Company Registration No. 08613882

GLOBAL RISK PARTNERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

GLOBAL RISK PARTNERS LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

CONTENTS

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.
This strategic report has been prepared for the Global Risk Partners Limited Group ('the Group') as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

Key Achievements
The year to 31 March 2017 was a transformational year for Global Risk Partners Limited ("GRP" or "the Company") as it maintained its track record of significant and sustainable year on year growth. The implementation of GRP's stated "buy and build" strategy has continued at pace with strong growth in the underlying businesses and ongoing success in executing its acquisition strategy.

The following are key highlights:

- Eight acquisitions were made in the year to 31 March 2017 with five further acquisitions made since the end of the financial year,
- Turnover has increased by c.141% to £41.2m (2016: £17.1m), principally driven by acquisitions during the year. We expect 2017/18 turnover to increase as the full year impact of those acquisitions are included,
- Employee numbers have grown to more than 800 since the end of the financial year,
- Attracted third party financing to extend our capital base and facilitate further expansion.

As a result of the developments above, the Group is now the 20th largest insurance broker in the UK[1].

Overview
Global Risk Partners was incorporated on 17 July 2013, and subsequently commenced trading on 31 October 2013, with the objective of creating an entrepreneurial, independently owned London and International intermediary investment vehicle in the global and speciality insurance and non-treaty reinsurance markets. In 2015, the business model evolved to encompass the acquisition of regional commercial lines retail brokers. The Group is backed by Penta LLP, Peter Cullum and the management team.

The Company is focused on a programme of growth through acquisition and integration of carefully selected brokers, managing general agents, portfolios and teams. A key tenet within the Company's strategy is to ensure that the key individuals in the larger businesses who are responsible for producing business, and who hold the key broker and client relationships, have an equity stake in the company in which they are employed. The Company considers this to be a powerful tool in ensuring the culture is characterised by an owner-driver philosophy.

The Company continues to develop a significant pipeline of acquisitions, and discussions are ongoing with a number of businesses which meet the Company's stringent acquisition criteria. In addition, an ongoing priority continues to be the improvement of the operating margins of the underlying businesses and the integration of certain back office functions within each of the GRP businesses.

Acquisition Update

The Company has acquired 19 businesses to date with 8 acquired in the financial year to 31 March 2017 and 5 businesses acquired after 31 March 2017. The businesses acquired since the last strategic report are as follows:

---

[1]Source: Insurance Times Top 50 Broker Survey

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Specialty Brokers

Lonmar Global Risks (Lloyd's specialty broker)	Lonmar is a Lloyd's broker which specialises in risk placed predominantly in the Lloyd's and London market. It provides market leading teams in Bloodstock, Fine Arts and a specialist binder unit.	May 2016

UK Retail Brokers

McGrady (Commercial and personal lines broker)	McGrady is a retail broker based in Downpatrick, Northern Ireland which transacts both commercial and personal lines business and specialises in Competition Cars and Events.	April 2016
Cavendish Munro (Professional indemnity broker)	Cavendish Munro is a London retail broker focused almost exclusively on the provision of Professional Indemnity insurance to UK SMEs and smaller Corporate clients.	June 2016
BB Insure (Commercial lines broker)	BB Insure is a Midland based, retail broker, specialising in commercial lines.	August 2016
Marshall Wooldridge (Commercial lines broker)	Marshall Wooldridge is an established insurance broker with offices in Yorkshire. Specialising in Professional and Amateur Sports Insurance, they also provide insurance for a wide range of commercial businesses, with particular expertise in the Waste industry and Food and Drink sectors.	September 2016
SLK (Commercial and personal lines broker)	SLK is an established insurance broker, based in Cambridgeshire, which manages a wide range of commercial and personal insurance and specialises in Motor Trade.	September 2016
Higos (Commercial and personal lines broker)	Higos is a Somerset based insurance broker specialising in personal and commercial lines business. The business has a leading market position in the South West of England.	February 2017
Courtenay Insurance Services (Commercial and personal lines broker)	Courtenay is a retail insurance broker based in Bude, specialising in commercial and personal lines business. The business will be merged into Higos.	March 2017
Collidge & Partners (Commercial lines broker)	Margate-based Collidge is a long-established brokerage that specialises in insuring narrowboats and canal boats in both the UK and in Europe. The business will be merged into Greens Insurance.	May 2017

Greens Insurance (Commercial and personal lines broker)	Bexhill based Greens Insurance is a leading retail broker within the South East of England, specialising in commercial and personal lines business.	June 2017
Colin Fear Insurance Services (Commercial and personal lines broker)	Colin Fear Insurance Services was established in 1989 and is a broker which serves its local market in the South West. The business will be merged into Higos.	August 2017
Insurance Services West End Limited (Commercial and personal lines broker)	ISWE is a small independent retail broker based in Beckenham, London, specialising in property insurance, which services its local marketplace. The business will be merged into Greens Insurance.	August 2017
ECS Insurance Brokers Limited (Commercial and personal lines broker)	ECS, which is based in Sheffield, is a long established chartered insurance broker which has a strong presence in its local market. The business will be merged into Marshall Wooldridge	August 2017

Business review

The Directors consider the outlook for the Group to be strong. The Group has an extensive pipeline of target business acquisitions coupled with steady growth projections for existing Group companies, derived from excellent renewal portfolios and new business pipeline. The Group has a strong employee team with extensive industry experience which puts the Group in an exciting position going forward.

Principal risks and uncertainties

Global Risk Partners Limited is the ultimate parent company for the Group. Management records the ongoing identification of risks and mitigating controls through its risk register, which is considered and updated at the regular Group Audit, Risk and Compliance Committee meetings. Mitigating controls are structured to bring risks within the Board's agreed risk appetite.

The Group is primarily exposed to the following risks:

Regulatory and compliance risk

There is the risk of financial loss or reputational impact through non-compliance with the relevant laws and regulations of the insurance intermediary sector. The Group manages this through an established control framework based on documented policies and procedures, compliance function monitoring and reporting, and ongoing monitoring at Board and Group Audit, Risk and Compliance Committee meetings.

Cashflow and liquidity risk

The Group is dependent on cash flows generated by its trading operations, which are in turn reliant on the premiums written by its subsidiaries and the commissions earned thereon. In addition, profit commissions are earned based on the underwriting results of the business written. The Group is therefore exposed to the cyclical nature of the insurance industry, both in terms of the size and performance of the market and in the lines in which it writes.

Principal risks and uncertainties (continued)

Cashflow and liquidity risk (continued)

The Group mitigates this risk by underwriting niche, profitable lines, which are less subject to the cyclical nature of the wider market. The Group manages its business plans and cash flow forecasting to ensure that payments can be met when they fall due. In addition, the Group's activities expose it to the financial risks of changes in foreign currency exchange rates due to insurance balances denominated in Sterling, Euros and US Dollars and through changes in interest rates. To minimise the risk, foreign currency transactions are matched utilising foreign currency bank accounts. The Group regularly assesses foreign currency exposure and, where material, will endeavour to hedge as appropriate.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables with credit risk primarily attributable to its trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by International credit-rating agencies. There is no significant concentration of credit risk as the risks are spread over a number of customers.

Underwriting capacity risk

The Group is reliant on capacity providers to support its underwriting operations. Capacity is reliant not only upon the Group's own subsidiaries' underwriting performance, but also upon the capacity providers' wider performance. The Group mitigates this risk through the monitoring and management of the underwriting performance within the trading entities, and through proactive management of the relationships with our capacity providers.

The Group and its operations are exposed to potential changes of underwriting procedures and policy by its capacity providers, as the Group does not hold any capital risk. In addition, the underwriting performance does determine the value of profit commission received.

Litigation risk

There is the risk of litigation or legal action as a result of ongoing trading in subsidiaries. The Group manages this through a robust programme of controls across the Group consummate to the size and nature of the business, based on the documented policies and procedures, combined with an external E&O policy.

