

**REGISTERED NUMBER: 4659069**

**CSP HOLDING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**



**CSP HOLDING LIMITED**

**COMPANY INFORMATION**

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

**CSP HOLDING LIMITED**

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## **CSP HOLDING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020. These Consolidated Financial Statements include the result of CSP Holding Ltd and its subsidiaries.

A review of the Group's performance, key risk, dividends and future development are set out within the Strategic Report.

#### **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)

#### **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.

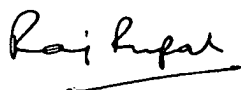
#### **Employee engagements and Business relationships**

Disclosure in respect of this is shown in the Group Strategic Report.

#### **Auditors**

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

This report was approved by the board on 17th December 2020 and signed on its behalf.



**R Rupal**  
Director

## **CSP HOLDING LIMITED**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

#### **Introduction**

The directors present their strategic report for the year ended 31 March 2020.

#### **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.

During the period the Group made a number of new investments.

#### **Financial Performance and Key performance indicators**

Key performance indicators for the Group are:-

	2020 £'000	2019 £'000
Commission earned	44,797	37,447
Operating profit before goodwill amortisation	9,996	9,426
Shareholders' funds	33,585	28,231
Profit as a % of commission	22%	25%

Turnover for the year increased by 20% to £44.8M (2019 - £37.4M) and Operating Profit before goodwill amortisation increased by 5% to £10M (2019 - £9.4M). Operating Profits increased as a result of the increased contribution from the new acquisitions in the year, however this increase was tempered by higher employee costs, computer costs and legal and professional fees. No dividends were paid (2019 - £1M) and Shareholders' Funds increased by 18% to £33.6M (2019 - £28.2M).

The trading results and the financial position at the year end is shown in the attached financial statements.

#### **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.
- FCA requirements and ever changing insurance regulations.

## **CSP HOLDING LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

#### **Statement in respect of section 172 of the Companies Act 2006**

The directors have a duty to act in good faith, in a way most likely to promote the success of the Company for the benefit of its members, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

The Group is a leading provider of wholesale and retail insurance and reinsurance. The Group acts in its clients best interests, looking after its employees, developing relationships with its suppliers, supporting communities and generating value for its shareholder.

#### **Governance**

Certain of the Group's subsidiary companies are regulated by the Financial Conduct Authority (FCA) and adhere to the FCA's principles of business which includes the maintenance of high level standards including treating customers fairly. The Board meet regularly to discuss strategic, financial and operational matters including FCA compliance.

#### **Long Term decision making**

Since the start of the financial year 2020/21, the Group has faced unprecedented events. We had a countrywide lockdown which dramatically affected travel sales. The directors are pleased to report that cash reserves of the Group are sufficient to see the Group through this difficult period.

The directors are of the opinion that the Group will grow its income and profit as soon as things revert to "normal".

The Board meets regularly to discuss strategic, financial and operational matters including FCA Compliance.

#### **Relationship with clients**

The Group places the client's best interests in all its decision making and ensures that it treats its clients fairly. Client satisfaction is measured by feedback and client surveys.

#### **Relationship with employees**

The directors believe staff to be the most important part of the business and the Group's success. Staff training and good client service play a big part in the success of the Group and our industry. The Group ensures that all staff attend regular internal courses. Systems are in place to ensure that internal staff weaknesses obtained through client surveys or otherwise are addressed in staff training.

#### **Relationship with shareholders, regulators and other stakeholders**

All shareholders are represented on the Board, consequently they have all the financial and other information at all times.

The FCA, as our regulator, is another important stakeholder. The Group has a strong compliance function and has an open and transparent dialogue with the FCA in all communications. The group companies have provided timely returns to the FCA as required.

Suppliers are also stakeholders in the company. Management maintains close relationships with all suppliers. The Group ensures that suppliers are paid within credit terms.

**CSP HOLDING LIMITED**

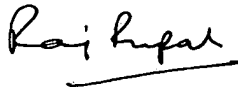
**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

**The Community and Environment**

The Group recognises the importance of serving the communities in which the staff live and work. The Group raises funds and provides support and resources to various charities. Staff are encouraged to participate in local charity events.

