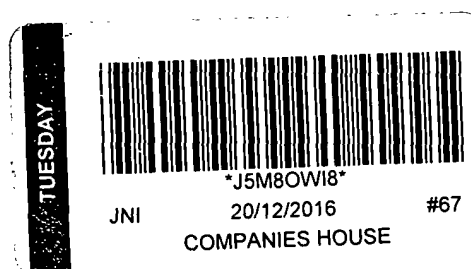
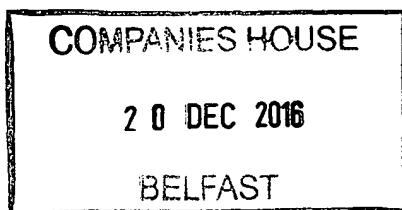


Abbey Insurance Brokers Limited

Report and Financial Statements

31 March 2016



Directors

D G Storey
A E A McKinley
I Bond
P R P Hanna
G H Storey
T Shaw
J McMichael
J Davidson
J McKelvey (appointed 10 August 2016)

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Danske Bank Limited
PO Box 183
Donegall Square West
Belfast BT1 6JS

Solicitors

Kearney Sefton
Franklin House
12 Brunswick Street
Belfast BT2 7GE

Registered Office

10 Governors Place
Carrickfergus
County Antrim BT38 7BN

Strategic report

The directors present their strategic report for the year ended 31 March 2016.

Principal activity and review of the business

The principal activity of the company during the year was acting as an insurance broker.

The directors consider the results for the year to be satisfactory. The company will continue to seek every opportunity to increase profitable turnover. The company acquired the trade and assets of Open and Direct Insurance Services on 31 January 2016 and incurred a significant restructuring plan which has been treated as exceptional costs. The subsequent integration of the Open and Direct Insurance Services business has been completed and has shown more than satisfactory results in the 2017 financial year.

The nature of the company results in significant non cash amortisation expenses which contribute to the net assets in the company balance sheet. The Directors consider that the company has adequate cash resources and bank facilities to achieve the company's objectives and meet the company's liabilities as they fall due.

Key performance indicators

The company's key performance indicators are as follows:

	2016	2015
Turnover (£000)	£12,068	£10,100
Operating profit (£000)	£407	£596
Operating profit as a % of turnover	3.4%	5.9%
EBITDA (before exceptional expenditure) (£000)	£2,281	£1,787
Average number of employees	239	202
Operating profit per staff member	£1,703	£2,950

Principal risks and uncertainties

Performance in the sector is affected by general economic conditions and specific sectoral factors associated with the worldwide insurance market. The board is aware of competitor activity, market trends and forecasts and customer requirements. Insurance capacity availability and pricing are other sectoral risks faced.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit their adverse effects on its financial performance.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The company's parent group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that it has sufficient available funds for operations and planned expansions.

On behalf of the Board



P R P Hanna

Director

Date: 20 December 2016

Registered No. NI053754

Directors' report

The directors present their report for the year ended 31 March 2016.

Results and dividends

The loss for the year after taxation amounted to £15,000 (2015 – profit of £242,000). The directors have declared a final dividend £500,000 (2015 – £500,000).

Future developments

The directors are committed to long term creation of shareholder value by increasing the company's market share through a combination of organic growth and acquisitions. Successful implementation of this growth strategy has resulted in a good EBITDA reported for 2016, despite the sector remaining highly competitive. While the incoming year is likely to continue to be very challenging, early results are satisfactory and the directors expect another year of good progress.

Going concern

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company directors' report and financial statements.

Directors

The directors who served the company during the year were as follows:

D G Storey
A E A McKinley
I Bond
P R P Hanna
G H Storey
T Shaw
J McMichael
J Davidson
J McKelvey (appointed 10 August 2016)

Political and charitable contributions

The company made charitable donations amounting to £21,000 (2015 – £24,000) during the year. No political donations were made during the year.

Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments for employees and customers alike.

