companies are brought into the group accounts from the date of acquisition only.

1.11 Associated undertakings

The group's share of profits and losses of an associated undertaking are included in the consolidated profit and loss account and such profits and losses adjusted against the cost of investment in that associated undertaking in the consolidated balance sheet.

1.12 Holding company individual profit and loss account exemption

The company has claimed the exemption afforded under Section 408 of the Companies Act 2006 from the obligation to present the holding company's profit and loss account for the year.

2 Turnover

The turnover attributable to the group's principal activities, as defined in the directors' report, is derived in the United Kingdom, as follows:

	Group 2010	Group 2009
General insurance brokerage	6,436,951	1,708,357
Commercial finance brokerage	71,761	563
Financial advice brokerage	987,358	179,206
Energy inspections	5,475	-
	<hr/>	<hr/>
	£7,501,545	£1,888,126

3 Operating Profit

	2010	2009
This is stated after charging:		
Directors' Emoluments (see below)	£580,394	£104,793
Depreciation and other amounts written off tangible fixed assets	£235,368	£66,074
Loss on disposal of tangible fixed assets	£1,594	-
Amortisation of Goodwill	£169,741	£40,768
Operating lease rentals		
- Land and buildings	£76,613	£20,623
Auditors' Remuneration - Audit Services	£27,312	£9,079
- Non Audit Services	£9,125	£4,600
	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

3.1 Directors' Emoluments

The holding company directors receive the following emoluments from group companies,

	2010	2009
Remuneration and other emoluments	503,511	89,909
Employer's National Insurance Contributions	57,239	10,661
Pension Contributions	19,644	4,223
	<hr/>	<hr/>
	£580,394	£104,793
	<hr/>	<hr/>

	2010 Number	2009 Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	5	5
	=	=

Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	112,077	27,998
Pension contributions	5,053	1,257
	<hr/>	<hr/>
	£117,130	£29,255
	<hr/>	<hr/>

3.2 Employees

	2010 Number	2009 Number
The average monthly number of employees during the period were		
Management ,broking and general administration	134	137
	<hr/>	<hr/>

Employment Costs	2010 £	2009 £
Wages and Salaries	4,046,070	971,867
Employer's NIC	406,906	97,531
Other Pension Costs	167,310	41,711
	<hr/>	<hr/>
	£4,620,286	£1,111,109
	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

4. Interest receivable and similar income

	2010	2009
	£	£
Bank interest	10,444	4,574
Other interest	-	1,697
	<hr/>	<hr/>
	£10,444	£6,271
	<hr/>	<hr/>

5. Interest payable and similar charges

	2010	2009
	£	£
Bank interest	95,149	27,585
Asset finance interest	10,932	3,282
Directors' loan interest	19,879	7,277
	<hr/>	<hr/>
	£125,960	£38,144
	<hr/>	<hr/>

6. Pension Costs

The group operates defined contribution pension schemes in respect of the directors and employees. The schemes and their assets are held by independent managers. The pension charges represent contributions due from the group and amounted to £167,310 (2009 £41,711). There were no contributions prepaid or outstanding as at the Balance Sheet date.

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

7. Tax on profit on ordinary activities

	2010	2009
UK current year taxation		
UK corporation tax	173,000	56,900
Adjustment in respect of prior periods	(4,346)	-
	<hr/>	<hr/>
	168,654	56,900
Deferred taxation		
Transfer (from) deferred taxation provision	(7,973)	(1,063)
Adjustment in respect of prior periods	(9,663)	-
	<hr/>	<hr/>
	£151,018	£55,837
	<hr/>	<hr/>
 Factors affecting tax charge for the year		
 Profit on ordinary activities, before tax	 £242,603	 £74,249
	<hr/>	<hr/>
 Profit on ordinary activities at the applicable rate of UK corporation tax	 67,928	 20,790
 Effects of		
Disallowable expenses	96,100	28,722
Depreciation for the year in excess of capital allowances	20,437	7,388
Other adjustments	(11,465)	-
	<hr/>	<hr/>
 UK Corporation tax	 £173,000	 £56,900
	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

