

REGISTERED NUMBER: 4659069

CSP HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



CSP HOLDING LIMITED

COMPANY INFORMATION

Directors	K M Davidson J C Speers D Stirling R Rupal P J Hayman R M Smith	Non-Executive Chairman Managing Director
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Company secretary	R Rupal
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Registered number	04659069
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Registered office	St Clare House 30-33 Minories London EC3N 1PE
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Independent auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
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CSP HOLDING LIMITED

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CSP HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group and Parent Company financial statements 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company during the year continued to be that of a Group holding company. The principal activities of its subsidiary undertakings are the provision of both wholesale and retail insurance and reinsurance.

Results and dividends

The profit for the year, after taxation, amounted to £7.8M (2018 - £6.1M).

A dividend of £1,000,000 (2018 - £800,000) was proposed and paid in the year.

Directors

The directors who served during the year were:

K M Davidson
J C Speers
D Stirling
R Rupal
P J Hayman
R M Smith (appointed 1 June 2019)

CSP HOLDING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Future developments

The future developments of the Group are disclosed within the Group Strategic Report.

Qualifying third party indemnity provisions

The Company has provided qualifying third party indemnities for the benefit of the directors.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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 auditors are aware of that information.

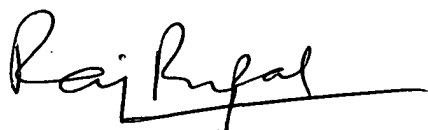
Post balance sheet events

On 1 April 2019, the Company purchased the whole share capital of Citybond Holding Limited, a FCA authorised intermediary.

Auditors

The auditors, PKF Littlejohn LLP, have signified their willingness to continue in office as auditors.

This report was approved by the board on 15 November 2019 and signed on its behalf.



R Rupal
Director

CSP HOLDING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The directors present their strategic report for the year ended 31 March 2019.

Principal Activities and Business Review

CSP Holding Limited is the Group holding company, the principal activities of its subsidiary undertakings are the provision of both wholesale and retail insurance and reinsurance.

In an ever increasingly competitive marketplace, the Group continues to specialise in niche areas. It is well placed to take advantage of the opportunities for organic growth and acquisitions to grow both income and profits in the future.

At the end of the year, the Group had shareholders' funds of £28.3M (2018 - £21.5M) including retained profits of £27.2M (2018 - £20.4M). The directors therefore believe the Group's position to be satisfactory.

During the year, the Times newspaper published articles about a subsidiary in which it made a number of serious allegations. These are vigorously denied. A claim for libel has been brought against the Times Newspaper Limited.

Principal Risks and Uncertainties

The management of the Group's business and the execution of the strategy are managed closely.

The major elements and risks revolve around key clients and markets:

- Clients are broadly distributed across varying classes of business, with around 96% generated from within the United Kingdom.
- Insurance and Reinsurance markets used are generally A-rated, including Lloyd's of London and other international markets.
- No one client directly represent more than 15% of the Group's income.

The management of the Group are very aware of the FCA requirements and mindful of ever changing insurance regulations. The staff are an important part of the Group's success and training and good client service is therefore even more relevant now than in the past.

Key performance indicators

Key performance indicators are:-

	2019 £'000	2018 £'000
Commission earned	37,447	31,365
Operating profit	9,521	7,560
Shareholders' funds	28,225	21,445
Profit as a % of commission	25%	24%

CSP HOLDING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Future developments

On 1 April 2019, the Company purchased the whole share capital of Citybond Holding Limited, a FCA authorised intermediary.

The directors are of the opinion that the Group will continue to grow its income and profit.

This report was approved by the board on 15 November 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Raj Rupal', with a horizontal line underneath the name.

R Rupal
Director

CSP HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSP HOLDING LIMITED

Opinion

We have audited the financial statements of CSP Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement 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 group's and of the parent company's affairs as at 31 March 2019 and of the group's 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.

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 group and parent 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.