Environment

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Human resources

The company's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Directors' report

Employment policies

It is the policy of the company to ensure that there is no discrimination regarding the employment, training, career development and promotion of employees who are handicapped. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Within the bounds of commercial confidentiality, information is disseminated to all levels of employees about matters that affect the progress of the company and are of interest and concern to them as employees, thereby encouraging their involvement in the company's performance.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Matters included in the Strategic Report

Under section 414 of Companies Act 2006 all matters not disclosed in the Directors' Report have been included in the Strategic Report.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



G H Storey
Director

Date: 20 December 2016

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' (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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Abbey Insurance Brokers Limited

We have audited the financial statements of Abbey Insurance Brokers Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 24. 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 (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 Strategic Report and Directors' 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 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.

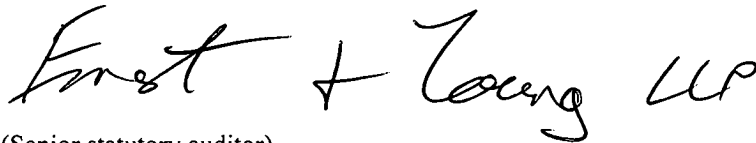
Independent auditors' report

to the members of Abbey Insurance Brokers Limited

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Keith M Jess (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date:

20 December 2016

Profit and loss account

for the year ended 31 March 2016

	Notes	2016 £000	2015 £000
Turnover	3	12,068	10,100
<i>Net operating expenses:</i>			
Before exceptional items		(10,858)	(9,099)
Exceptional redundancy costs	5	(803)	(405)
Operating profit	4	407	596
Interest receivable and similar income		8	6
Interest payable and similar charges	8	(137)	(100)
Profit on ordinary activities before taxation		278	502
Tax charge	9	(293)	(260)
(Loss)/profit for the financial year		(15)	242

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 March 2016

There is no comprehensive income or loss other than the loss attributable to the shareholders of the company of £15,000 in the year ended 31 March 2016 (2015 – profit of £242,000).

Statement of changes in equity

for the year ended 31 March 2016

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 April 2014	8,100	1,053	9,153
Profit for the year	–	242	242
Dividends paid	–	(500)	(500)
At 31 March 2015	8,100	795	8,895
Loss for the year	–	(15)	(15)
Dividends paid	–	(500)	(500)
At 31 March 2016	8,100	280	8,380

Called up share capital

Share capital represents the nominal value of shares that has been issued.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

Registered No. NI053754

Balance sheet

at 31 March 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Intangible assets	10	16,944	6,615
Tangible assets	12	<u>1,045</u>	<u>558</u>
		<u>17,989</u>	<u>7,173</u>
Current assets			
Debtors	13	6,334	7,271
Cash at bank and in hand		<u>6,543</u>	<u>3,657</u>
		12,877	10,928
Creditors: amounts falling due within one year	14	<u>(18,823)</u>	<u>(5,570)</u>
Net current (liabilities)/assets		<u>(5,946)</u>	<u>5,358</u>
Total assets less current liabilities		12,043	12,531
Creditors: amounts falling due after more than one year	15	(3,604)	(3,601)
Provisions for liabilities			
Deferred taxation	9(c)	<u>(59)</u>	<u>(35)</u>
Net assets		<u>8,380</u>	<u>8,895</u>
Capital and reserves			
Called up share capital	17	8,100	8,100
Profit and loss account		<u>280</u>	<u>795</u>
Shareholders' funds		<u>8,380</u>	<u>8,895</u>



D G Storey

Director

Date: 20 December 2016

Notes to the financial statements

at 31 March 2016

1. Accounting policies

Statement of compliance

The company is a private company limited by shares and is incorporated in the Northern Ireland. The address of its registered office is 10 Governors Place, Carrickfergus, County Antrim, BT38 7BN.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2016.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention, in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £000.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- (c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraph 12.26; and
- (d) Section 33 Related Party Disclosures paragraph 33.7.

The shareholders of the company have been notified in writing about, and do not object to, the use of the disclosure exemptions. The company's ultimate parent undertaking and controlling party is Prestige Insurance Holdings Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. Prestige Insurance Holdings Limited financial statements are available from 10 Governor's Place, Carrickfergus, Co. Antrim, BT38 7BN.

