

**Insurance Holdings Ltd.**

**Registered Number: 05601837**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2021**



## COMPANY INFORMATION

<b>Directors</b>	Noel C. Lenihan David J. Ezzard Sami S. Sulaiman
<b>Registered number</b>	05601837
<b>Registered office</b>	Mezzanine Floor 75 King William Street London EC4N 7BE
<b>Independent auditors</b>	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

## CONTENTS

	Page
Group Strategic Report	4-6
Directors' Report	7-8
Directors' Responsibilities Statement	9
Independent Auditor's Report	10-13
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Financial Position	15-16
Parent Company Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Parent Company Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20
Parent Statement of Cash Flows	21
Notes to the Consolidated Financial Statements	22-57

INSURANCE HOLDINGS LTD.

## GROUP STRATEGIC REPORT

The Directors present their strategic report together with the audited Consolidated Financial Statements for the year ended 30 June 2021.

### REVIEW AND ANALYSIS OF THE GROUP'S BUSINESS DURING THE CURRENT YEAR

#### Principal activities

Insurance Holdings Ltd's ("the Company") principal activity remains that of a holding company. The principal activities of the subsidiaries during the year were that of Authorised Insurance Intermediaries and accepting business on behalf of insurance companies onto Delegated Authorities.

The Insurance Holdings Ltd Group ("the Group") continued its principal activities throughout the current year.

Management monitor performance against a comprehensive range of non-financial performance indicators. These include Operational KPIs such as response times on claims settlements and client queries, Compliance KPIs in respect of general procedures, and Human Resources KPIs such as staff retention rates.

#### Business Review for the Financial Year

The objective of the Group is to generate sustainable growth through its ongoing principal activities. Management is delighted to report that revenue for the period is £13.8m and the Earnings before interest, tax depreciation and amortisation (EBITDA) is £4.3m, a margin of 31% during the current period. The Group measures activity and performance including:

- Monthly income and expenditure against budgets and prior year.
- Prudent capital margins.
- Contract certainty.
- Treating customers fairly.
- The timely collection of insurance amounts from clients and their onward settlement to underwriters.

The business is split into three principal divisions, being broking, underwriting and outsourcing and each operates in a niche area which is independent of the others. This approach mitigates the risks associated with a single business stream and provides resilience for the Group from a risk perspective. All divisions are operated with a view to profitable, compliant growth and all are achieving this objective.

The Group has prepared cash flow forecasts and operational plans, which demonstrate that the Group can meet its day-to-day-working capital requirements.

#### Key performance indicators

Management used a range of financial and non-financial key performance indicators to measure the performance of the Group throughout the year.

## INSURANCE HOLDINGS LTD.

Revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) are reviewed monthly against agreed budgets and prior year performance, and variances investigated.

### Revenue

As reported in the Consolidated Statement of Comprehensive Income, revenue increased from £11.4m to £13.8m during the current year. This represents an increase of 21% mainly attributable to increased trading performance following the pandemic. Management is therefore pleased with the underlying performance of the business and the prospects for future growth and development.

### EBITDA

Earnings before interest, tax, depreciation and amortisation increased from £2.8m to £4.3m during the current year. The EBITDA as a percentage is an increase of 53%. This increase is due to organic growth, together with the transfer of revenue streams from a related party company, Alsford Page & Gems Ltd, into one of the Group subsidiary companies, Carroll & Partners Ltd.

### Consolidated financial position at the reporting date

The Consolidated Statement of Financial Position shows that net assets have increased from £7.2m to £7.6m.

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

Management monitors the principal risks and uncertainties facing the Group, and assess the controls in place to mitigate these risks through the application of the risk register as reported and reviewed by the Management Committee, Corporate Governance Committee and the Board of Directors. This is also monitored and controlled through the Board's strategic review and planning process. The Board maintains a regular review of risk via its Board reporting, Compliance, Governance and Operational meetings to ensure risks are identified in a timely manner and mitigated wherever possible.

The principal areas of risk remain those of commercial, exchange rate, credit, regulatory, and major external event, as shown below:

#### Commercial Risk

The Group operates in a highly competitive and dynamic market with an ever-present risk of clients changing their risk appetite, consolidating or moving to another intermediary. Market competition also brings rating/pricing uncertainty, leading to budgeting risk. Commercial risks, including risks associated with consolidation, are mitigated through the diverse nature of the Group's client base and production sources, both internal and external.

#### Exchange Rate Risk

A proportion of the Group's revenue is generated in foreign currencies. Management regularly reviews the need to hedge foreign currency revenue.

## INSURANCE HOLDINGS LTD.

### Credit Risk

There is a risk that third party debtors do not settle amounts due and management ensure that appropriate systems are in place to mitigate this, including the operation of the Trading Partner Review committee and the on-boarding process for clients and trading partners.

### Regulatory Risk

The Group's ability to continue in operation is dependent on ongoing authorisation from its statutory regulator, the Financial Conduct Authority (FCA), in respect of its regulated trading subsidiary. Financial performance could be affected materially by regulatory penalties or restrictions on the group's operations or officers, should the Group fail to comply with relevant regulatory requirements.

Management mitigates the risk that such authorisation might be withdrawn or reduced in scope by investment in strong compliance procedures and by embedding compliance within the Group's culture. The Group's Head of Compliance oversees the Group's compliance processes and its relationship with the FCA and coordinates monthly compliance KPI reporting which is then reviewed by the Group's Executive Management Committee. Annual employee training includes compliance models and staff completion of these are monitored monthly. The finance function also liaises with the Head of Compliance to ensure the Group meets its fiduciary responsibilities in respect of client money / insurer money held under risk transfer agreements.

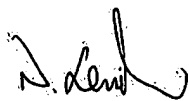
### Climate change risk

The Group is a services-based organisation operating with a limited environmental footprint. Despite this, we remain conscious of the global climate pressures and are committed to minimising the environmental impacts of our business. Whilst climate change poses risk to both our clients and risk carriers, as an intermediary we are not directly exposed to those risks. Notwithstanding, we need to understand these changing risks and help ensure that our clients' needs continue to be met.

### Major External Event

The Group maintains and reviews a Business Continuity Plan in order to mitigate the risk of a major external event, which could result in the Group being unable to service clients, and the potential for exposure to breaching FCA rules, loss of key staff, potential professional indemnity issues and the ultimate demise of the business. The plan to mitigate the potential of a major external event impacting in this detrimental way, includes use of secondary office locations, immediate documentation recovery and remote working facilities and has been tested for a considerable amount of time during the COVID pandemic and subsequent working from home directives from the UK government. These arrangements have proved robust and service levels have been maintained.

This report was approved by the board and signed on its behalf.



N C Lenihan Director  
Date: 17 October 2022

INSURANCE HOLDINGS LTD.

## DIRECTORS' REPORT

The Directors present their report and the Consolidated Financial Statements for the year ended 30 June 2021.

### Results and dividends

The profit for the year, after taxation, amounted to £2,091,543 (2020: £1,674,875).

### Directors

The Directors who served during the year were:

Noel Lenihan

David Ezzard

Sami Sulaiman

Sindy Goldstone

Glenn Bremerman

Neil Clarke

Jeremy Lewis

Peter Carroll

Gregory Duignan

Sharna Bullen (appointed 7 September 2022)

Garry Bright (appointed 13 May 2021 and resigned 10 September 2022)

Andrew Chisnall (resigned 24 September 2021)

### Future developments

The Company continues to seek opportunities for further growth and improved operating efficiency.

### Qualifying third party indemnity provisions

A subsidiary undertaking of the Company has purchased and maintained directors' and officers' liability insurance for the Company and its Directors throughout the year.

### Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Post balance sheet events

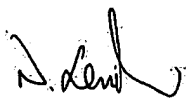
There have been no significant events affecting the Company since the year end. The Group does not have any exposure to Russian or Ukrainian business and so is not impacted by the conflict.

INSURANCE HOLDINGS LTD.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 October 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'N. C. Lenihan', with a stylized flourish at the end.

N C Lenihan  
Director



INSURANCE HOLDINGS LTD.

## DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year. The Directors are required to prepare the Group consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and Article 4 of the IAS regulation. Under company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these consolidated financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable the International Financial Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**INSURANCE HOLDINGS LTD.**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSURANCE HOLDINGS LTD  
FOR THE YEAR ENDED 30 JUNE 2021**

**Opinion**

We have audited the financial statements of Insurance Holdings Ltd. ('the parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Parent Statement of Financial Position, Consolidated and Parent Statement of Changes in Equity and Consolidated and Parent Statement of Cash Flows and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

## INSURANCE HOLDINGS LTD.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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

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

## INSURANCE HOLDINGS LTD.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the Financial Conduct Authority ('FCA')
- We understood how the Group is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed significant correspondence between the Company and UK regulatory bodies, reviewed minutes of the Board and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions, performance targets, external pressures

## INSURANCE HOLDINGS LTD.

and the impact these have on the control environment and their potential to influence management to manage earnings or influence the perceptions of stakeholders. The fraud risk was considered to be higher within recognition of brokerage and fee revenue subject to manual elements posted close to period end and judgements related to the application of IFRS 15.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Considering the effectiveness of management's controls designed to address the risk of fraud.
  - Testing of journal entries and other adjustments in the preparation of the financial statements.
  - Assessing accounting estimates for evidence of management bias
  - Evaluating the business rationale for significant and/or unusual transactions.

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

### Use of our report

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

DocuSigned by:

*Ernst & Young LLP*

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Ed Jervis (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
18 October 2022

## INSURANCE HOLDINGS LTD.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 30 June 2021

		30-Jun 2021 £'000	30-Jun 2020 £'000
	Notes		
<b>Revenue and other income</b>			
Fee and commission income	4	12,149	10,048
Other revenue	4	1,602	1,368
Interest income	4	1	15
Share of equity accounted results	4	44	-
	4	<b>13,796</b>	<b>11,431</b>
<b>Expenses</b>			
Administration and other expenses	5	(1,096)	(1,553)
Depreciation expense - property, plant and equipment		(172)	(100)
Depreciation expense - right-of-use assets		(448)	(333)
Amortisation expense		(115)	(39)
Employee salaries and benefits expense		(7,564)	(6,328)
Finance costs		(640)	(31)
Finance costs - lease liabilities		(288)	(158)
Information technology costs		(666)	(579)
Professional fees		(237)	(205)
		<b>(11,226)</b>	<b>(9,326)</b>
<b>Profit before corporation tax expense</b>		<b>2,570</b>	<b>2,105</b>
Corporation tax expense	6	(479)	(430)
<b>Net profit from continuing operations</b>		<b>2,091</b>	<b>1,675</b>
Attributable to:			
Equity holders of parent		2,004	1,590
Non-controlling interest		87	85
<b>Net profit from continuing operations</b>		<b>2,091</b>	<b>1,675</b>

There was no other comprehensive income for 2021 (2020: £0).

The above statement should be read in conjunction with the accompanying notes.

## INSURANCE HOLDINGS LTD.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2021

	Notes	30-Jun 2021 £'000	30-Jun 2020 £'000	01-Jul 2019 £'000
<b>Current assets</b>				
Cash and cash equivalents	8	795	1,042	921
Financial assets - trust cash	9	10,905	6,347	5,486
Receivables	10	5,176	3,949	2,718
Other assets	11	836	1,088	523
Bonds and deposits	12	328	328	-
<b>Total current assets</b>		<b>18,040</b>	<b>12,754</b>	<b>9,648</b>
<b>Non-current assets</b>				
Equity accounted investments	13	44	-	-
Property, plant and equipment	14	604	762	263
Intangible assets	15	8,670	8,609	5,270
Right of use asset	16	3,588	4,036	323
Deferred tax asset		79	80	124
<b>Total non-current assets</b>		<b>12,985</b>	<b>13,487</b>	<b>5,980</b>
<b>Total assets</b>		<b>31,025</b>	<b>26,241</b>	<b>15,628</b>
<b>Current liabilities</b>				
Payables	17	11,890	7,377	5,919
Borrowings		-	-	412
Current tax liabilities	5	237	342	215
Lease liabilities	18	405	115	-
Contract liabilities - deferred revenue	19	384	59	105
Amounts payable to vendors	20	-	912	212
<b>Total current liabilities</b>		<b>12,916</b>	<b>8,805</b>	<b>6,863</b>
<b>Non-current liabilities</b>				
Borrowings		-	-	1,820
Related party loans	17	6,458	5,837	320
Deferred tax liabilities	5	154	148	-
Lease liabilities	18	3,902	4,271	369
<b>Total non-current liabilities</b>		<b>10,514</b>	<b>10,256</b>	<b>2,509</b>
<b>Total liabilities</b>		<b>23,430</b>	<b>19,061</b>	<b>9,372</b>
<b>Net assets</b>		<b>7,595</b>	<b>7,180</b>	<b>6,256</b>
<b>Equity</b>				
Share capital	21	186	186	186
Retained earnings	22	7,299	6,815	5,962
<b>Equity attributable to owners of Insurance Holdings Ltd</b>		<b>7,485</b>	<b>7,001</b>	<b>6,148</b>
Non-controlling interests		110	179	108
<b>Total equity</b>		<b>7,595</b>	<b>7,180</b>	<b>6,256</b>

INSURANCE HOLDINGS LTD.

The above statement should be read in conjunction with the accompanying notes.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 17 October 2022.

A handwritten signature in black ink, appearing to read 'NC Lenihan', with a stylized flourish at the end.

NC Lenihan  
Director



## INSURANCE HOLDINGS LTD.

# PARENT COMPANY STATEMENT OF FINANCIAL POSITION

As At 30 June 2021

	Notes	30-Jun 2021 £'000	30-Jun 2020 £'000
<b>Current assets</b>			
Cash and cash equivalents	8	42	10
Receivables	10	2,724	1,027
Current tax assets		63	-
Other assets	11	522	370
Investments	12	328	328
<b>Total current assets</b>		<b>3,679</b>	<b>1,735</b>
<b>Non-current assets</b>			
Financial assets - investments in subsidiaries		13,855	13,357
Property, plant and equipment	14	325	398
Right of use asset	16	3,562	3,977
Deferred tax assets	5	34	-
<b>Total non-current assets</b>		<b>17,776</b>	<b>17,732</b>
<b>Total assets</b>		<b>21,455</b>	<b>19,467</b>
<b>Current liabilities</b>			
Payables	17	555	640
Current tax liabilities	5	-	62
Lease liabilities	18	390	-
Amounts payable to vendors	20	-	912
<b>Total current liabilities</b>		<b>945</b>	<b>1,614</b>
<b>Non-current liabilities</b>			
Related party loans		15,424	12,244
Deferred tax liabilities	5	-	6
Lease Liabilities	18	3,888	4,321
<b>Total non-current liabilities</b>		<b>19,312</b>	<b>16,571</b>
<b>Total liabilities</b>		<b>20,257</b>	<b>18,185</b>
<b>Net assets</b>		<b>1,198</b>	<b>1,282</b>
<b>Equity</b>			
Share capital	21	186	186
Retained earnings	22	1,012	1,096
<b>Total equity</b>		<b>1,198</b>	<b>1,282</b>

The above statement should be read in conjunction with the accompanying notes.

## INSURANCE HOLDINGS LTD.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2021

	Share capital	Retained Earnings (Restated)	Non- controlling Interest (Restated)	Total Equity
	£'000	£'000	£'000	£'000
Balance as at 1 July 2019	186	5,962	108	6,256
Profit for the year	-	1,590	85	1,675
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,590</b>	<b>85</b>	<b>1,675</b>
Dividends paid -note 7	-	(737)	(14)	(751)
<b>Total transactions with owners</b>	<b>-</b>	<b>(737)</b>	<b>(14)</b>	<b>(751)</b>
<b>Balance as at 30 June 2020</b>	<b>186</b>	<b>6,815</b>	<b>179</b>	<b>7,180</b>

	Share capital	Retained Earnings	Non- controlling Interest	Total Equity
	£'000	£'000	£'000	£'000
<b>Balance as at 1 July 2020</b>	<b>186</b>	<b>6,815</b>	<b>179</b>	<b>7,180</b>
Profit for the year	-	2,004	87	2,091
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,004</b>	<b>87</b>	<b>2,091</b>
<b>Transactions with owners in their capacity as owners:</b>				
Acquisition of non-controlling interest	-	(390)	(110)	(500)
Dividends paid- note 7	-	(1,130)	(46)	(1,176)
<b>Total transactions with owners</b>	<b>-</b>	<b>(1,520)</b>	<b>(156)</b>	<b>(1,676)</b>
<b>Balance as at 30 June 2021</b>	<b>186</b>	<b>7,299</b>	<b>110</b>	<b>7,595</b>

The above statement should be read in conjunction with the accompanying notes.