The Board is committed to a responsible approach to its impact in the environment through a number of initiatives such as recycling, saving on print and paper and waste.

This report was approved by the board on 17th December 2020 and signed on its behalf.

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

**R Rupal**  
Director

## **CSP HOLDING LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

The directors are responsible for preparing the Directors' Report, Group Strategic 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's 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;
- 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 Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **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 2020 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 2020 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.

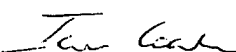
#### **Auditor's responsibilities for the audit of the financial statements**

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](http://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**

17 December 2020

15 Westferry Circus  
London E14 4HD

**CSP HOLDING LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Turnover</b>	4	44,797,384	37,447,191
Administration expenses		(34,801,758)	(28,020,747)
		<hr/>	<hr/>
Operating profit before goodwill amortisation	5	9,995,626	9,426,444
Goodwill Amortisation		(2,816,349)	-
		<hr/>	<hr/>
Operating profit after goodwill amortisation		7,179,277	9,426,444
Income from interests in associated undertakings		229,238	-
		<hr/>	<hr/>
		7,408,515	9,426,444
Interest receivable	7	92,925	94,371
Profit before tax		<hr/>	<hr/>
		7,501,440	9,520,815
Tax on profit	8	(2,147,926)	(1,740,778)
		<hr/>	<hr/>
<b>Profit for the year</b>		<hr/>	<hr/>
		£5,353,514	£7,780,037
		<hr/>	<hr/>
<b>Profit attributable to:</b>			
Non-controlling interests		30,394	(6,232)
Owners of the Parent Company		5,323,120	7,786,269
		<hr/>	<hr/>
		£5,353,514	£7,780,037
		<hr/>	<hr/>

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

The notes on pages 14 to 32 form part of these financial statements.

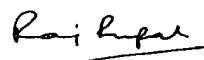
**CSP HOLDING LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2020**

**REGISTERED NUMBER: 04659069**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Fixed Assets</b>			
Intangible assets	10	11,265,395	-
Tangible assets	11	1,118,297	1,492,244
Investments in Associates	12	3,804,538	-
		<hr/>	<hr/>
		16,188,230	1,492,244
<b>Current Assets</b>			
Debtors: amounts falling due within one year	13	34,647,869	20,862,109
Cash at bank and in hand	14	40,367,114	49,997,440
		<hr/>	<hr/>
		75,014,983	70,859,133
<b>Creditors:</b> amounts falling due within one year	15	(56,300,597)	(42,381,760)
		<hr/>	<hr/>
<b>Net Current Assets</b>		18,714,386	28,477,789
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		34,902,616	29,970,033
<b>Provisions for liabilities</b>			
Other Provisions	16	(1,317,977)	(1,738,908)
		<hr/>	<hr/>
<b>Net Assets</b>		£33,584,639	£28,231,125
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called-up share capital	18	448,874	448,874
Other reserves	19	612,437	612,437
Profit and loss account	19	32,492,766	27,169,646
		<hr/>	<hr/>
<b>Equity Shareholders' Funds</b>		33,554,077	28,230,957
Minority interest		30,562	168
		<hr/>	<hr/>
		£33,584,639	£28,231,125
		<hr/>	<hr/>

The Financial Statements were approved and authorised for issue by the Board of Directors on 17th December 2020, and were signed on its behalf by:



**R Rupal**  
Director

The notes on pages 14 to 32 form part of these financial statements.

