
MILES SMITH BROKING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**



MILES SMITH BROKING LIMITED

COMPANY INFORMATION

Directors

S J Lee
C Love (appointed 29 October 2018)
W Downey (appointed 1 September 2019)
P B Chainey (resigned 28 February 2020)
M W Ives (resigned 31 July 2020)
P M Jellicoe (resigned 9 January 2019) M A Madden (resigned 31 March 2019)
G L Routledge (resigned 30 September 2019)
J C Crisp (resigned 12 November 2019)

Registered number

01325241

Registered office

6th Floor
One America Square
17 Crosswall
London
EC3N 2LB

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

Bankers

HSBC Bank Plc
60 Queen Victoria Street
London
EC4N 4TR

Barclays Bank plc
1 Churchill Place
London
E14 5HP

MILES SMITH BROKING LIMITED

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MILES SMITH BROKING LIMITED

DIRECTORS' REPORT FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the period ended 31 December 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the period, after taxation, amounted to £63,277 (2018 - loss £15,053).

The income of the company is dependent upon fellow group companies utilising its services as a Lloyd's broker to place business with Lloyd's of London insurers. Another group company has now attained Lloyd's broker status which has reduced its need to utilise the company's services. This has been a planned change leading to an adverse effect on income.

Directors

The directors who served during the period were:

S J Lee

C Love (appointed 29 October 2018)

W Downey (appointed 1 September 2019)

P B Chainey (resigned 28 February 2020)

M W Ives (resigned 31 July 2020)

P M Jellicoe (resigned 9 January 2019)

M A Madden (resigned 31 March 2019)

G L Routledge (resigned 30 September 2019)

J C Crisp (resigned 12 November 2019)

MILES SMITH BROKING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

Post balance sheet events

Covid 19 is considered to be an adjusting post-balance sheet event.

There have been no other significant events affecting the company since the year end.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 December 2020 and signed on its behalf.



C Love

Director

**STRATEGIC REPORT
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

Introduction

The principal activity of the company is to carry on business as an insurance intermediary providing insurance solutions to its fellow group companies, sources in Lloyd's of London and the wider London Market.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company are common to other businesses in our industry and are described below:

Market - the company's performance is affected by both the general economic climate and stability in our marketplace, principally the UK corporate market; and the insurance rating environment which has cyclical trends and affects our earnings based on premium spend.

Regulatory - as a business regulated by the Financial Conduct Authority in the UK a breach of regulatory rules may lead to sanctions by the authorities. We are subject to new regulations which the regulator may introduce from time to time and which may impact on our infrastructure.

Competition - the London insurance market remains a highly competitive one with various competitors in each of our specialist fields.

Interest rates - Our profitability is impacted by the interest rates as we have significantly greater funds available to put on deposit than our borrowings. Our net interest return is reduced in times of low interest rates, such as the unprecedented rates currently extant.

Operational - failure of its operational systems or those of a third party, business interpretation due to an external event, or loss of key staff may disrupt the company's ability to service its client's needs appropriately or may lead to information security issues.

Financial - the company's principal financial risks are credit risk arising from trade debtors, and liquidity risk. The financial exposure continues to be spread over a large number of customers. Company monies, including client monies are held in accounts at UK clearing banks.

Group strategy - the company places the certain types of business with certain Lloyd's of London or certain other London Market insurers. The income of the company is dependent upon the group continuing to place business with these insurers, rather than other Lloyd's of London, London Market or other insurers.

Brexit - The UK decided to leave the EU on 31 January 2020, following clearance for the withdrawal deal from the House of Lords and formal ratification by both the UK and European Parliament. We are now in a planned 11-month transition period, during which the UK has ceased to be an EU member but will continue to follow its rules, including the continuation of how insurance laws and regulations are handled.

The COVID 19 outbreak and subsequent measures taken by various governments to contain the virus may impact the Company's ability to operate in some areas, with potential limited impacts on company profitability and cash flow, countered by extensive growth opportunities. Whilst the scale and duration of this pandemic remain uncertain the board of directors remain confident around the growth potential and future profitability of the company.

The directors seek to mitigate and manage each of these risks through continual review and policy setting and the employment of robust procedures.

MILES SMITH BROKING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

Financial key performance indicators

The company uses a number of performance measures to assess its success in meeting its objectives that include:

- Complaint monitoring;
- Customer satisfaction surveys, and
- Profitability- the current year's results are reported in the Directors' Report on page 1.

This report was approved by the board on 22 December 2020 and signed on its behalf.



C Love
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILES SMITH BROKING LIMITED

Opinion

We have audited the financial statements of Miles Smith Broking Limited (the 'company') for the 16 months ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the 16 months 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILES SMITH BROKING LIMITED
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILES SMITH BROKING LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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.

