

**Company Registration No. 03397518 (England and Wales)**

**MINTON HOUSE GROUP LIMITED**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS**

**18 MONTH PERIOD ENDING 30 JUNE 2019**



## **MINTON HOUSE GROUP LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	H S Williams R L Worrell
<b>Secretary</b>	None Appointed
<b>Company number</b>	03397518
<b>Registered office</b>	1 Minster Court London England EC3R 7AA
<b>Auditor</b>	Deloitte LLP 3 Rivergate, Temple Quay Bristol BS1 6GD
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP

# **MINTON HOUSE GROUP LIMITED**

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**MINTON HOUSE GROUP LIMITED**  
**STRATEGIC REPORT**  
***FOR THE PERIOD ENDED 30 JUNE 2019***

**Overview**

The directors present their Strategic Report, Directors' report and financial statements for the period ended 30th June 2019.

**Business Review**

Minton House Group Limited ("the Company") has extended its period end to 30 June 2019 and is wholly owned by Towergate Insurance Brokers Holdings Limited. The period of the Company has been extended to facilitate the disposal of the subsidiary Brokers Educational Supply Teachers Claims Limited within the accounting period. As a result of the extension of the accounting period, the 2017 comparative is therefore not entirely comparable.

From the 1st January 2018, Minton House Group Limited acquired the remaining 50% shares in Brokers Educational Supply Teachers Claims Limited from Ageas Insurance Limited, so that it became a wholly owned subsidiary of Minton House Group Limited. The subsidiary was disposed of on 28th June 2019, which was within the accounting period.

As part of the wider group divisionalisation strategy, on 1 August 2019 the Company disposed of its operations to Towergate Underwriting Group Limited under common control. This transaction resulted in the Company being placed into run-off. The Company has therefore ceased to trade from this date.

The principal activity of the Company in the period is that of registered insurance brokers including the sale and development of general insurance products to the professional insurance intermediary market.

As shown in the Company's income statement on page 7, revenue has increased by 66% from £5,050,092 to £8,364,429 and operating profit has increased by 43% from £1,525,334 to £2,185,222 due to an extension of the accounting period by 6 months to 30th June 2019.

The Balance Sheet on page 8 of the financial statements shows the Company's financial position at the period end. Net assets have decreased by 19% from £5,374,377 to £4,372,757. Details of amounts owed to its parent Company and fellow subsidiary undertakings are shown in note 11 to the financial statements.

Key performance indicators used by Towergate are operating margins, free cash flow, capital expenditure and return on capital employed. Towergate and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Advisory division of Towergate forms part of the Group's annual report which does not form part of this report.

**Principal risks and uncertainties**

The Company is subject to various risks and uncertainties during the ordinary course of its business, many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

As noted in the 'Business Review' section the Company's operations have been transferred to Towergate Underwriting Group Limited as of 1 August 2019 and the accounts are therefore prepared on a non-going concern basis, as the intention to wind down The Company will begin in due course.

**MINTON HOUSE GROUP LIMITED**  
**STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

**Principal risks and uncertainties:**

- *Strategic* : changes in economic and market conditions such as contract pricing and competition.
- *Financial* : significant failures in internal systems of control and lack of corporate stability.
- *Operational* : including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance* : non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing operating/business conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to a strict internal control framework.

Towergate Insurance Broker Holdings Limited, have implemented appropriate controls and risk governance techniques across all of our businesses which are discussed in the Group's annual report which does not form part of this report.

**Future developments**

A review of the group structure was undertaken in 2019. On 1st August 2019, the Minton House Group Limited book of business was transferred to Towergate Underwriting Group Limited ("TUGL"). Minton House Group Limited is likely to be discontinued as a legal entity in 2019/ 20, when all the business is moved to TUGL.

On behalf of the board



Huw Williams  
**Director**

22 May 2020

**MINTON HOUSE GROUP LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

**Directors' Report**

The directors present their annual report, together with the financial statements and auditor's report, for the period ended 30 June 2019.

**Results and dividends**

The results for the period are set out on page 7. The directors do not recommend a final dividend to be paid.

A dividend was paid during the period of £2,835,000 (2017: £nil).