**CSP HOLDING LIMITED**

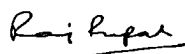
**COMPANY BALANCE SHEET  
AS AT 31 MARCH 2020**

**REGISTERED NUMBER: 04659069**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Fixed Assets</b>			
Tangible assets	11	26,959	34,218
Investments in subsidiary undertakings	12	20,576,309	1,900,029
Investments in Associates	12	3,575,300	-
		<hr/>	<hr/>
		24,178,568	1,934,247
<b>Current Assets</b>			
Debtors	13	1,940,970	2,444,774
Cash at bank and in hand		543,778	7,134,214
		<hr/>	<hr/>
		2,484,748	9,578,988
<b>Creditors: amounts falling due within one year</b>	15	(5,004,364)	(1,493,961)
		<hr/>	<hr/>
<b>Net Current (Liabilities)/Assets</b>		(2,519,616)	8,085,027
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		21,658,952	10,019,274
<b>Provisions for liabilities</b>			
Other Provisions	16	(120,000)	(120,000)
		<hr/>	<hr/>
<b>Net Assets</b>		£21,538,952	£9,899,274
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
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	20,670,600	9,057,922
		<hr/>	<hr/>
<b>Equity Shareholders' Funds</b>		£21,538,952	£9,899,274
		<hr/>	<hr/>

The Company made a profit after tax of £11.6M (2019: £6.8M)

The Financial Statements were approved and authorised for issue by the Board of Directors on 17th December 2020, and were signed on its behalf by:



**R Rupal**  
Director

The notes on pages 14 to 32 form part of these financial statements.

**CSP HOLDING LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020 AND 31 MARCH 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Merger reserve</b>	<b>Profit and Loss account</b>	<b>Minority Interest</b>	<b>Total Equity</b>
At 1 April 2019	448,874	250,365	142,113	219,959	27,169,646	168	28,231,125
Profit/(Loss) for the year	-	-	-	-	5,323,120	30,394	5,353,514
At 31 March 2020	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£219,959</u>	<u>£32,492,766</u>	<u>£30,562</u>	<u>£33,584,639</u>

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Merger reserve</b>	<b>Profit and Loss account</b>	<b>Minority Interest</b>	<b>Total Equity</b>
At 1 April 2018	448,874	250,365	142,113	219,959	20,383,377	6,400	21,451,088
Profit/(Loss) 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>

The Accounting Policies and Notes on pages 14 to 32 form part of these Financial Statements.

**CSP HOLDING LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020 AND 31 MARCH 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and Loss account</b>	<b>Total Equity</b>
At 1 April 2019	448,874	250,365	142,113	9,057,922	9,899,274
Profit for the year	-	-	-	11,639,678	11,639,678
At 31 March 2020	<u>£448,874</u>	<u>£250,365</u>	<u>£142,113</u>	<u>£20,697,600</u>	<u>£21,538,952</u>

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and Loss account</b>	<b>Total Equity</b>
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>

The Accounting Policies and Notes on pages 14 to 32 form part of these Financial Statements.

**CSP HOLDING LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>Cash from operating activities</b>	<b>21</b>	<b>5,947,594</b>	<b>5,781,146</b>
Taxation paid		(2,444,244)	(1,883,975)
<b>Net cash generated from operating activities</b>		<b>£3,503,350</b>	<b>£3,897,171</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets		(511,031)	(1,139,367)
Purchase of subsidiary undertakings		(14,634,861)	-
Cash acquired with acquisition of subsidiary undertakings		5,494,591	-
Investment in associate company		(3,575,300)	-
Interest received		92,925	94,371
<b>Net cash used in investing activities</b>		<b>(£13,133,676)</b>	<b>(£1,044,995)</b>
<b>Cash flow from financing activities</b>			
Dividends paid		-	(1,000,000)
<b>Net cash from financing activities</b>		<b>-</b>	<b>(£1,000,000)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(£9,630,326)</b>	<b>£1,852,175</b>
Cash and cash equivalents at the beginning of the year		£49,997,440	£48,145,265
Cash and cash equivalents at the end of the year		£40,367,114	£49,997,440
<b>Cash at bank and in hand</b>	<b>14</b>	<b>£40,367,114</b>	<b>£49,997,440</b>

The Accounting Policies and Notes on pages 14 to 32 form part of these Financial Statements.



## **CSP HOLDING LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

#### **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 of subsidiaries and associates**

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 2020.

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. The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associate, less any impairment. Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the associate.

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.