## INSURANCE HOLDINGS LTD.

# PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For The Year Ended 30 June 2021

	Share capital £'000	Retained Earnings £'000	Total Equity £'000
<b>Balance as at 1 July 2019</b>	<b>186</b>	<b>874</b>	<b>1,060</b>
Profit for the year	-	959	959
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>959</b>	<b>959</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividends paid-note 7	-	(737)	(737)
<b>Total transactions with owners</b>	<b>-</b>	<b>(737)</b>	<b>(737)</b>
<b>Balance as at 30 June 2020</b>	<b>186</b>	<b>1,096</b>	<b>1,282</b>

	Share capital £'000	Retained Earnings £'000	Total Equity £'000
<b>Balance as at 1 July 2020</b>	<b>186</b>	<b>1,096</b>	<b>1,282</b>
Profit for the year	-	1,046	1,046
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,046</b>	<b>1,046</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividends paid-note 7	-	(1,130)	(1,130)
<b>Total transactions with owners</b>	<b>-</b>	<b>(1,130)</b>	<b>(1,130)</b>
<b>Balance as at 30 June 2021</b>	<b>186</b>	<b>1,012</b>	<b>1,198</b>

The above statement should be read in conjunction with the accompanying notes.

## INSURANCE HOLDINGS LTD.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2021

	30-Jun 2021 £'000	30-Jun 2020 £'000
Notes		
<b>Cash flow from operating activities</b>		
Receipts from customers	12,709	11,504
Payments to suppliers and employees	(9,616)	(7,830)
Interest received	1	15
Interest paid	(640)	(31)
Corporation tax paid	(577)	(226)
<b>Net cash provided by operating activities</b>	<b>1,877</b>	<b>3,432</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(51)	(623)
Payment for intangibles	(170)	(451)
Payment for other investments	-	(328)
<b>Net cash used in investing activities</b>	<b>(221)</b>	<b>(1,402)</b>
<b>Cash flow from financing activities</b>		
Payments for acquisition of subsidiary, net of cash	(495)	(2,889)
Repayments of borrowings	-	(2,232)
Payment of lease liabilities	(367)	(155)
Dividends paid	(1,152)	(751)
Related parties' loans and receivables	135	4,118
<b>Net cash used in financing activities</b>	<b>(1,903)</b>	<b>(1,909)</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	1,042	921
Net (decrease) / increase in cash and cash equivalents held	(247)	121
<b>Cash and cash equivalents at end of the year</b>	<b>795</b>	<b>1,042</b>

The above statement should be read in conjunction with the accompanying notes.

## INSURANCE HOLDINGS LTD.

## PARENT STATEMENT OF CASH FLOWS

For The Year Ended 30 June 2021

	30-Jun 2021 £'000	30-Jun 2020 £'000
Notes		
<b>Cash flow from operating activities</b>		
Receipts from customers	618	487
Payments to suppliers and employees	(543)	(473)
Interest paid	(640)	(31)
Corporation tax paid	(53)	(52)
<b>Net cash provided by operating activities</b>	<b>(618)</b>	<b>(69)</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(7)	(360)
<b>Net cash used in investing activities</b>	<b>(7)</b>	<b>(360)</b>
<b>Cash flow from financing activities</b>		
Payments for acquisition of subsidiary, net of cash	(495)	(5,190)
Repayments of borrowings	-	(2,232)
Payment of lease liabilities	(328)	(17)
Dividend received	1,127	494
Dividends paid	(1,130)	(737)
Related parties' loans and receivables	1,483	8,006
<b>Net cash used in financing activities</b>	<b>657</b>	<b>324</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	10	115
Net (increase) / decrease in cash and cash equivalents held	32	(105)
<b>Cash and cash equivalents at end of the year</b>	<b>42</b>	<b>10</b>

The above statement should be read in conjunction with the accompanying notes.

INSURANCE HOLDINGS LTD.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

## Note 1: General Information

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Mezzanine Floor, 75 King William Street, London, EC4N 7BE. Its registered company number is 05601837.

The Company acts as a UK holding company for its subsidiaries within the Group. The Company's principal activity remains that of a holding company. The principal activities of the subsidiary entities in the Group during the year were that of Authorised Insurance Intermediaries and accepting business on behalf of insurance companies onto Delegated Authorities.

These consolidated financial statements are presented in UK Pounds Sterling (GBP).

## Note 2: Significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS as adopted by the European Union and the Companies Act 2006. The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The statement of financial position of the Company has been prepared in accordance with Section 408 of, and Schedule 3 to, the Companies Act 2006. The Company has taken advantage of the exemption conferred by section 408 of the Companies Act 2006 not to present its own profit and loss account or statement of comprehensive income for the year.

For all periods up to and including the year ended 30 June 2020, the Company prepared its individual and consolidated financial statements in accordance with UK generally accepted accounting principles (UK GAAP FRS 102). These consolidated and individual financial statements for the year ended 30 June 2021 are the first set of the financial statements, the Group and the Company have prepared in accordance with IFRS. The impact on the Consolidated financial statements and the Company's individual financial statements are disclosed in Note 2.5.

The consolidated financial statements have been prepared on the historical cost basis except for the modification to a fair value of certain financial instruments as specified in the accounting policies below. The consolidated financial statements are prepared in UK pounds sterling which is the presentation and functional currency of the Group and parent company and are rounded to the nearest £'000.

## INSURANCE HOLDINGS LTD.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of Insurance Holdings Ltd. "the Company" and all of its subsidiary undertakings ("the subsidiaries") as at 30 June 2021.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

Equity interests in a subsidiary not attributable directly or indirectly to the Group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive Income and consolidated statement of financial position respectively.

### 2.3 Going Concern

The Group meets its day-to-day working capital requirements through its cash reserves and ongoing cash generation and has no borrowings other than internal debt in the wider group. The Group's forecasts and projections, taking account of realistic possible changes in trading performance, show that the Group has adequate financial resources to continue its operations for a period of 12 months from the approval of the Group and Company financial statements.. The Group and Company therefore continue to adopt the going concern basis of preparing its consolidated and individual financial statements.

### 2.4 Summary of significant Accounting Policies

#### (a) Revenue

The Group derives revenue from the provision of insurance services. Revenue is recognised as, or when, services are transferred to the customer, and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the services.

INSURANCE HOLDINGS LTD.

2.4 Summary of significant Accounting Policies (continued)

*Provision of insurance services*

The performance obligation relating to commission, brokerage and fee income relates to the provision of insurance broking services. Commission, brokerage and fees are recognised when the Group has satisfied its performance obligations, which occurs at the point in time that control of the services are transferred to the customer. Revenue is constrained to reflect potential lapses and cancellations based on based on past experiences and future expectations.

Where there is a future performance obligation to provide claims handling services, a portion of revenue relating to these services is deferred and recognised over time as the performance obligation is satisfied.

*Interest income*

Interest income is recognised in accordance with the effective interest method.

*Other revenue*

Other revenue is recognised when the right to receive payment is established.

*Gain / (loss) on financial instruments*

Financial assets and liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

*Receivables from contracts with customers*

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

*Contract liabilities*

A contract liability represents the Group's obligation to transfer services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted services to the customer.

(b) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise of cash at bank and in hand.



## INSURANCE HOLDINGS LTD.

## 2.4 Summary of significant Accounting Policies (continued)

The Company has fiduciary and regulatory responsibilities in respect of cash received from clients to meet the premium obligations and cash received on behalf of clients in respect of settled claims or returned premiums. Cash held on trust is therefore separately disclosed in the Consolidated Statement of Financial Position as “Financial Assets – Trust Cash”.

## (c) Property, plant and equipment

Each class of property, plant and equipment is measured at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount if the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

*Plant and equipment*

Plant and equipment are measured at cost less any accumulated depreciation.

*Depreciation*

The depreciable amounts of all property, plant and equipment are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:

	Depreciation rate	Depreciation Basis
Leasehold improvements at cost	20%	Straight line
Office equipment at cost	25%	Straight line
Computer equipment at cost	25%	Straight line
Fixtures and fittings at cost	10%	Straight line

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income when the asset is derecognised.