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 group's or the parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company 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.

CSP HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSP HOLDING LIMITED

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 Group 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 Group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

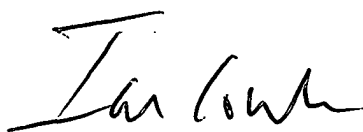
Auditor's responsibilities for the audit of the financial statements

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.



**Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
London E14 4HD

15 November 2019

CSP HOLDING LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	37,447,191	31,365,106
Administration expenses		(28,020,747)	(23,805,176)
		<hr/>	<hr/>
Operating profit	5	9,426,444	7,559,930
Interest receivable	7	94,371	54,826
		<hr/>	<hr/>
Profit before tax		9,520,815	7,614,756
Tax on profit	8	(1,740,778)	(1,465,592)
		<hr/>	<hr/>
Profit for the year		£7,780,037	£6,149,164
		<hr/>	<hr/>
Profit attributable to:			
Non-controlling interests		(6,232)	14,200
Owners of the Parent Company		7,786,269	6,134,964
		<hr/>	<hr/>
		£7,780,037	£6,149,164
		<hr/>	<hr/>

The Group has no comprehensive income other than amounts recognised in the Consolidated Statement of Comprehensive Income.

The notes on pages 13 to 29 form part of these financial statements.

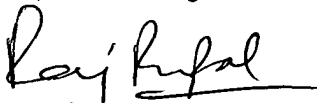
CSP HOLDING LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019**

REGISTERED NUMBER: 04659069

	Note	2019	2018
Fixed Assets			
Intangible assets	10	-	66,743
Tangible assets	11	1,492,244	1,349,886
		<u>1,492,244</u>	<u>1,416,629</u>
Current Assets			
Debtors: amounts falling due within one year	13	20,862,109	22,628,843
Cash at bank and in hand	14	49,997,440	48,145,265
		<u>70,859,133</u>	<u>70,774,108</u>
Creditors: amounts falling due within one year	15	(42,381,760)	(49,348,773)
		<u>28,477,789</u>	<u>21,425,335</u>
Net Current Assets			
		<u>28,477,789</u>	<u>21,425,335</u>
Total assets less current liabilities			
		<u>29,970,033</u>	<u>22,841,964</u>
Provisions for liabilities			
Other Provisions	16	(1,738,908)	(1,390,876)
		<u>£28,231,125</u>	<u>£21,451,088</u>
Net Assets			
Capital and Reserves			
Called-up share capital	18	448,874	448,874
Other reserves	19	612,437	612,437
Profit and loss account	19	27,169,646	20,383,377
		<u>28,230,957</u>	<u>21,444,688</u>
Equity Shareholders' Funds			
Minority interest		168	6,400
		<u>£28,231,125</u>	<u>£21,451,088</u>

The Financial Statements were approved and authorised for issue by the Board of Directors on 15 November 2019, and were signed on its behalf by:


R Rupal
Director

The notes on pages 13 to 29 form part of these financial statements.

CSP HOLDING LIMITED

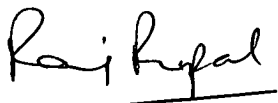
**COMPANY BALANCE SHEET
AS AT 31 MARCH 2019**

REGISTERED NUMBER: 04659069

	Note	2019	2018
Fixed Assets			
Tangible assets	11	34,218	50,838
Investments in subsidiary undertakings	12	1,900,029	1,929,363
		<hr/>	<hr/>
		1,934,247	1,980,201
Current Assets			
Debtors	13	2,444,774	3,086,174
Cash at bank and in hand		7,134,214	534,346
		<hr/>	<hr/>
		9,578,988	3,620,520
Creditors: amounts falling due within one year	15	(1,493,961)	(1,340,795)
		<hr/>	<hr/>
Net Current Assets		8,085,027	2,279,725
		<hr/>	<hr/>
Total assets less current liabilities		10,019,274	4,259,926
Provisions for liabilities			
Other Provisions	16	(120,000)	(120,000)
		<hr/>	<hr/>
Net Assets		£9,899,274	£4,139,926
		<hr/>	<hr/>
Capital and Reserves			
Called-up share capital	18	448,874	448,874
Share Premium Account	19	250,365	250,365
Capital Redemption Reserve	19	142,113	142,113
Profit and loss account	19	9,057,922	3,298,574
		<hr/>	<hr/>
Equity Shareholders' Funds		£9,899,274	£4,139,926
		<hr/>	<hr/>

