Registered number: 00706042

LYCETT, BROWNE-SWINBURNE & DOUGLASS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

LYCETT, BROWNE-SWINBURNE & DOUGLASS LIMITED

COMPANY INFORMATION

DIRECTORS	E G Creasy (appointed 25 February 2015) A C Keate W A Barne C J G Cox A C H Foster S R Harper (appointed 16 June 2015) S R Landale W R Nicholl C D Sadler C R Seymour N D B Straker S Steele (resigned 2 April 2015) E R Nicholl (resigned 15 May 2015)
COMPANY SECRETARY	R J Hall
REGISTERED NUMBER	00706042
REGISTERED OFFICE	Milburn House Dean Street NE1 1PP
INDEPENDENT AUDITOR	Deloitte LLP Chartered Accountants & Statutory Auditors London

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

The company carries on the business of an insurance broker, and is authorised and regulated by the Financial Conduct Authority (FCA).

The company operates from offices throughout the UK. During the year the branch in Dublin was closed.

BUSINESS REVIEW

We have achieved a huge amount in 2015 across quite a wide spectrum. This includes;

- The decision to migrate all our general insurance IT systems across onto one platform
- We opened an office in Sedbury
- Four more members of staff became Chartered Insurers
- Cliverton renewals transacted online

Our decision to migrate to one common broking platform is driven by our desire to make day to day working easier and to free up time to spend on what matters most – delivering excellent client service. Working efficiencies will remove some of the unnecessary manual work which we are all required to do.

We continue to live and work in an environment where regulation of our work dictates many of our actions. Over the next 12 months we will see the introduction of amongst other things the Insurance Act and a new Lloyds/FCA complaints reporting regime. No doubt there will be many other changes which influence our day to day working.

Throughout 2015 our TCF credentials remained to the fore along with our customer service orientated culture. The long term aim is to be the most trusted specialist adviser in our core segments. Linked to this is our ongoing training programme and four individuals became ACII qualified last year. Lycetts are committed to achieving Chartered Insurer status for the whole company.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive risks

With the world's economies recovering slowly from, or remaining in recession, only a small improvement in the company's trading conditions is forecast in the current financial year. The insurance markets in which the company operates are highly competitive. The company faces competition from other insurance intermediaries within the UK. Some competitors have lower cost bases or other competitive advantages that are not available to the company.

The fact that the company runs a highly specialised and diversified business should, however, put it in a strong position to capitalise as the economy finally starts to recover.

The company is reliant upon its existing relationships with the insurance markets with which the company places business. The failure, or downgrading, of a key insurer or insurance market would have an impact upon the ability of the company to conduct its business as planned. In order to reduce the impact of any such even, the company has in place controls to ensure it is not overly dependent upon any one insurer or insurance market.

Legislative risks

The company is governed by a wide range of legislation, including FCA Regulations.

The company takes great care to keep up to date with all new legislation and regulations to ensure that it can maintain its position within the industry.

Financial risks

The company's main area of risk is liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting financial obligations.

The company aims to mitigate liquidity risk by ensuring it reviews its cash management on a regular basis. The company has access to considerable financial resources due to being a member of a group headed by Allchurches Trust Limited.

Credit risk

The company is exposed to credit risk where it extends credit to customers. This risk is managed by ensuring that payments are received from customers before payment is made to the relevant insurer. Where payment is not received the company can mitigate the risk through discussion with the customer and insurer with the ultimate sanction being with the insurer to cancel the policy.

Group risk

The company is part of the Ecclesiastical Insurance group and therefore has access to the financial resources of the wider Ecclesiastical Insurance group. The risk of relying on group support is mitigated through ensuring that the company generates positive cashflows from its own operations and is not reliant on external funding, whether from external third parties or group funding. The company's dividend policy ensures that any dividends paid allow for sufficient funding to be retained within the company to fund its own working capital requirements.

Concentration risk

The company is at risk of being reliant on a small number of insurers, with the risk that a major insurer withdrawing from a market in which the company operates in. This risk is managed by setting internal limits on the amount of business which is transacted through any particular insurer. This ensures that the company has access to a wide range of markets and does not become over reliant on a particular insurer.

Reputational risk

The company is subject to reputational risk arising from a reduction in trust by customers and other stakeholders. The risk is primarily managed through our approach to treating all stakeholders fairly and as reputation is fundamental to our business we will not accept risks that will materially damage our reputation.