## INSURANCE HOLDINGS LTD.

### 2.4 Summary of significant Accounting Policies (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (d) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of any purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The determination of the lease term and the incremental borrowing rate requires the use of judgement.

#### (e) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The lease term determined by the Group comprises non-cancellable period of leases and periods covered by options to extend the lease, if the Group is reasonably certain to exercise that option.

## INSURANCE HOLDINGS LTD.

### 2.4 Summary of significant Accounting Policies (continued)

#### (f) Intangibles

##### *Goodwill*

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

##### *Identifiable intangible assets*

Identifiable intangible assets acquired separately from a business combination are initially measured at fair value. The cost of an intangible asset acquired in a business combination is its fair value as at acquisition date. The useful lives of these intangible assets are assessed on acquisition. Following initial recognition, intangible assets are adjusted for any accumulated amortisation and impairment losses.

Intangible assets with finite lives are amortised over the useful lives, currently estimated to be up to 10 years. Useful lives are reviewed annually.

#### (g) Current and deferred

##### *Current Income Tax*

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

##### *Deferred tax balances*

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## INSURANCE HOLDINGS LTD.

### 2.4 Summary of significant Accounting Policies (continued)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Deferred tax assets and liabilities are shown on a net basis in the consolidated statement of financial position.

#### (h) Financial instruments

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

##### *Classification*

Financial assets recognised by the Group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income.

Financial assets not irrevocably designated on initial recognition at fair value through other comprehensive income are classified at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the Group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

##### *Trade and other receivables*

Receivables from broking, reinsurance and underwriting agency operations are initially recognised based on the invoiced amount to customers and are generally due for settlement within 14 to 60 days. After initial recognition, provision is made for lapses or cancellations of insurance policies or other matters that may lead to cancellation.

Receivables from reinsurance broking are initially recognised based on contract value. Following fulfilment of the contract, amounts are then invoiced to customers.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

INSURANCE HOLDINGS LTD.

2.4 Summary of significant Accounting Policies (continued)

*Loans and receivables*

Loans and receivables are debt instruments, and are classified (and measured) at amortised cost using the effective interest rate method on the basis that:

(a) they are held within a business model whose objective is achieved by the Group's holding the financial asset to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Impairment of financial assets*

The following financial assets are tested for impairment at each financial year end:

(a) debt instruments measured at amortised cost;

(b) receivables from contracts with customers.

The Group provides for allowances for credit losses for both receivables from contracts with customers. Under IFRS 9, the Group determines the allowance for credit losses for receivables from contracts with customers on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Where there is a trade receivables balance, assessment is given to establish whether credit risk against this balance is mitigated in full as a result of the allowance for expected revenue losses on policy lapses and cancellations.

The gross carrying amount of a financial asset is written off when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset.

## INSURANCE HOLDINGS LTD.

### 2.4 Summary of significant Accounting Policies (continued)

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

#### *Financial liabilities*

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the Groups' consolidated statement of financial position if there is an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### *(i) Borrowing costs*

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Borrowing costs are expensed as incurred.

#### *(j) Investments in associates*

An associate is an entity over which the Group is able to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's interests in associates are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits and losses of the associate are recognised in Group's profit or loss and the Group's share of the associate's other comprehensive income items are recognised in the Group's other comprehensive income.

Unrealised gains and losses on transactions between the Group and an associate are eliminated to the extent of the Group's share in an associate.

In the Company statement of financial position, investment in associates are carried at cost less impairment, if any.

## INSURANCE HOLDINGS LTD.

### 2.4 Summary of significant Accounting Policies (continued)

#### (k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date.

#### (l) Foreign Currency translation

Transactions in foreign currencies of entities within the Group are translated into functional currency at the rate of exchange ruling at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the spot rate at the end of the financial year. All resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

### 2.5 Corrections and adjustments to prior year financial statements

#### First-time adoption of IFRS

These consolidated financial statements, for the year-ended 30 June 2021, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 30 June 2020, the Group prepared company statutory accounts in accordance with local generally accepted accounting principles (UK GAAP FRS 102). Under IFRS 1, an entity shall use the same accounting policies in its opening IFRS consolidated statement of financial position and throughout all periods presented in its consolidated financial statements. Those accounting policies shall comply with each IFRS effective at the end of its first IFRS reporting period. Accordingly, the Group has prepared consolidated financial statements that comply with IFRS applicable as at 30 June 2021, together with the comparative period data for the year ended 30 June 2020, as described in the summary of significant accounting policies. There were no consolidated financial statements prepared for the period ended 30 June 2020, the last consolidated financial statements were prepared for the period ended 30 June 2019, therefore the transition to IFRS has only been disclosed for the 2019 financial year.

In preparing the consolidated financial statements, the Group's opening consolidated statement of financial position was prepared as at 1 July 2019, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its UK GAAP consolidated financial statements and individual Company financial statements. IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions. IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates that occurred before 1 July 2019. In accordance with IFRS 1, the Group has tested goodwill

## INSURANCE HOLDINGS LTD.

for impairment at the date of transition to IFRS. There was no impairment recognised on goodwill at 1 July 2019.

## Other adjustments

The Group has made a voluntary change to the treatment of policyholder trust balances which is explained below and has corrected its accounting for non-controlling interest (NCI) where all NCI were not disclosed in the consolidated financial statements.

## Impact on consolidated financial statements

Group consolidated Statement of Financial Position as at 1 July 2019:

	UK GAAP as per submitted (£'000)	IFRS transition adjustments (£'000)	Other adjustments and reclassification (£'000)	Reclass of intercompany balance (£'000)	IFRS as at 01 July 2019 as restated. (£'000)
<b>Current assets</b>					
Cash and cash equivalents	6,407	-	(5,486)		921
Financial assets - trust cash	-	-	5,486		5,486
Receivables (Note A)	14,737	-	(12,219)	200	2,718
Other assets	523	-	-		523
<b>Total current assets</b>	<b>21,667</b>	<b>-</b>	<b>(12,219)</b>	<b>200</b>	<b>9,648</b>
<b>Non-current assets</b>					
Property, plant and equipment	263	-	-		263
Intangible assets (Note C)	1,602	3,668	-	-	5,270
Right of use asset (Note B)	-	323	-	-	323
Deferred tax asset	124	-	-	-	124
<b>Total non-current assets</b>	<b>1,989</b>	<b>3,991</b>	<b>-</b>	<b>-</b>	<b>5,980</b>
<b>Total assets</b>	<b>23,656</b>	<b>3,991</b>	<b>(12,219)</b>	<b>200</b>	<b>15,628</b>
<b>Current liabilities</b>					
Payables (Note A)	18,258	-	(12,219)	(120)	5,919
Borrowings	412	-	-	-	412
Current tax liabilities	215	-	-	-	215
Contract liabilities - deferred revenue	105	-	-	-	105
Amounts payable to vendors	212	-	-	-	212
<b>Total current liabilities</b>	<b>19,202</b>	<b>-</b>	<b>(12,219)</b>	<b>(120)</b>	<b>6,863</b>
<b>Non-current liabilities</b>					
Borrowings	1,820	-	-	-	1,820
Related party balances	-	-	-	320	320
Lease Liabilities (Note B)	-	369	-	-	369
<b>Total non-current liabilities</b>	<b>1,820</b>	<b>369</b>	<b>-</b>	<b>320</b>	<b>2,509</b>
<b>Total liabilities</b>	<b>21,022</b>	<b>369</b>	<b>(12,219)</b>	<b>200</b>	<b>9,372</b>
<b>Net assets</b>	<b>2,634</b>	<b>3,622</b>	<b>-</b>	<b>-</b>	<b>6,256</b>
<b>Equity</b>					
Share capital	186	-	-	-	186
Retained earnings	2,447	3,622	(108)	-	5,962
<b>Equity attributable to owners of Insurance Holdings Ltd</b>	<b>2,633</b>	<b>3,622</b>	<b>(108)</b>	<b>-</b>	<b>6,148</b>
Non-controlling interests (Note D)	1	-	108	-	108
<b>Total equity</b>	<b>2,634</b>	<b>3,622</b>	<b>-</b>	<b>-</b>	<b>6,256</b>



## INSURANCE HOLDINGS LTD.

## 2.5 Corrections and adjustments to prior year financial statements (continued)

A - Recognition of insurance premium receivables owed by policy holders and intercompany gross-up

The Group reassessed its treatment of insurance balances (trade debtors and trade creditors) following a change in accounting policy during the year ended 30 June 2020 by its ultimate parent. The Group determined that the fiduciary component of trade debtors and trade creditors should no longer be recognised in the consolidated financial statements, except where cash has been received from clients in respect of amounts invoiced or refunded by insurers and the Group has an obligation to remit monies it had received. The Group considered that this treatment reflected more accurately the Group's role as intermediary in insurance transactions and not as a principal acting on its own account. This change reflected emerging global industry practice and was consistent with the accounting policies of its ultimate parent. An amount representing accrued fiduciary trade debtors of £12,219k and the corresponding fiduciary liability were derecognised.

