

Company Registration No. 08613882

GLOBAL RISK PARTNERS LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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GLOBAL RISK PARTNERS LIMITED

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GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

This strategic report has been prepared for the Global Risk Partners Limited Group ('the Group') as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

Key achievements

In the year to 31 March 2018, Global Risk Partners Limited ("GRP" or "the Company") continued its transformational growth trajectory. The implementation of GRP's stated "Buy / Build / Integrate" strategy has continued at pace with strong growth in the underlying businesses and in executing acquisitions.

The following are key highlights:

- Fifteen acquisitions were made in the year to 31 March 2018 with five further acquisitions made since the end of the financial year,
 - i) GRP is focused on the UK SME Insurance broker segment and its "Hub and Spoke" strategy saw significant development during the year.
 - ii) 3 regional retail hub businesses, with excellent reputations in their local markets, were acquired in the year - Greens (South East England), Alan and Thomas (South Central England) and County (North West England).
 - iii) In addition, the MGA division saw the acquisition of Camberford Law, a highly regarded Specialty MGA which complements GRP's current offering.
- Turnover in the year has increased by c.84% to £75.9m (2017: £41.2m), driven by acquisitions during the year and excellent underlying growth in the EBITDA of GRP's trading business. 2018/19 turnover will increase as the full year impact of these acquisitions flow through,
- Employee numbers have grown to more than 1,250 since the end of the financial year, and
- High quality third party financing has been put in place to extend GRP's capital base and facilitate further expansion.

As a result of the developments above, the Group is now the 17th largest insurance broker in the UK¹.

Overview

The Company is focused on a programme of growth through acquisition and integration of carefully selected brokers, managing general agents, portfolios and teams. A key tenet within the Company's strategy is to ensure that the key individuals in the larger businesses who are responsible for producing business, and who hold the key broker and client relationships, have an equity stake in the company in which they are employed. The Company considers this to be a powerful tool in ensuring the culture is characterised by an owner-driver philosophy.

The Company continues to develop a significant pipeline of acquisitions, and discussions are ongoing with a number of businesses which meet the Company's stringent acquisition criteria. Work continues to improve the operating margins of the underlying businesses and to integrate certain functions within each business. Central to GRP's business model is the *optimisation of client outcomes through the provision of compelling client focused propositions*.

¹Source: Insurance Times Top 50 Broker Survey 2018

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Acquisition update

The Company has acquired 34 businesses to date with 15 acquired in the financial year to 31 March 2018 and five businesses acquired after 31 March 2018. The businesses acquired since the last strategic report are as follows:

Greens Insurance* (Commercial and personal lines broker)	Bexhill based Greens Insurance is a leading retail broker within the South East of England, specialising in commercial and personal lines business.	June 2017
Collidge & Partners (Commercial lines broker)	Margate-based Collidge is a long-established brokerage that specialises in insuring narrowboats and canal boats in both the UK and in Europe. The business has merged into Greens Insurance.	June 2017
Colin Fear Insurance Services (Commercial and personal lines broker)	Colin Fear Insurance Services was established in 1989 and is a broker which serves its local market in the South West. The business has merged into Higos.	August 2017
Insurance Services West End (Commercial and personal lines broker)	ISWE is an independent retail broker based in Beckenham, London, specialising in property insurance, which services its local marketplace. The business has merged into Greens Insurance.	August 2017
ECS Insurance Brokers (Commercial and personal lines broker)	ECS, which is based in Sheffield, is a long established chartered insurance broker which has a strong presence in its local market. The business has merged into Marshall Wooldridge.	August 2017
Alan & Thomas Insurance* (Commercial lines broker)	Alan & Thomas is a Chartered Insurance commercial and private clients broker based in Poole, with regional offices in the South and South West and specialises in commercial insurance for businesses, organisations, charities and HNW individuals.	November 2017
Mellerups General Insurance (Commercial and personal lines broker)	Mellerups is a commercial and private clients insurance broker based in Dursley, Gloucestershire, with specialisms in farm and game shooting insurance. The business has merged into Higos.	November 2017
Commercial & General Insurance (Commercial lines broker)	Commercial & General Insurance is a commercial and private clients broker based in Ferndown, Dorset, specialising in insurance for flats. The business has merged into Alan & Thomas.	November 2017
Eclipse Insurance Services (Commercial and personal lines broker)	Eclipse is a general insurance commercial and private clients broker based in Whitstable. The business has merged into Greens Insurance.	December 2017
Anglo Hibernian Bloodstock (Bloodstock and equine broker)	Anglo Hibernian Bloodstock Insurance is a specialist bloodstock and equine broker based in Newmarket.	December 2017

* GRP Retail Hub Broker

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Acquisition update (continued)

GMM Commercial (Commercial lines broker)	GMM Commercial is a commercial broker based in Newton Abbot, with a specialism in the food and drink manufacturing arena. The business has merged into Higos.	January 2018
County Group* (Commercial and personal lines broker)	County Group is a major commercial and private clients broker in the North West of England, based in Crewe with 25 branch offices, offering a range of commercial and personal lines products.	January 2018
Country & Commercial (Commercial and personal lines broker)	Country & Commercial Insurance is a Preston based commercial broker specialising in agricultural classes of business.	January 2018
Camberford Law (Schemes MGA)	Camberford Law is a Bromley based MGA and Lloyd's Broker specialising in schemes and services to the commercial sector.	February 2018
Watkins Davies (Paignton Branch) (Commercial lines broker)	This branch acquisition of a South West SME broker which has merged into Higos.	March 2018

Transactions completed since 31 March 2018:

Thomas Sagar Insurance (Commercial and personal lines broker)	Thomas Sagar Insurance is a Burnley based Chartered Insurance broker offering a range of commercial and personal lines products.	April 2018
Guardian IB (Commercial lines broker)	Guardian IB is a Wigan based insurance broker specialising in commercial and courier insurance. The business will form part of the County Group.	July 2018
DCJ Group Insurance (Commercial and personal lines broker)	DCJ Group is an established insurance broker based in Chesterfield which transacts a range of commercial and personal lines products.	July 2018
Digney Grant Insurance Brokers (Commercial and personal lines broker)	Digney Grant is an established insurance broker based in Northern Ireland which transacts a range of commercial and personal lines products.	August 2018
U-Sure Insurance (Niche MGA specialising in property)	U-Sure is an underwriting agency providing specialist solutions in the UK property market - targeted at non-standard household risks.	September 2018

* GRP Retail Hub Broker

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

Business review

The Directors consider the outlook for the Group to be strong with an extensive pipeline of target business acquisitions coupled with steady growth projections for existing Group companies. The Group has a strong employee team with extensive industry experience.

Principal risks and uncertainties

Global Risk Partners Limited is the ultimate parent company for the Group. Management records the ongoing identification of risks and mitigating controls through its risk register, which is considered and updated at the regular Group Audit, Risk and Compliance Committee meetings. Mitigating controls are structured to bring risks within the Board's agreed risk appetite.

The Group is primarily exposed to the following risks:

Regulatory and compliance risk

There is the risk of financial loss or reputational impact through non-compliance with the relevant laws and regulations of the insurance intermediary sector. The Group manages this through an established control framework based on documented policies and procedures, compliance function monitoring and reporting, and ongoing monitoring at Board and Group Audit, Risk and Compliance Committee meetings.

Cashflow and liquidity risk

The Group is dependent on cash flows generated by its trading operations, which are in turn reliant on the premiums written by its subsidiaries and the commissions earned thereon. In addition, profit commissions are earned based on the underwriting results of the business written. The Group is therefore exposed to the cyclical nature of the insurance industry, both in terms of the size and performance of the market and in the lines which it writes.

The Group mitigates this risk by operating in niche, profitable lines, which are less subject to the cyclical nature of the wider market. The Group manages its business plans and cash flow forecasting to ensure that payments can be met when they fall due. In addition, the Group's activities expose it to the financial risks of changes in foreign currency exchange rates on insurance balances denominated in Euros and US Dollars and through changes in interest rates. To minimise the risk, foreign currency transactions are matched utilising foreign currency bank accounts. The Group regularly assesses foreign currency exposure and, where material, will endeavour to hedge as appropriate.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables with credit risk primarily attributable to its trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by International credit-rating agencies. There is no significant concentration of credit risk as the risks are spread over a number of customers.

Underwriting capacity risk

The Group is reliant on capacity providers to support its underwriting operations. Capacity is reliant not only upon the Group's own subsidiaries' underwriting performance, but also upon the capacity providers' wider performance. The Group mitigates this risk through the monitoring and management of the underwriting performance within the trading entities, and through proactive management of the relationships with our capacity providers.

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Principal risks and uncertainties (continued)

Underwriting capacity risk (continued)

The Group and its operations are exposed to potential changes of underwriting procedures and policy by its capacity providers, as the Group does not hold any capital risk. In addition, the underwriting performance does determine the value of profit commission received.

Litigation risk

There is the risk of litigation or legal action as a result of ongoing trading in subsidiaries. The Group manages this through a robust programme of controls across the Group commensurate to the size and nature of the business, based on the documented policies and procedures, combined with insurance.

Errors and Omissions Exposures

As a consequence of the business sector the Group operates in, claims alleging professional negligence may be made against the Group. Some of these may have a material adverse impact on the Group's profitability, cash and capital. The Group mitigates this risk by ensuring that it has in place robust and risk-based governance and operational policies and procedures, and that staff are competent for the roles they perform and have access to appropriate training and development. In addition, the Group has taken out Errors & Omissions insurance cover.