Goodwill

Purchased goodwill is eliminated by amortisation through the profit and loss account over its useful economic life. The useful economic life of the assets shown in note 10 has been estimated by the directors at 20 years for the goodwill on the purchase of the trade and assets of Abbey Insurance Brokers, 10 years for the goodwill on the purchase of the trade and assets of Open and Direct Insurance Services and 3 years for the goodwill on other acquisitions.

The carrying values of goodwill are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost, or revaluation, of tangible fixed assets over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

Office furniture and equipment	–	20% straight-line
Motor vehicles	–	25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 March 2016

1. Accounting policies (continued)

Investments

Fixed asset investments are stated at their purchase cost less any provision for diminution in value.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Turnover

Rendering of services

Income relating to insurance broking is brought into account at the later of the policy inception date or when the policy placement has been completed and confirmed. Fees and other income receivable are recognised in the period to which they relate and when they can be measured with reasonable certainty.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Insurance broking assets and liabilities

The company acts as an agent in broking and insurable risks of its clients and, generally, is not liable as a principle for premiums due to underwriters or for claims payable to clients. Notwithstanding the company's legal relationship with clients and underwriters it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself.

Notes to the financial statements

at 31 March 2016

1. Accounting policies (continued)

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, preference shares and bank overdrafts and loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

Notes to the financial statements

at 31 March 2016

2. Critical judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

The directors do not believe there are any significant estimates or judgements made that have a significant impact on the amounts recognised in the financial statements.

3. Turnover

Income relates to the company's principal activity which is carried out in the United Kingdom.

All turnover relates to rendering of services.

	2016 £000	2015 £000
<i>Type of turnover</i>		
Rendering of services	12,068	10,100

4. Operating profit

This is stated after charging/(crediting):

	2016 £000	2015 £000
Auditors' remuneration – audit services	20	20
– non audit services	6	6
Depreciation of owned fixed assets (note 12)	239	148
Depreciation of assets held under finance leases and hire purchase contracts (note 12)	16	8
Profit on disposal of fixed assets	(1)	(3)
Operating lease rentals – property	92	26
– motor vehicles	6	–
Goodwill amortisation (note 10)	816	630

Notes to the financial statements

at 31 March 2016

5. Exceptional items

	2016 £000	2015 £000
Redundancy costs	<u>803</u>	<u>405</u>

The tax effect in the profit and loss account relating to the exceptional items recognised in arriving at the operating profit/loss is:

	2016 £000	2015 £000
Tax charge on fundamental reorganisation costs	<u>161</u>	<u>85</u>

The company undertook some cost cutting measures during the year as a result of the acquisition and subsequent integration of the Open and Direct Insurance Services business.

6. Directors' remuneration

	2016 £000	2015 £000
Remuneration	<u>654</u>	<u>509</u>
Company contributions paid to defined contribution pension schemes	<u>8</u>	<u>7</u>

Retirement benefits are accruing to three (2015 – four) director under a defined contribution scheme.

	2016 £000	2015 £000
<i>Highest paid director:</i>		
Aggregate remuneration	<u>169</u>	<u>100</u>

Notes to the financial statements

at 31 March 2016

7. Staff costs

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	5,566	4,525
Social security costs	522	459
Other pension costs	121	93
	<u>6,209</u>	<u>5,077</u>

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

	<i>2016</i>	<i>2015</i>
	<i>No.</i>	<i>No.</i>
Administration	71	76
Sales	168	126
	<u>239</u>	<u>202</u>

8. Interest payable and similar charges

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Bank charges and fees	27	36
Preference share dividends paid	9	9
On hire purchase and finance leases	1	1
Credit card charges	100	54
	<u>137</u>	<u>100</u>

Notes to the financial statements

at 31 March 2016

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 £000	2015 £000
Current tax:		
UK corporation tax on the profit for the year	59	98
Adjustment to tax of prior years	40	42
Group relief payable	170	54
Total current tax	269	194
Deferred tax:		
Accelerated capital allowances and other timing differences	8	66
Adjustment in respect of prior periods	16	—
Total deferred tax	24	66
Tax on profit on ordinary activities (note 9 (b))	293	260

