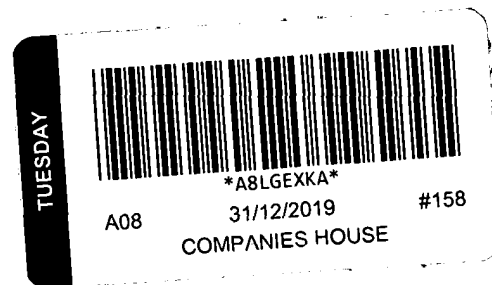


SHIELD IB HOLDINGS LIMITED

**Report and Financial Statements
for the year ended 31 March 2019**



Company Registration No. 04878623

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Directors and Professional Advisers

Director

The director at the date of this report was as follows:

Mr A C A Gribben

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

1 Adam Street
London WC2N 6LE

Country of Incorporation

Incorporated in the United Kingdom

Company Registration Number

04878623

Strategic Report

The director presents his strategic report together with the audited financial statements of the Company for the year ended 31 March 2019.

Review of the business**Principal Activities**

The principal activity of the Company was previously that of a holding company and investment in predominantly commercial insurance brokers within the UK. During the prior financial year, Lorica Insurance Brokers Limited ('LIBL'), which was the main trading entity within the group, was sold to a third party.

Business Model

Shield IB Holdings Limited is a non-trading company.

Financial Results of the company

The principal costs are administrative expenses.

In the year ended 31 March 2019, total shareholders' equity increased by £45,288 to £1,030,128 from £984,840 at 31 March 2018. The movement arose from the current year profit after tax of £45,288 (2018: loss of £6,204,143) after a tax credit on profit on ordinary activities of £48 (2018: £348,976).

The director does not recommend the payment of a dividend for the year ended 31 March 2019 (2018: £nil).

Principal Risks and Uncertainties

All risks and uncertainties formerly sat with the trading subsidiary, LIBL, which was disposed of by the Company in the prior financial year.

On behalf of the Board



Mr A C A Gribben
Director
20 December 2019

Director's Report

The director presents his director's report together with the audited financial statements of the company for the year ended 31 March 2019.

Going Concern

The balance sheet shows net current assets of £1,030,128 (2018: £984,840) including net amounts due from group undertakings of £1,031,378 (2018: £348,976). The director has reviewed whether the going concern basis of preparing the financial statements continues to remain appropriate and, further to this review, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has continued to be adopted in preparing the financial statements.

Directors

The director of the company who were in office during the year and up to the date of signing the financial statements was as follows:

Mr A C A Gribben

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's Report (continued)

Director's confirmations

In the case of each director in office at the date the director's report is approved:

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

(b) each director has taken all steps that they ought to have taken as a director in order to make themselves 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



Mr A C A Gribben
Director

20 December 2019

Independent auditors' report to the members of Shield IB Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Shield IB Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of director's responsibilities set out on pages 3 and 4, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting**Companies Act 2006 exception reporting**

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

We have no exceptions to report arising from this responsibility.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
24 December 2019

**Profit and Loss Account
for the year ended 31 March 2019**

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Loss on disposal of investment	9(b)	-	(5,722,666)
Administrative expenses		(8,911)	(208,292)
		<u>(8,911)</u>	<u>(5,930,958)</u>
Interest receivable and similar income	5	54,151	-
Interest payable and similar expenses	6	-	(622,161)
Profit/(loss) on ordinary activities before taxation	4	<u>45,240</u>	<u>(6,553,119)</u>
Tax on profit/(loss)	7	48	348,976
Profit/(loss) for the financial year		<u>45,288</u>	<u>(6,204,143)</u>
Other comprehensive income for the year		-	-
Total comprehensive income/(expense) for the year, net of tax		<u>45,288</u>	<u>(6,204,143)</u>

There is no material difference between the profit/(loss) before taxation and the profit/(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 profit/(loss) for the financial years. Accordingly, no statement of total recognised gains and losses is given.

The notes to the financial statements on pages 10 to 15 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2019

	Notes	Called up share capital	Profit and loss account	Total shareholders' equity
		£	£	£
Balance as at 1 April 2017		1,000,000	(7,704,108)	(6,704,108)
Loss for the financial year		-	(6,204,143)	(6,204,143)
Total comprehensive expense for the year		-	(6,204,143)	(6,204,143)
Share issue		13,893,091	-	13,893,091
Balance as at 31 March 2018		14,893,091	(13,908,251)	984,840
Balance as at 1 April 2018	11	14,893,091	(13,908,251)	984,840
Profit for the financial year		-	45,288	45,288
Total comprehensive income for the year		-	45,288	45,288
Balance as at 31 March 2019	11	14,893,091	(13,862,963)	1,030,128

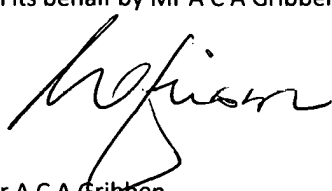
The notes to the financial statements on pages 10 to 15 form an integral part of these financial statements.

Balance Sheet
as at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Fixed assets			
Investments	9	-	-
Current assets			
Debtors	10	1,031,378	986,090
Creditors: amounts falling due within one year	11	(1,250)	(1,250)
Net current assets		1,030,128	984,840
Net assets		1,030,128	984,840
Capital and reserves			
Called up share capital	12	14,893,091	14,893,091
Profit and loss account		(13,862,963)	(13,908,251)
Total equity		1,030,128	984,840

The notes to the financial statements on pages 10 to 15 form an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the Board of directors on 20 December 2019 and signed on its behalf by Mr A C A Gribben.



