LORICA INSURANCE BROKERS HOLDINGS LIMITED

Report and Financial Statements

for the year ended 31 March 2016

Company Registration No. 04878623

CONTENTS

Directors and Professional Advisers

Directors

The directors at the date of this report were as follows:

Mr B J Clements
Mr C D Marelli
Mr S Puttnam (appointed 9 September 2016)

Company Secretary

The company secretary is Mr B J Clements.

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square,
29 Wellington Street,
Leeds LS1 4DL

Principal Lawyers
Clark Holt Commercial Solicitors
Hardwick House
Prospect Place
Swindon SN1 3LJ

Registered Office
Clark Holt Commercial Solicitors
Hardwick House
Prospect Place
Swindon SN1 3LJ

Country of Incorporation
Incorporated in the United Kingdom

Company Registration Number

04878623

Strategic Report

The directors present their strategic report on the company for the year ended 31 March 2016.

Review of the business

Principal Activities
The principal activity of the company is that of a holding company and investment in predominantly commercial insurance brokers within the UK. The trading entity within the Group is Lorica Insurance Brokers Limited ("LIBL"), of which Lorica Insurance Brokers Holdings Limited is the immediate parent.

LIBL provides for the complete non-life insurance needs of organisations of all sizes in a broad variety of sectors, with particular strength in Leisure & Hospitality, Property Owners, Motor Trade, Technology and Management Liability.

Business Environment
In common with all insurance broking businesses, Lorica is exposed to the insurance and economic cycles. Action to mitigate any negative impact is achieved through monitoring of performance combined with an ongoing focus on client and insurer relationships, within a supporting and robust cost control framework.

Business Model
LIBL has pursued a consistent business model for some years. Steady growth in premium and income has been achieved through the recruitment of experienced account executives; the detailed monitoring of results at individual and branch level; taking remedial action on poor performance where appropriate.

New account executives are expected to generate a net cost to the business in their first year; moving into profit in the subsequent two years. As a direct consequence of the year on year account executive recruitment drive of the past few years LIBL has experienced planned trading losses. New offices are opened only where opportunities of staff and business warrant and which are projected to be profitable in the medium term. Losses will continue for as long as new investment exceeds growth on maturing investments, although trading losses are steadily reducing as the size of the residual business increases. This model has proved more successful than achieving growth through acquiring whole businesses.

Review of Activity
LIBL achieves over 90% client renewal rates through maintaining good relationships with clients and providing a high quality and responsive service.

In the year ended 31 March 2016 income increased + 8.9%, continuing the trend of steady growth achieved in each of the last five years, over which time income has grown by 100%.

Account executive and related support staff numbers continued to increase in the year ended 31 March 2016 with total staff at the financial year end increasing from 141 to 158.

LIBL operates through a network of branch offices located around England and Wales. During the year under review two further offices were opened, in Bournemouth and South Wales, taking the total to ten. LIBL continued to recruit additional account executives at existing locations, assisting in the acquisition of additional business, including in targeted industry sectors.

Strategic Report (continued)

Financial Results of the trading subsidiary LIBL
The results for year ended 31 March 2015 have been restated as a consequence of adoption of FRS 102. Year on year comparisons are therefore all stated on an FRS 102 basis.

Measurement of premiums and income as headline results are supported by detailed monitoring of key performance indicators and trends including turnover, new business, renewal rates, costs, profit and staffing, at individual and business unit levels.

Turnover increased from £12.2m in the year ended 31 March 2015 to £13.2m in the year ended 31 March 2016 as a result of modest growth generated by existing staff and continued investment in new staff.

	2015-16	**2014-15**
Increase in turnover:	+ 8.9%	+10.0%

Overheads are regularly reviewed to ensure the cost base remains appropriate to income levels as the business expands. Increased administration costs are directly attributable to the continued cost of new staff investment. Excluding interest and tax, LIBL costs increased from £15.4m in the year ended 31 March 2015 to £15.7m in the year ended 31 March 2016. The increase was attributable to staffing, rent and associated costs of the two new branch offices.

	2015-16	**2014-15**
Increase in Costs:	+ 2.1%	+ 1.5%

In the year to 31 March 2016, £110k was spent on the purchase of fixed assets and software development. The net value of fixed assets, excluding goodwill, increased by £531k to £728k. Most of the increase was attributable to the recognition of the new Acturis broking system as an asset, following its completion.