Economic Environment and Competition

We expect the current challenging economic circumstances and resulting competition will remain for the foreseeable future. A further softening of insurance and reinsurance rates given excess capacity in the market also has the potential to place further pressure on revenues. We mitigate the risk through our focus on pricing, service and product quality. The Group continues to monitor both regulatory and market developments and adapts its model to both threats and new opportunities.

Brexit Risk / Political Risk

On 23 June 2016 there was a referendum in the UK to consider the UK's continuing membership of the European Union ('the EU'). The outcome of this vote was a decision to leave the EU, and consequently, on 29 March 2017, the UK Government triggered Article 50 of the Treaty of Lisbon, giving formal notification of the UK's intention to withdraw from membership of the EU. The deadline for concluding the talks and leaving the EU has been set for 29 March 2019. At this time, we are not able to predict the impact that Article 50 will have on the UK. The implications of the exit from the EU are not clear but present both risks and opportunities. Whilst this may impact the Company's ability to operate in some European markets, with potential adverse impacts on company profitability and cash flow, there are also extensive growth opportunities.

Potential adverse impacts are likely to be realised over a period of years following an exit result and it is not anticipated that there will be any immediate regulatory or policy change.

GLOBAL RISK PARTNERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

Future developments and events after the balance sheet date

On 12 April 2018, the Group acquired 95% of the share capital Thomas Sagar Holdings (Accrington) Limited, a company incorporated in the United Kingdom. Thomas Sagar Insurance is a Burnley based Chartered insurance broker offering a range of commercial and personal lines products.

On 20 July 2018, the Group acquired 80% of the share capital of Guardian IB Limited, a Wigan based insurance broker specialising in commercial and courier insurance. This company is incorporated in the United Kingdom.

On 26 July 2018, the Group acquired 80% of the share capital of DCJ Insurance & Risk Management Limited. This company is incorporated in the United Kingdom.

On 1 August 2018, the Group merged Ropner Insurance Services Limited into Lonmar Global Risks Limited.

On 15 August 2018, the Group acquired 75% of the share capital of Digney Grant Limited, a company incorporated in the United Kingdom.

On 13 September 2018, the Group acquired 80% of the share capital of U-Sure Insurance Services Limited. This company is incorporated in the United Kingdom.

At the date of signing, the acquisition accounting for these acquisitions has not been finalised and a reliable estimate of the acquisition value can not be made.



David Margrett
Director

21 September 2018

GLOBAL RISK PARTNERS LIMITED
2nd Floor
50 Fenchurch Street
London
EC3M 3JY

GLOBAL RISK PARTNERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report on the affairs of Global Risk Partners Limited together with the financial statements and auditor's report, for the year ended 31 March 2018.

Review of the business, future developments, events after the balance sheet date and principal risks and uncertainties

The Company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in the directors' report. It has done so in respect of business activities, risk and future developments.

Results and dividends

The Group has reported a loss after taxation for the year of £(20,145,733) (2017: loss of £(11,285,889)).

The directors do not recommend the payment of a dividend (2017: £nil).

Going concern

The directors have a reasonable expectation that the Company and Group as a whole has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements.

Directors

The directors, who served during the year and to the date of this report, were as follows:

P Cullum

D Margrett

S Ross

S Scott

C Schrager Von Altshofen

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. Additional cover for the directors against personal financial exposure has been made under a directors' and officers' liability insurance policy.

Political Contributions

The Company made no political contributions during the year (2017: £nil).

GLOBAL RISK PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

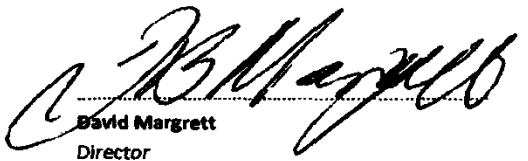
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP was appointed as auditor during the year. Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for Deloitte LLP to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



David Margrett
Director
21 September 2018

GLOBAL RISK PARTNERS LIMITED
2nd Floor
50 Fenchurch Street
London
EC3M 3JY

GLOBAL RISK PARTNERS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RISK PARTNERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Global Risk Partners Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 33.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RISK PARTNERS LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL RISK PARTNERS LIMITED

Matters on which we are required to report by exception

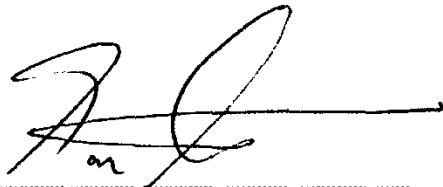
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mark McIlquham, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

21 September 2012

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Notes	£	£
Turnover	3	75,931,180	41,191,483
Other operating income	4	987,146	175,989
Administrative expenses before amortisation and impairment		<u>(66,755,529)</u>	<u>(39,381,470)</u>
Operating profit before amortisation and impairment of books of business and goodwill		10,162,797	1,986,002
Books of business amortisation		(9,033,357)	(3,044,351)
Goodwill amortisation and impairment		<u>(6,310,230)</u>	<u>(4,670,318)</u>
Operating loss		(5,180,790)	(5,728,667)
Fair value movement on forward exchange contracts		(203,579)	26,919
Finance costs (net)	5	(9,661,871)	(5,803,159)
Exceptional items	6	<u>(4,940,986)</u>	-
Loss before taxation	7	(19,987,226)	(11,504,907)
Taxation	10	(158,507)	219,018
Loss for the financial year		<u>(20,145,733)</u>	<u>(11,285,889)</u>
Loss for the year attributable to:			
Non-controlling interest		1,457,390	802,269
Equity shareholders of the company		(21,603,123)	(12,088,158)
		<u>(20,145,733)</u>	<u>(11,285,889)</u>

The Group has no comprehensive income other than the amounts recognised in the Profit and loss account above. Accordingly no Statement of Comprehensive Income has been presented. All amounts arise from continuing operations.

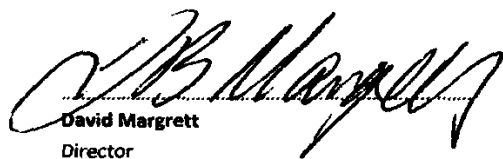
The Group has 82% shareholding in European Property Underwriting Limited and 80% in City of London Underwriting Agencies Limited but controls 100% of retained reserves. As such, the loss for the year attributable to non-controlling interests excludes these subsidiaries.

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2018

		2018	2017
	Notes	£	£
Fixed assets			
Goodwill	12	87,801,119	35,327,368
Other intangible assets	13	112,015,409	43,342,912
Total intangible assets		199,816,528	78,670,280
 Tangible assets	14	3,470,390	2,039,260
Investments	16	38,000	38,000
		203,324,918	80,747,540
Current assets			
Debtors due within one year	18	19,684,166	15,268,395
Debtors due after one year	18	3,552,114	1,483,760
Total debtors		23,236,280	16,752,155
Cash at bank and in hand	19	72,846,232	50,060,527
		96,082,512	66,812,682
 Creditors: amounts falling due within one year	20	(79,997,715)	(54,350,020)
 Net current assets		16,084,797	12,462,662
 Total assets less current liabilities		219,409,715	93,210,202
 Creditors: amounts due after one year	21	(177,828,350)	(86,509,224)
 Provisions for liabilities	22	(51,952,190)	(15,645,946)
 Net liabilities		(10,370,825)	(8,944,968)
Capital and reserves			
Called-up share capital	26	15,632	15,512
Share premium account		1,207,368	1,157,488
Put and call option		30,022,431	10,912,891
Profit and loss account		(45,719,842)	(24,116,719)
Other reserves		1,592,690	1,592,690
Shareholders' funds		(12,881,721)	(10,438,138)
 Non-controlling interest		2,510,896	1,493,170
 Total equity		(10,370,825)	(8,944,968)

The financial statements of Global Risk Partners Limited, registered number 08613882, were approved by the Board of Directors and authorised for issue on 21 September 2018. There were signed on its behalf by:


David Margrett
Director

GLOBAL RISK PARTNERS LIMITED

COMPANY BALANCE SHEET

AT 31 MARCH 2018

		2018	2017
	Notes	£	£
Fixed assets			
Intangible assets	15	1,469,846	42,525
Tangible assets	15	27,844	38,899
Investments in subsidiaries	16	1,173,000	1,173,000
		<u>2,670,690</u>	<u>1,254,424</u>
Current assets			
Debtors	18	9,591,444	4,699,877
Cash at bank and in hand	19	4,369,876	297,767
		<u>13,961,320</u>	<u>4,997,644</u>
Creditors: amounts falling due within one year	20	(26,880,571)	(13,512,809)
Net current assets		(12,919,251)	(8,515,165)
Total assets less current liabilities		(10,248,561)	(7,260,741)
Creditors: amounts due after one year		-	-
Provisions for liabilities		-	-
Net liabilities		<u>(10,248,561)</u>	<u>(7,260,741)</u>
Capital and reserves			
Called-up share capital	26	15,632	15,512
Share premium account		1,207,368	1,157,488
Profit and loss account		<u>(11,471,561)</u>	<u>(8,433,741)</u>
Shareholders' funds		<u>(10,248,561)</u>	<u>(7,260,741)</u>

The parent entity, Global Risk Partners Limited has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

The Company made a loss of £(3,037,820) for the year ended 31 March 2018 (2017: £(2,837,324)). The Company had no other comprehensive income.