Errors and Omissions Exposures

As a consequence of the business sector the Group operates in, claims alleging professional negligence may be made against the Group. Some of these may have a material adverse impact on the Group's profitability, cash and capital. The Group mitigates this risk by ensuring that it has in place robust and risk-based governance and operational policies and procedures, and that staff are competent for the roles they perform and have access to appropriate training and development. In addition, the Group has taken out Errors & Omissions insurance cover.

Economic Environment and Competition

We expect the challenging economic circumstances and resulting competition will remain for the foreseeable future. A further softening of insurance and reinsurance rates given excess capacity in the market also has the potential to place further pressure on revenues. We mitigate the risk through our focus on pricing, service and product quality. The Group continues to monitor both regulatory and market developments and adapts its model to both threats and new opportunities.

Brexit Risk / Political Risk

On 23 June 2016 there was a referendum in the UK to consider the UK's continuing membership of the European Union ('the EU'). The outcome of this vote was a decision to leave the EU, and consequently, on 29 March 2017, the UK Government triggered Article 50 of the Treaty of Lisbon, giving formal notification of the UK's intention to withdraw from membership of the EU. The deadline for concluding the talks and leaving the EU has been set for 29 March 2019. At this time, we are not able to predict the impact that Article 50 will have on the UK. The implications of the exit from the EU are not clear but present both risks and opportunities. Whilst this may impact the Company's ability to operate in some European markets, with potential adverse impacts on company profitability and cash flow, there are also extensive growth opportunities.

Potential adverse impacts are likely to be realised over a period of years following an exit result and it is not anticipated that there will be any immediate regulatory or policy change.

Future developments and events after the balance sheet date

On 1 May 2017, the Group acquired the book of business and net assets of Collidge and Partners Limited.

On 13 June 2017, the Group acquired 67.15% of the shareholding of Green Insurance Brokers Limited through a 100% share purchase of Minority Venture Partners Limited. Both companies are incorporated in the United Kingdom.

On 18 August 2017, the Group acquired 100% of the shareholding of Colin Fear Insurance Services Limited, a company incorporated in the United Kingdom.

On 23 August 2017, the Group acquired the book of business and net assets of Insurance Services West End Limited.

On 31 August 2017, the Group acquired 100% of the shareholding of ECS Insurance Brokers Limited, a company incorporated in the United Kingdom.

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Stephen Ross
Director
29 September 2017

Registered Office:

2nd Floor
50 Fenchurch Street
London
EC3M 3JY

GLOBAL RISK PARTNERS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report on the affairs of Global Risk Partners Limited together with the financial statements and auditor's report, for the year ended 31 March 2017.

Review of the business, future developments, events after the balance sheet date and principal risks and uncertainties

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of business activities, risk and future developments.

Results and dividends

The Group has reported a loss after taxation for the period of £11,285,889 (2016: £6,839,381). The directors do not recommend the payment of a dividend (2016: £nil).

In the year the prior year comparatives were restated to split goodwill and intangible assets. Please refer to note 29 of the financial statements.

Going concern

The directors have a reasonable expectation that the Company and Group as a whole has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements (page 18).

Directors

The directors, who served during the year and to the date of this report, were as follows:

P Cullum
D Margrett
S Ross
S Scott
C Schrager Von Altishofen

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. Additional cover for the directors against personal financial exposure has been made under a directors' and officers' liability insurance policy.

Political Contributions

The Company made no political contributions during the year (2016: £nil).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

Stephen Ross
Director

29 September 2017

Registered Office:

2^{nd} Floor
50 Fenchurch Street
London
EC3M 3JY

GLOBAL RISK PARTNERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RISK PARTNERS LIMITED

We have audited the financial statements of Global Risk Partners Limited for the year ended 31 March 2017 which comprise consolidated Profit and Loss Account, consolidated and Company Balance Sheets, consolidated and Company Statement of Changes in Equity, consolidated Cash Flow Statement and the related notes 1 to 29. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2017 and of the Group's loss for the year ended 31 March 2017;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RISK PARTNERS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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.

Mark McIlquham (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 September 2017

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 as restated £
Turnover	3	41,191,483	17,062,278
Other administrative expenses		(42,425,821)	(19,975,612)
Share based payment		-	(273,738)
Goodwill amortisation and impairment		(4,670,318)	(1,639,089)
Administrative expenses		(47,096,139)	(21,888,439)
Other operating income		175,989	472,530
Operating loss		**(5,728,667)**	**(4,353,631)**
Fair value movement on forward exchange contracts		26,919	6,385
Finance costs (net)	4	(5,803,159)	(2,649,778)
Loss before taxation	5	**(11,504,907)**	**(6,997,024)**
Taxation	8	219,018	157,643
Loss for the financial year		**(11,285,889)**	**(6,839,381)**
Loss for the year attributable to:			
Non-controlling interest		802,269	(44,072)
Equity shareholders of the company		(12,088,158)	(6,795,309)
		(11,285,889)	**(6,839,381)**

The Group has no comprehensive income other than the amounts recognised in the Profit and loss account above. Accordingly no Statement of Comprehensive Income has been presented. All amounts arise from continuing operations.

The Group has 82% shareholding in European Property Underwriting Limited and 80% in City of London Underwriting Agencies Limited but controls 100% of retained reserves. As such, the loss for the year attributable to non-controlling interests excludes these subsidiaries.

The 2016 comparatives were restated to split Goodwill and Intangible assets. Further details are provided in note 29.

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2017

	Notes	2017 £	2016 as restated £
Fixed assets			
Goodwill	10	35,327,368	14,497,360
Other intangible assets	11	43,342,912	10,376,986
Total intangible assets		78,670,280	24,874,346
Tangible assets	12	2,039,260	562,353
Investments	13	38,000	-
		80,747,540	25,436,699
Current assets			
Debtors due within one year	15	15,268,395	5,179,275
Debtors due after one year	15	1,483,760	1,447,301
Total debtors		16,752,155	6,626,576
Cash at bank and in hand	16	50,060,527	25,833,853
		66,812,682	32,460,429
Creditors: amounts falling due within one year	17	(54,350,020)	(21,710,006)
Net current assets		12,462,662	10,750,423
Total assets less current liabilities		93,210,202	36,187,122
Creditors: amounts falling due after more than one year	18	(86,509,224)	(37,126,216)
Provisions for liabilities	19	(15,645,946)	(5,247,646)
Net liabilities		(8,944,968)	(6,186,740)
Capital and reserves			
Called-up share capital	22	15,512	15,512
Share premium account		1,157,488	1,157,488
Put and call option		10,912,891	2,005,621
Profit and loss account		(24,116,719)	(12,028,562)
Other reserves		1,592,690	1,592,690
Shareholders' funds		(10,438,138)	(7,257,251)
Non-controlling interest		1,493,170	1,070,511
Total equity		(8,944,968)	(6,186,740)

The financial statements of Global Risk Partners Limited, registered number 08613882, were approved by the Board of Directors and authorised for issue on 29 September 2017. There were signed on its behalf by:

Signed on behalf of the Board of Directors

Stephen Ross
Director

GLOBAL RISK PARTNERS LIMITED

COMPANY BALANCE SHEET
AT 31 MARCH 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	81,424	53,089
Investments in subsidiaries	13	1,173,000	1,173,000
		1,254,424	1,226,089
Current assets			
Debtors due within one year	15	4,699,877	2,180,508
Cash at bank and in hand	16	297,767	3,784,246
		4,997,644	5,964,754
Creditors: amounts falling due within one year	17	(13,512,809)	(11,614,260)
Net current liabilities		(8,515,165)	(5,649,506)
Total assets less current liabilities		(7,260,741)	(4,423,417)
Net liabilities		(7,260,741)	(4,423,417)
Capital and reserves			
Called-up share capital	22	15,512	15,512
Share premium account		1,157,488	1,157,488
Profit and loss account		(8,433,741)	(5,596,417)
Shareholders' funds		(7,260,741)	(4,423,417)

The parent entity, Global Risk Partners Limited has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

The Company made a loss of £2,837,324 for the year ended 31 March 2017 (2016: £3,432,659). The Company had no other comprehensive income.