The Company made a profit after tax of £6.8M (2018: £0.8M loss)

The Financial Statements were approved and authorised for issue by the Board of Directors on 15 November 2019, and were signed on its behalf by:



R Rupal
Director

The notes on pages 13 to 29 form part of these financial statements.

CSP HOLDING LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019 AND 31 MARCH 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and Loss account	Minority Interest	Total Equity
At 1 April 2018	448,874	250,365	142,113	219,959	20,383,377	6,400	21,451,088
Result for the year	-	-	-	-	7,786,269	(6,232)	7,780,037
Dividends	-	-	-	-	(1,000,000)	-	(1,000,000)
At 31 March 2019	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£219,959</u>	<u>£27,169,646</u>	<u>£168</u>	<u>£28,231,125</u>

	Called up share capital	Share premium account	Capital redemption reserve	Merger reserve	Profit and Loss account	Minority Interest	Total Equity
At 1 April 2017	448,874	250,365	142,113	219,959	15,048,413	(7,800)	16,101,924
Loss for the year	-	-	-	-	6,134,964	14,200	6,149,164
Dividends	-	-	-	-	(800,000)	-	(800,000)
At 31 March 2018	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£219,959</u>	<u>£20,383,377</u>	<u>£6,400</u>	<u>£21,451,088</u>

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

CSP HOLDING LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019 AND 31 MARCH 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and Loss account	Total Equity
At 1 April 2018	448,874	250,365	142,113	3,298,574	4,139,926
Profit for the year	-	-	-	6,759,348	6,759,348
Dividends	-	-	-	(1,000,000)	(1,000,000)
At 31 March 2019	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£9,057,922</u>	<u>£9,899,274</u>

	Called up share capital	Share premium account	Capital redemption reserve	Profit and Loss account	Total Equity
At 1 April 2017	448,874	250,365	142,113	4,873,701	5,715,053
Loss for the year	-	-	-	(775,127)	(775,127)
Dividends	-	-	-	(800,000)	(800,000)
At 31 March 2018	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£3,298,574</u>	<u>£4,139,926</u>

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

CSP HOLDING LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
Cash from operating activities	21	5,781,146	12,570,591
Taxation paid		(1,883,975)	(1,397,233)
		<u> </u>	<u> </u>
Net cash generated from operating activities		£3,897,171	£11,173,358
		<u> </u>	<u> </u>
Cash flow from investment activities			
Purchase of intangible assets		-	(53,312)
Purchase of tangible assets		(1,139,367)	(483,455)
Purchase of subsidiary		-	(6,000)
Interest received		94,371	54,826
		<u> </u>	<u> </u>
Net cash from investment activities		(£1,044,995)	(£487,941)
		<u> </u>	<u> </u>
Cash flow from financing activities			
Dividends paid to owners of parent		(1,000,000)	(800,000)
		<u> </u>	<u> </u>
Net cash from financing activities		(£1,000,000)	(£800,000)
		<u> </u>	<u> </u>
Net increase in cash and cash equivalents		£1,852,175	£9,885,417
Cash and cash equivalents at the beginning of the year		£48,145,265	£38,259,848
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the year		£49,997,440	£48,145,265
		<u> </u>	<u> </u>
Cash at bank and in hand	14	£49,997,440	£48,145,265
		<u> </u>	<u> </u>

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

CSP HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Company is a private company limited by shares and is incorporated and domiciled in England & Wales. The principal place of business is the same as the registered office.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 judgment in applying the Group's accounting policies (see note 3).

