



Register

BELL & COMPANY

CHARTERED ACCOUNTANTS

CLARK THOMSON INSURANCE BROKERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

Company Registration No. SC173507 (Scotland)

THURSDAY



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17/12/2015

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COMPANIES HOUSE

Moray House, 39 St John Street, Perth PH1 5HQ

Telephone: 01738 632081 Fax: 01738 630989

Email: admin@bellandcompany.co.uk Website: www.bellandcompany.co.uk

Partners J H DEWAR CA N W FRASER BA CA C CARNEGIE FCCA K R ALEXANDER BA CA



CLARK THOMSON INSURANCE BROKERS LIMITED

COMPANY INFORMATION

Directors	I Bowie B J Bailey J Clark S M O'Reilly I G A Clark
Secretary	G A Coulter
Company number	SC173507
Registered office	24 Whitefriars Street Perth PH1 1PP
Auditors	Bell & Company Moray House 39 St John Street Perth PH1 5HQ
Business address	24 Whitefriars Street Perth PH1 1PP
Bankers	Clydesdale Bank 23 South Methven Street Perth PH1 5PQ
Solicitors	Commercial Legal Centre LLP 36 Tay Street Perth PH1 5TR

CLARK THOMSON INSURANCE BROKERS LIMITED

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CLARK THOMSON INSURANCE BROKERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The principal activity of the company is the provision of general insurance broking services.

Results and performance

The results of the company for the year, as set out on pages 8 to 9, show a profit on ordinary activities before tax of £1,934,584 (2014: £1,097,720). The shareholders' funds of the company total £9,087,967 (2014: £7,495,355).

The company has consolidated its position as one of the largest independent insurance brokers in Scotland producing excellent results in the 2015 financial year. The company has seen a significant increase in levels of new business driven by the effect of organic growth supported by acquisition growth in prior years and the effect of new income streams derived from retention of existing business. Initial indications for the forthcoming year are very encouraging.

Business environment

The insurance broking industry is highly competitive, particularly with the expansion in recent years of the availability of insurance offerings over the internet. The company maintains competitive by providing a consistently high level of service to its clients over and above that offered by its internet rivals.

Strategy

The company's business model is wholly designed to deliver excellent client service by ensuring all resources are organised and deployed to:

- Thoroughly understand our client needs and their business sector;
- Design insurance solutions with the best market, price and terms;
- Consistently deliver quality client service from local offices; and
- Ensure claims are settled fairly and paid quickly

The company's success is dependent on providing a consistently high level of service to its clients by treating our customers fairly, maintaining independent relationships with insurers, maintaining our commitment to continuously developing staff and maintaining our accreditation as a Chartered Insurance Broker, the industry's gold standard, confirming that we have satisfied rigorous requirements relating to continuous professional development and ethics.

The company will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing and target markets.

CLARK THOMSON INSURANCE BROKERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company and the compliance team and the company finance department take on an important oversight role in this regard.

The company has developed a framework for identifying the risks that the business is exposed to and their impact on economic capital. This process is risk based and uses Individual Capital Assessment principles to manage our capital requirements and to ensure we have the financial strength and capital adequacy to support the growth of the business and to meet the requirements of our clients, customers and regulators.

The principal risks from our insurance broking business arise from: our market - potential adverse impact on financial performance of a detrimental change to the competitive and/or economic environment; operating in a regulated environment - the implications of levy's or other financial penalties of a breach of FCA regulation and; our people - being the detrimental effect on client relationships of a loss in key personnel.

In addition the company is exposed to financial risks arising primarily from the investments that it holds. These risks are discussed in the section of this report dealing with financial instruments and risk management. Our insurance broking and underwriting strategies are approved by the Board and communicated clearly throughout the business through policy statements and guidelines.

Key performance indicators ('KPIs')

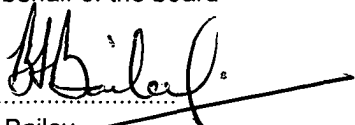
We have made significant progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the company by reference to the following KPI's:

	2015	2014
Operating profit as a percentage of sales	19.96%	12.60%
Profit before tax as a percentage of sales	20.09%	13.02%
Return on capital employed	13.31%	13.90%
Sales increase	14.22%	9.58%

Future events

Our implementation of change over the last three years has had the desired effect of both revenue and margin growth and plans are in place to ensure this continues as we move forward. The focus over the medium to long term is that we continue to invest in the business, particularly our people, with a view to strengthening organic growth and creating new and profitable income streams. Alongside this strategy, we will continue to seek out value-enhancing acquisitions.