The financial statements of Global Risk Partners Limited, registered number 08613882, were approved by the Board of Directors and authorised for issue on 21 September 2018. There were signed on its behalf by:


 David Margrett
 Director

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AT 31 MARCH 2018

	Called-up share capital	Share premium account	Other reserves	Non- controlling interest	Put and call option	Profit and loss account	Total
	£	£	£	£	£	£	£
As at 31 March 2016	15,512	1,157,488	1,592,690	1,070,509	2,005,621	(12,028,561)	(6,186,741)
Loss and total comprehensive Income for the year	-	-	-	802,269	-	(12,088,158)	(11,285,890)
Non-controlling interest: distribution to former shareholders	-	-	-	(47,610)	-	-	(47,610)
Put and call option	-	-	-	-	8,907,270	-	8,907,270
Dividends	-	-	-	(331,998)	-	-	(331,998)
As at 31 March 2017	15,512	1,157,488	1,592,690	1,493,170	10,912,891	(24,116,719)	(8,944,968)
Loss and total comprehensive Income for the year	-	-	-	1,457,390	-	(21,603,123)	(20,145,733)
Non-controlling interest: distribution to former shareholders	-	-	-	1,146,588	-	-	1,146,588
Issue/(redemption) of shares	120	49,880	-	-	-	-	50,000
Put and call option	-	-	-	-	19,109,540	-	19,109,540
Dividends	-	-	-	(1,586,251)	-	-	(1,586,251)
As at 31 March 2018	15,632	1,207,368	1,592,690	2,510,896	30,022,431	(45,719,842)	(10,370,825)

GLOBAL RISK PARTNERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

AT 31 MARCH 2018

	Called-up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
As at 31 March 2016	15,512	1,157,488	(5,596,417)	(4,423,417)
Loss and total comprehensive income for the year	-	-	(2,837,324)	(2,837,324)
As at 31 March 2017	15,512	1,157,488	(8,433,741)	(7,260,741)
Loss and total comprehensive income for the year	-	-	(3,037,820)	(3,037,820)
Issue/(redemption) of shares	120	49,880	-	50,000
As at 31 March 2018	15,632	1,207,368	(11,471,561)	(10,248,561)

GLOBAL RISK PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Cash generated from / (absorbed by) operations	27	(5,236,782)	409,538
Income tax paid		(1,291,711)	174,328
Net cash (outflow) / inflow from operating activities		(6,528,493)	583,866
Cash flows from investing activities			
Purchase of intangible assets		(2,247,361)	(1,238,595)
Purchase of tangible assets		(1,420,987)	(300,796)
Proceeds on disposal of tangible assets		5,622	(28,753)
Acquisition of subsidiaries, net of cash acquired		(46,055,492)	(12,706,609)
Payment of deferred consideration and contingent liability		(4,066,547)	(2,559,966)
Purchase of other investments		-	(38,000)
Interest received		151,428	103,863
Dividend received		-	-
Net cash outflow from investing activities		(53,633,337)	(16,768,856)
Cash flows from financing activities			
Proceeds from the Issue of shares		50,000	-
Dividends paid to non-controlling interest		(1,586,251)	(331,998)
Loan received		93,046,947	46,664,110
Acquisition of non-controlling interest		1,146,587	-
Purchase of derivatives		13,308	-
Interest paid		(9,723,056)	(5,907,022)
Net cash inflows from financing activities		82,947,535	40,425,090
Net increase in cash and cash equivalents		22,785,705	24,240,100
Cash and cash equivalents at beginning of year		50,060,527	25,820,427
Cash and cash equivalents at end of year	19	72,846,232	50,060,527

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

a. General information and basis of accounting

Global Risk Partners Limited ("the Company") is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The registered office address is 2nd Floor, 50 Fenchurch Street, London, United Kingdom, EC3M 3JY. The registered company number is 08613882. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 3 to 8.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling and are rounded to the nearest whole £, except where otherwise indicated.

No profit and loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company's loss for the year is disclosed in the balance sheet.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its financial statements.

In accordance with FRS 102, the Company in its individual financial statements has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Significant accounting policies (continued)

b. Basis of consolidation (continued)

Contingent consideration

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

c. Going concern

The directors have reviewed the financial statements taking into consideration the Group's Net Current Assets of £16,084,797 (2017: £12,462,662) as well as assessing the Group's future viability to continue with its principal activity within the insurance intermediary sector. The review included assessing the Group structure, existing financing arrangements and future plans. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

d. Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which has been estimated to be 10 years. Provision is made for any impairment.

e. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

f. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, which are not considered to be in development, on a straight-line basis over its expected useful life, as follows:

Computer hardware:	4 years
Office equipment:	4 years
Furniture and fixtures:	4 years
Motor vehicles:	4 years
Leasehold improvements:	3 years
Freehold property:	2% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Significant accounting policies (continued)

g. Intangible fixed assets

Intangible fixed assets are shown at purchase cost and amortised through the profit and loss account in equal instalments over the estimated useful life of the asset as follows:

Computer software:	4 years
Intellectual property:	6 years
Research and design:	3-5 years
Software licenses:	4 years
Website:	4 years
Customer relationships:	10 years

Cost associated with assets under construction are held within tangible fixed assets as they are incurred and qualify for depreciation at such time that they are complete.

Provision is made for any impairment.

h. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial Instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The debt instruments held by the Group provide a fixed rate of return to the holder over the life of the instruments and there are no contractual provisions that could, by their terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods. These instruments are subsequently measured at amortised cost using the effective interest method.

(ii) Investments in subsidiaries

Investments in subsidiaries are measured at cost less provision for impairment. A subsidiary is an entity in which the Group has an interest of more than one-half of the voting rights or otherwise is able to demonstrate the power to exercise control over its operations. Investments in subsidiaries are recognised from the date at which control over their operations is transferred to the Group and will be derecognised at the date at which control ceases.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Significant accounting policies (continued)

(iii) Cash and equivalents

Cash and equivalents comprise cash in hand and deposits which are readily available and which are subject to insignificant risks of changes in value and have an original maturity of three months or less at acquisition. The carrying amount of assets is approximately equal to fair value.

(iv) Put option on Non-Controlling Interests

The Group has entered into certain option contracts with non-controlling interest shareholders of the Group's subsidiaries over the equity of these subsidiary companies, which are granted at the date of acquiring control of the subsidiary. Exercising the option will allow the Group to repurchase the shareholding owned by the non-controlling interests at a specific point in the future at a particular price determined in accordance with the terms of the option agreement.

The shares under option are accounted for by the Group as acquired. The potential future cash payments to settle the options are accounted for at the time of entering into the option at fair value within the Statement of changes in equity and are not remeasured.

I. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 Group's taxable profits and its 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Significant accounting policies (continued)

i. Taxation (continued)

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j. Turnover

Turnover comprises net commission receivable on business inception during the year. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified to the Group. To the extent that the Group is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that the revenue appropriately reflects the cost of fulfilment of these obligations. Profit commission is recognised when the amount is calculable and can be estimated with a reasonable degree of certainty.

k. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

m. Insurance intermediary assets and liabilities

Some of the group subsidiaries act as underwriting agents and as such are insurance intermediaries. Insurance intermediaries, generally, are not liable as principals for the amounts arising from such transactions. As such, insurance liability balances are shown net of the related insurance debtors to the extent to which the Group bears no risk.

n. Exceptional items

Exceptional items are material items possessing a high degree of abnormality which arise from events or transactions that fall outside the ordinary activities of the reporting entity and which are not expected to recur. An ongoing priority for the Group continues to be the integration of certain back office functions within each of the GRP businesses. As a result, the Company is subjected to one-off, non-recurring expenses which have been deemed exceptional and have been reported separately.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 Critical accounting judgement and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Discount Factor

Deferred consideration has been discounted using an appropriate discount rate based on the actual cost to the Group for external debt.

(ii) Value of Put Option

The Group has entered into option contracts in recent transactions with non-controlling interests of its subsidiary undertakings. The put options are redeemable only in event of an acquisition or listing of the ultimate parent. The value of the option is based on the consideration realised by the ultimate parent's shareholders and the subsidiary undertaking's performance relative to the consolidated group. In practice, the payments would be met out of the shareholders' consideration and the Board does not consider them to represent an ongoing expense to the business.

The put option liability is recognised at fair value in equity on acquisition and is remeasured. The acquisition date value was determined using an internally developed valuation model that discounts the expected future payments to settle the options. The payments were estimated by projecting the future performance and position of the group as in existence at the balance sheet date, and discounted from an estimated transaction date to present value using an appropriate discount rate. As at 31 March 2018, the put options have been valued at £43,721,134 (2017: £14,716,864).

(iii) Deferral of revenue

The Group defers revenue to reflect its obligation to provide claims handling services on policies placed prior to the period end date. The revenue deferred is set based on claims projections, which included judgements on the future profile of claims that will arise on income recognised in the period and utilising historic claims experience to set the underlying trend. Future costs to the Group to handle claims is based on existing directly attributable expenses plus an apportionment of overheads and management time.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

2 *Critical accounting judgement and key sources of estimation uncertainty (continued)*

The Group has assessed the useful life of goodwill arising on acquisition, taking into account a number of key factors including:

- a) projected cash flows;
- b) profit margins;
- c) renewal book retention giving rise to an accurate assessment of the number of years the existing business will remain in force;
- d) market conditions and how this impacts the business model;
- e) business reputation; and
- f) operational infrastructure mixed with the experience and knowledge retention of the key staff.

As a result of this assessment, the Group has determined that the useful life of goodwill is ten years and has calculated amortisation on this basis unless there is an indication of impairment, in which case a provision is made as required.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

3 Turnover

An analysis of the Group's turnover by geographical market is set out below.