No Profit and Loss Account is presented for the Company as permitted by Section 408 of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 March 2019.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

2.3 Going concern

The Directors believe the Group has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.4 Revenue

Turnover represents commissions, profit commission and fee income arising on the handling of insurance contracts and associated services by the Group.

Commissions are recognised when the Group's contractual right to income is established, and to the extent that the Group's relevant obligations under the contracts concerned have been performed. For most of the Group's broking activities, this means that commission is recognised at the inception of the underlying contract of insurance concerned, subject to any deferral of commission in respect of post placement services that constitute obligations of the Group under those contracts.

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.

Fee income is recognised when the Group's contractual right to income is established, and to the extent that the Group's relevant obligations under the contracts concerned have been performed.

2.5 Intangible assets

Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Brand websites and purchased brands

Brand websites and purchased brands are stated at cost and amortised over four years. The Directors review the asset each year for any impairment that maybe required.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold property	- 20 - 25%
Leasehold improvements	- 25%
Computer hardware	- 25%
Furniture and equipment	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment losses, if any.

2.8 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Any impairment in financial assets is the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an estimate of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CSP HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Group'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 are presented in administration expenses in the Consolidated Statement of Comprehensive Income.

2.10 Dividends

Equity dividends are recognised when they become payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2.11 Operating leases

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

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

CSP HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income or added to the cost of an asset and depreciated in accordance with the relevant accounting policy in the year that the Group becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income. The current income tax charge is calculated on the basis of UK tax rates and laws that have been enacted at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- (a) the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- (b) any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is measured using tax rates, and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.16 Insurance assets and liabilities

Insurance brokers usually act as agents in placing the insurable risk of their clients and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding the legal relationships with clients and insurers, insurance brokers are entitled to retain investment income on any cash flows arising from insurance broking transactions.

Debit and credit balances arising from insurance broking transactions are reported as separate assets or 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.

Underwriting agencies act as an agent placing the insurable risks of its clients with insurers and as such are not liable as principal for the amounts arising from such transactions. In recognition of this relationship, debtors from insurance transactions are not included as assets of the Group.

Cash at bank relating to insurance activities are held in a number of trust accounts.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entities accounting policies

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Dilapidation provision

The Group has made provisions for the cost of returning the leased property to its original state. Management believe that the provision made is adequate, but this estimate is based upon information available at the reporting date, and is subject to change as further information becomes available.

Post placement activities provision

The Group has an obligation to provide services following the placement of insurance policies under certain contracts, including the handling of claims arising on these contracts. The costs of these services depend on a number of factors, including the number, nature and complexity of claims received and anticipated cost base for handling such claims. In order to recognise the post placement obligation an amount of income is deferred. The amount of income deferred is estimated by management after taking into account the factors noted previously. The assumptions reflect historical experience, current trends and management's best estimate.

Accrued profit commission receivable

The Group is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Group is dependent upon underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Group for a period of time following completion of the contract on which profit commission is earned. In arriving at any estimate of future profit commission receivable, the Directors take into account unexpired risk on those contracts, the uncertain assessment of any final losses, including an assessment of IBNR, and the impact of any loss deficit clauses. Having taken into account these factors an amount is only recognised if in the opinion of the Directors a reliable estimate can be made.