Financial Results of the company
The application of FRS 102 accounting policies has not resulted in any restatement of the results reported for the year ended 31 March 2015.

The company does not earn any income. The principle cost is interest payable on the loans provided by the parent company Lorica Insurance Brokers Group Limited. Total interest charged in the year ended 31 March 2016 was £2.1m (2015: £1.6m) on loans that totalled £30.8m at 31 March 2016 (2015: £27.3m).

In the year ended 31 March 2016, total shareholders' deficit increased by £1.7m to £5.6m. The movement arose from the current year loss after tax of £1.7m (2015: Loss of £1.2m) after a tax on loss on ordinary activities of £0.4m (2015: £0.2m).

The directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: £nil).

Strategic Report (continued)

Principal Risks and Uncertainties
All risks and uncertainties sit with the trading subsidiary, LIBL. LIBL is not a risk carrier and only acts in placing risks with underwriters. Risks are only placed with underwriters that meet the security requirements dictated by the Board of LIBL, as recommended by LIBL's Security Committee.

The principal risks that the business faces in terms of business impact are:-

- Risk of regulatory failure;
- Significant regulatory change leading to either increased cost burden or reduced income opportunity;
- Competitive and market forces;
- Loss of key staff;
- Financial risk, specifically cash flow risk and liquidity risk.

Regulatory risk
All regulatory risk sits with the trading subsidiary, LIBL. LIBL is regulated by the Financial Conduct Authority (FCA) and its policy is to view regulation as integral to ensuring that it delivers highest quality advice and excellence in customer service. Regulation is therefore an established part of the Group's business processes which facilitates delivery of a first-rate quality compliant customer experience.

As required by the FCA LIBL has an appropriate risk framework in place which is regularly reviewed and mitigating actions implemented. Regulatory changes are continually monitored and the impact assessed on our business.

Competitive and market risk
All competitive and market risks sit with the trading subsidiary, LIBL. Performance is monitored at branches and across the total LIBL Company. LIBL monitors all aspects of the business, including new business, policy retention and loss ratios to identify both threats and opportunities. Our investment in the Acturis system has improved the quality and timeliness of reporting. Through regular contact with clients and insurers and ensuring excellent and responsive customer service, the Company seeks to maximise policy retention.

Risk of loss of key staff
The principle risk to the Group arises from loss of existing business to competitors. The Group minimises the likelihood of and impact on the business of loss of key staff through shareholder agreements and contracts of employment.

Financial risk management
Liquidity risk in the event cash may not be available to pay obligations when due is managed by the Group, forecasting cash requirements and ensuring that appropriate banking and parent loan facilities are in place.

Exposure to overall risk is monitored by the Board, supported by a central compliance team to ensure the risk environment remains at an acceptable level. An ongoing meticulous programme of continuous training and development acts as a cornerstone and is central to the culture of our business.

On behalf of the Board

Mr C Marelli
Director

21 December 2016

Directors' Report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2016.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Primary Group Limited and its subsidiary Primary Group (UK) Limited. The directors have received written confirmation from Primary Group (UK) Limited that it will not demand repayment of any inter group loans within the next 12 months unless the Company is in a position to repay. The directors are comfortable that the Company will have sufficient resources to continue as a going concern.

Future Developments

The loans arranged between the Company and immediate parent, Lorica Insurance Brokers Group Limited and in turn with Primary Group (UK) Limited have been renewed and revised, with a consequent reduction in the rates and amount of interest payable.

Trading subsidiary, LIBL plans to continue the steady growth in income through existing sales staff and selective recruitment of additional experienced account executives. Costs will be tightly controlled and maintained at no higher than the current level. The directors expect in the next two years to steadily reduce the loss reported by LIBL.

Dividend

The directors do not recommend payment of a dividend for the year ended 31 March 2016 (2015: £nil).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Mr M D Bray (resigned 9 September 2016)
Mr B J Clements
Mr C D Marelli
Mr S Puttnam (appointed 9 September 2016)

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The Company has elected to dispense with holding an Annual General Meeting and reappoint auditors annually. Accordingly, PricewaterhouseCoopers LLP, having indicated their willingness to do so, will continue as the company's auditors.