On behalf of the board



B J Bailey

Director

7/12/15

CLARK THOMSON INSURANCE BROKERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Results and dividends

The results for the year are set out on page 8.

An interim dividend of £nil (2014 - 124.81p) per ordinary share, amounting to £nil (2014 - £1,000,000) was paid on 31 March 2015. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2014:

I Bowie	
B J Bailey	
J Clark	
K Westland	(Resigned 19 May 2015)
A Kelly	(Resigned 11 June 2015)
S M O'Reilly	
I G A Clark	

Charitable donations

2015	2014
£	£

During the year the company made the following payments:

Charitable donations	1,385	2,982
	<u> </u>	<u> </u>

CLARK THOMSON INSURANCE BROKERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Financial instruments

Financial risk management

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

The company's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the company's activities, and bank overdrafts, loans and corporate bonds, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the company enters into principally comprise forward exchange contracts. In accordance with the company's treasury policy, derivative instruments are not entered into for speculative purposes.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient funds available for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earns interest at fixed rate. The company has a policy of maintaining debt at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. In addition to this, when considering depositing funds with any financial institution pre-approval by the board of directors is required. Such approval takes into account any financial institution's rating and Financial Services Compensation Scheme membership. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board. Conversely, the same policies are in place where debt finance is utilised.

Auditors

The auditors, Bell & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CLARK THOMSON INSURANCE BROKERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

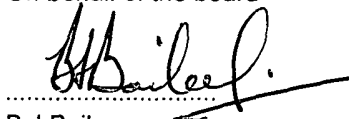
Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Other matters

Items required under Section 7 of Schedule 7 of the Large and Medium-sized Companies and Group (Accounts and Reporting Regulations) 2008 are disclosed in the Strategic Report in accordance with Section 414C(11) of the Companies Act 2006.

On behalf of the board



B J Bailey
Director

7/12/15

CLARK THOMSON INSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLARK THOMSON INSURANCE BROKERS LIMITED

We have audited the financial statements of Clark Thomson Insurance Brokers Limited for the year ended 31 March 2015 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

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

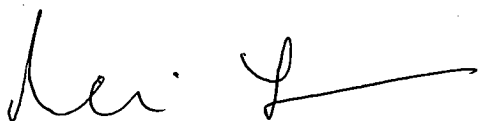
CLARK THOMSON INSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CLARK THOMSON INSURANCE BROKERS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Mr Neil Fraser BA CA (Senior Statutory Auditor)
for and on behalf of Bell & Company

11 December 2015

Chartered Accountants
Statutory Auditor

Moray House
39 St John Street
Perth
PH1 5HQ

CLARK THOMSON INSURANCE BROKERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	9,628,483	8,429,714
Administrative expenses		(7,930,221)	(7,406,502)
Other operating income		30,400	38,854
Operating profit	3	1,728,662	1,062,066
Investment income	4	-	4,323
Other interest receivable and similar income	4	2,949	31,331
Interest payable and similar charges	5	9,458	-
Profit on ordinary activities before taxation		1,741,069	1,097,720
Tax on profit on ordinary activities	6	(341,168)	(232,900)
Profit for the year	16	1,399,901	864,820

The profit and loss account has been prepared on the basis that all operations are continuing operations.

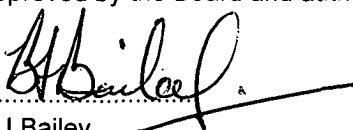
There are no recognised gains and losses other than those passing through the profit and loss account.