The Group also reassessed the extent to which it benefited from the risks and rewards of ownership in respect of trust cash held on behalf of clients, with the result that trust cash of £5,486k, which previously formed part of the Group's cash and equivalents, was re-classified as "other financial assets - trust cash" to reflect the restrictions on its use.

Intercompany balances have been grossed up between receivables and payables.

B - Treatment of Leases

The Group applied IFRS 16 to the operating leases which were previous reported under UK GAAP. This resulted in the recognition of right of use assets and lease liabilities within the financial statements of £323k and £369k respectively. The net impact on the income statement is immaterial.

C - Purchased Goodwill and Intangible Assets

Under UK GAAP reporting, purchased goodwill should be amortised over their useful economic life. Under IFRS accounting, goodwill generated via a business combination is defined as an intangible asset with an indefinite useful life and therefore cannot be amortised. Instead, it is tested annually for impairment. The accumulated amortisation of goodwill has been reversed with the impact of increasing the goodwill by £3,668k with a corresponding adjustment to retained earnings. There is no income statement impact on the year's income statements.

D – Non-controlling interest

The calculation of non-controlling interests did not include the 10% NCI interest held in Breeze Underwriting Limited. The correction of this error resulted in the reclassification of NCI of £108k from retained earnings. There is no income statement impact on the year's income statements but rather a change in presentation in the statement of changes in equity.

Impact on parent company accounts

There were no impacts of the transition on the 2019 financial statements, however there was impact on the 2020 financial statements which is noted below.

## INSURANCE HOLDINGS LTD.

Parent entity impact of prior period restatements on statement of financial position balances as at 30 June 2020:

	UK GAAP as submitted (£'000)	IFRS adjustments (£'000)	30 June 2020 IFRS restated (£'000)
<b>Current assets</b>			
Cash and cash equivalents	10	-	10
Receivables	1,027	-	1,027
Other assets	370	-	370
Investments	328	-	328
<b>Total current assets</b>	<b>1,735</b>	<b>-</b>	<b>1,735</b>
<b>Non-current assets</b>			
Investments in subsidiaries and associates	13,357	-	13,357
Property, plant and equipment	398	-	398
Right of use asset (Note A)	-	3,977	3,977
<b>Total non-current assets</b>	<b>13,755</b>	<b>3,977</b>	<b>17,732</b>
<b>Total assets</b>	<b>15,490</b>	<b>3,977</b>	<b>19,467</b>
<b>Current liabilities</b>			
Payables (Note A)	13,149	(265)	12,884
Current tax liabilities	62	-	62
Amounts payable to vendors (Note B)	988	(76)	912
<b>Total current liabilities</b>	<b>14,199</b>	<b>(341)</b>	<b>13,858</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (Note A)	15	(9)	6
Lease liabilities (Note A)	-	4,321	4,321
<b>Total non-current liabilities</b>	<b>15</b>	<b>4,312</b>	<b>4,327</b>
<b>Total liabilities</b>	<b>14,214</b>	<b>3,971</b>	<b>18,185</b>
<b>Net assets</b>	<b>1,276</b>	<b>6</b>	<b>1,282</b>
<b>Equity</b>			
Share capital	186	-	186
Retained earnings	1,090	6	1,096
<b>Total equity</b>	<b>1,276</b>	<b>6</b>	<b>1,282</b>

#### A - Treatment of Leases and adjustments to payables

The Company applied IFRS 16 to its operating leases which were previously reported under UK GAAP. This resulted in the recognition of a right of use asset and lease liability within the financial statements of £3,977k and £4,321k respectively. On recognition of the lease balances, the Company derecognised its pre-implementation lease accrual of £265k as this was incorporated in the lease liability and recorded the deferred tax impact of the balances recognised. Intercompany payables of £12,244k, has been shown separately on the Parent statement of financial position.

#### B – Amounts due to vendors and intercompany balances

A change in the present value of deferred consideration was not posted in error.

#### Income statement impact

The impact on the parent income statement of the restatements above are immaterial as they all flow through administrative expenses and net to £6k.

## INSURANCE HOLDINGS LTD.

### Note 3: Significant accounting judgements, estimates and assumptions

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

#### (a) Business combinations and goodwill

When a business combination occurs, the fair values of the identifiable assets and liabilities assumed, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities is based, to a considerable extent, on management's judgement. If the purchase consideration exceeds the fair value of the net assets acquired then the difference is recognised as goodwill. If the purchase price consideration is lower than the fair value of the assets acquired then a gain is recognised in the income statement.

Allocation of the purchase price between finite life assets and indefinite life assets such as goodwill affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite life intangible assets, including goodwill, are not amortised.

#### (b) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations or fair value assessments. Fair value calculations are based on estimates of sustainable revenue for each CGU multiplied by a revenue multiple appropriate for similar businesses, less costs to sell. Value in use calculations are based on projected cash flows approved by management covering a period of 5 years. Management's determination of cash flow projections are based on past performance and its expectation for the future, including any potential impacts from COVID-19. Key assumptions used for impairment assessment includes growth in revenue and expenses for each CGU of 2.5%, terminal growth rate of 2% and discount rate of 8.5% which is derived from the Weighted Average Cost of Capital.

#### (c) Corporation Tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

#### (d) Deferred consideration

The Group has made a best estimate of consideration payable for the acquisitions where there is a variable purchase price (generally a multiple of revenue). Should the final revenue vary from estimates, the Group will be required to vary the consideration payable and recognise the difference as an expense or income.

## INSURANCE HOLDINGS LTD.

## (e) Intangible assets

The carrying value of intangible assets with finite lives are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated on the same basis as goodwill above. An impairment loss is recognised if the carrying value of the intangible assets exceed their recoverable amount.

## (f) New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time, but these do not have an impact on the consolidated financial statements of the Group.

The new and amended standards and interpretations that are issued and potentially relevant to the Group, but not yet effective, up to the date of issuance of the Group's consolidated financial statements, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

	Effective date	Financial year mandatory
a. Amendments to IAS 37 – Onerous Contracts: —Cost of Fulfilling a Contract	1 January 2022	30 June 2023
b. Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022	30 June 2023
c. AIP (2018-2020 cycle): IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter	1 January 2022	30 June 2023
d. AIP (2018-2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022	30 June 2023
e. Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022	30 June 2023
f. Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023	30 June 2024
g. Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023	30 June 2024

The Group does not expect the impact of the new and amended standards to have a significant impact on the consolidated financial statements.

## INSURANCE HOLDINGS LTD.

## Note 4: REVENUE AND OTHER INCOME

	2021 £'000	2020 £'000
<b>Fee and commission income</b>		
Commission income	10,801	10,014
Fee income	1,019	34
Other fees	329	-
	<b>12,149</b>	<b>10,048</b>
<b>Other revenue</b>	<b>1,602</b>	<b>1,368</b>
<b>Interest income</b>	<b>1</b>	<b>15</b>
<b>Share of equity accounted results</b>	<b>44</b>	<b>-</b>
<b>Total revenue and other income</b>	<b>13,796</b>	<b>11,431</b>

## Note 5: OPERATING PROFIT

	2021 £'000	2020 £'000
Profit before corporation tax has been determined after:		
Foreign currency translation losses	13	14
Other	999	1,381
Subscriptions, legal and professional fees	64	49
Marketing and entertainment	20	109
<b>Total administration and other expenses</b>	<b>1,096</b>	<b>1,553</b>

The amount of expense related to defined contribution charged within employee benefits in 2021 was £8,534 (2020: £38,599).