FINANCIAL KEY PERFORMANCE INDICATORS

The company's key performance indicators for the period were turnover, operating profit and staff costs.

During the year the company's turnover reduced slightly to £13.9m from £14.0m.

The company's operating profit reduced from £2.279m to £1.835m. This decrease has resulted from the reduction in total income, increased investment in staff resources and IT costs.

The company's staff costs increased from £8.3m to £8.4m.

This report was approved by the board on 21 April 2016 and signed on its behalf.

....
A C Keate
Director

The directors present their report and the financial statements for the year ended 31 December 2015. Further details of the activities during the year can be found in the Strategic Report. These accounts have been presented in accordance with FRS 102 which represents a change in UK GAAP. Further details are included in note 26 of these accounts.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to;

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,387,828 (2014 - £3,451,802).

The directors do not propose payment of a dividend (2014 - £nil). During the year no dividends were paid (2014 - £4,169,375).

DIRECTORS

The directors who served during the year were:
E G Creasy (appointed 25 February 2015)
A C Keate
W A Barne
C J G Cox
A C H Foster
S R Harper (appointed 16 June 2015)
S R Landale
W R Nicholl
C D Sadler
C R Seymour
N D B Straker
S Steele (resigned 2 April 2015)
E R Nicholl (resigned 15 May 2015)

DISCLOSURE OF INFORMATION TO 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
- that director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITOR

The auditor, Deloitte LLP, were appointed in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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A C Keate
Director

21 April 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYCETT, BROWNE-SWINBURNE & DOUGLASS LIMITED

We have audited the financial statements of Lycett, Browne-Swinburne & Douglass Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet the Statement of Total Recognised Gains and Losses, the Statement of Changes in Equity and the related notes 1 to 26. 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). 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 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 company's affairs as at 31 December 2015 and of its profit for the year then ended;
- 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 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.

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.

Paul R. Stephenson

Paul Stephenson BA FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London

21 April 2016

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	*2014* *(as restated)* *£*
TURNOVER	1,2	**13,923,035**	*13,997,502*
Administrative expenses		**(12,130,702)**	*(11,935,168)*
Other operating income	3	**42,710**	*217,500*
OPERATING PROFIT	4	**1,835,043**	*2,279,834*
Income from shares in group undertakings		**-**	*1,500,000*
Interest receivable and similar income		**45,367**	*71,723*
Finance charges	8	**(5,285)**	*(1,003)*
Other finance income	9	**(113,000)**	*15,000*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**1,762,125**	*3,865,554*
Tax on profit on ordinary activities	10	**(374,297)**	*(413,752)*
PROFIT FOR THE FINANCIAL YEAR	19	**1,387,828**	*3,451,802*

All amounts relate to continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	*2014* *(as restated)* *£*
PROFIT FOR THE FINANCIAL YEAR		**1,387,828**	*3,451,802*
Actuarial (loss)/gains on defined benefit pension scheme	22	**1,237,000**	*(3,503,000)*
Actual return on assets less interest	22	**(238,000)**	*57,000*
Tax relating to components of comprehensive income	22	**(233,863)**	*680,890*
TOTAL COMPREHENSIVE INCOME RELATING TO THE YEAR		**2,152,965**	*686,692*

The notes on pages 13 to 28 form part of these financial statements.

LYCETT, BROWNE-SWINBURNE & DOUGLASS LIMITED
REGISTERED NUMBER: 00706042

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	2014 (as restated) £
FIXED ASSETS					
Tangible assets	12		270,311		326,621
Intangible assets			43,487		41,428
Investments	13		1,000		20,749
			314,798		388,798
CURRENT ASSETS					
Debtors	14	6,928,670		8,948,178	
Cash at bank		12,850,781		10,667,106	
		19,779,451		19,615,284	
CREDITORS: amounts falling due within one year	15	(13,888,406)		(14,910,495)	
NET CURRENT ASSETS			5,891,045		4,704,789
TOTAL ASSETS LESS CURRENT LIABILITIES			6,205,843		5,093,587
CREDITORS: amounts falling due after more than one year	16		(34,867)		(128,976)
Provisions for liabilities	22		(2,097,000)		(3,043,600)
NET ASSETS			4,073,976		1,921,011
CAPITAL AND RESERVES					
Called up share capital	18		20,147		20,147
Capital redemption reserve	19		1,133		1,133
Profit and loss account	19		4,052,696		1,899,731
TOTAL CAPITAL EMPLOYED	20		4,073,976		1,921,011