CLARK THOMSON INSURANCE BROKERS LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	8	4,967,514		4,962,514	
Tangible assets	9	396,862		220,872	
Investments	10	48,745		48,745	
		<u>5,413,121</u>		<u>5,232,131</u>	
Current assets					
Debtors	11	5,260,849		4,818,334	
Cash at bank and in hand		3,670,599		2,607,579	
		<u>8,931,448</u>		<u>7,425,913</u>	
Creditors: amounts falling due within one year	12	<u>(5,249,386)</u>		<u>(5,015,689)</u>	
Net current assets			3,682,062		2,410,224
Total assets less current liabilities			9,095,183		7,642,355
Provisions for liabilities	13		<u>(200,000)</u>		<u>(147,000)</u>
			<u>8,895,183</u>		<u>7,495,355</u>
Capital and reserves					
Called up share capital	15	801,200		801,200	
Profit and loss account	16	8,093,983		6,694,155	
Shareholders' funds	17	<u>8,895,183</u>		<u>7,495,355</u>	

Approved by the Board and authorised for issue on 7/12/15


B J Bailey
Director

Company Registration No. SC173507

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover and revenue recognition

Turnover represents insurance brokerage and fees received and is credited to the profit and loss account when the premium or fee is paid by the client, and profit share income which is credited to the profit and loss account when receivable.

1.4 Goodwill

Purchased goodwill has arisen on the acquisition of a number of businesses in the general insurance broking sector. In the opinion of the directors all purchased goodwill included in the financial statements has an indefinite life. These acquisitions have enabled the company to expand in new markets and have contributed to the value of the company which is, in the opinion of the directors, in excess of the shareholders' funds at the balance sheet date. As such, purchased goodwill is not being amortised. If goodwill had been amortised over 20 years, the amortisation charge for the year ended 31 March 2015 would have been £248,376 (2014 - £248,126) and the net book amount of goodwill at 31 March 2015 would have been £3,026,436 (2014 - £3,274,812).

In accordance with FRS 11 "Impairment of Fixed Assets and Goodwill", an impairment review at each balance sheet date is carried out and any impairment in the value of goodwill is charged to the profit and loss account.

1.5 Tangible fixed assets and depreciation

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

Computer equipment	33.33% per annum on a straight line basis
Fixtures, fittings and equipment	25% per annum on a reducing balance basis
Motor vehicles	33.33% per annum on a reducing balance basis

No depreciation has been charged on freehold buildings on the basis that their estimated residual values are not materially different from their carrying amounts at the balance sheet date. These assets are reviewed for impairment at each balance sheet date in accordance with FRS 11 "Impairment of Fixed Assets" and any adjustment is written off to the profit and loss account.

1.6 Leasing

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

1.7 Investments

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

1.8 Pensions

The company operates a defined contribution scheme for the benefit of the employees. In addition the company contributes to certain employees' own personal pension plans. Contributions payable by the company are charged to the profit and loss account in accordance with FRS 17 "Retirement Benefits".

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

(Continued)

1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the asset has been revalued to selling price. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured on a non-discounted basis.

1.10 Insurance broking debtors and creditors

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities in recognition of the fact that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions. Such cash is held in a client account separate from the general funds of the company.

1.11 Cash flow

The company is a wholly-owned subsidiary of Mountlodge Limited and is included in the consolidated financial statements of Mountlodge Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

2 Turnover

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

3 Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Depreciation of tangible assets	137,433	49,198
Operating lease rentals		
- Other assets	248,561	213,250
Auditors' remuneration	11,518	21,419

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

4	Investment income	2015 £	2014 £
	Income from fixed asset investments	-	4,323
	Bank interest	2,859	30,719
	Other interest	90	612
		<u>2,949</u>	<u>35,654</u>
		<u><u>2,949</u></u>	<u><u>35,654</u></u>
5	Interest payable	2015 £	2014 £
	On overdue tax	142	-
	Other interest	(9,600)	-
		<u>(9,458)</u>	<u>-</u>
		<u><u>(9,458)</u></u>	<u><u>-</u></u>

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

6	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	288,168	203,874
	Adjustment for prior years	-	1,526
	Total current tax	<u>288,168</u>	<u>205,400</u>
	Deferred tax		
	Charge for current year	53,000	27,500
		<u>341,168</u>	<u>232,900</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,741,069</u>	<u>1,097,720</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	<u>365,624</u>	<u>252,476</u>
	Effects of:		
	Non deductible expenses	(7,146)	13,624
	Depreciation add back	28,861	11,316
	Capital allowances	(69,707)	(60,770)
	Tax losses utilised	(29,464)	(11,778)
	Adjustments to previous periods	-	1,526
	Dividends and distributions received	-	(994)
		<u>(77,456)</u>	<u>(47,076)</u>
	Current tax charge for the year	<u>288,168</u>	<u>205,400</u>
7	Dividends	2015 £	2014 £
	Ordinary interim paid: 0 pence (2014 - 125 pence) per £1 share	<u>-</u>	<u>1,000,000</u>