The financial statements of Global Risk Partners Limited, registered number 08613882, were approved by the Board of Directors and authorised for issue on 29 September 2017. There were signed on its behalf by:

Signed on behalf of the Board of Directors

Stephen Ross
Director

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called-up share capital	Share premium account	Other reserves	Non-controlling interest	Put and call option	Profit and loss account	Total
	£	£	£	£	£	£	£
As restated for the year ended 31 March 2016:							
At 31 March 2015	15,512	1,157,488	1,318,952	83,333	1,714,356	(5,233,253)	(943,612)
Loss and total comprehensive income for the year as previously stated	-	-	-	(45,853)	-	(7,069,886)	(7,069,886)
Prior year adjustment (Note 29)	-	-	-	1,781	-	274,577	276,358
Loss and total comprehensive income for the year as restated	-	-	-	(44,072)	-	(6,795,309)	(6,839,381)
Credit to equity for share based payment	-	-	273,738	-	-	-	273,738
Disposal of shares in Abbey Bond Lovis to non-controlling interest	-	-	-	1,110,000	-	-	1,110,000
Put and call option	-	-	-	-	291,265	-	291,265
Dividends	-	-	-	(78,750)	-	-	(78,750)
At 31 March 2016	15,512	1,157,488	1,592,690	1,070,511	2,005,621	(12,028,562)	(6,186,740)
Loss and total comprehensive income for the year	-	-	-	802,267	-	(12,088,158)	(11,285,889)
Non-controlling interest: distribution to former shareholders	-	-	-	(47,610)	-	-	(47,610)
Put and call option	-	-	-	-	8,907,270	-	8,907,270
Dividends	-	-	-	(331,998)	-	-	(331,998)
At 31 March 2017	15,512	1,157,488	1,592,690	1,493,170	10,912,891	(24,116,719)	(8,944,968)

The closing position as at 31 March 2015 has not been restated as the adjustment is immaterial.

GLOBAL RISK PARTNERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called-up share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 31 March 2015	15,512	1,157,488	(2,163,758)	(990,758)
Loss for the financial period	-	-	(3,432,659)	(3,432,659)
At 31 March 2016	15,512	1,157,488	(5,596,417)	(4,423,417)
Loss for the financial period	-	-	(2,837,324)	(2,837,324)
At 31 March 2017	15,512	1,157,488	(8,433,741)	(7,260,741)

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Cash generated from / (absorbed by) operations	23	409,538	(7,391,844)
Income tax paid		174,328	(53,220)
Net cash inflow / (outflow) from operating activities		**583,866**	**(7,445,064)**
Cash flows from investing activities			
Purchase of intangible assets		(1,238,595)	(1,199,994)
Purchase of tangible assets		(300,796)	(374,810)
Proceeds on disposal of tangible assets		(28,753)	42,951
Acquisition of subsidiaries, net of cash acquired		(12,706,609)	(3,303,000)
Payment of deferred consideration and contingent liability		(2,559,966)	(3,598,775)
Purchase of other investments		(38,000)	-
Interest received		103,863	69,929
Net cash outflows from investing activities		**(16,768,856)**	**(8,363,699)**
Cash flows from financing activities			
Dividends paid to non-controlling interest		(331,998)	(78,750)
Loan received		46,664,110	18,779,838
Purchase of derivatives		-	(17,985)
Interest paid		(5,907,022)	(1,811,854)
Net cash flows from financing activities		**40,425,090**	**16,871,249**
Net increase in cash and cash equivalents		**24,240,100**	**1,062,486**
Cash and cash equivalents at beginning of year		25,820,427	24,757,941
Cash and cash equivalents at end of year	23	**50,060,527**	**25,820,427**

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

a. General information and basis of accounting

Global Risk Partners Limited ("the Company") is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office address is 2nd Floor, 50 Fenchurch Street, London, United Kingdom, EC3M 3JY. The registered company number is 08613882. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 1 to 5.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and are rounded to the nearest whole £, except where otherwise indicated.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company's loss for the year is disclosed in note 5.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements.

In accordance with FRS 102, the Company in its individual financial statements has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Contingent consideration
The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

1. Significant accounting policies (continued)

c. Going concern

The directors have reviewed the financial statements taking into consideration the Group's Net Current Assets of £12,462,662 (2016: £10,750,423) as well as assessing the Group's future viability to continue with its principal activity within the insurance intermediary sector. The review included assessing the Group structure, existing financing arrangements and future plans. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which has been estimated to be 10 years. Provision is made for any impairment.

e. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

f. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, which are not considered to be in development, on a straight-line basis over its expected useful life, as follows:

Computer hardware:	4 years
Office equipment:	4 years
Furniture and fixtures:	4 years
Motor vehicles:	4 years
Leasehold improvements:	3 years
Freehold property:	2% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

g. Intangible fixed assets

Intangible fixed assets are shown at purchase cost and amortised through the profit and loss account in equal instalments over the estimated useful life of the asset as follows:

Computer software:	4 years
Intellectual property:	6 years
Research and design:	3-5 years
Software licenses:	4 years
Website:	4 years
Customer relationships:	10 years

Cost associated with assets under construction are held within tangible fixed assets as they are incurred and qualify for depreciation at such time that they are complete.

Provision is made for any impairment.

1. Significant accounting policies (continued)

h. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The debt instruments held by the Group provide a fixed rate of return to the holder over the life of the instruments and there are no contractual provisions that could, by their terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods. These instruments are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in subsidiaries

Investments in subsidiaries are measured at cost less provision for impairment. A subsidiary is an entity in which the Group has an interest of more than one-half of the voting rights or otherwise is able to demonstrate the power to exercise control over its operations. Investments in subsidiaries are recognised from the date at which control over their operations is transferred to the Group and will be derecognised at the date at which control ceases.

(iii) Cash and equivalents

Cash and equivalents comprise cash in hand and deposits which are readily available and which are subject to insignificant risks of changes in value and have an original maturity of three months or less at acquisition. The carrying amount of assets is approximately equal to fair value.

(iv) Put option on Non-Controlling Interests

The Group has entered into certain option contracts with non-controlling interest shareholders of the Group's subsidiaries over the equity of these subsidiary companies, which are granted at the date of acquiring control of the subsidiary. Exercising the option will allow the Group to repurchase the shareholding owned by the non-controlling interests at a specific point in the future at a particular price determined in accordance with the terms of the option agreement.

The shares under option are accounted for by the Group as acquired. The potential future cash payments to settle the options are accounted for at the time of entering into the option at fair value within the Statement of changes in equity and are not remeasured.

i. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

1. Significant accounting policies (continued)

i. Taxation (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Turnover

Turnover comprises net commission receivable on business incepted during the year. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified to the Group. To the extent that the Group is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that the revenue appropriately reflects the cost of fulfilment of these obligations. Profit commission is recognised when the amount is calculable and can be estimated with a reasonable degree of certainty.

k. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

m. Share-based payment

The Group issued shares in the equity of certain subsidiaries to certain employees as part of a long-term incentive plan. The shareholdings are gifted to the employees with no attached vesting conditions and are recognised in the Profit and loss account as an administration expense at the point of gifting.

n. Insurance intermediary assets and liabilities

Some of the group subsidiaries act as underwriting agents and as such are insurance intermediaries. Insurance intermediaries, generally, are not liable as principals for the amounts arising from such transactions. As such, insurance liability balances are shown net of the related insurance debtors to the extent to which the Group bares no risk.

2. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Discount Factor

Deferred consideration has been discounted using an appropriate discount rate based on the actual cost to the Group for external debt.