CSP HOLDING LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019****4. Turnover**

Turnover is wholly attributable to the Group's principal activity and arose as follows:

	2019 %	2018 %
United Kingdom	96	96
North America	1	2
Europe	2	1
Rest of the World	1	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

5. Operating Profit

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

	2019	2018
Depreciation of tangible fixed assets	997,009	828,894
Amortisation of intangible fixed assets	66,743	(29,558)
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	85,806	78,000
Exchange differences	(1,623)	(1,179)
Operating lease rentals - land and buildings	1,471,320	1,059,031
Defined contribution pension cost	<u>511,125</u>	<u>462,066</u>

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Employees	2019	2018
Staff Costs (including Directors)		
Wages and salaries	15,072,523	12,893,842
Social security costs	1,523,039	1,357,387
Defined contribution pension cost	511,125	462,006
	<hr/>	<hr/>
	£17,106,687	£14,713,235
	<hr/>	<hr/>

Average number of employees during the year	No.	No.
Office management and administration	332	275
Broking and production	113	108
	<hr/>	<hr/>
	445	383
	<hr/>	<hr/>

Directors' Emoluments	2019	2018
Emoluments for qualifying services (including benefits)	848,310	768,687
Defined contribution pension cost	24,750	24,750
	<hr/>	<hr/>
	£873,060	£793,437
	<hr/>	<hr/>

The number of Directors for whom retirement benefits are accruing under pension schemes amounted to 1 (2018: 1).

Highest Paid Director	2019	2018
Emoluments for qualifying services (including benefits)	537,967	457,450
Defined contribution pension cost	-	-
	<hr/>	<hr/>
	£537,967	£457,450
	<hr/>	<hr/>

7. Interest Receivable	2019	2018
Bank interest receivable	£94,371	£54,826
	<hr/>	<hr/>

CSP HOLDING LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019****8. Taxation**

	2019	2018
Current tax on profits of the year	1,776,761	1,503,316
Adjustments in respect of prior year	(35,983)	(37,724)
	<u> </u>	<u> </u>
Total current tax	<u>£1,740,778</u>	<u>£1,465,592</u>

Factors affecting tax charge for year

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:

Profit on ordinary activities before tax	£9,520,815	£7,614,756
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,808,954	1,446,804
Effects of:		
Expenses not deductible for tax purposes	58,897	56,512
Other tax adjustments	(91,090)	-
Adjustments in respect of prior year	(35,983)	(37,724)
	<u> </u>	<u> </u>
Total tax charge for the year	<u>£1,740,778</u>	<u>£1,465,592</u>

Factors that may affect future tax charges

Reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 7 September 2016. These reduce the standard rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

9. Dividends

Amounts recognised as distributions to equity holders in the year:

	2019	2018
Dividend paid	£1,000,000	£800,000
	<u> </u>	<u> </u>

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. Intangible Fixed Assets

Group				
Cost	Goodwill	Brand websites	Purchased Brand	Total
At 1 April 2018	1,976,297	110,888	150,000	2,237,185
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	1,976,297	110,888	150,000	2,237,185
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 April 2018	1,976,297	44,145	150,000	2,170,442
Charged during the year	-	66,743	-	66,743
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	1,976,297	110,888	150,000	2,237,185
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 March 2019	£ -	£ -	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	£ -	£66,743	£ -	£66,743
	<hr/>	<hr/>	<hr/>	<hr/>

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Tangible Fixed Assets

Group	Short	Leasehold	Computer	Furniture	
Cost	Leasehold	improvements	hardware	and	Total
	property			equipment	
At 1 April 2018	1,815,946	49,599	1,621,480	1,670,389	5,157,414
Additions	376,462	-	695,081	67,824	1,139,367
At 31 March 2019	2,192,408	49,599	2,316,561	1,738,213	6,296,781
Depreciation					
At 1 April 2018	1,195,000	43,885	1,257,342	1,311,301	3,807,528
Charged during the year	414,578	-	357,020	225,411	997,009
At 31 March 2019	1,609,578	43,885	1,614,362	1,536,712	4,804,537
Net Book Value					
At 31 March 2019	£582,830	£5,714	£702,199	£201,501	£1,492,244
At 31 March 2018	£620,946	£5,714	£364,138	£359,088	£1,349,886
Company	Short	Leasehold	Computer	Furniture	
Cost	Leasehold	improvements	hardware	and	Total
	property			equipment	
At 1 April 2018	120,000	49,599	175,332	427,392	772,323
Additions	-	-	17,843	6,382	24,225
At 31 March 2019	120,000	49,599	193,175	433,774	796,548
Depreciation					
At 1 April 2018	120,000	43,885	164,973	392,627	721,485
Charged during the year	-	-	23,435	17,410	40,845
At 31 March 2019	120,000	43,885	188,408	410,037	762,330
Net Book Value					
At 31 March 2019	£ -	£5,714	£4,767	£23,737	£34,218
At 31 March 2018	£ -	£5,714	£10,359	£34,765	£50,838