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2014	4,962,514
Additions	5,000
	<u>4,967,514</u>
At 31 March 2015	<u>4,967,514</u>
Net book value	
At 31 March 2015	<u>4,967,514</u>
At 31 March 2014	<u>4,962,514</u>

In accordance with the accounting policy, purchased goodwill is not being amortised.

9 Tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2014	511,181	62,131	573,312
Additions	313,423	-	313,423
	<u>824,604</u>	<u>62,131</u>	<u>886,735</u>
At 31 March 2015	<u>824,604</u>	<u>62,131</u>	<u>886,735</u>
Depreciation			
At 1 April 2014	291,876	60,564	352,440
Charge for the year	136,911	522	137,433
	<u>428,787</u>	<u>61,086</u>	<u>489,873</u>
At 31 March 2015	<u>428,787</u>	<u>61,086</u>	<u>489,873</u>
Net book value			
At 31 March 2015	<u>395,817</u>	<u>1,045</u>	<u>396,862</u>
At 31 March 2014	<u>219,305</u>	<u>1,567</u>	<u>220,872</u>

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

10 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost			
At 1 April 2014 & at 31 March 2015	62,345	6,649	68,994
Provisions for diminution in value			
At 1 April 2014 & at 31 March 2015	18,657	1,592	20,249
Net book value			
At 31 March 2015	43,688	5,057	48,745
At 31 March 2014	43,688	5,057	48,745
	Market value	Directors' valuation	Total
	£	£	£
At 31 March 2015	71,026	5,057	76,083
At 31 March 2014	62,740	5,057	67,797

11 Debtors

	2015 £	2014 £
Trade debtors	2,216,645	2,262,658
Amounts owed by parent and fellow subsidiary undertakings	1,774,539	1,848,319
Other debtors	158,037	161,264
Prepayments and accrued income	1,111,628	546,093
	5,260,849	4,818,334

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

12 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	3,443,228	3,292,915
Corporation tax	128,168	64,481
Other taxes and social security costs	125,650	124,059
Other creditors	72,378	37,456
Accruals and deferred income	1,479,962	1,496,778
	<u>5,249,386</u>	<u>5,015,689</u>

13 Provisions for liabilities	Deferred tax liability £
Balance at 1 April 2014	147,000
Profit and loss account	53,000
Balance at 31 March 2015	<u>200,000</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>200,000</u>	<u>147,000</u>

14 Retirement Benefits

Defined contribution scheme

At the financial year end £31,628 (2014 - £26,562) of pension contributions were unpaid.

	2015 £	2014 £
Contributions payable by the company for the year	<u>396,469</u>	<u>360,251</u>

15 Share capital

Allotted, called up and fully paid

	2015 £	2014 £
801,200 Ordinary shares of £1 each	<u>801,200</u>	<u>801,200</u>

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

16 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 April 2014	6,694,082
Profit for the year	1,399,901
Balance at 31 March 2015	<u>8,093,983</u>

17 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	1,399,901	864,820
Dividends	-	(1,000,000)
Net addition to/(depletion in) shareholders' funds	<u>1,399,901</u>	<u>(135,180)</u>
Opening Shareholders' funds	7,495,355	7,630,535
Closing Shareholders' funds	<u>8,895,183</u>	<u>7,495,355</u>

18 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	-	-	40,699	29,194
Between two and five years	61,056	59,856	115,722	131,964
	<u>61,056</u>	<u>59,856</u>	<u>156,421</u>	<u>161,158</u>

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

19 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	476,283	418,774
Company pension contributions to defined contribution schemes	71,286	48,479
	<u>547,569</u>	<u>467,253</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2014 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	149,600	139,951
Company pension contributions to defined contribution schemes	37,392	20,625
	<u>187,000</u>	<u>160,576</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Sales and administration	<u>174</u>	<u>178</u>

Employment costs

	2015 £	2014 £
Wages and salaries	4,685,537	4,518,216
Social security costs	476,748	469,973
Other pension costs	396,469	360,251
	<u>5,558,754</u>	<u>5,348,440</u>

21 Control

The ultimate parent company is Mountlodge Limited, a company registered in Scotland.