(b) Factors affecting total tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 21%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	278	502
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 21%)	56	105
Effects of:		
Expenses not deductible for tax purposes	181	138
Adjustments to tax charge in respect of previous years	56	42
Group relief not paid	—	(25)
Total tax for the year (note 9 (a))	293	260

(c) Deferred tax

	£000
At 1 April 2015	35
Charge to the profit and loss account	24
At 31 March 2016	59
	2016 £000
	2015 £000

Deferred taxation liability:

Accelerated capital allowances	59	35
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Notes to the financial statements

at 31 March 2016

10. Intangible fixed assets

	<i>Goodwill</i> £000
<i>Cost:</i>	
At 1 April 2015	14,092
Acquisitions (note 11)	11,145
At 31 March 2016	<u>25,237</u>
<i>Aggregated amortisation:</i>	
At 1 April 2015	7,477
Charge for the year	816
At 31 March 2016	<u>8,293</u>
<i>Net book value:</i>	
At 31 March 2016	<u>16,944</u>
At 1 April 2015	<u>6,615</u>

11. Acquisitions

On 31 January 2016, the company acquired the trade and certain assets of Open and Direct Insurance Services.

Below is a summary of the transfer of the trade and assets:

	<i>Net assets acquired</i> £000
Tangible fixed assets	414
Debtors	1,299
Sundry debtors and prepayments	166
Cash	2
Creditors due within one year	(4,161)
Sundry creditors and accruals	<u>(569)</u>
Net liabilities acquired	(2,849)
Goodwill on acquisition	<u>11,145</u>
	<u>8,296</u>
Consideration satisfied by cash	7,951
Acquisition costs	<u>345</u>
	<u>8,296</u>

Notes to the financial statements

at 31 March 2016

12. Tangible fixed assets

	<i>Office furniture and equipment £000</i>	<i>Motor vehicles £000</i>	<i>Total £000</i>
<i>Cost:</i>			
At 1 April 2015	1,530	136	1,666
Additions	302	39	341
Acquisitions (note 11)	414	–	414
Disposals	–	(25)	(25)
At 31 March 2016	2,246	150	2,396
<i>Accumulated depreciation:</i>			
At 1 April 2015	1,019	89	1,108
Charge for the year	236	19	255
Disposals	–	(12)	(12)
At 31 March 2016	1,255	96	1,351
<i>Net book value:</i>			
At 31 March 2016	991	54	1,045
At 1 April 2015	511	47	558

The net book value of fixed assets includes £13,000 (2015 – £24,000) in respect of assets held under hire purchase and finance lease agreements.

13. Debtors

	<i>2016 £000</i>	<i>2015 £000</i>
Debtors in respect of insurance transactions	4,998	3,764
Prepayments and accrued income	1,336	753
Amounts due from group companies	–	2,754
	<u>6,334</u>	<u>7,271</u>

14. Creditors: amounts falling due within one year

	<i>2016 £000</i>	<i>2015 £000</i>
Obligations under hire purchase and finance lease agreements (note 16)	4	9
Creditors in respect of insurance transactions	10,498	4,882
Amounts due from group companies	6,023	–
Current corporation tax	27	147
Other taxes and social security costs	200	136
Sundry creditors	1,104	168
Accruals and deferred income	967	228
	<u>18,823</u>	<u>5,570</u>

Notes to the financial statements

at 31 March 2016

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

	2016 £000	2015 £000
Obligations under hire purchase and finance lease agreements (note 16)	4	1
Redeemable cumulative preference shares of £1 each	3,600	3,600
	<u>3,604</u>	<u>3,601</u>

Preference share capital

	No.	2016 £000	No.	2015 £000
Allotted, called up and fully paid				
Redeemable cumulative preference shares of £1 each	3,600,000	<u>3,600</u>	3,600,000	<u>3,600</u>

The redeemable cumulative preference shares carry a fixed preferential dividend at the rate of 0.25% below Bank of England base rate per annum, payable half yearly in arrears on 30 June and 31 December. On a winding up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders have no voting rights. The shares are redeemable at any time on giving the company not less than two years notice.