On behalf of the Board

C. Marelli

Mr C Marelli
Director

21 December 2016

Independent auditors' report to the members of Lorica Insurance Brokers Holdings Limited

Report on the financial statements

Our Opinion

In our opinion, Lorica Insurance Brokers Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2016;
- the statement of changes in equity for the year then ended;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Lorica Insurance Brokers Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
21 December 2016

Profit and Loss Account
for the year ended 31 March 2016

	Note	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Administrative expenses		(2,058)	(119,617)
Operating loss		(2,058)	(119,617)
Interest payable and similar charges	4	(2,059,868)	(1,585,238)
Loss on ordinary activities before taxation	3	(2,061,926)	(1,704,855)
Dividend Income	5	-	376,587
Loss before taxation		(2,061,926)	(1,328,268)
Tax on loss on ordinary activities	6	355,999	152,621
Loss for the financial year	13	(1,705,927)	(1,175,647)
Other comprehensive income for the year		-	-
Total comprehensive expense for the year, net of tax		(1,705,927)	(1,175,647)

All activities derive from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical costs equivalents.

There are no recognised gains or losses, other than those reflected in the loss for the financial years. Accordingly, no statement of total recognised gains and losses is given.

The notes to the financial statements on pages 9 to 15 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2016

	Notes	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
Balance as at 1 April 2014	13	1,000,000	(3,712,099)	(2,712,099)
Loss for the financial year		-	(1,175,647)	(1,175,647)
Total comprehensive expense for the year		-	(1,175,647)	(1,175,647)
Balance as at 31 March 2015		1,000,000	(4,887,746)	(3,887,746)
Balance as at 1 April 2015	**13**	**1,000,000**	**(4,887,746)**	**(3,887,746)**
Loss for the financial year		-	(1,705,927)	(1,705,927)
Total comprehensive expense for the year		-	(1,705,927)	(1,705,927)
Balance as at 31 March 2016		**1,000,000**	**(6,593,673)**	**(5,593,673)**

The notes to the financial statements on pages 9 to 15 form an integral part of these financial statements.

Balance Sheet
as at 31 March 2016

	Note	31 March 2016 £	31 March 2015 £
Fixed assets			
Investments	8	21,858,477	20,658,480
Current assets			
Debtors	9	3,383,581	2,740,954
Creditors: amounts falling due within one year	10	(30,835,731)	(27,287,180)
Net current liabilities		(27,452,150)	(24,546,226)
Net liabilities		(5,593,673)	(3,887,746)
Capital and reserves			
Called up share capital	11	1,000,000	1,000,000
Profit and loss account		(6,593,673)	(4,887,746)
Total shareholders' deficit	13	(5,593,673)	(3,887,746)

The notes to the financial statements on pages 9 to 15 form an integral part of these financial statements.

The financial statements on pages 6 to 15 were approved by the Board of directors on 21 December 2016 and signed on its behalf by Mr C Marelli.

Mr C Marelli
Director

21 December 2016

Lorica Insurance Brokers Holdings Limited
Company Registration No. 04878623

Notes to the financial statements for the year ended 31 March 2016

1. Statement of compliance

The financial statements of Lorica Insurance Brokers Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. Accounting policies

Basis of accounting

The company is a private company limited by shares and is incorporated in England. The address of its principal office is Hemel One, Boundary Way, Hemel Hempstead, HP2 7YU. These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Going concern

The balance sheet shows net current liabilities of £27,452,150 (2015: £24,546,226) including net amounts due to group undertakings of £27,452,150 (2015: £24,546,226). The directors, having received written confirmation from Primary Group (UK) Limited that it will not demand repayment of any inter group loans within the next 12 months unless the company is in a position to repay, are comfortable that the Company will have sufficient resources to continue as a going concern.

Consolidation

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Investments

The directors consider the value of the investments to be supported by their underlying assets. Investments held as fixed assets are stated at cost less provisions for any impairment. The directors perform an annual review to assess the value of investments and to determine if a provision for impairment may be necessary.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Lorica Insurance Brokers Group Limited and is included in the consolidated financial statements of Lorica Insurance Brokers Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemptions under the terms of FRS 102 Paragraph 1.12 from preparing a cash flow statement and from disclosing related party transactions with entities that are part of the Primary Group Limited group.