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

S R Harper
Director

A C Keate
Director

Date: 21 April 2016

Date: 21 April 2016

The notes on pages 13 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Called-up share capital £	Capital Redemption Reserve £	Profit and loss account £	Total £
At 31 December 2013 as previously stated	20,147	1,133	5,413,357	5,434,637
Changes on transition to FRS 102 (see note 26)	-	-	(30,943)	(30,943)
At 1 January 2014 as restated	20,147	1,133	5,382,414	5,403,694
Profit for the financial year	-	-	3,451,802	3,451,802
Remeasurement of net defined benefit liability	-	-	(3,446,000)	(3,446,000)
Tax relating to items of other comprehensive income	-	-	680,890	680,890
Total comprehensive income	-		686,692	686,692
Dividends paid on equity shares		-	(4,169,375)	(4,169,375)
At 31 December 2014	20,147	1,133	1,899,731	1,921,011
Profit for the financial year	-	-	1,387,828	1,387,828
Remeasurement of net defined benefit liability	-	-	999,000	999,000
Tax relating to items of other comprehensive income	-	-	(233,863)	(233,863)
Total comprehensive income	-	-	2,152,965	2,152,965
Dividends paid on equity shares	-	-	-	-
At 31 December 2015	20,147	1,133	4,052,696	4,073,976

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION ON BASIS OF ACCOUNTING

Lycett, Browne-Swinburne & Douglass Limited is a company incorporated in the United Kingdom under the Companies Act. The nature of the company's operations and its principal activities are set out in the strategic report on pages 3 and 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The prior year financial statements were restated for adjustments on adoption of FRS 102 in the current year. For more information see note 26.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The functional currency is pounds sterling because that is the currency of the primary economic environment in which the company operates.

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 REVENUE AND EXPENSE RECOGNITION

Turnover

Credit is taken for brokerage on the later of the policy inception date or when the policy placement has been substantially completed or confirmed. Where there is an expectation of future servicing requirements, a proportion of the income may be deferred to cover associated obligations under the policy.

Alterations in brokerage arising from return and additional premiums and adjustments are taken into account as and when these occur.

Fees and income receivable are recognised in the year to which they relate or when they can be measured with reasonable certainty.

1.4 INTANGIBLE FIXED ASSETS AND AMORTISATION

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Purchased goodwill is capitalised at cost. Goodwill is amortised to the profit and loss account over its estimated economic life. The useful economic life of goodwill is, in the opinion of the directors, seven years from the end of the year of acquisition. Provision is made for any impairment.

In accordance with section 35 of FRS 102, section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition to FRS 102.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Short term leasehold property	-	over the period of the lease
Office equipment	-	10% straight line
Computer equipment	-	20% and 25% 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.

1.6 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 DEFERRED TAXATION

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

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

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

Deferred tax assets and liabilities are not discounted.

1.9 FOREIGN CURRENCIES

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

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

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

1.10 INSURANCE BROKING ASSETS AND LIABILITIES

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cashflows arising from these transactions.

Debtors, creditors and cash arising from a transaction between client and insurers (e.g. a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors, insurance broking creditors and client cash.

1.11 GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the directors' report. The strategic report also describes the financial position of the company.

The company meets is day to day working capital requirements through its bank current account. Throughout the year the company maintained a positive cash balance and accordingly does not require any overdraft of loan facilities from third parties.

A review of the company's business activities is provided within the strategic review. In addition, the strategic review discloses the company's principal risks and uncertainties, including exposures to competitive, legislative and financial risk. The company has access to considerable financial resources due to being a member of a group headed by Allchurches Trust Limited. The directors, as a consequence, believe the company is well placed to manage its business risks successfully and continue in existence for the foreseeable future.

1.12 PENSIONS

Defined contribution

The company operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered pension funds.

Contributions payable to the defined contribution pension schemes are charged to the profit and loss account in the period to which they relate.