16. Obligations under finance leases and hire purchase contracts

Future minimum payments under finance lease and hire purchase obligations:

	2016 £000	2015 £000
<i>Amount payable</i>		
Within one year	4	10
In two to five years	<u>5</u>	<u>1</u>
	9	11
<i>Less: finance charges allocated to future periods</i>	<u>(1)</u>	<u>(1)</u>
	<u>8</u>	<u>10</u>

17. Issued share capital

	No.	2016 £000	No.	2015 £000
Allotted, called up and fully paid				
Ordinary shares of £1 each	8,100,100	<u>8,100</u>	8,100,100	<u>8,100</u>

Notes to the financial statements

at 31 March 2016

18. Dividends

	2016 £000	2015 £000
Dividend paid of 6.1728p per £1 ordinary share (2015 – 6.1728p)	500	500

19. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

20. Other financial commitments

At 31 March 2016 the company had future minimum rentals under non-cancellable operating leases as set out below:

	2016 <i>Land and buildings</i> £000	2016 <i>Motor vehicles</i> £000	2015 <i>Land and buildings</i> £000	2015 <i>Motor vehicles</i> £000
Within one year	297	30	47	–
Between one and two years	273	14	49	–
Between two and five years	593	–	107	–
Over five years	542	–	58	–
	<u>1,705</u>	<u>44</u>	<u>261</u>	<u>–</u>

21. Contingent liabilities

The assets of the company are subject to intercompany guarantee with all companies within the Prestige Insurance Holdings Limited Group. Group borrowings are secured by floating charges over all the company's assets and undertakings with the exception of any funds held on trust for insurers or clients in accordance with FCA client money regulations.

Notes to the financial statements

at 31 March 2016

22. Related party transactions

The directors are related parties of the company as defined by FRS 102 Section 33 Related Party Disclosures paragraph 33.11.

The company's parent undertaking is Prestige Insurance Holdings Limited, which is registered in Northern Ireland.

As a wholly owned subsidiary of Prestige Insurance Holdings Limited, the company is exempt from the requirements of FRS 102 Section 33 Related Party Disclosures paragraph 33.11 to disclose transactions with other members of the group which are party to the transaction.

During the year Abbey Insurance Brokers Limited incurred a rental charge of £51,000 (2015 – £39,000) from Mr G H Storey and Mr DG Storey, directors in the Company.

23. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is Prestige Insurance Holdings Limited, a Company incorporated in Northern Ireland.

Copies of the group financial statements of Prestige Insurance Holdings Limited can be obtained from 10 Governors Place, Carrickfergus, County Antrim, BT38 7BN.

Notes to the financial statements

at 31 March 2016

24. Transition to FRS 102

This is the first year the company has prepared its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015. The date of transition was 1 April 2014. Set out below are the changes in accounting policies which reconcile reserves as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

	<i>Reserves</i> <i>£000</i>
At 1 April 2014	1,091
Holiday pay accrual	(47)
Lease incentives	(1)
Deferred tax adjustment	10
Restated	<u>1,053</u>
At 31 March 2015	838
Holiday pay accrual	(44)
Lease incentives	(10)
Deferred tax adjustment	11
Restated	<u>795</u>

Holiday pay accrual

As a result of the requirement to accrue under FRS 102, for holiday that was earned but not taken at the date of the year end, there is a charge recognised to the profit and loss account. The restatement above reflects this provision and the associated deferred tax adjustment.

Lease incentives

Under FRS 102, the company have accounted for lease incentives to be recognised over the lease period rather than to the first rent review period.

Reconciliation of profit and loss for the year ended 31 March 2015

	<i>£000</i>
Profit for the year ended 31 March 2015 under previous UK GAAP	247
Holiday pay accrual	3
Lease incentives	(9)
Deferred tax adjustment	1
Restated profit for the year ended 31 March 2015 under FRS 102	<u>242</u>

Transitional relief

On transition to FRS 102 from previous UK GAAP, there were no exemptions to be availed of that were applicable to the company.