Mr A C A Gribben
Director

20 December 2019

Shield IB Holdings Limited
Company Registration No. 04878623

Notes to the financial statements for the year ended 31 March 2019**1. Statement of Compliance**

The financial statements of Shield IB 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 registered office is 1 Adam Street, London, WC2N 6LE. 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 assets of £1,030,128 (2018: £984,840) including net amounts due from group undertakings of £1,031,378 (2018: £348,976). The director has reviewed whether the going concern basis of preparing the financial statements continues to remain appropriate and, further to this review, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has continued to be adopted in preparing the financial statements.

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 substantially 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.

Notes to the financial statements for the year ended 31 March 2019 (continued)**2. Accounting policies (continued)****Cash flow statement and related party transactions**

The Company is a wholly owned subsidiary of Shield IB Group Limited and is included in the consolidated financial statements of Shield IB 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.

3. Critical accounting judgement and estimation uncertainties

The Company makes estimates and assumptions concerning the future and these are regularly reviewed. There are currently no estimates used or that would be appropriate that differ from the existing accounting policies.

4. Profit/(loss) before Taxation

The auditors' remuneration of £1,250 (2018: £1,250) for the year has been borne by Primary Group (UK) Limited, a related party.

5. Interest receivable and similar income

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Interest receivable on intercompany loans		54,151	-

6. Interest payable and similar expenses

	Note	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Interest payable on intercompany loans		-	622,161

7. Tax on profit/(loss)**(a) Analysis of Tax credit in the year**

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Current tax		
Based on profit/(loss) for the year at 19% (2018: 19%):		
Group relief and similar payments	-	(113,171)
Adjustment in respect of prior periods	(48)	(235,805)
Total tax credit for the year (note 7(b))	(48)	(348,976)

Notes to the financial statements for the year ended 31 March 2019 (continued)**7. Tax on profit/(loss) (continued)****(b) Reconciliation of tax credit**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Profit/(loss) before taxation	45,240	(6,553,119)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	8,596	(1,245,093)
Effects of:		
Permanent differences	(4,149)	1,131,971
Unrecognised deferred tax	(4,447)	(49)
Adjustment in respect of previous years – current tax	(48)	(235,805)
Total tax credit for the year (note 7(a))	(48)	(348,976)

(c) Tax rate change

The main rate of corporation tax reduced to 19% from 1 April 2017. This change was substantively enacted as part of the Finance (No. 2) Act 2015.

The Finance Act 2016 further reduced the main rate to 17% from 1 April 2020.

The deferred tax assets and liabilities reflect the above substantively enacted rates as 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 17% (2018: 17%), being the rate based on the tax rates in the future periods when the assets will reverse.

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 (2018: £0) recognised at 17% (2018: 17%).

There is an unrecognised deferred tax asset of £96,019 (2018: £99,997) in respect of carried forward tax losses.

Notes to the financial statements for the year ended 31 March 2019 (continued)**8. Directors and employees**

The aggregate emoluments of the directors of Shield IB Holdings Limited borne by the Group during the year were as follows:

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Emoluments	-	560,267
Contributions to money purchase pension schemes	-	19,433
Other pension contributions	-	54,817
Total emoluments	-	634,517
	Year ended 31 March 2019	Year ended 31 March 2018
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 nil.

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

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

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Emoluments	-	266,755
Contributions to money purchase pension schemes	-	9,167
Total emoluments	-	275,922

Notes to the financial statements for the year ended 31 March 2019 (continued)**9. Investments****Loss on disposal of investment**

In the prior financial year the Company disposed of its 100% interest in Lorica Insurance Brokers Limited. The Company received cash consideration of £18,310,811. The carrying value of the investment at the date of disposal was £24,033,477, resulting in a loss on disposal of £5,722,666 being recognised in the profit and loss account before legal costs attributable to the disposal.

10. Debtors**Debtors due within one year**

	31 March 2019 £	31 March 2018 £
Amounts owed by group undertakings	1,031,378	348,976
Prepayments and accrued income	-	637,114
	<hr/> 1,031,378	<hr/> 986,090

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

11. Creditors: amounts falling due within one year

	31 March 2019 £	31 March 2018 £
Accruals and deferred income	1,250	1,250
	<hr/> 1,250	<hr/> 1,250

Notes to the financial statements for the year ended 31 March 2019 (continued)**12. Called up share capital****Allotted, issued & fully paid:**

	31 March 2019	31 March 2018
Number of ordinary shares of £1 each	14,893,091	14,893,091

Allotted, issued & fully paid:

	31 March 2019	31 March 2018
	£	£
Value of ordinary shares of £1 each	14,893,091	14,893,091

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

13. Ultimate holding company

The ultimate holding company is Primary Group Holdings 1 Limited, a company incorporated in Bermuda. The immediate parent company as at 31 March 2019 is Shield IB Group Limited, a company incorporated in the United Kingdom.

In the opinion of the director, at the date on which the financial statements were approved, the ultimate controlling party is Mr P W H James.

As at 31 March 2019, the largest group in which the results of the company are consolidated is that of which Primary Group Limited is the parent company. The registered address of Primary Group Limited is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The smallest such group is that of which Shield IB Group Limited is the parent company. The consolidated financial statements of Shield IB Group Limited can be obtained from Hardwick House, Prospect Place, Swindon, SN1 3LJ.