	2018	2017
	£	£
United Kingdom	59,236,948	27,252,722
United States of America	5,840,111	4,866,431
Europe	5,824,146	2,661,860
Rest of the World	5,029,975	6,410,470
	<u>75,931,180</u>	<u>41,191,483</u>

4 Other operating income

	2018	2017
	£	£
Other operating income	905,327	175,989
Bank interest receivable	81,819	-
	<u>987,146</u>	<u>175,989</u>

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Finance costs (net)

	2018 £	2017 £
Interest payable and similar charges	(9,722,175)	(5,887,447)
Deferred consideration	(881)	(19,575)
Less: Other interest receivable and similar income	61,185	103,863
	<u>(9,661,871)</u>	<u>(5,803,159)</u>

Interest payable and similar charges comprises interest charges payable on loans at interest rates of 9%, 12% plus LIBOR and a variable rate up to 4.25% plus LIBOR.

6 Exceptional items

An analysis of the Group's exceptional items recorded after operating loss is set out below.

	2018 £	2017 £
Change program	3,362,439	-
Other	1,578,547	-
	<u>4,940,986</u>	<u>-</u>

Exceptional items are for non-recurring one-off items borne during the year. Change program includes restructuring costs such as the cost of redundancies and the implementation of Group wide IT systems.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

7 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets (note 14)	836,595	378,046
Amortisation of intangible fixed assets (note 13)	9,495,761	3,268,459
Amortisation of goodwill (note 12)	6,058,529	3,207,069
Impairment of goodwill (note 12)	251,701	1,463,249
Restructuring cost	4,890,209	-
Foreign exchange gains	(203,579)	(252,311)
Loss on sale of fixed assets	(5,622)	29,721
Operating lease charges	2,168,866	1,625,284

The analysis of the auditor's remuneration is as follows:

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	60,000	129,000
The audit of the company's subsidiaries	287,549	271,000
Total audit fees	347,549	400,000
Other taxation advisory services	226,300	251,480
Corporate finance services	320,000	538,357
Total non-audit fees	546,300	789,837

The Group incurred fees for 'Other Services' relating to advisory and due diligence services commissioned for completed acquisitions and prospective target acquisitions during the year.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	Group 2018 Number	Group 2017 Number	Company 2018 Number	Company 2017 Number
Directors and Managers	124	79	18	13
Underwriters	52	32	2	3
Brokers	350	216	-	-
Administration	488	377	27	16
Sales and distribution	245	7	-	-
	<u>1,259</u>	<u>711</u>	<u>47</u>	<u>32</u>

Their aggregate remuneration comprised:

	Group 2018 Number	Group 2017 Number	Company 2018 Number	Company 2017 Number
Wages and salaries	39,205,017	21,083,532	4,774,262	3,852,386
Social security costs	3,844,196	2,571,577	468,780	479,668
Other pension costs	1,975,332	1,392,633	128,900	83,761
	<u>45,024,545</u>	<u>25,047,742</u>	<u>5,371,942</u>	<u>4,415,815</u>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

Pension contributions of £1,975,332 (2017: £1,392,633) were paid into defined contribution schemes during the year.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

9 Directors' remuneration and transactions

	2018 £	2017 £
Group directors' remuneration		
Emoluments	1,011,869	2,267,473
Company contributions to money purchase pension schemes	27,776	27,776
	<u>1,039,645</u>	<u>2,295,249</u>

	2018 Number	2017 Number
The number of group directors who:		
Are members of a money purchase pension scheme	1	1
Had awards receivable in the form of shares under a long-term incentive scheme	-	-

	2018 £	2017 £
Remuneration of the highest paid director:		
Emoluments	406,725	579,665
Company contributions to money purchase pension schemes	-	-
	<u>406,725</u>	<u>579,665</u>

The highest paid director did not exercise any share options in the year.

Directors' advances, credits and guarantees

Details of transactions with directors during the year are disclosed in note 31.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Taxation

The tax credit comprises:

	2018 £	2017 £
Current tax		
UK corporation tax	1,504,179	183,118
Adjustments in respect of prior year	23,449	(4,026)
Total current tax	1,527,628	179,092
Deferred tax		
Origination and reversal of timing differences	(1,332,647)	(258,715)
Adjustments in respect of prior year	(36,474)	(110,461)
Effect on change of tax rate on opening balance	-	(20,915)
Other	-	(8,019)
Total deferred tax (see note 23)	(1,369,121)	(398,110)
Total tax credit	158,507	(219,018)

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Taxation (continued)

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2018 £	2017 £
Group loss on ordinary activities before tax	(19,987,226)	(11,504,907)
Tax on Group loss on ordinary activities at standard UK corporation tax rate of 19 per cent (2017: 20 per cent)	(3,797,573)	(2,300,981)
Effects of:		
Expenses not deductible for tax purposes	3,795,603	1,206,195
Tax losses carried forward	-	800,367
Adjustments to tax charge in respect of previous year	(14,215)	(114,488)
Amounts relating to change in tax rates	4,357	67,972
Income not taxable	(18,342)	126,002
Other	188,677	(4,085)
Group total tax credit for year	158,507	(219,018)

11 Share based payments

There were no share based payments in the year.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2018**

12 Goodwill

	Group Goodwill £
Cost	
At 31 March 2017	42,852,526
Additions	58,594,217
Other adjustment	189,764
At 31 March 2018	<u>101,636,507</u>
Amortisation	
At 31 March 2017	7,525,158
Charge for the period	6,058,529
Impairment losses	251,701
At 31 March 2018	<u>13,835,388</u>
Net book value	
At 31 March 2017	<u>35,327,368</u>
At 31 March 2018	<u><u>87,801,119</u></u>

Amortisation of goodwill is shown separately on the profit and loss.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

13 Other intangible assets	Computer software	Intellectual property	Research and design	Software licenses	Website	Customer relationships	Total
	£	£	£	£	£	£	£
Cost							
At 31 March 2017	1,874,096	144,966	612,287	151,016	42,393	46,705,481	49,530,239
Additions	272,165	1,337,350	119,563	-	-	438,339	2,167,417
Acquisitions of subsidiaries	234	-	-	323,534	-	81,366,153	81,689,921
Write-off of asset	-	-	-	-	-	-	-
Reclassification of asset	31,104	-	-	-	-	-	31,104
At 31 March 2018	2,177,599	1,482,316	731,850	474,550	42,393	128,509,973	133,418,681
Amortisation							
At 31 March 2017	1,264,404	120,903	259,354	139,396	38,943	4,364,327	6,187,327
Accumulated amortisation acquired	-	-	-	30,415	-	5,669,028	5,699,443
Charge for the period	199,800	13,750	208,149	33,719	2,456	9,033,357	9,491,231
Write-off of asset	-	-	-	-	-	-	-
Reclassification of asset	25,271	-	-	-	-	-	25,271
At 31 March 2018	1,489,475	134,653	467,503	203,530	41,399	19,066,712	21,403,272
Net book value							
At 31 March 2017	609,692	24,063	352,933	11,620	3,450	42,341,154	43,342,912
At 31 March 2018	688,124	1,347,663	264,347	271,020	994	109,443,261	112,015,409

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

14 Tangible fixed assets

	Computer hardware	Office equipment	Furniture and fixtures	Motor Vehicles	Freehold property	Leasehold improve- ment	Total
	£	£	£	£	£	£	£
Cost							
At 31 March 2017	1,877,048	757,503	2,134,745	134,103	836,457	698,167	6,438,023
Additions	359,646	30,869	213,577	33,050	-	783,845	1,420,987
Acquisitions of subsidiaries	1,231,643	-	1,354,473	395,496	170,017	393,992	3,545,621
Reclassification of asset	536,441	(466,923)	(506,118)	-	-	405,496	(31,104)
Disposals / write off	-	-	(1,120,247)	(10,790)	-	-	(1,131,037)
At 31 March 2018	4,004,778	321,449	2,076,430	551,859	1,006,474	2,281,500	10,242,490
Depreciation							
At 31 March 2017	1,538,987	522,685	1,738,461	78,736	114,024	405,870	4,398,763
Accumulated depreciation acquired	1,117,101	11,766	1,158,194	143,909	164,851	97,231	2,693,051
Charge for the period	221,909	101,198	250,790	48,129	16,589	197,981	836,595
Reclassification of asset	442,438	(367,277)	(426,778)	-	-	326,346	(25,271)
Disposals / write off	-	-	(1,120,247)	(10,790)	-	-	(1,131,037)
At 31 March 2018	3,320,434	268,372	1,600,420	259,983	295,464	1,027,428	6,772,101
Net book value							
At 31 March 2017	338,061	234,818	396,284	55,367	722,433	292,297	2,039,260
At 31 March 2018	684,344	53,077	476,011	291,876	711,010	1,254,072	3,470,390

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

15 Company fixed assets					
	Intangible		Tangible		Total
	Computer software	Intellectual property	Computer hardware	Fixtures and fittings	
	£	£	£	£	£
Cost					
At 31 March 2017	53,314	-	35,813	45,306	134,433
Additions	112,876	1,337,350	9,251	1,429	1,460,906
Reclassification	-	-	-	-	-
At 31 March 2018	166,190	1,337,350	45,064	46,735	1,595,339
Amortisation/Depreciation					
At 31 March 2017	10,789	-	15,727	26,493	53,009
Charge for the period	22,905	-	10,152	11,583	44,640
At 31 March 2018	33,694	-	25,879	38,076	97,649
Net book value					
At 31 March 2017	42,525	-	20,086	18,813	81,424
At 31 March 2018	132,496	1,337,350	19,185	8,659	1,497,690
16 Fixed asset investment					
	Group 2018	Group 2017	Company 2018	Company 2017	
	£	£	£	£	
Subsidiary undertakings at 31 March	-	-	1,173,000	1,173,000	
Non-trade investment additions	38,000	38,000	-	-	
Total	38,000	38,000	1,173,000	1,173,000	