The directors have considered the impact of COVID-19 as part of making the going concern assessment. In making this assessment the Directors have considered the impact of COVID-19 on the Group's results, its clients and insurers and other suppliers and do not believe a material uncertainty exists in respect of going concern and the impact of COVID-19.

## **CSP HOLDING LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

#### **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.

Positive 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.

Positive goodwill is amortised over its expected useful life of 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.

Negative goodwill is recognised when the consideration is less than the fair value of net assets acquired. Such negative goodwill is amortised over the periods expected to benefit as assessed by the directors.

###### **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.

## **CSP HOLDING LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020**

#### **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**

In the Parent Company's financial statements investments in subsidiaries and associates 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 2020**

#### **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 2020**

#### **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 substantively 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.

Debtor and creditor 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 2020**

**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.

**Impairment of goodwill**

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires the estimation of the recoverable value of the cash generating units. This requires estimation of the future cash flows from the cash generating units and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**CSP HOLDING LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020****3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)****Valuation of investments in subsidiary Companies**

The Parent Company makes an estimate of the value in use or the recoverable amount of its investment in subsidiaries in order to determine whether any provision for impairment is required. When assessing these values management considers the current net asset position of each subsidiary, its recent and budgeted trading results and any Group strategic plans that may impact on the subsidiary. See note 12 for the net carrying amount of the investment in subsidiary Companies.

**4. Turnover**

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

	<b>2020</b> %	<b>2019</b> %
United Kingdom	97	96
North America	1	1
Europe	2	2
Rest of the World	-	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

**5. Operating Profit before goodwill amortisation**

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

	<b>2020</b>	<b>2019</b>
Depreciation of tangible fixed assets	960,917	997,009
Amortisation of intangible fixed assets	-	66,743
Decrease in provision	(420,931)	-
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	80,115	85,806
Exchange differences	7,420	(1,623)
Operating lease rentals - land and buildings	1,716,671	1,471,320
Defined contribution pension cost	<u>708,157</u>	<u>511,125</u>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>6. Employees</b>	<b>2020</b>	<b>2019</b>
<b>Staff Costs</b> (including Directors)		
Wages and salaries	17,770,346	15,072,523
Social security costs	1,782,946	1,523,039
Defined contribution pension cost	708,157	511,125
	<hr/>	<hr/>
	£20,261,448	£17,106,687
	<hr/>	<hr/>

<b>Average number of employees during the year</b>	<b>No.</b>	<b>No.</b>
Office management and administration	419	332
Broking and production	111	113
	<hr/>	<hr/>
	530	445
	<hr/>	<hr/>

<b>Directors' Emoluments</b>	<b>2020</b>	<b>2019</b>
Emoluments for qualifying services (including benefits)	491,195	848,310
Defined contribution pension cost	24,750	24,750
	<hr/>	<hr/>
	£515,935	£873,060
	<hr/>	<hr/>

The number of Directors for whom retirement benefits are accruing under pension schemes amounted to 1 (2019: 1).

<b>Highest Paid Director</b>	<b>2020</b>	<b>2019</b>
Emoluments for qualifying services (including benefits)	182,615	537,967
Defined contribution pension cost	-	-
	<hr/>	<hr/>
	£182,615	£537,967
	<hr/>	<hr/>

<b>7. Interest Receivable</b>	<b>2020</b>	<b>2019</b>
Bank interest receivable	£92,925	£94,371
	<hr/>	<hr/>



**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>8. Taxation</b>	<b>2020</b>	<b>2019</b>
Current tax on profits of the year	2,018,426	1,776,761
Adjustments in respect of prior year	140,129	(35,983)
	<hr/>	<hr/>
Total current tax	£2,158,555	£1,740,778
	<hr/>	<hr/>

**Factors affecting tax charge for year**

The tax assessed for the year is the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