CSP HOLDING LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019****12. Fixed Asset Investments****Company****Cost****Subsidiary
undertaking**

At 1 April 2018

1,929,363

Additions

-

Disposal

(29,334)

At 31 March 2019

1,900,029

Impairment

At 1 April 2018

-

Impairment

-

At 31 March 2019

-

Net Book Value

At 31 March 2019

£1,900,029

At 31 March 2018

£1,929,363

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Fixed Asset Investments (continued)

The Company's subsidiaries at 31 March 2019 are:

Name	Nature of business	Class	Shares held %	
			Indirectly	Directly
Crispin Speers & Partners Ltd	Lloyd's Insurance Broker	Ordinary	-	100
P J Hayman & Company Ltd	Insurance Broker	Ordinary	-	100
Apex Insurance Services Ltd	Lloyd's Insurance Broker	Ordinary	-	100
Travel Insurance Facilities Plc	Underwriting Agent	Ordinary	-	100
Infinity Insurance Solutions Ltd	Insurance Broker	Ordinary	100	-
St Clare Underwriting Agency Ltd	Underwriting Agent	Ordinary	-	80
Rothwell & Towler Ltd	Insurance Broker	Ordinary	-	100
Acumen Insurance Services Ltd	Intermediary	Ordinary	-	80
Maintenance Assist Ltd	Intermediary	Ordinary	-	100
Affinity Insurance Services Co Ltd	Intermediary	Ordinary	62	-
Holiday Insurance Club Ltd	Dormant	Ordinary	100	-
Free Spirit Insurance Services Co Ltd	Dormant	Ordinary	100	-
P J Hayman Insurance Services Ltd	Dormant	Ordinary	100	-
Protect & Serve Ltd	Dormant	Ordinary	100	-
Crispin Speers and Partners (Ireland) Ltd	Dormant	Ordinary	-	100
Travellers Healthcheck Ltd	Dormant	Ordinary	100	-
Travel Claims Facilities Ltd	Dormant	Ordinary	100	-
Travel Administration Facilities Ltd	Dormant	Ordinary	100	-
Emergency Assistance Facilities Ltd	Dormant	Ordinary	100	-
Travel Insurance Facilities UK Ltd	Dormant	Ordinary	100	-

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Debtors	2019	2018	2019	2018
	Group		Company	
Insurance debtors	18,025,049	20,818,973	-	-
Other debtors	1,959,546	1,347,263	992,171	837,097
Prepayments and accrued income	877,514	462,607	311,332	81,320
Amounts owed by group undertakings	-	-	1,141,271	2,167,758
	<u>£20,862,109</u>	<u>£22,628,843</u>	<u>£2,444,774</u>	<u>£3,086,174</u>

Amounts owed by group undertakings are unsecured, interest-free and are repayable on demand.

14. Cash and cash equivalents

	2019	2018
	Group	
Cash at bank and in hand	<u>£49,997,440</u>	<u>£48,145,265</u>

Cash at bank and in hand includes £27,150,345 (2018 - £28,772,169) held in bank accounts which are not available to the Group for working capital purposes.