Defined benefit

The company operates a final salary pension scheme which was closed to new members subsequent to the 1 January 2001 renewal. The underlying assets of the pension scheme are invested in managed funds with Legal & General, and also in unit trusts, equities and other approved investments on the advice of the appointed investment manager, UBS Wealth Management (UK) Ltd, in line with the statement of investment principles. Contributions are paid to the scheme in accordance with the recommendations of independent actuaries made triennially to provide retirement benefits based on projected final salaries. Company costs are charged to the profit and loss account so as to spread the costs of pensions over the working lives of employees who are members of the scheme. The scheme is accounted for in line with FRS17 "Retirement Benefits".

1.13 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described above, 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company'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 company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Turnover includes commission and fees receivable and credit is taken for brokerage on the later of the policy inception date or when the policy placement has been substantially completed or confirmed. Where appropriate, the company makes a provision for the cancellation of live policies after the balance sheet date based on previous experience of such events occurring.

Key sources of estimation uncertainty

Defined benefit pension scheme

The company operates a defined benefit pension scheme for certain employees. Due to the nature of such schemes the ongoing obligation to fund such schemes is based on key assumptions. These assumptions include inflation rates, discount rates, mortality rates and pension increase rates. In determining what rates are appropriate for the company, advice is obtained from independent an actuary. In addition to the work on ensuring the assumptions are appropriate for the provision of appropriate disclosure within these accounts, the company works with the Pension scheme trustees in ensuring that the pension scheme is appropriately funded.

2. TURNOVER

The whole of the turnover and profit before taxation is attributable to the company's principal activity, that of an insurance broker, and is wholly attributable to the UK and Ireland.

3. OTHER OPERATING INCOME

	2015	*2014*
	£	*£*
Service charges receivable	30,000	*30,000*
Income from disposal of operations	12,710	*187,500*
	42,710	*217,500*

4. OPERATING PROFIT

The operating profit is stated after charging / (crediting):

	2015	*2014*
	£	*£*
Depreciation of tangible fixed assets	111,666	*123,656*
Depreciation of intangible fixed assets	30,364	*38,978*
Operating lease rentals	439,275	*373,654*
Loss / (profit) on foreign exchange	17,601	*(7,856)*

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditors and their associates for the audit of the company's annual accounts	**21,000**	*19,865*
Fees payable to the company's auditors and their associates in respect of:		
Audit-related assurance services	**5,000**	*4,175*
Taxation compliance services	**-**	*2,200*

	2015 £	2014 £
Fees payable to the company's auditor and its associates in connection with the company's pension scheme(s) in respect of:		
The auditing of accounts of the scheme(s)	**-**	*2,850*
All non-audit services not included above	**-**	*350*

Prior year figures relate to the company's previous auditor who have remained the auditors of the company's pension scheme.

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	**7,057,973**	*6,981,875*
Social security costs	**733,660**	*746,482*
Other pension costs (Note 22)	**578,791**	*548,986*
	8,370,424	*8,277,343*

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

	2015 No.	2014 No.
Brokerage and administration	**164**	*164*

7. DIRECTORS' REMUNERATION

	2015 £	2014 £
Emoluments	**1,446,995**	*1,445,647*
Company contributions to money purchase pension schemes	**143,932**	*147,317*
	1,590,927	*1,592,964*

The number of Directors who:

	Number	Number
Are members of the defined benefit pension scheme	7	7
Are members of the money purchase scheme	2	2

Remuneration of the highest paid director

	2015	*2014*
Emoluments	**220,128**	*248,430*

8. FINANCE CHARGES

	2015	*2014*
	£	*£*
On bank loans and overdrafts	**-**	*462*
On finance leases and hire purchase contracts	**5,285**	*541*
	5,285	*1,003*

9. OTHER FINANCE INCOME

	2015	*2014 (as restated)*
	£	*£*
Interest income on pension scheme assets	**396,000**	*600,000*
Interest expense on pension scheme liabilities	**(509,000)**	*(585,000)*
	(113,000)	*15,000*

10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2015	*2014*
	£	*£*
The tax charge comprises:		
CURRENT TAX ON PROFIT ON ORDINARY ACTIVITIES		
UK corporation tax charge	**391,104**	*504,886*
Adjustments in respect of prior periods	**-**	*(88,797)*
TOTAL CURRENT TAX	**391,104**	*416,089*

DEFERRED TAX

Origination and reversal of timing differences	**(7,665)**	*(15,075)*
Effect of FRS17 timing differences	**(9,942)**	*12,738*
TOTAL DEFERRED TAX (see note 17)	**(17,607)**	*(2,337)*
TAX ON PROFIT ON ORDINARY ACTIVITIES	**374,297**	*413,752*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

A change in the UK standard rate of corporation tax from 21% to 20% became effective from 1 April 2015. Where appropriate, current tax has been provided at the blended rate of 20.25% (2014: 21.5%). A further reduction in the rate of corporation tax to 19% will become effective from April 2017, reducing again to 18% effective from April 2020. Deferred tax has been provided at the rate of 20% (2014: 20%).