**Directors**

The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

A J Bowman	(Resigned 7 June 2018)
A McTaggart	(Resigned 7 June 2018)
M Dowden	(Resigned 9 July 2019)
H S Williams	(Appointed 17 May 2019)
R L Worrell	(Appointed 17 May 2019)

**Environment**

Towergate Insurance Broking Holdings Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and design designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with Group policies, which are described in the Group's annual report which does not form part of this report. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

**Events after the balance sheet date**

Minton House Group Limited book of business has been acquired by Towergate Underwriting Group Limited on 1st August 2019. It is the directors' intention to wind up the Company once the run-off process has completed. A disclosure to this effect has been made in note 18 (Post balance Sheet Events).

**Political donations**

The Company made no political donations and incurred no political expenditure during the period (2017: £nil).

**Auditor**

Deloitte LLP, have been appointed by the Company to audit the financial statements for the period, under section 487(2) of the Companies Act 2006.

**Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

**MINTON HOUSE GROUP LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

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), including FRS 101 Reduced Disclosure Framework. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 may differ from legislation in other jurisdictions.

**Statement of disclosure to auditor**

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 Company's auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps he/she might reasonably be expected to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Qualifying third party indemnity provisions**

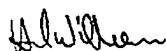
The Company has granted an indemnity to the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

**Going Concern**

As at 30th June 2019 the company had net assets worth £4.4m (2017: £5.4m). On 1st August 2019 the company disposed of its trade and related assets to Towergate Underwriting Group Limited and has been in run off since this date. It is the directors' intention to wind up the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a non-going concern basis.

The book value of the Company's assets and liabilities are deemed to have a reasonable approximation of their fair value due to their short term nature. As such, no adjustments to balances are required with the Company being reported on a non-going concern basis.

On behalf of the board



Huw Williams  
Director  
22 May 2020

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MINTON HOUSE GROUP LIMITED  
FOR THE PERIOD ENDED 30 JUNE 2019**

**Opinion**

In our opinion the financial statements of Minton House Group Limited:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the 18 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**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 Financial Reporting Council's (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.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**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 respect of these matters.

**Responsibilities of directors**

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, 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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MINTON HOUSE GROUP LIMITED  
FOR THE PERIOD ENDED 30 JUNE 2019**

**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 FRC's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

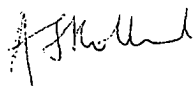
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**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.



**Andrew Holland FCA (Senior statutory auditor)**

**For and on behalf of Deloitte LLP**

**Statutory Auditor**

**Bristol, United Kingdom**

**22 May 2020**

# MINTON HOUSE GROUP LIMITED

## INCOME STATEMENT

**FOR THE PERIOD ENDED 30 JUNE 2019**

	Notes	1st Jan 2018 to 30 June 2019 £	2017 £
Revenue	3	8,364,429	5,050,092
Cost of sales		(730,235)	(436,504)
<b>Gross profit</b>		<b>7,634,194</b>	<b>4,613,588</b>
Administrative expenses		(5,448,972)	(3,088,254)
<b>Operating profit before tax</b>	4	<b>2,185,222</b>	<b>1,525,334</b>
Profit of Disposal of Investment	4	77,172	-
Net interest received	4	10,701	-
<b>Profit before tax</b>		<b>2,273,096</b>	<b>1,525,334</b>
Tax on Profit	5	(439,717)	19,277
Dividend		-	-
<b>Profit for the Financial Year</b>		<b>1,833,379</b>	<b>1,544,611</b>

The statement of profit and loss (and comprehensive income) has been prepared on the basis that all operations are discontinued.

There are no recognised gains and losses other than those passing through the income statement.

The notes on pages 10 to 22 form an integral part of these financial statements.

# MINTON HOUSE GROUP LIMITED

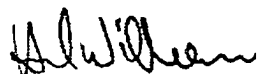
## BALANCE SHEET

**FOR THE PERIOD ENDED 30 JUNE 2019**

	Notes	As at period ended 30 June 2019 £	As at period ended 31 December 2017 £
<b>Current assets</b>			
Property, plant & equipment	6	202,899	217,657
Intangible assets	7	193,334	302,967
Investments in associates	8	-	50,000
Deferred tax	5	64,624	52,141
Trade & other receivables	9	2,215,662	329,965
Cash at bank and in hand	10	3,106,149	4,600,772
<b>Total assets</b>		<b>5,782,669</b>	<b>5,553,502</b>
<b>Current liabilities</b>			
Trade and other payables	11	957,711	179,125
Income tax payable		452,202	-
		<b>1,409,913</b>	<b>179,125</b>
<b>Total liabilities</b>		<b>1,409,913</b>	<b>179,125</b>
<b>Net assets</b>		<b>4,372,756</b>	<b>5,374,377</b>
<b>Capital and reserves</b>			
Call up share capital		1,367	1,367
Share premium account		399,845	399,845
Capital redemption reserve		300,214	300,214
Retained earnings		3,671,330	4,672,951
<b>Shareholders' funds</b>		<b>4,372,756</b>	<b>5,374,377</b>

The notes on pages 10 to 22 from an integral part of these financial statements.