8. Tangible fixed assets

Group	Freehold Land & Buildings	Plant & Machinery	Fixtures, Fittings & Equipment	Motor Vehicles	Total
Cost					
At 1 st July 2009	2,727,590	402,786	303,119	436,908	3,870,403
Additions	-	35,712	15,318	57,340	108,370
Disposals	-	(3,454)	(5,622)	(98,391)	(107,467)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2010	£2,727,590	£435,044	£312,815	£395,857	£3,871,306
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 st July 2009	172,185	321,440	122,332	158,353	774,310
Charge for the year	52,929	54,957	29,943	97,539	235,368
Written back on disposals	-	(3,454)	(5,622)	(52,772)	(61,848)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2010	£225,114	£372,943	£146,653	£203,120	£947,830
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Values					
At 30th June 2010	£2,502,476	£62,101	£166,162	£192,737	£2,923,476
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2009	£2,555,405	£81,346	£180,787	£278,555	£3,096,093
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in the above are assets held under asset finance agreements,

	Net Book Value		Depreciation charge for year	
	2010	2009	2010	2009
Office equipment	17,605	30,663	13,638	2,521
Motor Vehicles	166,063	276,907	59,617	24,009
	<hr/>	<hr/>	<hr/>	<hr/>
	£183,668	£307,570	£73,255	£26,530
	<hr/>	<hr/>	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

9. Intangible fixed assets

Group

Goodwill	Consolidated Goodwill	Purchase Goodwill	Total
Cost			
At 1 st July 2009	2,775,138	74,000	2,849,138
Additions	95,899	25,000	120,899
Disposals	(5,219)	-	(5,219)
	<hr/>	<hr/>	<hr/>
At 30th June 2010	£2,865,818	£99,000	£2,964,818
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 st July 2009	34,601	6,167	40,768
Charged during the year	140,267	29,474	169,741
Disposals	(65)	-	(65)
	<hr/>	<hr/>	<hr/>
At 30th June 2010	£174,803	£35,641	£210,444
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 30th June 2010	£2,691,015	£63,359	£2,754,374
	<hr/>	<hr/>	<hr/>
At 30th June 2009	£2,740,537	£67,833	£2,808,370
	<hr/>	<hr/>	<hr/>

Company

Goodwill

Cost	
At 1 st July 2009	74,000
Additions	25,000
	<hr/>
At 30th June 2010	£99,000
	<hr/>
Amortisation	
At 1 st July 2009	6,167
Charged during the year	29,474
	<hr/>
At 30th June 2010	£35,641
	<hr/>
Net Book Value	
At 30 th June 2010	£63,359
	<hr/>
At 30th June 2009	£67,833
	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

10. Fixed asset investments

	Unlisted Investment
Group	
Cost	
At 30 th June 2010 and 30 th June 2009	£25
	<hr/>
	Subsidiary Undertakings
Company	
Cost	
At 1 st July 2009	3,719,661
Acquisitions during the year	9,367
	<hr/>
At 30th June 2010	£3,729,028
	<hr/>
Provision for Diminution in Value	
At 1 st July 2009	119,570
Charged during the year	2
	<hr/>
At 30th June 2010	£119,572
	<hr/>
Net Book Value	
At 30 th June 2010	£3,609,456
	<hr/>
At 30 th June 2009	£3,600,091
	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

Subsidiary undertakings

The company holds the majority of the voting rights of the following companies

Company	Country of Incorporation	Nature of Business	% Ordinary Shares Held by the Company
The Insurance Partnership Services Limited	England	General Insurance Broking	100%
The Insurance Partnership Commercial Finance Limited	England	Commercial Finance Broking	100%
Health Insurance Brokers Limited	England	Dormant	100%
The Insurance Partnership Inspection Services Limited (formerly The Insurance Partnership Specialist Lending Limited)	England	Energy Inspections	100%
CTL Three Limited	England	Holding Company	77.5%

The company also holds the majority of the voting rights of the following companies by virtue of its holding within CTL Three Limited

Company	Country of Incorporation	Nature of Business	% Ordinary Shares Held by CTL Three Ltd
The Insurance Partnership Financial Services Limited	England	Independent Financial Advisors	77.5%

On 31st October, 2009 the group acquired a further 5% of the issued share capital of its subsidiary undertaking, CTL Three Limited to increase its holding to 77.5% in that undertaking

On 31st March, 2010 the group acquired 20% of the issued share capital of its subsidiary undertaking, The Insurance Partnership Commercial Finance Limited, and a further 25% of the issued share capital was acquired on 31st May, 2010 making this undertaking a wholly owned subsidiary of the group at that date

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

11. Debtors

	2010		2009	
	Group	Company	Group	Company
Trade debtors	852,486	-	857,943	-
Insurance debtors	2,374,859	-	2,105,778	-
Other debtors	247,979	-	226,521	-
Prepayments and accrued income	177,711	509	164,722	-
Corporation tax recoverable	-	-	996	-
Other taxes reclaimable	3,061	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£3,656,096	£ 509	£3,355,960	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