Grant Thornton UK LLP

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

22 December 2020

MILES SMITH BROKING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

	Note	16 Months to 31 December 2019 £	12 Months to 31 August 2018 £
Turnover	4	87,330	(3,433)
Administrative expenses		(26,013)	(18,555)
Operating profit/(loss)		61,317	(21,988)
Interest receivable and similar income	8	16,678	6,935
Profit/(loss) before tax		77,995	(15,053)
Tax on profit/(loss)	9	(14,718)	-
Profit/(loss) profit for the period		63,277	(15,053)

There was no other comprehensive income for 2019 (2018: £Nil). The notes on pages 12 to 21 form part of these financial statements.

MILES SMITH BROKING LIMITED
COMPANY NUMBER: 01325241

STATEMENT OF FINANCIAL POSITION AS
AT 31 DECEMBER 2019

	Note	31 ST December 2019	31 ST August 2018
Current assets		£	£
Debtors: amounts falling due within one year	11	1,317,227	5,486,378
Cash at bank and in hand	12	5,447,487	5,573,116
		<u>6,764,714</u>	<u>11,059,494</u>
Current liabilities			
Creditors: amounts falling due within one year	13	(6,058,379)	(10,416,436)
Net assets		<u>706,335</u>	<u>643,058</u>
Capital and reserves			
Called up share capital	15	500,000	500,000
Profit and loss account	16	206,335	143,058
		<u>706,335</u>	<u>643,058</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2020.


C Love
 Director

The notes on pages 12 to 21 form part of these financial statements.

MILES SMITH BROKING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2017	500,000	258,111	758,111
Loss for the year	-	(15,053)	(15,053)
Dividends: Equity capital	-	100,000	100,000
At 1 September 2018	500,000	143,058	643,058
Profit for the period	-	63,277	63,277
At 31 December 2019	500,000	206,335	706,335

The notes on pages 12 to 21 form part of these financial statements.

MILES SMITH BROKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

1. General information

Miles Smith Broking Limited is a private company limited by shares and incorporated in the United Kingdom. Its registered office is 6th Floor One America Square, 17 Crosswall, London, EC3N 2LB.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Specialist Risk Investments Limited (formerly Miles Smith Group Holdings Limited) as at 31 December 2019 and these financial statements may be obtained from Companies House.

2.4 Going concern

The financial statements have been prepared on a going concern basis. The Company current financial position, and its forecasts and projections, taking into account reasonable assumptions regarding performance, demonstrate the Company's ongoing ability to operate.

Given recent developments with Covid-19 the Group have considered the going concern status of the Group and have considered the impact of various scenarios on the Group's ability to continue to generate revenue. We are pleased that our business has seen minimal impact due to Covid-19 due to the specialist nature of our business. Additionally, the Group has access to a facility which would provide us with the necessary working capital should we require, thus reaffirming our going concern status.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Revenue

Turnover represents brokerage, profit commission and fees net of any commission payable to third parties. It arises on the placement of insurance contracts by the Company.

Brokerage is recognised when the company's contractual right to such income is established and to the extent that the Company's relevant obligations under the contracts concerned have been performed. For most of the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of insurance concerned, subject to a deferral of brokerage in respect of post-placement services that constitutes obligations of the company under those contracts.

In the case of proportional treaty insurance business and binding authorities, brokerage is recognised when the accounts are received. Fees are credited to the profit and loss account when invoiced to the client. Where the amount of brokerage is dependent on the achievement of contractual targets, the minimum amounts under the contract are recognised on inception, and the incremental amounts arising are recognised when their targets concerned are achieved.

Where the amount of brokerage is dependent on the results of the business placed, the minimum amounts under the contract are recognised at inception, and any incremental amounts are recognised only to the extent that a reliable estimate of the amounts concerned can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

Profit commission arising from the placement of insurance contracts or the exercise of an underwriting agency by the Group is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

Revenue that has been credited in the Group's books, but not yet recognised as income in accordance with the policies described above, is credited to the deferred income account within accruals and deferred income in the Group's balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Insurance broking assets and liabilities

Insurance brokers act as agents in placing the insurance risk of their clients with insurers and are not liable as principles for amounts arising from such transactions. Notwithstanding these legal relationships, debtors, creditors and cash balances arising from insurance broking transactions are shown as assets and liabilities within these accounts. This recognises that the insurance broker is entitled to retain the investment income arising from the cash flows attributable to these transactions. Money received in respect of these transactions is held in non-statutory trust bank accounts or insurer trust bank accounts in accordance with the requirements of the Financial Conduct Authority.

2.7 Financial instruments

The company holds basic financial instruments, which comprise bank balances, trade and other debtors and creditors, loans from banks and loans to related parties. The company has applied the measurement and recognition provisions of Section 11 Basic Financial Instruments of FRS 102.