Approved by the board and authorised for issue on 22 May 2020



Huw Williams  
Director  
Company Registration No.03397518

# MINTON HOUSE GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019

	Share capital	Share premium	Retained earnings	Capital redemption reserve	Total equity
	£	£	£	£	£
<b>At 1 January 2017</b>	<b>1,367</b>	<b>399,845</b>	<b>3,128,340</b>	<b>300,214</b>	<b>3,829,766</b>
Total comprehensive income for the period	-	-	1,544,611	-	1,544,611
<b>At 31 December 2017</b>	<b>1,367</b>	<b>399,845</b>	<b>4,672,951</b>	<b>300,214</b>	<b>5,374,377</b>
Profit for the period	-	-	1,833,379	-	1,833,379
Total comprehensive income for the period	-	-	1,833,379	-	1,833,379
Equity dividends paid	-	-	(2,835,000)	-	(2,835,000)
<b>At 30 June 2019</b>	<b>1,367</b>	<b>399,845</b>	<b>3,671,330</b>	<b>300,214</b>	<b>4,372,756</b>

### Share capital

The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital comprising 1,367 ordinary shares.

### Share premium

The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of the share issued to them.

### Retained earnings

Net profits kept to accumulate in the Company after dividends are paid.

### Capital redemption reserve

The Company can redeem shares by repaying the market value to the shareholders whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

The notes on pages 10 to 22 form an integral part of these financial statements.

## **MINTON HOUSE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **1 Accounting policies**

Minton House Group Limited is a company incorporated and domiciled in the UK.

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

##### **1.1 Going Concern**

As at 30th June 2019, the Company had net assets of £4.4m (2017: £5.4m). On 1st August 2019 the company disposed of its trade and related assets to Towergate Underwriting Group Limited and has been run off since this date. It is the directors intention to wind up the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on non-going concern basis.

The book value of the Company's assets and liabilities are deemed to be a reasonable approximation of their fair value, due to their short term nature. As such, no adjustments to balances are required with the Company being reported on a non-going concern basis.

##### **1.2 Compliance with Accounting Standards**

The Company has applied FRS 101 – Reduced Disclosure Framework in the preparation of its financial statements. The Company has prepared and presented these financial statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but made amendments, where necessary, in order to comply with The Companies Act 2006.

For the period ended 30 June 2019, the Company has elected to prepare its financial statements under IAS 1 format.

As at the 30th June 2019, the Company's ultimate parent undertaking is Towergate Insurance Broker Holdings Limited. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from Companies House.

In these financial statements, the company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, property, plant and equipment and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional Balance Sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- Disclosures in respect of the compensation of key management personnel.

**MINTON HOUSE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

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**1. Accounting policies (continued)**

**1.2 Compliance with Accounting Standards (continued)**

The company has taken the disclosure exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill; and
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

**1.3 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of IFRS 9 Financial Instruments, with effect 1st January 2018.

**IFRS 9**

The Company had adopted IFRS 9 *Financial Instruments* with a date of initial application of 1st January 2018, which replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). For details of how the company classifies and measures financial assets and accounts for related gains and losses, see the Financial Instruments accounting policy.

The Group applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables. Expected credit losses on these financial assets are estimated using a provision matrix as a practical expedient, which is based on the Group's historical credit loss experience (similar to the IAS 39 bad debt policy) but adjusted for factors that are specific to the debtors and by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables, including the time value of money where appropriate. Scalar factors are based on GDP and unemployment rate forecasts sourced from the report by HM Treasury 'Forecasts for the UK Economy'.

Applying the scalar factors as at 31 December 2018 led to the conclusion that the adjustment, as at that date, to make an IAS 39 provision compliant with IFRS 9 was zero.

The impact on carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are not material and therefore a restatement has not been undertaken of the prior year.