The tax assessed for the year is lower than *(2014 - lower than)* the standard rate of corporation tax in the UK of 20.25% *(2014 – 21.5%)*. The differences are explained below:

	2015	*2014*
	£	*£*
Profit on ordinary activities before tax	**1,762,125**	*3,865,554*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% *(2014 – 21.49%)*	**356,830**	*830,706*
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**9,958**	*26,387*
Adjustments to tax charge in respect of prior periods	**-**	*(88,797)*
Effect of FRS17 timing differences	**-**	*(36,106)*
Dividends from UK companies	**-**	*(322,400)*
Effect of change of rate of deferred tax	**7,509**	*3,962*
CURRENT TAX CHARGE FOR THE YEAR (see note above)	**374,297**	*413,752*

11. INTANGIBLE FIXED ASSETS

	Software £	Goodwill £	Total £
COST			
At 1 January 2015	234,524	2,733,894	2,968,418
Additions	32,423	-	32,423
At 31 December 2015	266,947	2,733,894	3,000,841
DEPRECIATION			
At 1 January 2015	193,096	2,733,894	2,926,990
Charge for the year	30,364	-	30,364
At 31 December 2015	223,460	2,733,894	2,957,354
NET BOOK VALUE			
At 31 December 2015	43,487	-	43,487
At 31 December 2014	*41,428*	*-*	*41,428*

12. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 January 2015	163,332	196,173	707,764	1,067,269
Additions	-	4,820	50,536	55,355
At 31 December 2015	163,332	200,993	758,300	1,122,624
DEPRECIATION				
At 1 January 2015	81,607	136,188	522,852	740,647
Charge for the year	16,383	11,223	84,060	111,666
At 31 December 2015	97,990	147,411	606,912	852,313
NET BOOK VALUE				
At 31 December 2015	65,342	53,582	151,387	270,311
At 31 December 2014	*81,725*	*59,985*	*184,911*	*326,621*

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2015	**20,749**
Disposals	**(19,749)**
At 31 December 2015	**1,000**
NET BOOK VALUE	
At 31 December 2015	**1,000**
At 31 December 2014	*20,749*

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	2015 £	*2014 £*
Lycetts Financial Services Limited	Ordinary	100%	**1,000**	*20,749*

Name	Business	Registered office
Lycetts Financial Services Limited	Life insurance broker and pensions and other financial services consultant	in England and Wales

During the year Lycetts Limited was dissolved.

14. DEBTORS

	2015 £	*2014 (as restated) £*
Trade debtors	**5,527,755**	*6,140,484*
Amounts owed by group undertakings	**564,163**	*1,662,066*
Other debtors	**1,120**	*1,120*
Prepayments and accrued income	**393,721**	*486,341*
Deferred tax asset (see note 17)	**441,911**	*658,167*
	6,928,670	*8,948,178*

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	*2014* *£*
Trade creditors	10,842,075	*11,052,715*
Amounts owed to group undertakings	741,086	*1,595,124*
Corporation tax	152,691	*15,253*
Other taxation and social security	353,744	*338,109*
Other creditors	-	*248,592*
Accruals and deferred income	1,798,810	*1,660,702*
	13,888,406	*14,910,495*

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	*2014* *£*
Accruals and deferred income	34,867	*128,976*

17. DEFERRED TAX ASSET

	2015 £	*2014* *(as restated)* *£*
At beginning of year	658,167	*643,092*
Released during/(charged for) year (P&L)	17,607	*15,075*
Arising on pension revaluation	(233,863)	*-*
At end of year	441,911	*658,167*

The deferred tax asset is made up as follows:

	2015 £	*2014* *(as restated)* *£*
Accelerated capital allowances	29,751	*23,652*
Short term timing differences	27,360	*25,795*
Pension liability	384,800	*608,720*
	441,911	*658,167*

18. SHARE CAPITAL

	2015 £	2014 £
ALLOTTED, CALLED UP AND FULLY PAID		
2,014,700- Ordinary shares of £0.01 each	**20,147**	*20,147*

19. RESERVES

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

The capital reserve represents the premium of redemption of shares.