12. Creditors: amounts falling due within one year

	Notes	2010		2009	
		Group	Company	Group	Company
Net obligations under asset finance	14	72,578	-	96,872	-
Bank loans	13	237,433	187,734	225,188	176,828
Other loan		143,583	-	143,583	-
Trade creditors		363,728	11,862	260,826	-
Insurance creditors		3,543,517	-	3,132,957	-
Amounts owed to group undertakings		-	425,967	-	54,177
Corporation tax		164,938	-	122,250	-
Other taxes and social security costs		163,995	-	159,116	1,455
Directors' loan accounts		6,163	-	134,944	100,000
Other creditors		671,640	61,500	700,153	74,000
Accruals and deferred income		1,122,126	5,559	471,354	7,507
		<hr/>	<hr/>	<hr/>	<hr/>
		£6,489,701	£692,622	£5,447,243	£413,967
		<hr/>	<hr/>	<hr/>	<hr/>

Secured amounts

Included in the above are the following amounts which are secured

£284,731	£187,734	£297,280	£176,828
<hr/>	<hr/>	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

13. Creditors: amounts falling after more than one year

	Notes	2010		2009	
		Group	Company	Group	Company
Bank loans		1,951,189	143,060	2,195,659	335,569
Net obligations under asset finance	14	47,619	-	111,666	-
Other creditors		210,389	-	200,424	-
Directors' loan accounts		200,000	200,000	200,000	200,000
		<hr/>	<hr/>	<hr/>	<hr/>
		£2,409,197	£343,060	£2,707,749	£535,569
		<hr/>	<hr/>	<hr/>	<hr/>
Secured amounts					
Included in the above are the following amounts which are secured		£1,993,023	£143,060	£2,276,280	£335,569
		<hr/>	<hr/>	<hr/>	<hr/>
Bank Loans					
Repayable in one year or less		237,433	187,734	225,188	176,828
Repayable between one and two years		196,790	143,060	237,433	187,734
Repayable between two and five years		372,613	-	447,211	147,835
Repayable in five years and more		1,381,786	-	1,511,015	-
		<hr/>	<hr/>	<hr/>	<hr/>
		£2,188,622	£330,794	£2,420,847	£512,397
		<hr/>	<hr/>	<hr/>	<hr/>

The group's bank loans consist of four instruments in total of which two instruments, amounting to £1,826,763, are secured over a subsidiary undertaking's freehold property together with a fixed and floating charge on the remaining assets of that company. The first of these two instruments amounting to £1,405,600 is repayable over a period of 14 years ending 2024, with a first scheduled repayment commencing in 2012 at an interest rate of 1.275% over LIBOR rate. The subsidiary undertaking has protected itself against future LIBOR rate increases by entering into a 5 year rate swap with a fixed interest rate of 4.195% until 2014. The second instrument amounting to £421,163 is repayable over a period of 14 years ending 2024 at an interest rate of 2.5% above the bank's base rate.

A third instrument amounting to £31,065 is repayable over a period of one and a half years ending 2011 at an interest rate of 1.5% over the bank's base rate.

The final instrument relates to a loan taken out by the parent undertaking amounting to £330,794 which is secured by a fixed and floating charge on the assets of that company and in addition by a cross guarantee and debenture whereby a subsidiary undertaking, The Insurance Partnership Services Limited, has guaranteed the indebtedness to the bank of its parent undertaking in respect of this loan. The loan is repayable over a period of two years ending 2012 at an interest rate of 4.5% over the bank's base rate.

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

14. Net Obligations under asset finance contracts

	2010		2009	
	Group	Company	Group	Company
Repayable within one year	81,833	-	109,107	-
Repayable between one and five years	53,707	-	123,853	-
	<hr/>	<hr/>	<hr/>	<hr/>
	135,540	-	232,960	-
Finance charges and interest allocated to future accounting periods	(15,343)	-	(24,422)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£120,197	£ -	£208,538	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
Shown as:				
Amounts falling due within one year	72,578	-	96,872	-
Amounts falling due after one year	47,619	-	111,666	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£120,197	£ -	£208,538	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

15. Security

The group has given its bankers the following security:-

- i) Fixed and floating charges over the assets of the parent undertaking and certain of its subsidiary undertakings together with a legal charge over the freehold properties
- ii) Unlimited cross-guarantee between the parent undertaking and The Insurance Partnership Services Limited in respect of the parent undertaking's bank loan indebtedness.