(ii) Valuation of Put Option

The Group has entered into option contracts in recent transactions with non-controlling interests of its subsidiary undertakings. The put options are redeemable only in event of an acquisition or listing of the ultimate parent. The value of the option is based on the consideration realised by the ultimate parent's shareholders and the subsidiary undertaking's performance relative to the consolidated group. In practice, the payments would be met out of the shareholders' consideration and the Board does not consider them to represent an ongoing expense to the business.

The put option liability is recognised at fair value in equity on acquisition and is remeasured. The acquisition date value was determined using an internally developed valuation model that discounts the expected future payments to settle the options. The payments were estimated by projecting the future performance and position of the group as in existence at the balance sheet date, and discounted from an estimated transaction date to present value using an appropriate discount rate. As at 31 March 2017, the put options have been valued at £14,716,864 (2016: £3,861,422).

(iii) Deferral of revenue

The Group defers revenue to reflect its obligation to provide claims handling services on policies placed prior to the period end date. The revenue deferred is set based on claims projections, which included judgements on the future profile of claims that will arise on income recognised in the period and utilising historic claims experience to set the underlying trend. Future costs to the Group to handle claims is based on existing directly attributable expenses plus an apportionment of overheads and management time.

(iv) Valuation of goodwill and intangible assets

The Group has assessed the useful life of goodwill arising on acquisition, taking into account a number of key factors including:

a) projected cash flows;

b) profit margins;

c) renewal book retention giving rise to an accurate assessment of the number of years the existing business will remain in force;

d) market conditions and how this impacts the business model;

e) business reputation; and

f) operational infrastructure mixed with the experience and knowledge retention of the key staff.

As a result of this assessment, the Group has determined that the useful life of goodwill is ten years and has calculated amortisation on this basis unless there is an indication of impairment, in which case a provision is made as required.

3. Turnover

An analysis of the Group's turnover by geographical market is set out below.

	2017 £	2016 £
Turnover:		
United Kingdom	27,252,722	10,005,819
United States of America	4,866,431	4,387,275
Europe	2,661,860	1,998,600
Rest of the World	6,410,470	670,584
	41,191,483	17,062,278

An analysis of the Group's turnover is as follows:

	2017 £	2016 £
Commissions	41,170,889	17,062,278
Fees	20,594	-
	41,191,483	17,062,278

4. Finance costs (net)

	2017 £	2016 £
Interest payable and similar charges	(5,887,447)	(2,555,585)
Deferred consideration	(19,575)	(164,122)
Less: Other interest receivable and similar income	103,863	69,929
	(5,803,159)	(2,649,778)

Interest payable and similar charges comprises interest charges payable on loans at interest rates of 9%, 12% plus LIBOR and a variable rate up to 4.25% plus LIBOR.

Other interest receivable and similar income comprises bank interest received.

5. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2017 £	2016 as restated £
Depreciation of tangible fixed assets (note 12)	378,046	190,296
Amortisation of intangible fixed assets (note 11)	3,268,459	993,866
Amortisation of goodwill (note 10)	3,207,069	1,639,089
Impairment of goodwill (note 10)	1,463,249	-
Restructuring cost	-	3,920
Foreign exchange gain	(252,311)	(25,158)
Loss on sale of fixed asset	29,721	34,847
Operating lease charges	1,625,284	638,674

The analysis of the auditor's remuneration is as follows:

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	129,000	26,500
The audit of the company's subsidiaries	271,000	153,500
Total audit fees	400,000	180,000
Other taxation advisory services	251,480	87,918
Corporate finance services	538,357	317,741
Total non-audit fees	789,837	405,659

The Group incurred fees for 'Other Services' relating to advisory and due diligence services commissioned for completed acquisitions and prospective target acquisitions during the year.

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	Group 2017 Number	Group 2016 Number	Company 2017 Number	Company 2016 Number
Directors and Managers	79	34	13	6
Underwriters	32	18	3	-
Brokers	216	103	-	-
Administration	377	55	16	14
Sales and distribution	7	-	-	-
	711	210	32	20

Their aggregate remuneration comprised:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	21,083,532	11,226,124	3,852,386	2,405,235
Social security costs	2,571,577	1,251,983	479,668	300,645
Other pension costs	1,392,633	721,393	83,761	58,748
	25,047,742	13,199,500	4,415,815	2,764,628

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

Pension contributions of £1,392,633 (2016: £721,393) were paid into defined contribution schemes during the year.

7. Directors' remuneration and transactions

	2017 £	2016 £
Group directors' remuneration		
Emoluments	2,267,473	974,034
Company contributions to money purchase pension schemes	27,776	99,188
	2,295,249	1,073,222

	2017 Number	2016 Number
The number of group directors who:		
Are members of a money purchase pension scheme	1	1
Had awards receivable in the form of shares under a long-term incentive scheme	-	-

7. Directors' remuneration and transactions (continued)

	2017 £	2016 £
Remuneration of the highest paid director:		
Emoluments	579,665	423,510
Company contributions to money purchase schemes	-	42,438

The highest paid director did not exercise any share options in the year.

Directors' advances, credits and guarantees

Details of transactions with directors during the year are disclosed in note 28.

8. Tax on loss on ordinary activities

The tax credit comprises:

	2017 £	2016 as restated £
Current tax		
UK corporation tax	183,118	60,268
Adjustments in respect of prior year	(4,026)	29,130
Total current tax	179,092	89,398
Deferred tax		
Origination and reversal of timing differences	(258,715)	(123,253)
Adjustments in respect of prior year	(110,461)	(123,788)
Effect on change of tax rate on opening balance	(20,915)	-
Other	(8,019)	-
Total deferred tax (see note 20)	(398,110)	(247,041)
Total tax credit	(219,018)	(157,643)

The standard rate of tax applied to reported profit on ordinary activities is 20 per cent (2016: 20 per cent).

8. Tax on loss on ordinary activities (continued)

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2017	2016 as restated
	£	£
Group loss on ordinary activities before tax	(11,504,907)	(6,997,024)
Tax on Group loss on ordinary activities at standard UK corporation tax rate of 20 per cent (2016: 20 per cent)	(2,300,981)	(1,399,405)
Effects of:		
- Expenses not deductible for tax purposes	1,206,195	342,013
- Tax losses carried forward	800,367	1,031,428
- Adjustments to tax charge in respect of previous year	(114,488)	(90,722)
- Amounts relating to change in tax rates	67,972	13,292
- Income not taxable	126,002	(54,249)
- Other	(4,085)	-
Group total tax credit for year	(219,018)	(157,643)

9. Share-based payments

There were no share based payments in the year.

In the prior year share-based payment expense of £273,738 was recognised as an administration expense in the profit and loss account.

10. Goodwill

	Group
	Goodwill
	£
Cost	
At 31 March 2016 (as restated)	17,352,200
Additions	25,384,490
Other adjustment	115,836
At 31 March 2017	42,852,526
Amortisation	
At 31 March 2016 (as restated)	2,854,840
Charge for the period	3,207,069
Impairment losses	1,463,249
At 31 March 2017	7,525,158
Net book value	
At 31 March 2016 (as restated)	14,497,360
At 31 March 2017	35,327,368

Amortisation of goodwill is shown separately on the profit and loss.

Other adjustment of £115,836 represents net asset adjustment to subsidiary acquired last year.

As at 31 March 2017, Goodwill with a carrying value of £1,463,249 was attributed to City of London Underwriting Limited. This was impaired mainly due to a reduction in profitability.