## INSURANCE HOLDINGS LTD.

## Note 6: CORPORATION TAX

## (a) Components of tax expense

	2021 £'000	2020 £'000
Current tax on profits for the year	499	359
Deferred tax - Origination and reversal of timing difference	(40)	51
Adjustments in respect of prior years	20	20
<b>Total tax charge</b>	<b>479</b>	<b>430</b>

## (b) Tax expense

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Profit on ordinary activities before tax	2,570	2,105	896	678
Corporation tax payable on profit before income tax at 19% (2020: 19%)	488	399	170	129
Add tax effect of:				
- Other non-allowable items	16	8	3	34
- Non assessable gain / non-deductible loss on business acquisition rise and fall	(79)	10	(79)	-
- Deferred tax not recognised	24	(7)	-	-
- Other	10	-	-	-
- Inter-entity dividends	-	-	(214)	(94)
- Other	-	-	-	7
- Adjustments in respect of prior years	20	20	-	-
<b>Total tax charge</b>	<b>479</b>	<b>430</b>	<b>(120)</b>	<b>76</b>

## (c) Current tax liability

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Current tax relates to the following:					
Opening balance	342	215	235	62	52
Corporation tax charge / (credit)	499	359	421	(72)	62
Tax payments	(577)	(226)	(305)	(53)	(52)
Utilisation of losses against current period liability	41	-	-	-	-
Adjustments in respect of prior years	34	20	(136)	-	-
Other	(102)	(26)	-	-	-
<b>Current tax (asset) / liability</b>	<b>237</b>	<b>342</b>	<b>215</b>	<b>(63)</b>	<b>62</b>

## INSURANCE HOLDINGS LTD.

## Note 6: CORPORATION TAX (continued)

## (d) Deferred tax

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Deferred tax relates to the following:					
<b>Deferred tax assets</b>					
The balance comprises:					
Leases	69	35	124	34	-
Tax losses carried forward	-	44	-	-	-
Other	10	1	-	-	9
	<b>79</b>	<b>80</b>	<b>124</b>	<b>34</b>	<b>9</b>
<b>Deferred tax liabilities</b>					
The balance comprises:					
Customer lists	111	111	-	-	-
Capital allowances	43	37	-	-	15
	<b>154</b>	<b>148</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Net deferred tax (assets) /liabilities</b>	<b>75</b>	<b>68</b>	<b>(124)</b>	<b>(34)</b>	<b>6</b>

An increase from the current 19% UK corporation tax rate to 25%, effective from 1 April 2023, was announced in the Budget on 3 March 2021 and enacted on 10 June 2021.

## Note 7: DIVIDENDS

## (a) Dividends paid or declared

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000
Dividends paid to parent entity	1,130	737	900
Dividends paid to non-controlling interests	46	14	14
	<b>1,176</b>	<b>751</b>	<b>914</b>

## Note 8: CASH AND CASH EQUIVALENTS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Cash at bank	795	1,042	921	42	10
	<b>795</b>	<b>1,042</b>	<b>921</b>	<b>42</b>	<b>10</b>

## INSURANCE HOLDINGS LTD.

## Note 9: FINANCIAL ASSETS - TRUST CASH

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Cash held on trust	10,905	6,347	5,486	-	-
	<b>10,905</b>	<b>6,347</b>	<b>5,486</b>	-	-

## Note 10: RECEIVABLES

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
Other Receivables	31	59	-	-	-
Trade Receivables	2,364	1,739	1,714	-	-
Related party loans and receivables	2,781	2,151	1,004	2,724	1,027
	<b>5,176</b>	<b>3,949</b>	<b>2,718</b>	<b>2,724</b>	<b>1,027</b>

Trade receivables are net of the allowance for expected credit losses.

(i) Other receivables include amounts due from insurers for commercial services fees and sundry receivables.

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Ageing of Receivables</b>					
- 0-30 Days	3,678	2,656	2,428	-	-
- 30-60 Days	24	21	5	-	-
- 60-90 Days	284	245	55	-	-
- Over 90 Days	1,190	1,027	230	2,724	1,027
	<b>5,176</b>	<b>3,949</b>	<b>2,718</b>	<b>2,724</b>	<b>1,027</b>

## Allowance for expected credit losses

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Movements in the allowance for expected losses were:</b>					
Opening balance 1 July	14	53	37	-	-
Charge/(credit) for the year	16	(39)	16	-	-
<b>Closing balance at 30 June</b>	<b>30</b>	<b>14</b>	<b>53</b>	-	-



## INSURANCE HOLDINGS LTD.

## Note 11: OTHER ASSETS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
Prepayments	836	522	430	425	361
Related party loans and receivables	-	-	28	-	-
Other assets	-	566	65	97	9
	<b>836</b>	<b>1,088</b>	<b>523</b>	<b>522</b>	<b>370</b>

## Note 12: INVESTMENTS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Bonds and deposits	328	328	-	328	328
	<b>328</b>	<b>328</b>	<b>-</b>	<b>328</b>	<b>328</b>

## Note 13: EQUITY ACCOUNTED INVESTMENTS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000
<b>Non-Current</b>			
Equity accounted associates	44	-	-

## (a) Associates

Investments in associates are accounted for using the equity method in the Group and carried at cost in the parent entity.

The value of investments has been previously fully impaired in the Company accounts and there were no additions to the associates during the year.

Interests are held in the following associated companies:

Associated Companies		Ownership Interest	
Associates	Principal place of business	2021	2020
Just Motorsport Limited	United Kingdom	35.03%	35.03%
Just Business Cover Ltd (UK)	United Kingdom	42.50%	42.50%

## INSURANCE HOLDINGS LTD.

## Note 14: PROPERTY, PLANT AND EQUIPMENT

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Leasehold improvements</b>					
Leasehold improvements at cost	425	425	23	350	350
Accumulated depreciation	(115)	(34)	(21)	(77)	(7)
	<b>310</b>	<b>391</b>	<b>2</b>	<b>273</b>	<b>343</b>
Office equipment at cost	340	337	245	27	23
Accumulated depreciation	(243)	(229)	(227)	(3)	-
	<b>97</b>	<b>108</b>	<b>18</b>	<b>24</b>	<b>23</b>
Computer equipment at cost	604	593	488	37	33
Accumulated depreciation	(407)	(330)	(245)	(9)	(1)
	<b>197</b>	<b>263</b>	<b>243</b>	<b>28</b>	<b>32</b>
<b>Total Plant and Computer</b>	<b>294</b>	<b>371</b>	<b>261</b>	<b>52</b>	<b>55</b>
<b>Total Leasehold, Plant and Computer</b>	<b>604</b>	<b>762</b>	<b>263</b>	<b>325</b>	<b>398</b>

## (a) Reconciliations

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Leasehold improvements</b>					
Carrying amount at beginning of year	391	2	6	343	-
Additions	-	402	-	-	350
Depreciation expense	(81)	(13)	(4)	(70)	(7)
<b>Carrying amount end of year</b>	<b>310</b>	<b>391</b>	<b>2</b>	<b>273</b>	<b>343</b>
<b>Office equipment</b>					
Carrying amount at beginning of year	108	18	36	23	-
Additions	3	92	2	3	23
Depreciation expense	(14)	(2)	(20)	(2)	-
<b>Carrying amount end of year</b>	<b>97</b>	<b>108</b>	<b>18</b>	<b>24</b>	<b>23</b>
<b>Computer equipment</b>					
Carrying amount at beginning of year	263	243	152	32	-
Additions	11	105	172	4	33
Depreciation expense	(77)	(85)	(81)	(8)	(1)
<b>Carrying amount end of year</b>	<b>197</b>	<b>263</b>	<b>243</b>	<b>28</b>	<b>32</b>
<b>Total plant and equipment</b>	<b>294</b>	<b>371</b>	<b>261</b>	<b>52</b>	<b>55</b>
<b>Total property, plant and equipment</b>	<b>604</b>	<b>762</b>	<b>263</b>	<b>325</b>	<b>398</b>

## INSURANCE HOLDINGS LTD.

## Note 15: INTANGIBLE ASSETS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Goodwill at cost	8,029	8,019	5,216	-	-
Identifiable intangible assets at cost	795	629	54	-	-
Accumulated amortisation and impairment	(154)	(39)	-	-	-
	<b>641</b>	<b>590</b>	<b>54</b>	-	-
<b>Total intangible assets</b>	<b>8,670</b>	<b>8,609</b>	<b>5,270</b>	-	-