15. Creditors: amounts falling due within one year

	2019	2018	2019	2018
	Group		Company	
Insurance creditors	37,546,013	44,300,644	-	-
Corporation tax	419,525	562,725	-	-
Other taxes and social security	501,881	312,356	269,496	100,425
Accruals and deferred income	1,718,023	1,791,357	1,219,944	1,116,663
Other creditors	2,196,318	2,381,691	4,521	123,707
	<u>£42,381,760</u>	<u>£49,348,773</u>	<u>£1,493,961</u>	<u>£1,340,795</u>

Amounts owed to group undertakings are unsecured, interest-free and are repayable on demand.

CSP HOLDING LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Provisions	2019	2018	2019	2018
	Group		Company	
Dilapidations				
As at 1 April	1,390,876	1,390,876	120,000	120,000
Additions	348,032	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 March	<u>£1,738,908</u>	<u>£1,390,876</u>	<u>£120,000</u>	<u>£120,000</u>

17. Financial instruments	2019	2018	2019	2018
	Group		Company	
Financial assets				
Financial assets measured at amortised cost	69,982,035	70,310,740	8,126,385	1,371,443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>£69,982,035</u>	<u>£70,310,740</u>	<u>£8,126,385</u>	<u>£1,371,443</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2019	2018	2019	2018
	Group		Company	
Financial liabilities				
Financial liabilities measured at amortised cost	39,742,331	46,682,335	4,521	123,707
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>£39,742,331</u>	<u>£46,682,335</u>	<u>£4,521</u>	<u>£123,707</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. Share Capital	2019	2018	2019	2018
	Number		Allotted, called-up and fully paid	
Ordinary shares of £1 each	448,874	448,874	£448,874	£448,874
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

CSP HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

19. Reserves

Share premium

The Share Premium account includes any premium received on the issue of share capital net of any transaction costs associated with the issuing of those shares.

Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased and cancelled by the Company.

Profit and loss account

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

20. Operating Lease Commitments

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Group	2019	2018
Payments due:	Land and buildings	
Not later than 1 year	869,654	969,093
Later than 1 year and not later than 5 years	1,140,180	1,154,780
	<hr/>	<hr/>
	£2,009,834	£2,123,873
	<hr/>	<hr/>

Company	2019	2018
Payments due:	Land and buildings	
Not later than 1 year	111,796	447,184
Later than 1 year and not later than 5 years	-	223,592
	<hr/>	<hr/>
	£111,796	£670,776
	<hr/>	<hr/>

21. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2019	2018
Operating profit	9,426,444	7,559,930
Depreciation charges	997,009	828,894
Amortisation of intangible assets	66,743	27,721
(Increase) / decrease in debtors	1,766,734	(4,984,562)
Increase / (decrease) in creditors	(6,475,784)	9,138,608
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£5,781,146	£12,570,591
	<hr/>	<hr/>

CSP HOLDING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

22. Post Balance Sheet Events

On 1 April 2019, the Company purchased the whole share capital of Citybond Holding Limited, a FCA authorised intermediary.

23. Related Parties and Transactions with Directors

The Davidson Partnership Limited provided consultancy services to Group companies during the year at a cost of £30,000 (2018: £42,696), the amount owed to The Davidson Partnership Limited at the year-end is £6,250 (2018: £7,500). Mr K M Davidson is a Director of The Davidson Partnership Limited.

R G Rupal Limited provided consultancy services to Group companies during the year at a cost £nil (2018: £50,000). The amount owed to R G Rupal Limited at the year-end is £nil (2018: £56,900). Mr R Rupal is a Director of R G Rupal Limited.

St Clare Underwriting Agency Limited owed to Crispin Speers and Partners Limited at the year-end £108,326 (2018: £108,326).

Acumen Insurance Services Limited owed to Crispin Speers and Partners Limited at the year-end £20,341 (2018: £15,236).

During the year, dividends were paid to the following related parties:

	2019	2018
J C Speers	£453,116	£362,493
D Stirling	£428,842	£343,074
R Rupal	£53,556	£42,845
P J Hayman	£24,385	£19,508

24. Controlling Party

In the opinion of the Board, there is no ultimate controlling party.