## **MINTON HOUSE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **1. Accounting policies (continued)**

##### **1.4 Revenue recognition**

Revenue, which excludes value added tax, comprises brokerage commission and fees earned from the sale of insurance solutions and other risk management services to the education sector and other commercial organisations. Income is recognised at a point in time - at the later of the effective date of the policy or the date the policy was accepted. The number of cancellations of policies in year is not significant and therefore no clawback provision is recognised. IFRS 15 has resulted in a deferred staff cost in the period ended 30 June 2019. No restatement of 2017 is required on the grounds of materiality.

An entity shall explain how the timing of satisfaction of its performance obligations relates to the typical timing of payment and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information.

##### **1.5 Intangibles assets**

Intangible assets acquired separately are capitalised at cost and those identified in a business acquisition capitalised at fair value as at the date of acquisition. Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Amortisation is charged on assets with finite lives, this expense is taken to the income statement through the administrative expenses line item.

Intangible assets with finite lives are tested for impairment, either individually or at the cash-generating unit level, where there is an indicator of impairment. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the income statement when the asset is de-recognised. Customer lists and relationships are amortised over their useful economic lives of between 3-5 years.

##### **1.6 Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold, Plant, Equipment	Over the life of the lease
Computer hardware & Computer software	3 - 5 years

**MINTON HOUSE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2019**

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**1. Accounting policies (continued)**

**1.7 Leasing**

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

**1.8 Investments**

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

**1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within current liabilities.

**1.10 Pension**

The Company operates defined contribution pension schemes and contributions are charged to the profit and loss account in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pensions schemes are held separately from the Company.

The Company remits monthly pension contributions to Towergate Underwriting Group limited, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

**1.11 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;



## **MINTON HOUSE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE PERIOD ENDED 30 JUNE 2019**

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#### **1. Accounting policies (continued)**

##### **1.11 Taxation (continued)**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

##### **1.12 Financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables - Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Trade and other payables - Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### **1.13 Bad Debt Provisions on financial assets**

The Group applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables. Expected credit losses on these financial assets are estimated using a provision matrix as a practical expedient, which is based on the Group's historical credit loss experience (similar to the IAS 39 bad debt policy) but adjusted for factors that are specific to the debtors and by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables, including the time value of money where appropriate. Scalar factors are based on GDP and unemployment rate forecasts sourced from the report by HM Treasury 'Forecasts for the UK Economy'.

Applying the group scalar factors as at 30 June 2019 led to the conclusion that the adjustment, as at that date, to make an IAS 39/FRS 102 provision compliant with IFRS 9 was zero.

##### **1.14 Marketing Funds**

Under the agreement between the Company and the insurers with whom it places business, a percentage of the insurance premiums is retained by the Company for the sole purpose of marketing supply teacher insurance. These amounts are designated as the marketing fund, and included within turnover.

**MINTON HOUSE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE PERIOD ENDED 30 JUNE 2019***

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**1.15 Insurance broking assets and liabilities**

The Company acts as an agent in broking the insurable risks of its clients. Generally it is not liable as a principal for either premiums due to underwriters or return premiums payable to clients.

As required within IAS 32, balances arising from insurance broking transactions are reported as separate assets and liabilities unless such balances are due to or from the same party and the offset would survive the insolvency of that party, in which case they are aggregated into a single net balance. As such, cash and creditors due to underwriters, and amounts due from clients are not recognised on the company balance sheet as risk transfer arrangements are in place.

**2 Significant accounting judgements, estimates and assumptions**

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

There are no significant accounting judgements, estimates and assumptions in the period.

## MINTON HOUSE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE PERIOD ENDED 30 JUNE 2019

<b>3 Revenue</b>	<b>1 January 2018 to 30 June 2019</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Revenue from operating activities	8,364,429	5,050,092
Total revenue	8,364,429	5,050,092

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

#### 4 Operating profit

	<b>1 January 2018 to 30 June 2019</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Depreciation of property, plant and equipment	249,591	224,917
Amortisation of intangible assets	109,633	227,661
Operating lease rentals-plant and machinery	1,167	743
Operating lease rentals-other assets	157,500	105,000

Audit fees are borne by MHG Ltd. The audit fee for the current period was £30,000 (2017: £8,500). The Company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the Company accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