11. Other Intangible assets

Group	Computer software	Intellectual property	Research and design	Software licenses	Website	Computer software under construction	Customer relationships	Total
	£	£	£	£	£	£	£	£
Cost								
At 31 March 2016 (as restated)	1,182,362	144,966	316,265	111,375	39,873	229,205	11,151,702	13,175,748
Additions	379,484	-	296,022	4,800	-	-	442,452	1,122,758
Acquisitions of subsidiaries	83,045	-	-	34,841	2,520	-	35,111,327	35,231,733
Reclassification	229,205	-	-	-	-	(229,205)	-	-
At 31 March 2017	1,874,096	144,966	612,287	151,016	42,393	-	46,705,481	49,530,239
Amortisation								
At 31 March 2016 (as restated)	1,131,948	107,153	108,626	97,724	33,335	-	1,319,976	2,798,762
Accumulated amortisation acquired on subsidiary acquisitions	83,765	-	-	33,821	2,520	-	-	120,106
Charge for the period	48,691	13,750	150,728	7,851	3,088	-	3,044,351	3,268,459
At 31 March 2017	1,264,404	120,903	259,354	139,396	38,943	-	4,364,327	6,187,327
Net book value								
At 31 March 2016 (restated)	50,414	37,813	207,639	13,651	6,538	229,205	9,831,726	10,376,986
At 31 March 2017	609,692	24,063	352,933	11,620	3,450	-	42,341,154	43,342,912

Amortisation of intangible fixed assets is included within Administration expenses on the Profit and loss.

The Group capitalises development costs in line with the criteria set out in FRS 102, section 18.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. Tangible fixed assets

Group	Computer hardware £	Office equipment £	Furniture and fixtures £	Motor vehicles £	Freehold Property £	Leasehold improvement £	Total £
Cost							
At 31 March 2016	261,919	70,191	1,312,382	102,548	-	147,350	1,894,390
Additions	81,179	35,511	147,276	-	-	36,830	300,796
Disposals	-	-	(47,341)	(44,249)	-	-	(91,590)
Acquisition of subsidiaries	1,533,950	651,801	722,428	75,804	836,457	513,987	4,334,427
At 31 March 2017	1,877,048	757,503	2,134,745	134,103	836,457	698,167	6,438,023
Depreciation							
At 31 March 2016	161,959	58,762	1,006,645	53,099	-	51,573	1,332,038
Charge for the period	55,230	105,277	160,081	21,054	1,517	34,887	378,046
Acquisition of subsidiaries	1,321,798	358,646	619,677	47,262	112,507	319,410	2,779,300
Disposals	-	-	(47,942)	(42,679)	-	-	(90,621)
At 31 March 2017	1,538,987	522,685	1,738,461	78,736	114,024	405,870	4,398,763
Net book value							
At 31 March 2016	99,960	11,429	305,737	49,449	-	95,777	562,353
At 31 March 2017	338,061	234,818	396,284	55,367	722,433	292,297	2,039,260

12. Fixed assets (continued)

Company	Intangible Computer software	Tangible Computer hardware	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 31 March 2016	10,182	27,581	44,472	82,235
Additions	43,132	8,232	834	52,198
At 31 March 2017	53,314	35,813	45,306	134,433
Depreciation				
At 31 March 2016	5,785	8,002	15,359	29,146
Charge for the period	5,004	7,725	11,134	23,863
At 31 March 2017	10,789	15,727	26,493	53,009
Net book value				
At 31 March 2016	4,397	19,579	29,113	53,089
At 31 March 2017	42,525	20,086	18,813	81,424

13. Fixed asset investment

	2017 Group	2017 Company	2016 Group	2016 Company
	£	£	£	£
Subsidiary undertakings at 31 March	-	1,173,000	-	1,173,000
Non-trade investment additions	38,000	-	-	-
Total	38,000	1,173,000	-	1,173,000

Group investments

The parent Company and the Group have investments in the following subsidiary undertakings, associates and other investments:

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

13. Fixed asset investment (continued)

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held Direct	% Held Indirect
GRP Holdco 1 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Global Risk Partners Limited	Intermediate holding co.	Ordinary	100	-
GRP Holdco 2 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 1 Limited	Intermediate holding co.	Ordinary	-	100
GRP MGA Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 2 Limited	Intermediate holding co.	Ordinary	-	100
GRP Broking Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 2 Limited	Intermediate holding co.	Ordinary	-	100
GRP Wholesale Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Broking Holdco Limited	Intermediate holding co.	Deferred, Ordinary A & Ordinary B	-	100
GRP Retail Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Broking Holdco Limited	Intermediate holding co.	Ordinary A	-	90
European Property Underwriting Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	82
City of London Underwriting Agencies London Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	80
Plum Underwriting Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	77.5
Pimco 2952 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary	-	100
Ropner Insurance Services Limited	Boundary House, 7-17 Jewry Street, London, United Kingdom, EC3N 2HP	GRP Wholesale Holdco Limited	Insurance intermediary	Ordinary A	-	86

13. Fixed asset investment (continued)

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held Direct	% Held Indirect
Abbey Bond Lovis Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary A & Ordinary A2	-	68
GRP Sterling Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Wholesale Holdco Limited	Intermediate holding co.	Ordinary A & Ordinary B	-	75
GRP Retail Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	-	90
Centrix Insurance Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Sterling Limited	Intermediate holding co.	Ordinary & other (voting)	-	75
Lonmar Global Risks Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Centrix Insurance Holdings Limited	Insurance intermediary	Ordinary	-	75
McGrady Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Abbey Bond Lovis Limited	Insurance intermediary	Ordinary	-	68
Cavendish Munro Professional Risks Limited	1st Floor, International House, 1 St Katharine's Way, London, United Kingdom, E1W 1UN	GRP Retail Holdco Limited	Insurance intermediary	Ordinary A	-	72
BB Insure Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A	-	81
BB Insure Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	BB Insure (Holdings) Limited	Insurance intermediary	Ordinary A	-	81
SLK General Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	-	90

13. Fixed asset investment (continued)

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held Direct	% Held Indirect
Higos Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary	-	54
Higos Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary	-	54
Higos Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Limited	Intermediate holding co.	Ordinary	-	54
Liability Direct Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Insurance Services Limited	Insurance intermediary	Ordinary	-	54
Clubsure Members Owned Clubs Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary	-	54
John Beard & Sons Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary A, B, C, D & other	-	54
A.R.T Jeffries (Tichfield) Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	John Beard & Sons Limited	Insurance intermediary	Ordinary	-	54
Marshall Wooldridge Group Holdings Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A	-	83.3
Marshall Wooldridge Holdings Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Group Holdings Limited	Intermediate holding co.	Ordinary A & Ordinary B	-	83.3

13. Fixed asset investment (continued)

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held Direct	% Held Indirect
Marshall Wooldridge (South Yorkshire) Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Holdings Limited	Insurance intermediary	Ordinary	-	83.3
Marshall Wooldridge Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Holdings Limited	Insurance intermediary	Ordinary A	-	83.3

All subsidiaries have been included in the consolidation.

14. Acquisition of subsidiary undertaking

On 13 April 2016, the Company's subsidiary GRP Wholesale Holdco Limited invested in GRP Sterling Limited, a newly formed holding company.

On 30 April 2016 the company's subsidiary, Abbey Bond Lovis Limited acquired 100 per cent of the issued share capital of McGrady Limited, a company incorporated in the United Kingdom. The purpose of McGrady Limited is to act as an insurance intermediary company.

On 25 May 2016, the company's subsidiary, GRP Sterling Limited acquired 100% of the issued share capital of Centrix Insurance Holdings Limited, which in turn owns 100% of the ordinary share capital of Lonmar Global Risks Limited. Both companies are incorporated in the United Kingdom.

On 1 June 2016, the Company's subsidiary, GRP Retail Holdco Limited acquired 80 per cent of the issued share capital of Cavendish Munro Professional Risk Limited, a company incorporated in the United Kingdom. The purpose of Cavendish Munro Professional Risk Limited is to act as an insurance intermediary company.

On 2nd August 2016, the Company's subsidiary, GRP Retail Holdco Limited acquired 90 per cent of the issued share capital of BB Insure Holdings Limited, a company incorporated in the United Kingdom. The purpose of BB Insure Holdings Limited is to act as an intermediate holding company within the Group. BB Insure Holdings Limited controls 100 per cent of the share capital of BBI Insure Limited, an insurance intermediary company incorporated in the United Kingdom.