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

16. Provisions for liabilities and charges

	2010		2009	
	Group	Company	Group	Company
At 1 st July 2009	105,820	-	-	-
Arising on acquisition	-	-	106,883	-
Movement during the year	(17,636)	-	(1,063)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2010	£88,184	£ -	£105,820	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

All of the above provision for deferred tax has arisen as a result of accelerated capital allowances

17. Called up share capital

	2010	2009
Allotted, called up and fully paid equity:		
488,840 Ordinary Shares of £1 each	£488,840	£488,840
	<hr/>	<hr/>

18. Reserves

	Share Premium Account	Profit and Loss Account
Group		
At 31 st July, 2009	2,081,871	39,916
Profit for the financial year	-	106,699
	<hr/>	<hr/>
At 30 th June, 2010	£2,081,871	£146,615
	<hr/>	<hr/>
	Share Premium Account	Profit and Loss Account
Company		
At 31 st July, 2009	2,081,871	157,440
Loss for the financial year	-	(86,089)
	<hr/>	<hr/>
At 30 th June, 2010	£2,081,871	£71,351
	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

19. Reconciliation of movements in shareholders' funds

	2010		2009	
	Group	Company	Group	Company
Opening shareholders' funds	2,610,627	2,728,151	-	-
Profit/(Loss) for the year	106,699	(86,089)	39,916	157,440
Equity share capital issued (including share premium)	-	-	2,570,711	2,570,711
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	£2,717,326	£2,642,062	£2,610,627	£2,728,151
	<hr/>	<hr/>	<hr/>	<hr/>

20. Contingent liabilities

Company

In March 2009 the company entered into a cross guarantee and debenture guaranteeing the indebtedness to the bank of a subsidiary undertaking, The Insurance Partnership Services Limited. As at 30th June 2010 the company's exposure under this agreement amounted to £1,826,763 (2009: £1,852,625). The directors consider the likelihood of this guarantee being called upon to be remote.

21. Operating leases

At the Balance Sheet date the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2010	2009
Expiry date		
Within one year	50,865	21,000
In over five years	52,000	52,000
	<hr/>	<hr/>
	£102,865	£73,000
	<hr/>	<hr/>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

22. Related party transactions

During the period the group rented premises from the SIPP of the directors, R L. Worrell, I.G Hakes, L J Reveley, M.J Green and K Lunn at a rental cost of £52,000 (2009 £13,000)

As at the balance sheet date the directors had outstanding loans due from the company totalling £200,000 (2009 £300,000), of which £200,000 was not due for repayment for at least twelve months Interest totalling £19,879 (2009 £7,277) has been made payable in line with the directors' loan agreements, and had been settled in full as at the balance sheet date

23. Controlling Interest

The group is controlled by the director, R L Worrell and his family by virtue of their control of the parent undertaking

24. Analysis of cash flows for headings netted in the cash flow statement	2010	2009
Returns on investments and servicing of finance		
Interest received	10,444	6,271
Interest paid	(125,960)	(38,144)
	<u> </u>	<u> </u>
	(115,516)	£(31,873)
	<u> </u>	<u> </u>
Taxation		
Corporation tax paid	£(125,966)	£(115,000)
	<u> </u>	<u> </u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(58,550)	(14,795)
Payments to acquire intangible fixed assets	(25,000)	(74,000)
Receipts from sales of tangible assets	44,025	-
	<u> </u>	<u> </u>
	£(39,525)	£(88,795)
	<u> </u>	<u> </u>
Acquisitions		
Purchase of subsidiary undertakings and minority interests	(9,367)	(875,515)
Cash at bank and in hand acquired with subsidiary undertakings	-	1,517,687
	<u> </u>	<u> </u>
	£(9,367)	£642,172
	<u> </u>	<u> </u>
Financing		
New bank loan	-	550,000
Repayments of bank loans	(232,225)	(74,065)
Capital element of asset finance	(138,161)	(29,922)
	<u> </u>	<u> </u>
	£(370,386)	£446,013
	<u> </u>	<u> </u>

THE INSURANCE PARTNERSHIP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2010

25. Analysis of Changes in Net Debt

	Opening Balance	Cash Flows	Other Changes	Closing Balance
Cash at bank and in hand	1,406,338	873,010	-	2,279,348
Bank Loans	(2,420,847)	232,225	-	(2,188,622)
Asset Finance	(208,538)	138,161	(49,820)	(120,197)
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	£(1,223,047)	£1,243,396	£(49,820)	£(29,471)
	<hr/>	<hr/>	<hr/>	<hr/>

Major Non-Cash Transactions

During the year the group entered into asset finance agreements in respect of assets with a capital value at the inception of the agreements of £49,820 (2009 £29,300)