# MINTON HOUSE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

### 5 Income tax

The major components of income tax expense for the period ended 30 June 2019 and 31 December 2017 are:

	1 January 2018 to 30 June 2019	2017
	£	£
<b>Current income tax</b>		
Current income tax charge	452,202	-
Adjustment in respect of prior years	-	913
	<b>452,202</b>	<b>913</b>
<b>Deferred income tax</b>		
Origination and reversal of temporary differences	(12,423)	(20,221)
Adjustment in respect of prior years	(31)	31
Total deferred tax (credit)	<b>(12,454)</b>	<b>(20,190)</b>
<b>Total tax /(credit) expense</b>	<b>439,748</b>	<b>(19,277)</b>

The reconciliation between tax expense/ (credit) and the product of accounting profit multiplied by the

UK corporation tax rate for the period ending ended 30 June 2019 and 31 December 2017 are as follows:

	1 January 2018 to 30 June 2019	2017
	£	£
<b>Profit before tax</b>	<b>2,273,096</b>	<b>1,525,334</b>
Notional charge at UK corporation tax rate of 19% (2017: 19.25%)	<b>431,888</b>	<b>293,627</b>
Adjustments in respect of current income tax of prior years	-	913
Adjustments in respect of deferred tax of prior years	-	31
Non-deductible expenses	261	197
Effect of change in UK corporation tax rate	7,599	2,676
Current year deferred income tax unrecognised	-	(316,721)
<b>Total tax adjustments</b>	<b>7,860</b>	<b>(312,904)</b>
<b>Total tax (credit)/expense reported in the income statement</b>		
<b>At the effective tax rate of 19% (2017:19.25%)</b>	<b>439,748</b>	<b>(19,277)</b>

	Balance sheet		Income statement	
			1 January 2018	
	30 June 2019	2017	to 30 June 2019	2017
	£	£	£	£
<b>Deferred tax assets</b>				
Accelerated capital allowances	64,624	52,141	(12,483)	(20,190)
Other timing differences	-	-	-	-
<b>Net deferred tax asset</b>	<b>64,624</b>	<b>52,141</b>	<b>(12,483)</b>	<b>(20,190)</b>
<b>Deferred income tax (credit)</b>				
Income statement			(12,454)	(20,190)
			<b>(12,454)</b>	<b>(20,190)</b>

The UK corporation tax rate decreased from 20% to 19% on 1 April 2017 and will decrease further to 17% from 1 April 2020. The deferred tax balances have been adjusted to reflect this change.

# MINTON HOUSE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

### 6 Property, plant and equipment

	Land and buildings leasehold £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 January 2018	2,199	1,074,043	1,076,242
Additions	40,137	194,696	234,833
At 30 June 2019	42,336	1,268,739	1,311,075
<b>Depreciation and impairment</b>			
At 1 January 2018	1,430	857,155	858,585
Depreciation	5,343	244,248	249,591
At 30 June 2019	6,773	1,101,404	1,108,176
<b>Net book value</b>			
At 31 December 2017	769	216,888	217,657
At 30 June 2019	35,564	167,336	202,899

### 7 Intangible assets

	Other Intangibles £
<b>Cost</b>	
At 1 January 2018	4,124,140
At 30 June 2019	4,124,140
<b>Amortisation and impairment</b>	
At 1 January 2018	3,821,173
Amortisation	109,633
At 30 June 2019	3,930,806
<b>Net book value</b>	
At 31 December 2017	302,967
At 30 June 2019	193,334

Intangible assets includes the acquisition of a books of insurance policies from Besure Insurance Services (acquired in 2013), David Haskoll (acquired in 2015) and Lark (acquired in 2016). These are amortised over the life of contracts.

## MINTON HOUSE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

#### 8 Investments in associates

Cost	£
At 1 January 2018	50,000
Purchase of 50% shares in Brokers Educational Supply Teachers Claims Ltd	93,444
Disposals	(143,444)
At 30 June 2019	-
<b>Net book value</b>	
At 31 December 2017	50,000
At 30 June 2019	-

#### 9 Trade and other receivables

Current	30 June 2019	2017
	£	£
Trade receivables	334,664	215,550
Other receivables	63,000	63,000
Other taxes and social security	-	18,529
Accrued income	-	6,636
Prepayments	4,676	26,250
Deferred Cost - IFRS15	67,774	
Amount due from parent and fellow subsidiary undertaking	1,745,547	-
	<b>2,215,662</b>	<b>329,965</b>

#### 10 Cash

	30 June 2019	2017
	£	£
Cash at bank and in hand	3,106,149	4,600,772
	<b>3,106,149</b>	<b>4,600,772</b>

The Company holds client money as an agent, on behalf of a number of insurers, which is not included in the balance above. The amount of this at 30 June 2019 was £3,422,093 (2017: £1,005,963).