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Group investments

The parent Company and the Group have investments in the following subsidiary undertakings, associates and other investments:

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held Direct Indirect	
GRP Holdco 1 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Global Risk Partners Limited	Intermediate holding co.	Ordinary	100	-
GRP Holdco 2 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 1 Limited	Intermediate holding co.	Ordinary	-	100
GRP MGA Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 2 Limited	Intermediate holding co.	Ordinary	-	100
GRP Broking Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Holdco 2 Limited	Intermediate holding co.	Ordinary	-	100
GRP Wholesale Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Broking Holdco Limited	Intermediate holding co.	Deferred, Ordinary A & Ordinary B	-	100
GRP Retail Holdco Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Broking Holdco Limited	Intermediate holding co.	Ordinary A	-	86
European Property Underwriting Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	86
City of London Underwriting Agencies London	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	80
Plum Underwriting Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary A	-	78
Pimco 2952 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP MGA Holdco Limited	Insurance intermediary	Ordinary	-	78
Ropner Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Wholesale Holdco Limited	Insurance intermediary	Ordinary A	-	85
Abbey Bond Lovis Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary A & Ordinary A2	-	65

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Name of undertaking and registered office address	Immediate parent company	Nature of business	Class of share-holding	% Held	
				Direct	Indirect
GRP Sterling Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Wholesale Holdco Limited	Intermediate holding co.	Ordinary A & B	- 75
GRP Retail Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	- 86
Centrix Insurance Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Sterling Limited	Intermediate holding co.	Ordinary & other (voting)	- 75
Lonmar Global Risks Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Centrix Insurance Holdings Limited	Insurance intermediary	Ordinary	- 75
McGrady Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Abbey Bond Lovis Limited	Insurance intermediary	Ordinary	- 65
Cavendish Munro Professional Risks Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary A	- 69
BB Insure Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A	- 86
BB Insure Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	BB Insure (Holdings) Limited	Insurance intermediary	Ordinary A	- 86
SLK General Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	- 86
Higos Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary	- 62
Higos Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary	- 62
Higos Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Limited	Intermediate holding co.	Ordinary	- 62
Liability Direct Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Insurance Services Limited	Insurance intermediary	Ordinary	- 62
Clubsure Members Owned Clubs Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary	- 62

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Name of undertaking and registered office address	Immediate parent company	Nature of business	Class of share-holding	% Held	
				Direct	Indirect
John Beard & Sons Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary A, B, B2, C, & D	- 62
A.R.T Jeffries (Tichfield) Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	John Beard & Sons Limited	Insurance intermediary	Ordinary	- 62
Marshall Wooldridge Group Holdings Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A	- 80
Marshall Wooldridge Holdings Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Group Holdings Limited	Intermediate holding co.	Ordinary A & B	- 80
Marshall Wooldridge (South Yorkshire) Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Holdings Limited	Insurance intermediary	Ordinary	- 80
Marshall Wooldridge Limited	16 Ivegate, Yeadon, Leeds, West Yorkshire, United Kingdom, LS19 7RE	Marshall Wooldridge Holdings Limited	Insurance intermediary	Ordinary A	- 80
Minority Venture Partners Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A, B, C, D, E & F	- 86
Green Insurance Brokers Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Minority Venture Partners Limited	Intermediate holding co.	Ordinary A	- 58
Royminster Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Green Insurance Brokers Limited	Insurance intermediary	Ordinary & ordinary A	- 58
Richardson & Wheeler Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Green Insurance Brokers Limited	Insurance intermediary	Ordinary	- 58
Viking Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Green Insurance Brokers Limited	Insurance intermediary	Ordinary A & B	- 58
Robert Nott & Partners Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Richardson & Wheeler Limited	Insurance intermediary	Ordinary	- 58
Colin Fear Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary	- 62
ECS Insurance Brokers Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Marshall Wooldridge Holdings Limited	Insurance intermediary	Ordinary	- 80

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Name of undertaking and registered office address	Immediate parent company	Nature of business	Class of share-holding	% Held	
				Direct	Indirect
Anglo Hibernian Bloodstock Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	- 86
Alan & Thomas Holding Company Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary B	- 64
Alan & Thomas Insurance Brokers Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Alan & Thomas Holding Company Limited	Insurance intermediary	Ordinary	- 64
Alan & Thomas Insurance Brokers Basingstoke Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Alan & Thomas Insurance Brokers Limited	Insurance intermediary	Ordinary	- 64
Commercial & General Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Alan & Thomas Holding Company Limited	Insurance intermediary	Ordinary	- 64
Mellerups General Insurances Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary A, B, C & D	- 62
GMM Commercial Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Higos Holdings Limited	Insurance intermediary	Ordinary & ordinary C	- 62
Camberford Law 2008 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Pimco 2952 Limited	Intermediate holding co.	Ordinary	- 78
Camberford Law Plc	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Camberford Law 2008 Limited	Insurance intermediary	Ordinary	- 78
Clouddesk Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Pimco 2952 Limited	Other	Ordinary	- 78
CCIB Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A & B	- 64
Country & Commercial Insurance Brokers Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	CCIB Holdings Limited	Insurance intermediary	Ordinary	- 64
FED Agricultural Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	GRP Retail Holdco Limited	Insurance intermediary	Ordinary	- 64

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Name of undertaking and registered office address	Immediate parent company	Nature of business	Class of share-holding	% Held	
				Direct	Indirect
Minority Venture Partners 2 Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY GRP Retail Holdco Limited	Intermediate holding co.	Ordinary A, B, C, & D	-	78
CICG Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY Minority Venture Partners 2 Limited	Intermediate holding co.	Ordinary A, B, C, D & E	-	65
County Insurance Consultants Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Intermediate holding co.	Ordinary	-	65
County Insurance NW Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY County Insurance Consultants Limited	Insurance intermediary	Ordinary	-	65
Thompson Brothers Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Intermediate holding co.	Ordinary A & B	-	65
Thompson Brothers Insurance Consultants Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY Thompson Brothers Holdings Limited	Insurance intermediary	Ordinary A & B	-	65
JSW Insurance Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Insurance intermediary	Ordinary	-	65
Jaytom Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Intermediate holding co.	Ordinary	-	65
Ability Services Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY Jaytom Limited	Intermediate holding co.	Ordinary	-	65
Arthur Marsh & Son (Birmingham) Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY Ability Services Limited	Insurance intermediary	Ordinary	-	65
GWI Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Intermediate holding co.	Ordinary	-	65
NMJ Holdings Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY CICG Limited	Intermediate holding co.	Ordinary	-	65
NMJ Insurance Brokers Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY NMI Holdings Limited	Insurance intermediary	Ordinary	-	65

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Fixed asset investment (continued)

Name of undertaking and registered office address		Immediate parent company	Nature of business	Class of share-holding	% Held	
					Direct	Indirect
Inspire Risk Management Group Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	CICG Limited	Intermediate holding co.	Ordinary	-	65
Inspire Risk Management Limited	50 Fenchurch Street, London, United Kingdom, EC3M 3JY	Inspire Risk Management Group Limited	Insurance intermediary	Ordinary	-	65

All subsidiaries have been included in the consolidation.

17 Acquisition of subsidiary undertaking

On 13 June 2017, the Group acquired 67% of the shareholding of Green Insurance Brokers Limited through a 100% share purchase of Minority Venture Partners Limited. Both companies are incorporated in the United Kingdom. The purpose of Green Insurance Brokers Limited is to act as an intermediate holding company within the Group. Green Insurance Brokers Limited controls 100 per cent of the share capital of Royminster Limited, an insurance intermediary company incorporated in the United Kingdom, and Richardson & Wheeler Limited, Viking Insurance Services Limited and Robert Nott & Partners Limited, these three companies have not traded during the year and the directors do not expect the Companies to trade in the forthcoming year.

On 18 August 2017, the Group acquired 100% of the shareholding of Colin Fear Insurance Services Limited, a company incorporated in the United Kingdom. This Company has merged into Higos Insurance Services Limited.

On 31 August 2017, the Group acquired 100% of the shareholding of ECS Insurance Brokers Limited, a company incorporated in the United Kingdom. The purpose of ECS Insurance Brokers Limited is to act as an insurance intermediary company.

On 01 November 2017, the Group acquired 75% of the shareholding of Alan & Thomas Holding Company Limited, a company incorporated in the United Kingdom. The purpose of Alan & Thomas Holding Company Limited is to act as an intermediate holding company within the Group. Alan & Thomas Holding Company Limited controls 100 per cent of the share capital of Alan & Thomas Insurance Brokers Limited and Alan & Thomas Insurance Brokers Basingstoke Limited.

On 01 November 2017, the Group acquired 100% of the shareholding of Mellerups General Insurances Limited, a company incorporated in the United Kingdom. This Company has merged into Higos Insurance Services Limited.

On 10 November 2017, the Group acquired 100% of the shareholding of Commercial and General Insurance Services Limited, a company incorporated in the United Kingdom. The purpose of the company is to act as an insurance intermediary company.

On 04 December 2017, the Group acquired 100% of the shareholding of Anglo Hibernian Bloodstock Insurance Services Limited, a company incorporated in the United Kingdom. The purpose of the company is to act as an insurance intermediary company.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

On 02 January 2018, the Group acquired 100% of the shareholding of GMM Commercial Insurance Services Limited, a company incorporated in the United Kingdom. This Company has merged into Higos Insurance Services Limited.