## (a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year.

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Goodwill at cost					
Opening balance	8,019	5,216	5,176	-	-
Additions	10	2,803	40	-	-
<b>Closing balance</b>	<b>8,029</b>	<b>8,019</b>	<b>5,216</b>	-	-
<i>Identifiable Intangible assets at cost</i>					
Opening balance	590	54	-	-	-
Acquired through business combination	-	530	-	-	-
Other additions	166	45	54	-	-
Amortisation expense	(115)	(39)	-	-	-
<b>Closing balance</b>	<b>641</b>	<b>590</b>	<b>54</b>	-	-
<b>Total intangible assets</b>	<b>8,670</b>	<b>8,609</b>	<b>5,270</b>	-	-

## Note 16: RIGHT OF USE ASSETS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Non-Current</b>					
Right of use assets	4,395	4,395	349	4,275	4,275
Accumulated depreciation	(807)	(359)	(26)	(713)	(298)
	<b>3,588</b>	<b>4,036</b>	<b>323</b>	<b>3,562</b>	<b>3,977</b>

## INSURANCE HOLDINGS LTD.

## Note 16: RIGHT OF USE ASSETS (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Opening balance 1 July	4,036	323	349	3,977	323
Additions	-	4,046	-	-	3,952
Depreciation expense	(448)	(333)	(26)	(415)	(298)
<b>Closing balance at 30 June</b>	<b>3,588</b>	<b>4,036</b>	<b>323</b>	<b>3,562</b>	<b>3,977</b>

The following are the amounts recognised in profit or loss:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Depreciation expense of right-of-use assets	(448)	(333)	(415)	(298)
Interest expense on lease liabilities	(288)	(158)	(285)	(154)
Expense relating to short-term leases or low-value assets (included in Administration and other expenses)	(27)	(24)	-	-
<b>Total amount recognised in profit or loss</b>	<b>(763)</b>	<b>(515)</b>	<b>(700)</b>	<b>(452)</b>

## Note 17: PAYABLES

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
<i>Unsecured liabilities</i>					
Trade creditors	323	262	150	241	210
Payables from broking, reinsurance and underwriting agency operations	10,905	6,437	5,486	-	-
Sundry creditors and accruals	662	678	283	314	430
	<b>11,890</b>	<b>7,377</b>	<b>5,919</b>	<b>555</b>	<b>640</b>
<b>Non-current</b>					
Related party loans – interest bearing	4,955	4,955	-	4,955	4,955
Related party loans	1,503	882	320	10,469	7,289
	<b>6,458</b>	<b>5,837</b>	<b>320</b>	<b>15,424</b>	<b>12,244</b>

The related party loan amount – interest bearing, is owed to PSC UK Pty Ltd, the Group's immediate parent undertaking.

## INSURANCE HOLDINGS LTD.

## Note 18: LEASE LIABILITIES

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
Lease liabilities	405	115	-	390	-
<b>Non-current</b>					
Lease liabilities	3,902	4,271	369	3,888	4,321
<b>Total lease liabilities</b>	<b>4,307</b>	<b>4,386</b>	<b>369</b>	<b>4,278</b>	<b>4,321</b>

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Opening balance 1 July	4,386	369	-	4,321	369
Additions	-	4,014	369	-	3,815
Finance Costs - Lease Interest	288	158	-	285	154
Payments	(367)	(155)	-	(328)	(17)
<b>Closing balance at 30 June</b>	<b>4,307</b>	<b>4,386</b>	<b>369</b>	<b>4,278</b>	<b>4,321</b>

## Note 19: CONTRACT LIABILITIES - DEFERRED REVENUE

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
Contract liabilities	384	59	105	-	-
<b>Total contract liabilities</b>	<b>384</b>	<b>59</b>	<b>105</b>	<b>-</b>	<b>-</b>

Contract liabilities represent the Group's obligation to transfer services to the customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded as contract liabilities are subsequently recognised as revenue when the Group transfers the contracted services to the customer. A contract liability arises in relation to claims handling income when consideration is received from the customer in advance of the claims handling service being performed.

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>As at 1 July</b>	<b>59</b>	<b>105</b>	<b>83</b>	<b>-</b>	<b>-</b>
Charge /(credit) during the year	325	(46)	22	-	-
<b>As at 30 June</b>	<b>384</b>	<b>59</b>	<b>105</b>	<b>-</b>	<b>-</b>

## INSURANCE HOLDINGS LTD.

## Note 20: AMOUNTS PAYABLE TO VENDORS

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current</b>					
Amounts payable to vendors	-	912	212	-	912
<b>Total amounts payable to vendors</b>	-	<b>912</b>	<b>212</b>	-	<b>912</b>

Amounts payable to vendors represents deferred and contingent consideration expected to be made to vendors for acquisitions. The contingent consideration payable is calculated based on a multiple of revenue as defined in the various sale and purchase agreements.

## Note 21: SHARE CAPITAL

## (a) Allotted, called up and fully paid

	2021 £'000	2020 £'000
Ordinary shares fully paid	<b>186</b>	<b>186</b>

Fully paid ordinary shares carry one vote per share and have the right to dividends.

The number of shares in issue are:

10,000 A shares

4,469 B shares

## (b) Rights of each type of share A shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

## (c) Rights of each type of share B shares

Ordinary shares participate in dividends in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

## (d) Capital Management

When managing capital, management's objective is to ensure the Group continues to maintain optimal returns to shareholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

## INSURANCE HOLDINGS LTD.

## Note 22: MOVEMENT IN RETAINED EARNINGS

## (a) Movement in retained earnings

	Group 2021	Group 2020	Group 2019 (Restated)	Company 2021	Company 2020 (Restated)
	£'000	£'000	£'000	£'000	£'000
<b>Opening balance</b>	<b>6,815</b>	<b>5,962</b>	<b>5,518</b>	<b>1,096</b>	<b>874</b>
Profit for the year	2,004	1,590	1,344	1,046	959
Dividends paid	(1,130)	(737)	(900)	(1,130)	(737)
Acquisition of non-controlling interest	(390)	-	-	-	-
<b>Closing Balance</b>	<b>7,299</b>	<b>6,815</b>	<b>5,962</b>	<b>1,012</b>	<b>1,096</b>

## b) Acquisition of non-controlling interest:

On 23 June 2021, the Group acquired an additional 5% interest in the voting shares of Breeze Underwriting Ltd, increasing its ownership interest to 95%. Consideration of £500,000 was paid to the non-controlling shareholder in the form of shares in the ultimate parent company, PSC Insurance Group Ltd. The carrying value of the net assets of Breeze Underwriting Ltd was £2,210,428, whilst the 5% shareholding was determined at market value for the shares of £500,000.

	Group 2021 £'000
Consideration paid to non-controlling shareholders	500
Carrying value of the additional interest in Breeze Underwriting Ltd	(110)
<b>Difference recognised in retained earnings</b>	<b>390</b>

## INSURANCE HOLDINGS LTD.

## Note 23: INTERESTS IN SUBSIDIARIES

## (a) Subsidiaries

Subsidiaries of the group	Country	Ownership interest held by group	
		2021	2020
Breeze Underwriting Limited	United Kingdom	95.00%	90.00%
Carroll & Partners Limited	United Kingdom	100.00%	100.00%
Carroll Harvey Limited	United Kingdom	100.00%	100.00%
Carroll London Markets Holdings Ltd	United Kingdom	100.00%	100.00%
Carroll London Markets Ltd	United Kingdom	100.00%	100.00%
Carroll Insurance Brokers Ltd	United Kingdom	100.00%	100.00%
Carroll Insurance Group Ltd	United Kingdom	100.00%	100.00%
Easy Broking Online Ltd	United Kingdom	100.00%	100.00%
Fenchurch Insurance Risk Management Ltd	United Kingdom	100.00%	100.00%
UK Facilities Limited	United Kingdom	100.00%	100.00%

In June 2021, Insurance Holdings Ltd. purchased an additional 5% of the share capital of Breeze Underwriting Ltd.

All subsidiaries above trade from the registered office at 75 King William Street, London EC4N 7BE, except for Breeze Underwriting Ltd, which trades from 42-43 Broomfield House Lanswoodpark Business Centre, Broomfield Road. Carroll & Partners Ltd also trades from a secondary address of Burnden House, Viking Street, Bolton BL3 2RR.