Notes to the financial statements for the year ended 31 March 2016 (continued)

3. Loss on ordinary activities before Taxation

The auditors' remuneration of £2,000 (2015: £2,000) for the year has been borne by Lorica Insurance Brokers Limited.

4. Interest payable and similar charges

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Interest payable on intercompany loans (see Note 10)	2,059,868	1,585,238

5. Dividend income

No dividend income was earned in the year ended 31 March 2016. Dividend income in the year ended 31 March 2015 of £376,587 was earned from the Company's former subsidiary, The Thompson Rudd Group Limited, prior to it being struck off.

6. Tax on loss on ordinary activities

(a) Analysis of Tax credit in the year

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Current tax		
Group relief and similar payments	(368,558)	(152,621)
Adjustment in respect of prior periods	12,559	-
Total tax credit for the year (note 6(b))	(355,999)	(152,621)

(b) Reconciliation of tax credit

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below (2015 restated):

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Loss on ordinary activities before taxation	(2,061,926)	(1,328,268)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(412,385)	(278,936)
Effects of:		
Expenses not deductible for tax purposes	43,904	-
Income not assessable	-	(37,141)
Unrecognised deferred tax	(77)	163,456
Adjustment in respect of prior periods	12,559	-
Total tax credit for the year (note 6(a))	(355,999)	(152,621)

Notes to the financial statements for the year ended 31 March 2016 (continued)

6. Tax on loss on ordinary activities (continued)

(c) Tax rate change

The tax rate for the current year is lower than the prior year due to changes in the main UK Corporation tax rate, which decreased from 21% to 20% from 1 April 2015.

Further reductions to the UK Corporation tax rate were substantively enacted as part of the Finance (No 2) Act 2015. These reduce the main rate to 19% from 1 April 2017 and 18% from 1 April 2020. The Finance Bill 2016 has proposed a further reduction to 17% in respect of the financial year beginning 1 April 2020. This latest reduction had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

The deferred tax assets and liabilities reflect the above rates that have been substantively enacted at the balance sheet date.

(d) Deferred Tax note

Deferred tax is calculated on temporary differences under the liability method using the tax rate of 18% (2015: 20%).

Deferred tax assets have been recognised to the extent that they are deemed more likely than not to be recovered, based on forecasts of future taxable profits, resulting in an asset of £0 (2015: £0) recognised at 18% (2015: 20%).

There is an unrecognised deferred tax asset of £256,936 (2015: £273,600) in respect of carried forward tax losses.

7. Directors and employees

The aggregate emoluments of the directors of the Lorica Insurance Brokers Holdings Limited borne by the Group during the year were as follows:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Emoluments	631,011	734,597
Contributions to money purchase pension schemes	29,250	32,293
Total emoluments	660,261	766,890

	Year ended 31 March 2016	Year ended 31 March 2015
Number of employees	Nil	Nil

The number of directors for the benefit of whom the Group made contributions to money purchase pension schemes during the year was 4.

No directors held share options at any time in the year.

Notes to the financial statements for the year ended 31 March 2016 (continued)

7. Directors and employees (continued)

The emoluments of the highest paid director of the Group for the year were as follows:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Emoluments	316,814	317,163
Contributions to money purchase pension schemes	15,045	15,045
Total emoluments	331,859	332,208

8. Investments

(a) Analysis of movement in value in the year

Cost		Shares in subsidiary undertakings £
At 1 April 2015		20,658,480
Write off remaining share capital of dormant subsidiary undertakings	(see Note 8(b))	(3)
Additions in the year		1,200,000
At 31 March 2016		21,858,477

Additions represent the subscriptions for 1,200,000 ordinary shares in Lorica Insurance Brokers Limited.

Additional information on principal subsidiary undertakings is as follows:

Company name	Class of shares held	Percentage of shares held	Country of incorporation	Nature of business
Lorica Insurance Brokers Limited	Ordinary	100%	United Kingdom	Insurance Broking

The directors believe that the carrying value of the investment is supported by the future profits that it is expected to generate. The subsidiary made a loss after tax of £1,167,136 in the year ended 31 March 2016; an improvement from £1,576,998 loss in the previous year.

(b) Capital reduction of subsidiaries

On 20 November 2015 an application was made to Companies House to strike off subsidiaries The Thompson Rudd Group Limited; Parkwood Sinclair Insurance Brokers Limited and Jobson James and Associates Limited. The remaining investment by Lorica Insurance Brokers Holdings Limited of £1 in each subsidiary was written off.