Profit on ordinary activities before tax	£7,501,440	£9,520,815
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,425,274	1,808,954
Effects of:		
Expenses not deductible for tax purposes (including goodwill amortisation)	634,944	58,897
Other tax adjustments	1,763	(91,090)
Adjustments in respect of prior year	140,129	(35,983)
Company's share of post-tax income of associate	(43,555)	-
	<hr/>	<hr/>
Total tax charge for the year	£2,158,555	£1,740,778
	<hr/>	<hr/>

**9. Dividends**

	<b>2020</b>	<b>2019</b>
Dividend paid	£-	£1,000,000
	<hr/>	<hr/>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**10. Intangible Fixed Assets**

<b>Group</b>				
<b>Cost</b>	<b>Goodwill</b>	<b>Brand websites</b>	<b>Purchased Brand</b>	<b>Total</b>
At 1 April 2019	1,976,297	110,888	150,000	2,237,185
Additions	14,081,743	-	-	14,081,743
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	16,058,040	110,888	150,000	16,318,928
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>				
At 1 April 2019	1,976,297	110,888	150,000	2,237,185
Charged during the year	2,816,349	-	-	2,816,349
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	4,792,646	110,888	150,000	5,053,534
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31 March 2020	£11,265,395	£ -	£ -	£11,265,395
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	£ -	£ -	£ -	£ -
	<hr/>	<hr/>	<hr/>	<hr/>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. Tangible Fixed Assets**

<b>Group</b>	<b>Short Leasehold property</b>	<b>Leasehold improvements</b>	<b>Computer hardware</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Cost</b>					
At 1 April 2019	2,192,408	49,599	2,316,561	1,738,213	6,296,781
On acquisition of subsidiary undertakings	-	-	75,939	-	75,939
Additions	-	-	410,529	100,502	511,031
Disposals	(420,931)	-	-	-	(420,931)
At 31 March 2020	1,771,477	49,599	2,803,029	1,838,715	6,462,820
<b>Depreciation</b>					
At 1 April 2019	1,609,578	43,885	1,614,362	1,536,712	4,804,537
Charged during the year	345,006	-	461,695	154,216	960,917
Disposals	(420,931)	-	-	-	(420,931)
At 31 March 2020	1,533,653	43,885	2,076,057	1,690,928	5,344,523
<b>Net Book Value</b>					
At 31 March 2020	£237,824	£5,714	£726,972	£147,787	£1,118,297
At 31 March 2019	£582,830	£5,714	£702,199	£201,501	£1,492,244
<b>Company</b>	<b>Short Leasehold property</b>	<b>Leasehold improvements</b>	<b>Computer hardware</b>	<b>Furniture and equipment</b>	<b>Total</b>
<b>Cost</b>					
At 1 April 2019	120,000	49,599	193,175	433,774	796,548
Additions	-	-	38,067	1,815	39,882
At 31 March 2020	120,000	49,599	231,242	435,589	836,430
<b>Depreciation</b>					
At 1 April 2019	120,000	43,885	188,408	410,037	762,330
Charged during the year	-	-	24,340	22,801	47,141
At 31 March 2020	120,000	43,885	212,748	432,838	809,471
<b>Net Book Value</b>					
At 31 March 2020	£ -	£5,714	£18,494	£2,751	£26,959
At 31 March 2019	£ -	£5,714	£4,767	£23,737	£34,218

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Fixed Asset Investments**

**Company**

<b>Cost</b>	<b>Subsidiary undertaking</b>
At 1 April 2019	1,900,029
Additions	18,676,280
	<hr/>
At 31 March 2020	20,576,309
	<hr/>
<b>Impairment</b>	
At 1 April 2019	-
Impairment	-
	<hr/>
At 31 March 2020	-
	<hr/>
<b>Net Book Value</b>	
At 31 March 2020	£20,576,309
	<hr/>
At 31 March 2019	£1,900,029
	<hr/>

**Associate Undertaking**

<b>Cost</b>	<b>Shares in Associate</b>	<b>Loan to Associate</b>	<b>Total</b>
Additions	8,036	3,567,264	3,575,300
	<hr/>	<hr/>	<hr/>
At 31 March 2020	8,036	3,567,264	3,575,300
	<hr/>	<hr/>	<hr/>
<b>Impairment</b>			
Impairment	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 March 2020	8,036	3,567,264	£3,575,300
	<hr/>	<hr/>	<hr/>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Fixed Asset Investments (continued)**

**Acquisition of Subsidiary Undertakings**

On 1 April 2019, the Group acquired 100% of the issued share capital of Citybond Holding Ltd, a company incorporated in the United Kingdom.