On 12 January 2018, the Group acquired 65% of the shareholding of CICG Limited, through a 90% share purchase of Minority Venture Partners 2 Limited. Both companies are incorporated in the United Kingdom. The purpose of CICG Limited is to act as an intermediate holding company within the Group. CICG Limited controls 100 per cent of the share capital of thirteen companies within the Group, all companies are incorporated in the United Kingdom.

On 26 January 2018, the Group acquired 76% of the shareholding of CCIB Holdings Limited. The purpose of CCIB Holdings Limited is to act as an intermediate holding company within the Group. CICG Limited controls 100 per cent of the share capital of Country and Commercial Insurance Holdings Limited. All companies are incorporated in the United Kingdom.

On 26 January 2018, the Group acquired 100% of the shareholding of FED Agricultural Limited, a company incorporated in the United Kingdom.

On 02 February 2018, the Group acquired 76% of the shareholding of Camberford Law 2008 Limited. The purpose of Camberford Law 2008 Limited is to act as an intermediate holding company within the Group. Camberford Law 2008 Limited controls 100 per cent of the share capital of Camberford law plc and Clouddesk Limited. All companies are incorporated in the United Kingdom.

In accordance with section 615 of the Companies Act 2006, the Company has taken no account of any premium on the shares issued and has recorded the cost of the investment at the nominal value of the shares issued plus the fair value of the other consideration.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

	Minority Venture Partners & Greens Insurance Group		Alan & Thomas Group		Commercial & General Insurance	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	1,033,670	1,033,670	163,059	-	-	-
Tangible	106,594	106,594	143,875	143,875	5,904	5,904
Investments						
Current assets						
Debtors	3,278,276	3,453,659	2,635,412	2,635,412	479,579	479,579
Cash	1,009,126	1,009,126	2,921,920	2,921,920	143,760	143,760
Total assets	5,427,666	5,603,049	5,864,266	5,701,207	629,243	629,243
Current liabilities						
Creditors	(12,431,239)	(11,677,593)	(3,232,266)	(3,405,361)	(520,238)	(520,238)
Non-current liabilities						
Creditors	(16,880)	(16,880)	(6,014)	(6,014)	-	-
Provisions for liabilities	(902,233)	(902,233)	(340,603)	(20,000)	(1,121)	(1,121)
Total liabilities	(13,350,352)	(12,596,706)	(3,578,883)	(3,431,375)	(521,359)	(521,359)
Net assets/(liability)	(7,922,686)	(6,993,657)	2,285,383	2,269,832	107,884	107,884
Goodwill		6,810,554		5,015,095		626,609
Intangible assets		15,891,292		11,701,888		1,462,089
Minority interest		1,594,113		(571,070)		(26,971)
		<u>17,302,302</u>		<u>18,415,744</u>		<u>2,169,611</u>
Satisfied by:						
Cash		6,743,061		9,458,320		1,226,356
Deferred / contingent consideration		5,583,759		4,987,500		943,255
Shares		-		-		-
Put and call option		4,975,482		3,969,924		-
		<u>17,302,302</u>		<u>18,415,744</u>		<u>2,169,611</u>

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

	ECS Insurance Brokers		Mellerups General Insurance		Colin Fear Insurance Services	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	-	-	-	-	45,000	45,000
Tangible	853	853	1,763	1,763	23,021	23,021
Investments						
Current assets						
Debtors	163,625	163,625	19,044	19,044	96,177	92,152
Cash	232,579	232,579	140,122	140,122	95,618	95,618
Total assets	<u>397,057</u>	<u>397,057</u>	<u>160,929</u>	<u>160,929</u>	<u>259,816</u>	<u>255,791</u>
Current liabilities						
Creditors	(346,806)	(346,806)	(107,318)	(107,318)	(180,971)	(180,971)
Non-current liabilities						
Creditors	-	-	-	-	(15,154)	(15,154)
Provisions for liabilities	-	-	-	-	14	14
Total liabilities	<u>(346,806)</u>	<u>(346,806)</u>	<u>(107,318)</u>	<u>(107,318)</u>	<u>(196,111)</u>	<u>(196,111)</u>
Net assets/(liability)	<u>50,251</u>	<u>50,251</u>	<u>53,611</u>	<u>53,611</u>	<u>63,705</u>	<u>59,680</u>
Goodwill		448,425		68,606		137,618
Intangible assets		1,046,324		160,080		321,109
Minority interest		-		-		-
		<u>1,545,000</u>		<u>282,296</u>		<u>518,407</u>
Satisfied by:						
Cash		1,095,000		134,818		248,232
Deferred / contingent consideration		450,000		147,478		270,175
Shares		-		-		-
Put and call option		-		-		-
		<u>1,545,000</u>		<u>282,296</u>		<u>518,407</u>

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

	GMM Commercial		Minority Venture Partners 2 & County Group		Country and Commercial Group	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	103,126	103,126	2,533,527	2,533,527	-	-
Tangible	12,291	12,291	596,885	596,885	60,608	60,608
Investments						
Current assets						
Debtors	49,088	49,088	4,371,186	4,371,186	361,337	361,337
Cash	123,796	123,796	4,887,523	4,887,523	259,203	259,203
Total assets	288,301	288,301	12,389,121	12,389,121	681,148	681,148
Current liabilities						
Creditors	(28,441)	(28,441)	(17,792,262)	(17,792,262)	(626,832)	(626,832)
Non-current liabilities						
Creditors	-	-	(70,360)	(70,360)	(61,416)	(61,416)
Provisions for liabilities	-	-	(2,344,931)	(2,344,931)	-	-
Total liabilities	(28,441)	(28,441)	(20,207,553)	(20,207,553)	(688,248)	(688,248)
Net assets/(liability)	259,860	259,860	(7,818,432)	(7,818,432)	(7,100)	(7,100)
Goodwill		227,399		13,024,889		348,634
Intangible assets		530,599		30,391,408		813,480
Minority interest		-		1,452,991		1,775
		1,017,858		37,050,856		1,156,789
Satisfied by:						
Cash		667,527		18,160,545		559,000
Deferred / contingent consideration		350,331		12,527,094		456,000
Shares		-		-		-
Put and call option		-		6,363,217		141,789
		1,017,858		37,050,856		1,156,789

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

	Camberford Law Group		Anglo Hibernian		Total	
	Book value	Fair value to Group	Book value	Fair value to Group	Book value	Fair value to Group
	£	£	£	£	£	£
Fixed assets						
Intangible	-	-	-	-	3,878,382	3,715,323
Tangible	10,597	10,597	-	-	962,391	962,391
Investments						
Current assets						
Debtors	3,117,372	3,134,299	232,734	232,734	14,803,830	14,992,115
Cash	7,374,002	7,374,002	989,411	989,411	18,177,060	18,177,060
Total assets	10,501,971	10,518,898	1,222,145	1,222,145	37,821,663	37,846,889
Current liabilities						
Creditors	(5,915,334)	(5,915,334)	(765,613)	(765,613)	(41,947,320)	(41,366,769)
Non-current liabilities						
Creditors	-	-	-	-	(169,824)	(169,824)
Provisions for liabilities	-	-	-	-	(3,588,874)	(3,268,271)
Total liabilities	(5,915,334)	(5,915,334)	(765,613)	(765,613)	(45,706,018)	(44,804,864)
Net assets/(liability)	4,586,637	4,603,564	456,532	456,532	(7,884,355)	(6,957,975)
Goodwill		19,199,024		484,040		46,390,893
Intangible assets		8,228,153		1,129,428		71,675,848
Minority interest		(995,390)		-		1,455,448
		31,035,351		2,070,000		112,564,214
Satisfied by:						
Cash		24,879,848		1,060,000		64,232,707
Deferred / contingent consideration		-		1,010,000		26,725,592
Shares		2,496,375		-		2,496,375
Put and call option		3,659,128		-		19,109,540
		31,035,351		2,070,000		112,564,214

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

17 Acquisition of subsidiary undertaking (continued)

	Minority Venture Partners & Greens Insurance Group	Alan & Thomas Group	Commercial & General Insurance
	£	£	£
Revenue	5,147,495	2,200,176	254,541
Profit/(loss)	(863)	(123,613)	87,416
	ECS Insurance Brokers	Mellerups General Insurance	Colin Fear Insurance Services
	£	£	£
Revenue	551,636	-	-
Profit/(loss)	33,182	1,479	(52,629)
	GMM Commercial	Minority Venture Partners 2 & County Group	Country and Commercial Group
	£	£	£
Revenue	-	4,262,733	101,837
Profit/(loss)	(115,417)	(1,566,673)	24,258
	Camberford Law Group	Anglo Hibernian	Total
	£	£	£
Revenue	953,383	196,094	13,667,895
Profit/(loss)	392,226	108,485	(1,212,149)

The following subsidiaries acquired in the year did not have any contribution to the Group: Richardson & Wheeler Limited, Robert Nott & Partners Limited and Viking Insurance Services Limited.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

18 Debtors				
	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	9,731,480	6,046,128	-	-
Amounts owed by Group undertakings	-	-	8,630,226	4,254,964
Deferred tax	76,885	55,918	-	-
Current tax	-	142,147	628,691	341,520
Prepayments and accrued income	4,663,969	3,465,534	208,644	78,217
Other debtors	4,995,507	5,558,668	123,883	25,176
Foreign currency forward contracts	216,325	-	-	-
	<u>19,684,166</u>	<u>15,268,395</u>	<u>9,591,444</u>	<u>4,699,877</u>
Amounts falling due after one year:				
Directors' loan	3,552,114	1,483,760	-	-
	<u>3,552,114</u>	<u>1,483,760</u>	<u>-</u>	<u>-</u>
Details of Directors loans are disclosed in note 31.				
19 Cash at bank and in hand				
	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Insurance related & restricted	57,151,606	42,845,620	1,399,994	-
Own Cash	15,694,626	7,214,907	2,969,882	297,767
	<u>72,846,232</u>	<u>50,060,527</u>	<u>4,369,876</u>	<u>297,767</u>

Insurance related cash balances represents amounts held by the Group arising due to the Group's insurance broking operations. Restricted cash balances consist of amounts held by the Group on behalf of insurers for the purposes of more efficiently discharging the Group's responsibilities for claims handling. A corresponding liability in respect of this amount is included within Trade creditors (see note 20).