Notes to the financial statements for the year ended 31 March 2016 (continued)

9. Debtors

Debtors due within one year	31 March 2016 £	31 March 2015 £
Amounts owed by group undertakings	3,383,581	2,740,954
	3,383,581	2,740,954

All amounts are due within twelve months of the balance sheet date.

Amounts owed by group undertakings comprise a series of temporary loans or cash sweep agreements and are repayable on demand.

10. Creditors: amounts falling due within one year

	31 March 2016 £	31 March 2015 £
Amounts owed to group undertakings	30,835,731	27,287,180
	30,835,731	27,287,180

As at the year end amounts owed to Group undertakings are unsecured and repayable on demand.

11. Called up share capital

Allotted, issued & fully paid:

	31 March 2016	31 March 2015
Number of ordinary shares of £1 each	1,000,000	1,000,000

Allotted, issued & fully paid:	31 March 2016 £	31 March 2015 £
Value of ordinary shares of £1 each	1,000,000	1,000,000

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

Notes to the financial statements for the year ended 31 March 2016 (continued)

12. Ultimate holding company

The immediate parent company as at 31 March 2016 is Lorica Insurance Brokers Group Limited, a company incorporated in the United Kingdom.

The ultimate holding company at 31 March 2016 is Primary Group Limited, a company incorporated in Bermuda.

In the opinion of the directors, at the date of which the financial statements were approved, the ultimate controllers are the R&H Trust Co. Ltd as trustee of two trusts established in the Cayman Islands for the benefit of Mr P W H James and his family.

The largest group in which the results of the company are consolidated is that of which Primary Group Limited is the parent company.

The largest group in which the results of the Company are consolidated is that of Primary Group Limited. The smallest such group is that of which Lorica Insurance Brokers Group Limited is the parent company. The consolidated financial statements of Lorica Insurance Brokers Group Limited can be obtained from Hardwick House, Prospect Place, Swindon SN1 3LJ.

13. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2015. The changes in accounting policies implemented by the group had no impact on Lorica Insurance Brokers Holdings Limited and there is therefore no difference between UK GAAP previously reported and FRS 102.

(a) Profit and loss account

There was no adjustment to the loss for the financial year ended 31 March 2015 as a result of transition to FRS 102. The loss for the financial year ended 31 March 2015 remains at £1,175,647.

Notes to the financial statements for the year ended 31 March 2016 (continued)

13. Transition to FRS 102 (continued)

(b) Balance sheet

	At 1 April 2014			At 31 March 2015		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets						
Investments	18,802,742	-	18,802,742	20,658,480	-	20,658,480
	18,802,742	-	18,802,742	20,658,480	-	20,658,480
Current assets						
Debtors	943,115	-	943,115	2,740,954	-	2,740,954
	943,115	-	943,115	2,740,954	-	2,740,954
Creditors: amounts falling due within one year	(22,457,956)	-	(22,457,956)	(27,287,180)	-	(27,287,180)
Net current Liabilities	(21,514,841)	-	(21,514,841)	(24,546,226)	-	(24,546,226)
Total assets less current liabilities	(2,712,099)	-	(2,712,099)	(3,887,746)	-	(3,887,746)
Net liabilities	**(2,712,099)**	**-**	**(2,712,099)**	**(3,887,746)**	**-**	**(3,887,746)**
Capital and reserves						
Called up share capital	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Profit and loss account	(3,712,099)	-	(3,712,099)	(4,887,746)	-	(4,887,746)
Total shareholders' deficit	**(2,712,099)**	-	**(2,712,099)**	**(3,887,746)**	-	**(3,887,746)**

(c) Statement of changes in equity

	Year ended 31 March 2015		
	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£
Balance as at 1 April 2014	(2,712,099)	-	(2,712,099)
Loss for the financial year	(1,175,647)	-	(1,175,647)
Other comprehensive income for the year	-	-	-
Total comprehensive expense for the year	(1,175,647)	-	(1,175,647)
Balance as at 31 March 2015	(3,887,746)	-	(3,887,746)

The changes in accounting policies had no impact on Lorica Insurance Brokers Holdings Limited and there is therefore no difference between UK GAAP previously reported and FRS 102 for the company.