On 5 December 2019, the Group acquired 100% of the issued share capital of DogTag Ltd, a company incorporated in the United Kingdom.

	<b>Citybond Holding Ltd</b>	<b>Dogtag Ltd</b>
<b>Fixed Assets</b>		
Tangible	75,939	-
Investments	2	-
<b>Current Assets</b>		
Debtors	900,396	8,077
Cash	5,313,383	181,208
<b>Current Liabilities</b>		
Creditors	(997,009)	(160,705)
<b>Net Assets</b>	<b>£4,594,538</b>	<b>£28,580</b>
<b>Goodwill</b>	<b>£12,460,163</b>	<b>£1,621,580</b>
	<b>£17,054,701</b>	<b>£1,650,160</b>
<b>Satisfied by:</b>		
Cash	13,624,701	1,010,160
Deferred consideration	3,430,000	640,000
	<b>£17,054,701</b>	<b>£1,650,160</b>

At the time of acquisition the above book values of the assets acquired were equal to their Fair Value.

For the year ending 31 March 2020, the acquisitions contributed £4M to Group turnover.

**CSP HOLDING LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020****12. Fixed Asset Investments (continued)****Investment in Associate Company**

The carrying value of the Group's investment in associated undertakings was as follows:

<b>Group</b>	<b>2020</b>
Share of fair value of assets and liabilities at date of acquisition	4,990,500
Share of negative goodwill arising at acquisition	(1,415,200)
Share of result since acquisition	229,238
	<hr/>
At 31 March 2020	£3,804,538
	<hr/>

During the year the Group acquired a 50% interest in CSPIM Limited, a company registered in Ireland. CSPIM acquired a 100% interest in White Horse Insurance Ireland dac (WHI), an authorised Irish insurer on 24 February 2020 for a total consideration of £7,470,983, including acquisition costs of £198,073. The only fair value adjustment needed at the date of acquisition was in the amount of £2,492,000 in respect of an increase in the booked technical insurance liabilities.

The fair value of the assets and liabilities of WHI at the date of acquisition were:

Net assets	9,981,000
Negative (Positive) goodwill	(2,510,017)
	<hr/>
	£7,470,983
	<hr/>

**Satisfied by:**

Cash	£7,198,073
Deferred Consideration	£272,910
	<hr/>

The Group holds a 50% interest in CSPIM and its subsidiary WHI. The investment is being accounted for using the equity method.

**Company**

Cost of investment in CSPIM	8,036
Loan to CSPIM	3,567,264
	<hr/>
	£3,575,300
	<hr/>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Fixed Asset Investments (continued)**

The Company's subsidiaries at 31 March 2020 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
Citybond Holdings Ltd	Intermediary	Ordinary	-	100
DogTag 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 2020

### 12. Fixed Asset Investments (continued)

The Company's associates, all of which are registered in Ireland, at 31 March 2020 are:

Name	Nature of business	Class	Shares held %	
			Indirectly	Directly
CSPIM Ltd	Holding Company	Ordinary	-	50
White Horse Insurance Ireland dac	Insurance Company	Ordinary	50	-
White Horse Administration Services Ltd	Intermediary	Ordinary	50	-

All fixed asset investments are registered in England and Wales unless otherwise stated.

13. Debtors	2020	2019	2020	2019
	Group		Company	
Insurance debtors	29,689,683	18,025,049	-	-
Other debtors	4,018,044	1,959,546	1,413,454	992,171
Prepayments and accrued income	940,142	877,514	69,683	311,332
Amounts owed by group undertakings	-	-	457,833	1,141,271
	<u>£34,647,869</u>	<u>£20,862,109</u>	<u>£1,940,970</u>	<u>£2,444,774</u>

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

### 14. Cash and cash equivalents

	2020	2019
	Group	
Cash at bank and in hand	<u>£40,367,114</u>	<u>£49,997,440</u>

Cash at bank and in hand includes £22,357,713 (2019 - £27,150,345) held in bank accounts which are not available to the Group for working capital purposes.