2.8 Debtors

Short term debtors which are receivable within one year are initially measured at the transaction price expected to be received and are assessed for indicators of impairment at the end of each reporting year.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors which are payable within one year are initially measured at the transaction price expected to be paid and are assessed for indicators of impairment at the end of each reporting year. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

2.12 Interest income

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

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors are required to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively.

Significant estimates and judgements have been used in the measurement of deferred income.

The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised prospectively. Through the review there are no other key estimates.

4. Turnover

	16 Months to 31 st December 2019 £	12 Months to 31 st August 2018 £
Turnover is attributable to the principal activity of the company.	87,330	(3,433)

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	16 Months to 31 st December 2019 £	12 Months to 31 st August 2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,000	1,667
Fees payable to the company's auditors for other audit related assurance services	10,750	-

MILES SMITH BROKING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

6. Employees

Employees and directors are remunerated via other companies in the group.

7. Directors' remuneration

No directors are remunerated via this Company.

8. Interest receivable

	16 Months to 31st December 2019 £	12 Months to 31st August 2018 £
Other interest receivable	16,678	6,935

MILES SMITH BROKING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

9. Taxation

	16 Months to 31 st December 2019 £	12 Months to 31 st August 2018 £
Corporation tax		
Current tax on profits for the period	14,718	-
Total current tax	<u>14,718</u>	<u>-</u>

Factors affecting tax charge for the period

The tax assessed for the year is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	16 Months to 31 st December 2019 £	12 Months to 31 st August 2018 £
Profit/(loss)profit on ordinary activities before tax	77,995	(15,053)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	14,819	(2,860)
Effects of:		
Expenses not deductible for tax purposes.	-	2,956
Movements in unrecognised deferred tax	(101)	(96)
Total tax charge for the period	<u>14,718</u>	<u>-</u>

10. Dividends

	31 st December 2019 £	31 st August 2018 £
Dividends paid	-	100,000

MILES SMITH BROKING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED 31 DECEMBER 2019**

11. Debtors

	31st December 2019 £	31st August 2018 £
Insurance debtors	691,691	2,162,164
Amounts owed by group undertakings	620,827	3,313,834
Other debtors	47	47
Prepayments and accrued income	4,663	10,333
	1,317,227	5,486,378

12. Cash and cash equivalents

	31st December 2019 £	31st August 2018 £
Cash at bank and in hand	5,447,487	5,573,116

Included in cash at bank and in hand is £5,392,007 (2018: £4,958,538) which is held in non-statutory trust accounts, which operate in accordance with the requirements of the Financial Conduct Authority.

13. Creditors: Amounts falling due within one year

	31st December 2019 £	31st August 2018 £
Insurance creditors	5,607,365	9,902,974
Amounts owed to group undertakings	435,267	480,322
Corporation tax	14,718	23,816
Accruals and deferred income	1,030	9,324
	6,058,379	10,416,436

MILES SMITH BROKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS ENDED DECEMBER 2019

14. Financial instruments

	31 st December 2019 £	31 st August 2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	5,447,487	5,573,116
Financial assets that are debt instruments measured at amortised cost	1,312,564	5,476,045
	<u>6,760,051</u>	<u>11,049,161</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,042,632)</u>	<u>(10,383,296)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise; trade debtors and amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and amounts owed to group undertakings.

15. Share capital

	31 st December 2019 £	31 st August 2018 £
Shares classified as equity		
Allotted, called up and fully paid		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

16. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

17. Capital commitments

There were no capital commitments as at 31 December 2019 or 31 August 2018.

MILES SMITH BROKING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 16 MONTHS ENDED DECEMBER 2019

18. Pension commitments

The group operates a defined contribution scheme for the benefit of the employees and directors. Contributions are paid into a group personal pension plan which is administered by trustees in funds independent from those of the group.

19. Contingent liabilities

The company, along with other subsidiaries, has entered into group guarantees to secure loans and overdraft facilities to the company's parent, Specialist Risk Investment Limited (formerly Miles Smith Group Holdings Limited), by granting charges over its assets.

20. Security arrangements

Monies received by the company in connection with business transacted with Miles Smith Limited are held on trust in a non-statutory trust account, for the benefits of clients and insurers.

21. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 "Related Party Disclosures" and has not disclosed transactions with wholly owned group undertakings.

22. Controlling party

The ultimate controllers of this company at the Statement of financial position date were PSC III, L.P. a fund which is managed by Pollen Street Capital Limited, a company incorporated in England and Wales., The address of Pollen Street Capital Limited is 11-12 Hanover Square, London, England, W1S 1JJ.

The largest company in which the results of the Group are consolidated is that headed by Specialist Risk Investments Limited, incorporated in England and Wales. No other financial statements include the results of the Group.