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 (as restated) £
Opening shareholders' funds	**1,921,011**	*5,403,694*
Profit for the financial year	**1,387,828**	*3,451,802*
Dividends (Note 21)	**-**	*(4,169,375)*
Other recognised gains and losses during the year	**765,137**	*(2,765,110)*
Closing shareholders' funds	**4,073,976**	*1,921,011*

21. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	**-**	*4,169,375*

The directors do not propose payment of a dividend (2014 - £nil).

22. PENSION COMMITMENTS

Defined contribution

The company operates several defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £206,727 (2014 - £265,986). As at 31 December 2015, and 31 December 2014, no contributions were owing to the funds.

Defined benefit

The company operates a defined benefit scheme. The scheme was closed to new members subsequent to the 1 January 2001 renewal.

The Trustees are required to carry out an actuarial valuation every three years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 1 January 2012. This was updated to 31 December 2015 by a qualified independent actuary, under the terms set out by Financial Reporting Standard No 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Following the last valuation, the Company agreed to pay annual contributions of 32% of members' pensionable salaries each year (less any member contributions) to meet the cost of future service accrual. In respect of the deficit in the Scheme, the Company agreed to pay £87,400 per annum for 10 years beginning in 2013. The Company therefore expects to pay around £430,000 to the Scheme during the accounting year beginning 1 January 2016.

The amounts recognised in the balance sheet are as follows:

	2015	*2014 (as restated)*
	£	*£*
Present value of funded obligations	**(10,644,000)**	*(14,252,000)*
Fair value of scheme assets	**8,547,000**	*11,208,400*
Deficit in scheme	**(2,097,000)**	*(3,043,600)*

The amounts recognised in the profit and loss account are as follows:

	2015	*2014 (as restated)*
	£	*£*
Current service cost	**(265,000)**	*(258,000)*
Administrative expenses	**(33,000)**	*(25,000)*
Net Interest	**(113,000)**	*15,000*
Total	**(411,000)**	*(268,000)*

Pension liabilities are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the Company
- Deferred members: former active members of the Company
- Pensioner members: in receipt of pension.

Movements in the present value of the defined benefit obligation were as follows:

	2015	*2014*
	£	*£*
Opening defined benefit obligation	**14,252,000**	*15,209,000*
Current service cost - recognised in the profit and loss account	**265,000**	*283,000*
Interest cost - recognised in the profit and loss account	**509,000**	*585,000*
Actuarial losses/(gains) - recognised in the STRGL	**(1,237,000)**	*3,476,000*
Actuarial losses - not recognised in the STRGL	**-**	*27,000*
Benefits paid and member contributions	**(3,145,000)**	*(5,328,000)*
Closing defined benefit obligation	**10,644,000**	*14,252,000*

Changes in the fair value of scheme assets were as follows:

	2015	*2014*
	£	*£*
Opening fair value of scheme assets	**11,208,000**	*15,467,000*
Return on assets excluding interest income	**(238,000)**	*57,000*
Administration expenses	**(33,000)**	*(25,000)*
Interest income	**396,000**	*600,000*
Contributions by employer - not recognised in the profit and loss account	**359,000**	*412,000*
Benefits paid and member contributions	**(3,145,000)**	*(5,303,000)*
	8,547,000	*11,208,000*

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £2,716,000 *(2014 - £3,953,000).*

The fair value of the Scheme assets were;

	2015	*2014*
	£	*£*
Equities	**4,728,000**	*5,147,000*
Bonds	**1,765,000**	*2,023,000*
Annuities	**591,000**	*2,556,000*
Cash	**1,463,000**	*1,482,000*
	8,547,000	*11,208,000*

	2015 £	2014 £
Interest income	**396,000**	*600,000*
Return on assets less interest	**(238,000)**	*57,000*
Total return on assets	**158,000**	*657,000*

The initial results of the most recent formal actuarial valuation as at 1 January 2015 have been updated to 31 December 2015 by a qualified independent actuary. The assumptions used were as follows:

	2015	2014
Discount rate at 31 December	**3.8%**	*3.7%*
RPI inflation	**3.1%**	*3.1%*
Future pension increases	**3.0%**	*3.0%*
Rate of increase in directors' salaries	**2.5%**	*2.5%*
Rate of increase in staff members' salaries	**2.5%**	*2.5%*

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015	2014
Retiring today		
Males	**22.9**	*22.8*
Females	**24.4**	*25.2*
Retiring in 20 years		
Males	**25.0**	*24.7*
Females	**25.9**	*27.0*

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £	2011 £
Defined benefit obligation	**(10,644,000)**	*(14,252,000)*	*(15,209,000)*	*(14,104,000)*	*(16,205,000)*
Scheme assets	**8,547,000**	*11,208,400*	*15,467,400*	*13,952,000*	*15,787,000*
(Deficit)/surplus	**(2,097,000)**	*(3,043,600)*	*258,400*	*(152,000)*	*(418,000)*

Total contributions to the scheme of £NIL (2014 - £NIL) have been charged to the profit and loss account for the year ended 31 December 2015.

23. OPERATING LEASE COMMITMENTS

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	*2014*
	£	*£*
EXPIRY DATE:		
Within 1 year	**21,357**	*21,357*
Between 2 and 5 years	**217,634**	*220,107*
After more than 5 years	**163,238**	*156,158*

24. RELATED PARTY TRANSACTIONS

Lycetts Holdings Limited owned 40% of the issued share capital of Amlin Plus Limited. On 20 May 2014 Lycetts Holdings Limited disposed of its entire shareholding in Amlin Plus Limited.

All transactions between Amlin Plus Limited and the company were conducted on an arms length basis.

During the prior year up to 20 May 2014, the company earned £93,262 of insurance broking income from Amlin Plus Limited. As at 31 December 2014 there were no balances outstanding with Amlin Plus Limited.

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Lycetts Holdings Limited. The company's ultimate parent company is Allchurches Trust Limited. Both companies are incorporated in England & Wales.

The smallest group of which the company is a member which prepares group accounts is that headed by Lycetts Holdings Limited. Copies of these accounts can be obtained from Companies House. The largest group of which the company is a member which prepares group accounts is that headed by Allchurches Trust Limited. Copies of the accounts for Allchurches Trust Limited can be obtained from:

Allchurches Trust Limited
Beaufort House
Brunswick Road
Gloucester
GL1 1JZ

Transactions with certain group undertakings are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 102 Section 33 on the grounds that the group undertakings that are party to the transactions are wholly owned by Allchurches Trust Limited, either directly or indirectly.

26. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102 the impact on these accounts is to restate the presentation of balances relating to the defined benefit pension scheme in the consolidated balance sheet. In previous years accounts the deferred tax asset arising on the recognition of the defined benefit liability was netted off against that liability. In accordance with FRS 102 this asset is now shown separately. The impact has been to increase the total assets less current liabilities by £608,720 and increase provisions for liabilities by £608,720. There has been no change to the profit and loss account or equity or the company balance sheet.

Reconciliation of equity

	At 1 January 2014 £	*At 31 December 2014 £*
Equity reported under previous UK GAAP	**5,434,637**	*1,955,500*
Revision of revenue recognition policies (net of tax)	**(30,943)**	*(34,489)*
	5,403,694	*1,921,011*

The adjustment above relates to a revision in the revenue recognition policy to comply with FRS 102.

Reconciliation of profit for the year ended 31 December 2014

	2014 £
Profit for the financial year under previous UK GAAP	3,485,348
Revision of revenue recognition policies (net of tax)	(3,546)
Revised presentation of pension cost	(30,000)
	3,451,802

In relation to accounting for defined benefit pension schemes, under previous UK GAAP the expected return on defined benefit plan assets was recognised in the profit and loss account. Under FRS 102 the interest income is calculated by reference to the discount rate and does not reflect the expected return on the assets. Prior year figures have been restated.

	2014 £
Reconciliation on transition	
Expected return on assets	*(630,000)*
Interest income	*600,000*
Change in credit to profit and loss account	*(30,000)*

Under previous UK GAAP, the investment expenses were reflected as a deduction from the expected return on assets and reflected in other finance income. Non-investment expenses were included in the service cost and charged to operating profit. Under FRS 102 non-investment expenses are reflected alongside the current service cost (shown as Administrative expenses) and charged to operating profit. The overall effect on the total charge to profit and loss is nil.