On 20 September 2016, the Company's subsidiary, GRP Retail Holdco Limited acquired 100 per cent of the issued share capital of SLK General Insurance Services Limited, a company incorporated in the United Kingdom. The purpose of SLK General Insurance Services Limited is to act as an insurance intermediary company.

On 26 September 2016, the Company's subsidiary, GRP Retail Holdco Limited acquired 92.5 per cent of the issued share capital of Marshall Wooldridge Group Holdings Limited, a company incorporated in the United Kingdom. The purpose of Marshall Wooldridge Group Holdings Limited is to act as an intermediate holding company within the Group. Marshall Wooldridge Group Holdings Limited controls 100 per cent of the share capital of:

- Marshall Wooldridge Holdings Limited, an intermediate holding company incorporated in the United Kingdom.
- Marshall Wooldridge Limited, an insurance intermediary company incorporated in the United Kingdom.
- Marshall Wooldridge (South Yorkshire) Limited, an insurance intermediary company incorporated in the United Kingdom.

On 28 February 2017, the Company's subsidiary, GRP Retail Holdco Limited acquired 100 per cent of the issued share capital of Higos Limited, a company incorporated in the United Kingdom. On the same day, the Company's subsidiary, Higos Limited issued and distributed 40% of its share capital as part of the consideration to exiting shareholders of Higos Holdings Limited.

The purpose of Higos Limited is to act as an intermediate holding company within the Group. Higos Limited controls 100 per cent of the share capital of:

- Higos Holdings Limited, an intermediate holding company incorporated in the United Kingdom.
- Higos Insurance Services Limited, an insurance intermediary company incorporated in the United Kingdom.
- Liability Direct Limited, Clubsure Members Owned Clubs Limited, John Beard & Son Limited, and A.R.T Jeffries (Tichfield) Limited, these companies have not traded during the year and the directors do not expect the Companies to trade in the forthcoming year.

In accordance with section 615 of the Companies Act 2006, the Company has taken no account of any premium on the shares issued and has recorded the cost of the investment at the nominal value of the shares issued plus the fair value of the other consideration.

14. Acquisition of subsidiary undertaking (continued)

	McGrady Limited		Centrix		Higos	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	-	-	2,151,461	-	4,609,296	-
Tangible	264,578	26,601	252,409	252,409	1,184,102	1,184,102
Investments	-	-	-	-	-	-
Current assets						
Debtors	112,449	165,237	2,787,918	6,235,918	2,827,646	2,827,646
Cash	633,674	633,674	11,933,086	11,933,088	3,018,740	3,018,740
Total assets	**1,010,701**	**825,512**	**17,124,874**	**18,421,415**	**11,639,784**	**7,030,488**
Current liabilities						
Creditors	56,808	67,366	18,080,501	26,971,024	6,884,910	6,955,310
Non-current liabilities						
Creditors: amounts falling due in more than one year	-	-	-	-	1,051,777	1,051,777
Provisions for liabilities	13,811	13,811	3,865,223	-234,088	906,725	906,725
Total liabilities	**70,619**	**81,177**	**21,945,724**	**26,736,936**	**8,843,412**	**8,913,812**
Net assets/(liability)	**940,082**	**744,335**	**(4,820,850)**	**(8,315,521)**	**2,796,372**	**(1,883,324)**
Goodwill		865,377		15,789,925		4,614,586
Intangible assets		2,019,212		-		10,767,368
		3,628,924		**7,474,404**		**13,498,630**
Satisfied by:						
Cash		2,709,424		1,673,000		9,402,637
Contingent liability		919,500		2,950,000		-
Deferred *consideration*		-		-		-
Shares		-		-		156
Put and call option		-		2,851,404		4,095,837
		3,628,924		**7,474,404**		**13,498,630**

(continued on the next page)

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14. Acquisition of subsidiary undertaking (continued)

	BB Insure Limited		Cavendish Munro Professional Risks Limited		Marshall Wooldridge	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	87,378	-	27,698	-	45,807	45,807
Tangible	10,695	4,713	45,052	45,052	42,249	42,249
Investments	-	-	-	-	9,491,695	-
Current assets						
Debtors	49,362	49,362	560,301	517,193	1,634,234	1,634,234
Cash	47,245	47,248	860,371	860,372	2,461,782	2,461,782
Total assets	**194,680**	**101,323**	**1,493,422**	**1,422,617**	**13,675,767**	**4,184,072**
Current liabilities						
Creditors	42,427	42,427	495,564	568,992	3,305,980	3,305,980
Non-current liabilities						
Creditors: amounts falling due in more than one year	-	-	-	-	-	-
Provisions for liabilities	4,996	4,996	-	-	-	-
Total liabilities	**47,423**	**47,423**	**495,564**	**568,992**	**3,305,980**	**3,305,980**
Net assets	**147,257**	**53,900**	**997,858**	**853,625**	**10,369,787**	**878,092**
Goodwill		211,309		3,056,179		2,733,978
Intangible assets		493,053		7,131,086		6,379,283
		758,262		**11,040,890**		**9,991,353**
Satisfied by:						
Cash						
Contingent liability		413,022		8,468,226		8,671,479
Deferred consideration		252,000		1,220,312		782,500
Shares		22,936		-		-
Put and call option		-		-		-
		70,304		1,352,352		537,374
		758,262		**11,040,890**		**9,991,353**

(continued on the next page)

14. Acquisition of subsidiary undertaking (continued)

	SLK General insurance Services Limited		Total	
	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£
Fixed assets				
Intangible	-	-	6,921,640	45,807
Tangible	5,843	-	1,804,928	1,555,126
Investments	-	-	9,491,695	-
Current assets				
Debtors	19,818	68,244	7,991,727	11,497,834
Cash	162,702	162,703	19,117,601	19,117,607
Total assets	**188,363**	**230,947**	**45,327,591**	**32,216,374**
Current liabilities				
Creditors	16,829	16,829	28,849,362	37,927,928
Non-current liabilities				-
Creditors: amounts falling due in more than one year	-	-	1,051,777	1,051,777
Provisions for liabilities	1,171	15,410	4,789,584	706,854
Total liabilities	**18,000**	**32,239**	**34,690,723**	**39,686,559**
Net assets/(liability)	**170,363**	**198,708**	**10,636,868**	**(7,470,185)**
Goodwill		128,344		27,399,698
Intangible assets		299,470		27,089,472
		626,522		**47,018,985**
Satisfied by:				
Cash		486,422		31,824,210
Contingent liability		140,100		6,264,412
Deferred consideration		-		22,936
Shares		-		156
Put and call option		-		8,907,271
		626,522		**47,018,985**

The acquisitions have been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

Significant fair value adjustments made under acquisition accounting include the netting of insurance debtors and creditors and commission in debtors (a net decrease to Debtors and Creditors of £5,538,802).