# MINTON HOUSE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

### 11 Trade and other payables

	30 June 2019	2017
	£	£
<b>Current</b>		
Trade payables	9,476	74,615
Other payables	100	158
Accruals and deferred income	159,508	70,198
Net obligations under hir purchase contract	-	-
Amount due to parent and fellow subsidiary undertaking	788,628	34,154
<b>Trade and other payables</b>	<b>957,711</b>	<b>179,125</b>
Other taxes and social security	452,202	-
<b>Total current liabilities</b>	<b>1,409,913</b>	<b>179,125</b>

The above amount due to parent and fellow subsidiary undertakings arise from trade are repayable on demand.

### 12 Issued share capital

	30 June 2019	2017	30 June 2019	2017
	Number	Number	£	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each				
At 1 January	1,367	1,367	1,367	1,367
<b>At 30 June 2019</b>	<b>1,367</b>	<b>1,367</b>	<b>1,367</b>	<b>1,367</b>

### 13 Operating lease commitments

At the reporting date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows :

	Land and buildings		Others	
	30 June 2019	2017	30 June 2019	2017
	£	£	£	£
Within one year	105,000	105,000	2,511	2,511
Between two and five years	52,500	210,000	2,093	2,093
<b>Total</b>	<b>157,500</b>	<b>315,000</b>	<b>4,604</b>	<b>4,604</b>

There is £63,000 held in other receivables in note 9. This is a rental deposit, that is repayable on termination of the lease. Lease commitments have been transferred to Towergate Underwriting Group Limited on 1st August 2019.

## MINTON HOUSE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 30 JUNE 2019**

#### 14 Employee benefits

The total costs charged to income in respect of defined contribution plans is £192,181 (£94,611).

#### 15 Employees

The average monthly number of employees were:

	<b>30 June 2019 Number</b>	<b>Restated 2017 Number</b>
Operations	49	48
	<b>49</b>	<b>48</b>

Their aggregate remuneration comprised:

<b>Employment costs</b>	<b>30 June 2019 £</b>	<b>2017 £</b>
Wages and salaries	3,160,381	1,521,059
Social security costs	248,199	156,261
Pension costs	192,181	94,611
	<b>3,600,760</b>	<b>1,771,931</b>

*Included in the above costs are exceptional bonuses paid in the period of £786,207*



## MINTON HOUSE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

#### 16 Directors' remuneration

	30 June 2019 £	2017 £
Remuneration for qualifying services	519,168	124,383
Company pension contributions to defined contribution schemes	10,303	10,277
	<b>529,471</b>	<b>134,660</b>

One director was paid by the company. Other Directors have not provided qualifying services to the Company and are paid by other companies within the Towergate Group. Such remuneration has not been allocated to the Company. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017:1). The number of directors who exercised share options during the year was nil (2017: nil).

	30 June 2019 £	2017 £
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Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	519,168	124,383
Company pension contributions to defined contribution schemes	10,303	10,277

In addition to the above, the directors of the Company were reimbursed for the expenses incurred by them whilst performing business responsibilities.

#### 17 Controlling party

The Group's Majority shareholder and controlling party is HPS Investment Partners LLC. At 30th June 2019, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address 44 Esplanade, St Helier, Jersey JE4 9WG). The Ardonagh Group Limited is the largest group in which the results are consolidated. The parent company of the smallest group, which includes the Company and for which group financial statements are prepared, is Ardonagh Midco 3 plc, a company incorporated in Great Britain. Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

1 Minster Court  
Mincing Lane  
London  
EC3R 7AA

#### 18 Post balance sheet events

On 1st August 2019, the Minton House Group Limited book of business was acquired by Towergate Underwriting Group Limited, a Company incorporated in England and Wales. All assets and liabilities of Minton House Group Limited were transferred to Towergate Underwriting Group Limited and the Company will be wound up in the coming months.

The directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (COVID-19) and, given the transfer of trade, they have concluded that COVID-19 has no impact on the Company.