Mountlodge Limited prepares group financial statements and copies can be obtained from 24 Whitefriars Street, Perth, PH1 1PP.

CLARK THOMSON INSURANCE BROKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

22 Related party relationships and transactions

Transactions with group companies and other related parties

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year the company paid £12,000 (2014 - £14,400) in respect of motor expenses, and received £nil (2014 - £2,500) in respect of accounts fees and received £3,358 (2014 - £1,201) in respect of costs re-charged to Clark Thomson and Company, a partnership under the control of J Clark, a director of the company and J Donnachie, a former director of the company. At the financial year end £34,098 (2014 - £37,456) was due to Clark Thomson and Company. The amount due is unsecured, interest free and has no repayment terms.

The company operates a loan with J & M R Clark, a partnership under the control of J Clark. There were no transactions in the year. At the balance sheet date the balance due to the company from the partnership amounted to £101,450 (2014 - £101,450). The loan, which is unsecured and has no repayment terms, is subject to interest at 2.5% per annum, however, no interest was received in the current financial year or comparative year.

At the financial year end the company was owed £52,318 (2014 - £52,318) by Poledeal Limited, a company controlled by J Clark. The balance owed from Poledeal Limited has been provided for in full as a doubtful debt (2014 - £52,318).

CLARK THOMSON INSURANCE BROKERS LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 MARCH 2015

(The following pages do not form part of the statutory financial statements)

CLARK THOMSON INSURANCE BROKERS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	£	2015 £	£	2014 £
Turnover				
Commission		9,064,660		8,281,692
Broking fees		563,823		148,022
		<u>9,628,483</u>		<u>8,429,714</u>
Administrative expenses		(7,930,221)		(7,406,502)
		<u>1,698,262</u>		<u>1,023,212</u>
Other operating income				
Rent received	14,200		13,504	
Management charge received	16,200		16,200	
Accounts fees	-		9,150	
		<u>30,400</u>		<u>38,854</u>
Operating profit		<u>1,728,662</u>		<u>1,062,066</u>
Other interest receivable and similar income				
Bank interest	2,859		30,719	
Other interest	90		212	
Interest on overpaid corporation tax	-		400	
		<u>2,949</u>		<u>31,331</u>
Income from investments				
Dividends received		-		4,323
Interest payable				
Interest on overdue taxation payable	142		-	
Other interest paid	(9,600)		-	
		<u>9,458</u>		<u>-</u>
Profit before taxation		<u><u>1,741,069</u></u>		<u><u>1,097,720</u></u>

CLARK THOMSON INSURANCE BROKERS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
Administrative expenses		
Salaries	4,237,327	4,128,060
Directors' remuneration	448,210	390,156
Employer's N.I. contributions	476,748	469,973
Directors' pension costs	71,286	48,479
Staff pension	325,183	311,772
Training and conference costs	54,256	25,049
Consultancy fees	66,462	40,096
Commission paid	120,907	149,854
Rent	180,975	143,884
Rates	107,655	98,774
Insurance	208,027	190,268
Heat and light	43,441	41,472
Cleaning	62,680	42,252
Repairs and renewals	18,853	16,473
Postage	101,264	93,365
Advertising	84,688	50,738
Printing and stationery	75,964	61,394
Telephone and fax	146,600	129,678
Computer maintenance	263,655	257,488
Contract hire costs	203,130	190,912
Leasing of equipment	34,192	16,557
Motor expenses	94,873	103,422
Travel and subsistence	49,892	48,239
Entertaining	63,673	54,537
Regulatory fees	46,865	51,222
Legal and other professional fees	23,690	22,626
Accountancy fees	-	1,032
Audit fees	11,518	21,419
Bank and credit card charges	42,447	29,416
Bad debts	12,802	12,489
Miscellaneous expenses	39,301	49,713
Donations	1,385	2,982
Subscriptions	45,198	40,733
Uninsured losses	29,641	22,780
Depreciation	137,433	49,198
	<u>7,930,221</u>	<u>7,406,502</u>