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

20	Creditors: amounts falling due within one year				
		Group	Group	Company	Company
		2018	2017	2018	2017
		£	£	£	£
	Trade creditors	51,668,059	37,131,981	-	-
	Amounts owed to Group undertakings	-	-	24,192,416	11,826,119
	Corporation tax payable	1,629,562	-	-	-
	Other taxation and social security	1,303,673	945,926	186,283	243,236
	Other creditors	10,397,493	8,822,856	284,164	590,696
	Accruals and deferred income	10,344,045	5,985,010	2,217,708	852,758
	Foreign currency forward contracts	-	1,196	-	-
	Other loans	4,654,883	1,463,051	-	-
		<u>79,997,715</u>	<u>54,350,020</u>	<u>26,880,571</u>	<u>13,512,809</u>
21	Creditors: amounts falling due after one year				
		Group	Group	Company	Company
		2018	2017	2018	2017
		£	£	£	£
	Loans	176,967,951	86,509,224	-	-
	Other	860,399	-	-	-
		<u>177,828,350</u>	<u>86,509,224</u>	<u>-</u>	<u>-</u>

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

21 Creditors: amounts falling due after one year (continued)

Borrowings are repayable as follows:

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Loans				
Between one and two years	-	23,858	-	-
Between two and five years	84,034,618	86,485,366	-	-
Over five years	92,933,333	-	-	-
	<u>176,967,951</u>	<u>86,509,224</u>	<u>-</u>	<u>-</u>

Loans comprise loan notes issued by the Group and held by a noteholder at the period end, net of any directly attributable expenses incurred by the Group. As at 31 March 2018, £68,015,612 (2017: £63,397,586) loan notes were held by noteholders, and are shown net of attributable expenses.

On 31 October 2013, the Group created an Investor Loan Note Instrument comprising £80,000,000 secured loan notes of £1.00 each. Interest is payable on those loan notes issued and held by a noteholder at a rate of 9% per annum on the principal amount of each loan note together with the interest accrued in any prior interest period which has not yet been paid. On 7 April 2017 the facility was increased to £40,000,000 of committed funds.

In addition, on 31 October 2013, the Group entered into a composite debenture agreement with the noteholders, the effect of which was to grant a charge, by way of legal mortgage, fixed charge and floating charge, of full title guarantee over the GRP Holdco 1 Limited's assets and capital, including those of the GRP Holdco 1 Limited's direct and indirect subsidiary undertakings, as security for the issuance of the loan notes.

On 26 September 2016 the Group entered into a loan facility with Tosca Debt Capital Fund comprising £11,000,000 in committed funds. Interest is chargeable on committed and drawn funds at a variable rate up to 12% plus LIBOR. As at 31 March 2017 the facility was fully drawn.

On 8 February 2017, the Group entered into a loan facility with HSBC Bank plc comprising £25,000,000 in committed funds. Interest is payable on committed and drawn funds at a variable rate up to 4.25% plus LIBOR. As at 31 March 2017 the total amount drawn under the facility, before interest, was £13,500,000.

On 20 November 2017, the loan was redeemed in full. The Company repaid £40,000,000 of capital along with accrued interest and fees.

On 30 November 2017 the Company entered into a loan facility with Ares Management Limited and HSBC Bank Plc comprising £268,500,000 of committed funds. Interest is payable on committed and drawn funds at a variable rate of up to 7.5% plus LIBOR. As at 31 March 2018 the total amount drawn under the facility, before interest, was £116,000,000.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

22 Provisions for liabilities		Contingent consideration	Deferred consideration	Deferred taxation	Total
Group		£	£	£	£
At 31 March 2017		8,479,951	-	7,165,995	15,645,946
Addition		21,771,489	8,083,679	11,943,626	41,798,794
Disposal		-	(503,401)	-	(503,401)
Movement		-	-	-	-
Reclassification		-	-	-	-
Unwinding of discount		103,228	365,646	-	468,874
Utilisation of provision		(2,042,000)	(2,024,547)	(1,391,475)	(5,458,022)
At 31 March 2018		<u>28,312,668</u>	<u>5,921,377</u>	<u>17,718,146</u>	<u>51,952,190</u>

The provision for deferred consideration is measured at fair value through profit and loss and after applying an appropriate discount rate. Changes in fair value attributable to changes to the Group's own credit risk are not considered material.

The provision for contingent consideration is recognised when the payment is probable and can be measured reliably. Changes in the value of the liability are adjusted to the cost of the combination.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

23	Deferred taxation		
		2018	2017
		£	£
	Group		
	Tax losses available	-	-
	Decelerated capital allowances	76,885	-
	Other short term timing differences	-	55,918
	Deferred tax asset	76,885	55,918
	Tax losses available	-	76,133
	Other short term timing differences	37,380	62,296
	Intangible timing differences	17,680,766	7,027,566
	Deferred tax liability	17,718,146	7,165,995

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

Deferred tax balances have been provided at 17% (2017: 17%) being the substantively enacted rate the Balance Sheet date.

A deferred tax asset totalling £671,643 (2017: £1,748,773) has not been recognised in respect of timing difference relating to tax losses, fixed assets, and trading and non trading timing difference as it is not probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

24	Derivative financial instruments		
		2018	2017
		£	£
	Assets		
	Foreign exchange forward contracts	216,325	-
	Liabilities		
	Foreign exchange forward contracts	-	1,196

Forward foreign currency contracts are valued using quotes forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

25 Financial instruments	2018	2017
Group	£	£
Financial assets		
Measured at undiscounted amount receivable:		
Trade and other debtors (see note 18)	22,943,070	16,696,237
Cash at bank and in hand	72,846,232	50,060,527
Instruments measured at fair value through profit and loss:		
Foreign exchange forward contracts (See note 24)	216,325	-
Non trade investments (see note 16)	38,000	38,000
	<u>96,005,627</u>	<u>66,756,764</u>
Financial liabilities		
Measured at fair value through profit and loss:		
Deferred consideration liability (see note 22)	5,921,377	-
Contingent liability provision (see note 22)	28,312,668	8,479,951
Foreign exchange forward contracts (See note 24)	-	1,196
Measured at amortised cost:		
Loans payable (see note 20 & 21)	181,622,834	87,972,275
Measured at undiscounted amount payable:		
Trade and other creditors (see note 20 & 21)	74,573,669	52,885,773
	<u>290,430,548</u>	<u>149,339,195</u>

Deferred consideration is measured at fair value through the profit and loss (see note 1).

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

Group	2018	2017
	£	£
Interest expense		
Total interest payable	9,723,056	5,907,022
	<u>9,723,056</u>	<u>5,907,022</u>

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

26 Called-up share capital and reserves

	Group Allotted		Company Called up and fully paid	
	2018	2017	2018	2017
	£	£	£	£
A ordinary shares of 1p each	6,000	6,000	6,000	6,000
B ordinary shares of 1p each	3,630	3,630	3,630	3,630
C ordinary shares of 1p each	2,182	2,062	2,182	2,062
D ordinary shares of £1 each	3,820	3,820	3,820	3,820
	<u>15,632</u>	<u>15,512</u>	<u>15,632</u>	<u>15,512</u>

Ordinary share rights

Distributions as determined by the Directors are distributed to holders of the ordinary shares pro rata to the number of shares held. At general meetings of the Company, A ordinary shares carry the right to five votes, B ordinary shares four votes, C ordinary shares five votes, and D ordinary shares one hundred votes. The ordinary shares do not confer any rights of redemption.

Reserves

Reserves of the Company represent the following:

Share capital

Nominal value of share capital subscribed for.

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Put and call option

Cumulative potential future cash payments to settle put options on non-controlling interests.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Other reserves

The cumulative share-based payment expense.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

27 Cash flow statement

Reconciliation of total loss to cash generated by operations

	2018 £	2017 £
Loss for the period	(20,145,733)	(11,285,889)
Adjustment for:		
Finance costs	9,723,056	5,907,022
Investment income	(151,428)	(103,863)
Loan amortisation	603,612	453,925
(Gain)/ loss on disposal of tangible asset	(5,622)	29,721
Fair value (gains)/ losses on foreign exchange contracts	(203,579)	25,566
Depreciation and amortisation	15,368,763	8,316,823
Provision movements	(11,228,222)	389,635
Corporation tax	158,507	(219,018)
Operating cash flow before movement in working capital	(5,880,646)	3,513,922
Movement in debtors	(3,404,142)	776,451
Movement in creditors	4,048,004	(3,880,835)
Cash (absorbed) / generated by operations	(5,236,783)	409,538
Cash and cash equivalents represent:	2018 £	2017 £
Cash at bank and in hand	72,846,232	50,060,527
Bank overdrafts	-	-
Cash and cash equivalents	72,846,232	50,060,527

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

28 Post balance sheet events

On 12 April 2018, the Group acquired 95% of the share capital Thomas Sagar Holdings (Accrington) Limited, a company incorporated in the United Kingdom. Thomas Sagar Insurance is a Burnley based Chartered insurance broker offering a range of commercial and personal lines products.