14. Acquisition of subsidiary undertaking (continued)

During the year, the acquisitions have contributed to the Group as follows:

	McGrady Limited	Centrix Insurance Holdings Limited	Lonmar Global Risks Limited	Cavendish Munro Professional Risks Limited
	£	£	£	£
Revenue	1,189,097	-	10,157,889	3,137,451
Profit/(loss)	247,094	8,433	1,996,415	1,224,701

	Higos Holdings Limited	Higos Insurance Services Limited	BB Insure Holdings Limited	BB Insure Limited
	£	£	£	£
Revenue	-	955,287	-	304,462
Profit/(loss)	3,083	179,200	(11,789)	36,699

	Marshall Wooldridge Holdings Limited	Marshall Wooldridge (South Yorkshire) Limited	Marshall Wooldridge Limited	SLK General Insurance Services Limited
	£	£	£	£
Revenue	-	89,635	1,667,589	104,396
Profit/(loss)	250	22,844	316,053	20,650

The following subsidiaries acquired in the year did not have any contribution to the group: Liability Direct Limited, Clubsure Members Owned Clubs Limited, John Beard & Sons Limited, A.R.T Jeffries (Tichfield) Limited and Marshall Wooldridge Group Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Debtors

	2017		2016	
	Group £	Company £	Group £	Company £
Amounts falling due within one year:				
Trade debtors	6,046,128	-	3,179,249	-
Amounts owed by Group undertakings	-	4,254,964	-	1,640,982
Deferred tax	55,918	-	118,925	-
Current tax	142,147	341,520	-	-
Other debtors	5,558,668	25,176	263,486	10,124
Foreign currency forward contracts	-	-	24,370	-
Prepayments and accrued income	3,465,534	78,217	1,593,245	529,402
	15,268,395	4,699,877	5,179,275	2,180,508

Amounts falling due after one year:				
Directors loan	1,483,760	-	1,447,301	-
	1,483,760	-	1,447,301	-

Details of Directors loans are disclosed in note 27.

16. Cash at bank and in hand

	2017		2016	
	Group £	Company £	Group £	Company £
Insurance related	42,537,674	-	16,143,672	-
Restricted	307,946	-	656,173	-
Own Cash	7,214,907	297,767	9,034,008	3,784,246
	50,060,527	297,767	25,833,853	3,784,246

Insurance related cash balances represents amounts held by the Group arising due to the Group's insurance broking operations. Restricted cash balances consist of amounts held by the Group on behalf of insurers for the purposes of more efficiently discharging the Group's responsibilities for claims handling. A corresponding liability in respect of this amount is included within Trade creditors (see note 17).

17. Creditors: amounts falling due within one year

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Trade creditors	37,131,981	-	16,095,559	210,582
Amounts owed to Group undertakings	-	11,826,119	-	3,502,146
Corporation tax payable	-	-	12,460	-
Other taxation and social security	945,926	243,236	307,970	125,080
Other creditors	8,822,856	590,696	986,673	7,170,213
Accruals and deferred income	5,985,010	852,758	2,945,666	606,239
Foreign currency forward contracts	1,196	-	-	-
Bank loans and overdrafts	-	-	13,426	-
Other loans	1,463,051	-	1,348,252	-
	54,350,020	13,512,809	21,710,006	11,614,260

18. Creditors: amounts falling due after more than one year

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Loans	86,509,224	-	37,126,216	-
	86,509,224	-	37,126,216	-

Borrowings are repayable as follows:

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Loans				
Between one and two years	23,858	-	6,187,703	-
Between two and five years	86,485,366	-	30,938,513	-
	86,509,224	-	37,126,216	-

Loans comprise loan notes issued by the Group and held by a noteholder at the period end, net of any directly attributable expenses incurred by the Group. As at 31 March 2017, £63,397,586 (2016: £37,942,550) loan notes were held by noteholders, and are shown net of attributable expenses of £772,154 (2016: £531,918).

On 31 October 2013, the Group created an Investor Loan Note Instrument comprising £80,000,000 secured loan notes of £1.00 each. Interest is payable on those loan notes issued and held by a noteholder at a rate of 9% per annum on the principal amount of each loan note together with the interest accrued in any prior interest period which has not yet been paid.

In addition, on 31 October 2013, the Group entered into a composite debenture agreement with the noteholders, the effect of which was to grant a charge, by way of legal mortgage, fixed charge and floating charge, of full title guarantee over the GRP Holdco 1 Limited's assets and capital, including those of the GRP Holdco 1 Limited's direct and indirect subsidiary undertakings, as security for the issuance of the loan notes.

18. Creditors: amounts falling due after more than one year (continued)

On 26 September 2016 the Group entered into a loan facility with Tosca Debt Capital Fund comprising £11,000,000 in committed funds. Interest is chargeable on committed and drawn funds at a variable rate up to 12% plus LIBOR. As at 31 March 2017 the facility was fully drawn.

On 8 February 2017, the Group entered into a loan facility with HSBC Bank plc comprising £25,000,000 in committed funds. Interest is payable on committed and drawn funds at a variable rate up to 4.25% plus LIBOR. As at 31 March 2017 the total amount drawn under the facility, before interest, was £13,500,000.

19. Provisions for liabilities

	Contingent consideration	Deferred consideration	Deferred taxation	Total
	£	£	£	£
Group				
At 31 March 2016 (as restated)	1,853,000	1,828,618	1,566,029	5,247,647
Addition	7,332,098	6,626	6,099,577	13,438,301
Disposal	(1,853,000)	-	-	(1,853,000)
Movement	-	-	(499,611)	(499,611)
Reclassification	1,147,853	(1,147,853)	-	-
Unwinding of discount	-	19,575	-	19,575
Utilisation of provision	-	(706,966)	-	(706,966)
At 31 March 2017	8,479,951	-	7,165,995	15,645,946

The provision for deferred consideration is measured at fair value through profit and loss and after applying an appropriate discount rate. Changes in fair value attributable to changes to the Group's own credit risk are not considered material.

The provision for contingent consideration is recognised when the payment is probable and can be measured reliably. Changes in the value of the liability are adjusted to the cost of the combination.

20. Deferred tax

	2017	2016 as restated
	£	£
Group		
Tax losses available	-	15,117
Decelerated capital allowances	-	38,993
Other short term timing differences	55,918	64,815
Deferred tax asset	55,918	118,925
Group		
Tax losses available	76,133	-
Other short term timing differences	62,296	-
Intangible timing differences	7,027,566	1,566,029
Deferred tax liability	7,165,995	1,566,029

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

Deferred tax balances have been provided at 17% (2016:20%) being the substantively enacted rate the Balance Sheet date.

A deferred tax asset totalling £1,748,773 (2016 £944,203) has not recognised in respect of timing difference relating to tax losses, fixed assets, and trading and non trading timing difference as it is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

21. Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	2017	2016
Group	**£**	**£**
Financial assets		
Measured at undiscounted amount receivable:		
Trade and other debtors (see note 15)	16,696,237	6,602,206
Cash at bank and in hand	50,060,527	25,820,427
Instruments measured at fair value through profit or loss:		
Foreign exchange forward contracts	-	24,370
	66,756,764	**32,447,003**
Financial liabilities		
Measured at fair value through Profit and loss:		
Deferred consideration liability (see note 19)	-	1,828,618
Contingent liability provision (see note 19)	8,479,951	1,853,000
Foreign exchange forward contracts	1,196	-
Measured at amortised cost:		
Loans payable (see note 18)	87,972,275	38,474,468
Measured at undiscounted amount payable:		
Trade and other creditors (see note 17)	52,885,773	20,027,898
	149,339,195	**62,183,984**

Deferred consideration is measured at fair value through the Profit and loss (see note 1).

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2017	2016
Group	**£**	**£**
Interest expense		
Total interest payable	5,907,022	2,555,585
	5,907,022	2,555,585

22. Called-up share capital and reserves

	2017 £	2016 £
Group		
Allotted		
600,000 A ordinary shares of 1p each	6,000	6,000
363,000 B ordinary shares of 1p each	3,630	3,630
206,179 C ordinary shares of 1p each	2,062	2,062
3,820 D ordinary shares of £1 each	3,820	3,820
	15,512	15,512
Company		
Called-up and fully-paid		
600,000 A ordinary shares of 1p each	6,000	6,000
363,000 B ordinary shares of 1p each	3,630	3,630
206,179 C ordinary shares of 1p each	2,062	2,062
3,820 D ordinary shares of £1 each	3,820	3,820
	15,512	15,512

Ordinary share rights

Distributions as determined by the Directors are distributed to holders of the ordinary shares pro rata to the number of shares held. At general meetings of the Company, A ordinary shares carry the right to five votes, B ordinary shares four votes, C ordinary shares five votes, and D ordinary shares one hundred votes. The ordinary shares do not confer any rights of redemption.