**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**15. Creditors: amounts falling due within  
one year**

	2020	2019	2020	2019
	Group		Company	
Insurance creditors	46,569,835	37,546,013	-	-
Corporation tax	352,178	419,525	-	-
Other taxes and social security	441,776	501,881	119,776	269,496
Accruals and deferred income	4,094,356	1,718,023	806,657	1,219,944
Other creditors	4,842,452	2,196,318	4,077,931	4,521
	<u>£56,300,597</u>	<u>£42,381,760</u>	<u>£5,004,364</u>	<u>£1,493,961</u>

**16. Provisions**

	2020	2019	2020	2019
	Group		Company	
<b>Dilapidations</b>				
As at 1 April	1,738,908	1,390,876	120,000	120,000
Additions	-	348,032	-	-
Disposals	(420,931)	-	-	-
	<u>£1,317,977</u>	<u>£1,738,908</u>	<u>£120,000</u>	<u>£120,000</u>

**17. Financial instruments**

	2020	2019	2020	2019
	Group		Company	
<b>Financial assets</b>				
Financial assets measured at amortised cost	74,074,842	69,982,629	1,957,231	8,126,385
	<u>£74,074,842</u>	<u>£69,982,629</u>	<u>£1,957,231</u>	<u>£8,126,385</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	Group		Company	
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	51,412,287	39,742,331	4,077,931	4,521
	<u>£51,412,287</u>	<u>£39,742,331</u>	<u>£4,077,931</u>	<u>£4,521</u>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

<b>18. Share Capital</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Number		Allotted, called-up and fully paid	
Ordinary shares of £1 each	448,874	448,874	£448,874	£448,874

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

**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:

<b>Group</b>	<b>2020</b>	<b>2019</b>
Payments due:	Land and buildings	
Not later than 1 year	768,526	869,654
Later than 1 year and not later than 5 years	5,417,975	1,140,180
Later than 5 years	1,283,339	-
	<u>£7,469,840</u>	<u>£2,009,834</u>

**CSP HOLDING LIMITED**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**20. Operating Lease Commitments (continued)**

<b>Company</b>	<b>2020</b>	<b>2019</b>
Payments due:		Land and buildings
Not later than 1 year	-	111,796
Later than 1 year and not later than 5 years	3,064,896	-
Later than 5 years	1,213,188	-
	<hr/>	<hr/>
	£4,278,084	£111,796
	<hr/>	<hr/>

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

	<b>2020</b>	<b>2019</b>
Operating profit	7,179,277	9,426,444
Depreciation charges	540,172	997,009
Amortisation of intangible assets	2,816,349	66,743
(Increase) / decrease in debtors	(13,777,726)	1,766,734
Increase / (decrease) in creditors	9,189,522	(6,475,784)
	<hr/>	<hr/>
<b>Net Cash Inflow from Operating Activities</b>	<b>£5,947,594</b>	<b>£5,781,146</b>
	<hr/>	<hr/>

**22. 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 (2019: £30,000), the amount owed to The Davidson Partnership Limited at the year-end is £6,250 (2019: £6,250). Mr K M Davidson is a Director of The Davidson Partnership Limited.

St Clare Underwriting Agency Limited owed to Crispin Speers and Partners Limited at the year-end £108,326 (2019: £108,326).

Acumen Insurance Services Limited owed to Crispin Speers and Partners Limited at the year-end £10,641 (2019: £20,341).

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

	<b>2020</b>	<b>2019</b>
J C Speers	£ -	£453,116
D Stirling	£ -	£428,842
R Rupal	£ -	£53,556
P J Hayman	£ -	£24,385

**23. Controlling Party**

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