On 20 July 2018, the Group acquired 80% of the share capital of Guardian IB Limited, a Wigan based Insurance broker specialising in commercial and courier insurance. This company is incorporated in the United Kingdom.

On 26 July 2018, the Group acquired 80% of the share capital of DCJ Insurance & Risk Management Limited. This company is incorporated in the United Kingdom.

On 1 August 2018, the Group merged Ropner Insurance Services Limited into Lonmar Global Risks Limited.

On 15 August 2018, the Group acquired 75% of the share capital of Digney Grant Limited, a company incorporated in the United Kingdom.

On 13 September 2018, the Group acquired 80% of the share capital of U-Sure Insurance Services Limited. This company is incorporated in the United Kingdom.

At the date of signing, the acquisition accounting for these acquisitions has not been finalised and a reliable estimate of the acquisition value can not be made.

29 Put option over non-controlling interests

The Group has entered into option contracts in recent transactions with non-controlling interests of its subsidiary undertakings. The put options are redeemable only in event of an acquisition or listing of the ultimate parent. The value of the option is based on the consideration realised by the ultimate parent's shareholders and the subsidiary undertaking's performance relative to the consolidated group. In practice, the payments would be met out of the shareholders' consideration and the Board does not consider them to represent an ongoing expense to the business.

The put option liability is recognised at fair value, the value of which was determined using an internally developed valuation model that discounts the expected future payments to settle the options. The payments were estimated by projecting the future performance and position of the group as in existence at the balance sheet date, and discounted from an estimated transaction date to present value using a discount rate of 9%. As at 31 March 2018, the put options have been valued at £43,721,124 (2017: £14,716,864).

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

30 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Amounts due:				
Within one year	3,372,232	1,159,977	198,090	288,102
Between one and five years	8,543,230	4,597,073	495,225	1,170,290
After five years	1,372,739	1,166,662	-	-
	<u>13,288,201</u>	<u>6,923,712</u>	<u>693,315</u>	<u>1,458,392</u>

31 Related party transactions

Directors' transactions

The Group has drawn down loans of £nil (2017: £23,035,950) from shareholders during the year. Investors include the members of the Board of Directors as follows:

- Penta Capital LLP, a private equity company, are the Group's main shareholders of which directors S. Scott and C. Schrage Von Altishofen, hold directorships.
- The Cullum Family Trust and The Peter Cullum Discretionary Settlement are Group investors related to P. Cullum, the Group's Executive Chairman and direct shareholder.
- D. Margrett and S. Ross hold shares within the Group and hold directorships on the Group's Board.

Prior to the purchase by GRP (see note 17), David Margrett and Peter Cullum owned a combined 78.87% of Minority Venture Partners Limited and 85.15% of Minority Venture Partners 2 Limited.

Other related party transactions

The total remuneration for key management personnel for the period totalled £1,032,776 (2017: £2,295,249).

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

31 Related party transactions (continued)

Other related party transactions (continued)

Transactions took place within the Global Risk Partners Limited Group, where group companies are not wholly owned. Net transactions during the year are shown in the table below:

	Paid to	2018 Received from	(Due to)/ receivable at year end	Paid to	2017 Received from	(Due to)/ receivable at year end
European Property Underwriting Limited	-	(1,196,262)	(4,989,377)	-	(1,217,055)	(3,793,115)
City of London Underwriting Limited	144,302	-	(1,287,546)	-	(609,720)	(1,431,848)
Plum Underwriting Limited	-	(1,336,695)	(718,993)	-	-	617,702
GRP Wholesale Holdco Limited	1,144,066	-	34,800	-	(1,148,104)	(1,109,266)
Abbey Bond Lovis Limited	-	(2,171,127)	(2,825,000)	-	(847,287)	(653,873)
GRP Retail Holdco Limited	3,382,666	-	3,382,666	-	(388,405)	-
Lonmar Global Risks Limited	-	(5,635,024)	(6,229,609)	-	(594,585)	(594,585)
Cavendish Munro Professional Risks Limited	328,369	-	335,677	7,308	-	7,308
Marshall Wooldridge Limited	-	(750,165)	(929,036)	-	(178,871)	(178,871)
SLK General Insurance Services Limited	-	(157,912)	(257,912)	-	(100,000)	(100,000)
8B Insure Limited	-	(265,364)	(256,532)	8,832	-	8,832
8B Insure Holdings Limited	5,949	-	7,272	1,323	-	1,323
Higos Insurance Services Limited	513,581	-	513,581	-	-	-
Green Insurance Brokers Limited	130,321	-	130,321	-	-	-
Royminster Limited	403,133	-	403,133	-	-	-
Alan & Thomas Insurance Brokers Limited	-	(346,765)	(346,765)	-	-	-
Alan & Thomas Insurance Broker Basingstoke Limited	-	(350,000)	(350,000)	-	-	-
Anglo Hibernian Bloodstock Insurance Services Limited	73	-	73	-	-	-
Subtotal c/f	6,052,460	(12,209,314)	(13,383,247)	17,463	(5,084,027)	(7,226,393)

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

31 Related party transactions (continued)

Other related party transactions (continued)

	Paid to	2018 Received from	(Due to)/ receivable at year end	Paid to	2017 Received from	(Due to)/ receivable at year end
Sub-total b/f	6,052,460	(12,209,314)	(13,383,247)	17,463	(5,084,027)	(7,226,393)
Pimco 2952 Limited	277,363	-	277,363	-	-	-
GRP Retail Limited	494,667	-	429,577	-	(65,090)	(65,090)
GRP Sterling Limited	1,939,724	-	2,339,442	399,718	-	399,718
ECS Insurance Brokers Limited	41,115	-	41,115	-	-	-
McGrady Limited	-	(847,652)	(1,474,136)	-	(626,484)	(626,484)
Ropner Insurance Services Limited	-	(688,600)	(1,797,866)	-	-	(1,109,266)
Minority Venture Partners Limited	-	(1,601,493)	(1,601,493)	-	-	-
County Insurance Consultants Limited	-	(250,000)	(250,000)	-	-	-
Country & Commercial Insurance Brokers Limited	2,853	-	2,853	-	-	-
Camberford Law plc	1,427	-	1,427	-	-	-
Clouddesk Limited	21,493	-	21,493	-	-	-
Centrix Insurance Services Limited	12,000	-	12,000	-	-	-
	8,843,102	(15,597,059)	(15,381,472)	417,181	(5,775,601)	(8,627,515)

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2017: £nil) in respect of bad debts from related parties.

On 16 December 2014, loans totalling £300,000 were issued to 3 key managers (including 2 directors) of its subsidiary undertaking, Plum Underwriting Limited. The loans carry an interest rate of 3.25%. During the period, £nil of the loan was repaid (2017: £nil).

On 12 August 2015, loans totalling £1,110,000 were issued to 5 directors of its subsidiary undertaking, Abbey Bond Lovis Limited. The loans carry an interest rate of 3.5%. During the period, £nil (2017: £nil) of the loan was repaid, and £nil (2017: £12,133) was written off.

GLOBAL RISK PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

32 Subsidiary guarantee

As a parent company, established under the law of the UK (an EEA state) for the financial year ended 31 March 2018, Global Risk Partners Limited took advantage of the exemption from audit under section 479A of the Companies Act 2006 for the following subsidiary undertakings:

A.R.T. Jeffries (Tichfield) Limited	GRP MGA Holdco Limited
Abbey Bond Lovis Limited	GRP Retail Holdco Limited
Ability Services Limited	GRP Retail Limited
Alan & Thomas Holding Company Limited	GRP Sterling Limited
Alan & Thomas Insurance Brokers Basingstoke Limited	GRP Wholesale Holdco Limited
Alan & Thomas Insurance Brokers Limited	GWJ Limited
Anglo Hibernian Bloodstock Insurance Services Limited	Higos Holdings Limited
Arthur Marsh & Son (Birmingham) Limited	Higos Insurance Services Limited
BB Insure Holdings Limited	Inspire Risk Management Group Limited
BB Insure Limited	Inspire Risk Management Limited
Camberford Law 2008 Limited	Jaytom Limited
Camberford Law plc	John Beard & Sons Limited
CCIB Holdings Limited	JSW Insurance Services Limited
Centrix Insurance Holdings Limited	Liability Direct Limited
CICG Limited	Marshall Wooldridge (South Yorkshire) Limited
City of London Underwriting Agencies London Limited	Marshall Wooldridge Group Holdings Limited
Clouddesk Limited	Marshall Wooldridge Holdings Limited
Clubsure Members Owned Clubs Limited	McGrady Limited
Colin Fear Insurance Services Limited	Mellerups General Insurances Limited
Commercial & General Insurance Services Limited	Minority Venture Partners 2 Limited
County Insurance Consultants Limited	Minority Venture Partners Limited
County Insurance NW Limited	NMJ Holdings Limited
Country & Commercial Insurance Brokers Limited	NMJ Insurance Brokers Limited
ECS Insurance Brokers Limited	Pimco 2952 Limited
European Property Underwriting Limited	Richardson & Wheeler Limited
Fed Agricultural Limited	Robert Nott & Partners Limited
GMM Commercial Insurance Services Limited	SLK General Insurance Services Limited
Green Insurance Brokers Limited	Thompson Brothers Holdings Limited
GRP Broking Holdco Limited	Thompson Brothers Insurance Consultants Limited
GRP Holdco 1 Limited	Viking Insurance Services Limited
GRP Holdco 2 Limited	

33 Ultimate controlling party

The Group has no controlling shareholder at 31 March 2018.