Reserves

Reserves of the Company represent the following:

Share capital

Nominal value of share capital subscribed for.

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Put and call option

Cumulative potential future cash payments to settle put options on non-controlling interests.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Other reserves

The cumulative share-based payment expense.

23. Cash flow statement

Reconciliation of total loss to cash generated by operations

	2017	2016
	£	£
Loss for the period	(11,285,889)	(7,115,739)
Adjustment for:		
Finance costs	5,907,022	2,555,585
Investment income	(103,863)	(69,929)
Loan amortisation	453,925	326,544
Loss on disposal of tangible asset	29,721	34,847
Fair value losses / (gains) on foreign exchange contracts	25,566	(6,385)
Share based payment	-	273,738
Depreciation and amortisation	8,316,823	2,593,630
Put and call options issued	-	291,265
Provision movements	389,635	164,122
Corporation tax	(219,018)	298,441
Operating cash flow before movement in working capital	3,513,922	(653,881)
Increase in debtors	776,451	338,243
Decrease in creditors	(3,880,835)	(7,076,206)
Cash generated / (absorbed) by operations	409,538	(7,391,844)

Cash and cash equivalents

	2017	2016
	£	£
Cash and cash equivalents represent:		
Cash at bank and in hand	50,060,527	25,833,853
Bank overdrafts	-	(13,426)
Cash and cash equivalents	50,060,527	25,820,427

24. Post balance sheet events

On 1 May 2017, the Group acquired the book of business and net assets of Collidge and Partners Limited.

On 13 June 2017, the Group acquired 67.15% of the shareholding of Green Insurance Brokers Limited through a 100% share purchase of Minority Venture Partners Limited. Both companies are incorporated in the United Kingdom.

On 18 August 2017, the Group acquired 100% of the shareholding of Colin Fear Insurance Services Limited, a company incorporated in the United Kingdom.

On 23 August 2017, the Group acquired the book of business and net assets of Insurance Services West End Limited.

On 31 August 2017, the Group acquired 100% of the shareholding of ECS Insurance Brokers Limited, a company incorporated in the United Kingdom.

25. Put Option over non-controlling interests

The Group has entered into option contracts in recent transactions with non-controlling interests of its subsidiary undertakings. The put options are redeemable only in event of an acquisition or listing of the ultimate parent. The value of the option is based on the consideration realised by the ultimate parent's shareholders and the subsidiary undertaking's performance relative to the consolidated group. In practice, the payments would be met out of the shareholders' consideration and the Board does not consider them to represent an ongoing expense to the business.

The put option liability is recognised at fair value, the value of which was determined using an internally developed valuation model that discounts the expected future payments to settle the options. The payments were estimated by projecting the future performance and position of the group as in existence at the balance sheet date, and discounted from an estimated transaction date to present value using a discount rate of 9%. As at 31 March 2017, the put options have been valued at £14,716,864 (2016: £3,861,422).

26. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017		2016	
	Group	**Company**	**Group**	**Company**
	£	**£**	**£**	**£**
Amounts due:				
Within one year	1,159,977	288,102	670,447	231,532
Between one and five years	4,597,073	1,170,290	1,723,835	1,458,392
After five years	1,166,662	-	553,021	366,821
	6,923,712	1,458,392	2,947,303	2,056,745

27. Related party transactions

Directors' transactions

The Group has drawn down loans of £23,035,950 (2016: £17,877,794) from shareholders during the year. Investors include the members of the Board of Directors as follows:

a. Penta Capital LLP, a private equity company, are the Group's main shareholders of which directors S. Scott and C. Schrager Von Altishofen, hold directorships.

b. The Cullum Family Trust and The Peter Cullum Discretionary Settlement are Group investors related to P. Cullum, the Group's Executive Chairman and direct shareholder.

c. D. Margrett and S. Ross both hold shares within the Group and hold directorships on the Group's Board.

27. Related party transactions (continued)

Other related party transactions

The total remuneration for key management personnel for the period totalled £2,295,249 (2016: £1,073,222).

Transactions took place within the Global Risk Partners Limited Group, where group companies are not wholly owned. Net transactions during the year are shown in the table below:

	2017 Paid to	2017 Received from	2017 (Due to) / receivable at year end	2016 Paid to	2016 Received from	2016 (Due to) / receivable at year end
	£	£	£	£	£	£
European Property Underwriting Limited	-	(1,217,055)	(3,793,115)	-	(1,311,381)	(2,576,060)
City of London Underwriting Limited	-	(609,720)	(1,431,848)	-	(856,928)	(822,128)
Plum Underwriting Limited	-	-	617,702	463,671	-	463,671
GRP Wholesale Holdco Limited	-	(1,148,104)	(1,109,266)	38,838	-	38,838
Abbey Bond Lovis Limited	-	(847,287)	(653,873)	193,414	-	193,414
GRP Retail Holdco Limited	-	(388,405)	-	388,405	-	388,405
Lonmar Global Risks Limited	-	(594,585)	(594,585)	-	-	-
Cavendish Munro Professional Risks Limited	7,308	-	7,308	-	-	-
Marshall Wooldridge Limited	-	(178,871)	(178,871)	-	-	-
SLK General Insurance Services Limited	-	(100,000)	(100,000)	-	-	-
BB Insure Limited	8,832	-	8,832	-	-	-
BB Insure Holdings Limited	1,323	-	1,323	-	-	-
Total	**17,463**	**(5,084,027)**	**(7,226,393)**	**1,084,328**	**(2,168,309)**	**(2,313,860)**

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2016: £nil) in respect of bad debts from related parties.

On 16 December 2014, loans totalling £300,000 were issued to 3 key managers (including 2 directors) of its subsidiary undertaking, Plum Underwriting Limited. The loans carry an interest rate of 3.25%. During the period, £nil of the loan was repaid (2016: £nil).

On 12 August 2015, loans totalling £1,110,000 were issued to 5 directors of its subsidiary undertaking, Abbey Bond Lovis Limited. The loans carry an interest rate of 3.5%. During the period, £nil (2016: £nil) of the loan was repaid, and £12,133 (2016: £nil) was written off following the resignation of a director.

28. Ultimate controlling party

The Group has no controlling shareholder at 31 March 2017.

29. Prior period adjustment

Changes to Balance Sheet		**At 31 March 2016**	
	As previously reported	**Adjustments**	**As restated**
	£	**£**	**£**
Fixed assets			
Goodwill	21,866,907	(7,369,547)	14,497,360
Intangible assets	1,165,052	9,211,934	10,376,986
Provisions for liabilities			
Deferred tax liability	-	(1,566,029)	(1,566,029)
Net assets	23,031,959	276,358	23,308,317
Capital and reserves			
Profit and loss	(12,303,139)	274,577	(12,028,562)
NCI Profit and Loss	1,068,730	1,781	1,070,511

Changes to Income Statement		**At 31 March 2016**	
	As previously reported	**Adjustments**	**As restated**
	£	**£**	**£**
Goodwill amortisation	(2,357,991)	718,902	(1,639,089)
Other administrative expenses	(19,076,984)	(898,628)	(19,975,612)
Tax charge	(298,441)	456,084	157,643
Loss for the financial period	(7,115,739)	276,358	(6,839,381)

The Group has made a prior period adjustment, to recognise intangible assets that were purchased as part of the acquisitions in prior year.

The adjustment has decreased the cost of goodwill as at 31 March 2016 by £10,526,702 and the carrying value by £9,211,934. The adjustment has increased the cost of intangible assets as at 31 March 2016 by £10,526,702 and the carrying value by £9,211,934.

Management has determined that the useful economic life of books of business is 10 years which is the same as goodwill useful economic life. As such, there is no change to amortisation charge for the year ending 31 March 2016.

The closing position as at 31 March 2015 has not been restated as the adjustment is immaterial.