## Note 24: COMMITMENTS

## (a) Lease expenditure commitments

## (i) Nature of leases

Leases comprises of the lease for premises from which the Group operates.

## (ii) Minimum lease payments

	2021	2020
	£'000	£'000
-Not later than one year	656	328
-Later than one year and not later than five years	2,298	2,626
-Greater than five years	-	328
<b>Aggregate lease expenditure contracted for at reporting date</b>	<b>2,954</b>	<b>3,282</b>

## (b) Contingent liabilities

The Group has no contingent liabilities.



## INSURANCE HOLDINGS LTD.

## Note 24: COMMITMENTS (continued)

**(c) Parent Guarantee**

Under Section 479A of the Companies Act 2006, the Group have filed a Parent Guarantee on behalf of its subsidiaries (listed in 'Note 24').

Insurance Holdings Ltd., as a parent undertaking, guarantees all outstanding liabilities that the subsidiary is subject to at the end of the financial year, and will remain in force until all of the liabilities have been satisfied.

## Note 25: FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks comprising:

- Market price risk
- Credit risk
- Liquidity risk

The Board of Directors has overall responsibility for identifying and managing operational and financial risks.

The Group holds the following financial instruments:

	2021 £'000	2020 £'000	2019 £'000
<b>Financial assets</b>			
<i>Amortised cost:</i>			
Cash and cash equivalents	795	1,042	921
Bonds and deposits	328	328	-
Financial assets - trust cash	10,905	6,347	5,486
Trade receivables	2,364	1,739	1,714
Other receivables	31	59	-
Loans to related parties	2,781	2,151	1,004
	<b>17,204</b>	<b>11,666</b>	<b>9,125</b>
<b>Financial liabilities</b>			
<i>Amortised cost:</i>			
Trade creditors	323	262	150
Payables from broking, reinsurance and underwriting agency operations	10,905	6,450	5,486
Sundry creditors and accruals	662	678	283
Loans from related entities	6,458	5,837	320
Lease Liabilities	4,307	4,386	369
Amounts due to vendors	-	912	212
	<b>22,655</b>	<b>18,535</b>	<b>6,820</b>

## INSURANCE HOLDINGS LTD.

## Note 25: FINANCIAL RISK MANAGEMENT (continued)

**(a) Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of:

*(i) Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk is mitigated by a natural hedge in the way the business operates. Premiums processed through the broking system in non UK pounds sterling currencies, are paid to the market in the same currency received, matching broking assets and liabilities. The exposure is therefore limited to trade receivables i.e. the Group's unrealised brokerage held on balance sheet as a trade receivable. This will be used to fund the operation of the business and so is converted to UK pounds sterling (GBP) on a periodic basis. To mitigate this risk, currency is sold on a regular basis to smooth out the risk of an unexpected swing in FX rates.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates. If foreign exchange rates were to increase by 10% from rates used to determine fair values of all financial instruments as at the reporting date, assuming all other variables that might impact on fair value remain constant, the impact on profit for the year and equity is as follows. A decrease in the rates would cause an equal and opposite impact.

		2021	2020	2019
		£'000	£'000	£'000
+ 10%:				
Impact on equity	USD	46	3	8
Impact on profit after tax	USD	49	4	11
		2021	2020	2019
		£'000	£'000	£'000
+ 10%:				
Impact on equity	EUR	3	25	7
Impact on profit after tax	EUR	22	18	1

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

Interest risk exposure is primarily in relation to an interest-bearing intercompany loan with the immediate parent company. Interest rate risk is expected to be managed by the on-going profitable trading of the Group.

## INSURANCE HOLDINGS LTD.

## Note 25: FINANCIAL RISK MANAGEMENT (continued)

The exposure to interest rate risks in relation to future cash flows on classes of financial assets and financial liabilities is as follows:

	Interest-bearing	Non-interest bearing	Total carrying amount
Financial Instruments	£'000	£'000	£'000
<b>2021</b>			
<b>(i) Financial assets</b>			
Cash	-	795	795
Bonds and deposits	-	328	328
Cash held on trust	-	10,905	10,905
Receivables from broking, reinsurance and underwriting agency operations	-	2,364	2,364
Other receivables	-	31	31
Loans to related entities	-	2,781	2,781
<b>Total financial assets</b>	-	<b>17,204</b>	<b>17,204</b>
<b>(ii) Financial liabilities</b>			
Trade creditors	-	323	323
Payables from broking, reinsurance and underwriting agency operations	-	10,905	10,905
Sundry creditors and accruals	-	662	662
Lease liabilities	4,307	-	4,307
Loans from related entities	4,955	1,503	6,458
<b>Total financial liabilities</b>	<b>9,262</b>	<b>13,393</b>	<b>22,655</b>
<b>2020</b>			
<b>(i) Financial assets</b>			
Cash	-	1,042	1,042
Bonds and deposits	-	328	328
Cash held on trust	-	6,347	6,347
Receivables from broking, reinsurance and underwriting agency operations	-	1,739	1,739
Other receivables	-	59	59
Loans to related entities	-	9,151	9,151
<b>Total financial assets</b>	-	<b>18,666</b>	<b>18,666</b>
<b>(ii) Financial liabilities</b>			
Trade creditors	-	262	262
Payables from broking, reinsurance and underwriting agency operations	-	6,450	6,450
Sundry creditors and accruals	-	678	678
Lease Liabilities	4,386	-	4,386
Loans from related entities	4,955	7,873	12,828
Amounts due to vendors	-	912	912
<b>Total financial liabilities</b>	<b>9,341</b>	<b>15,263</b>	<b>24,604</b>

## INSURANCE HOLDINGS LTD.

## Note 25: FINANCIAL RISK MANAGEMENT (continued)

	Interest-bearing £'000	Non-interest bearing £'000	Total carrying amount £'000
<b>Financial Instruments</b>			
<b>2019</b>			
<b>(i) Financial assets</b>			
Cash	-	921	921
Bonds and deposits	-	-	-
Cash held on trust	-	5,486	5,486
Receivables from broking, reinsurance and underwriting agency operations	-	1,714	1,714
Other receivables	-	-	-
Loans to related entities	-	1,004	1,004
<b>Total financial assets</b>	-	<b>9,125</b>	<b>9,125</b>
<b>(ii) Financial liabilities</b>			-
Trade creditors	-	150	150
Payables from broking, reinsurance and underwriting agency operations	-	5,486	5,486
Sundry creditors and accruals	-	283	283
Lease Liabilities	369	-	369
Loans from related entities	-	320	320
Amounts due to vendors	-	212	212
<b>Total financial liabilities</b>	<b>369</b>	<b>6,451</b>	<b>6,820</b>

If interest rates were to increase by 100 basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, the impact on profit for the year and equity would be as follows. A decrease in the rates would cause an equal and opposite impact.

	2021 £'000	2020 £'000	2019 £'000
<b>+ / - 100 basis points</b>			
Impact on profit after tax	30	31	3
<b>Impact on equity</b>	<b>30</b>	<b>31</b>	<b>3</b>

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. The Group does not hold any collateral.

## INSURANCE HOLDINGS LTD.

**Note 25: FINANCIAL RISK MANAGEMENT (continued)**

Credit risk of the Group mainly arises from cash and cash equivalents held with Nat West Bank Plc which amounts to £4,374k and credit risk is not considered significant. Due diligence is performed in respect of the financial stability of the bank and reported to the Board of the subsidiary on a quarterly basis. Credit risks are monitored and reviewed and approved by the Board. The last report disclosed a long-term credit rating of A-1\*/A1 with Moody's for Nat West Bank Plc and this process mitigates the potential risk of the bank failing to meet its obligations.

The Group's exposure to credit risk is concentrated in the financial services industry with parties which are considered to be of sufficiently high credit quality to minimise credit risk losses. Receivables include amounts due from policyholders in respect of insurances arranged by controlled entities. Insurance brokers and underwriting agencies have credit terms of 90 days from policy inception to pay funds received from policyholders to insurers. Should policyholders not pay, the insurance policy is cancelled by the insurer and a credit given against the amount due. The Group's credit risk exposure in relation to these receivables is limited to commissions and fees charged. Commission revenue is recognised after taking into account an allowance for expected revenue losses on policy lapses and cancellations, based on past experiences.

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations when they fall due. The Group meets its day to day working capital requirements through operating cash flows, existing cash resources and ultimately, if required, by access to PSC Insurance Group's credit facility funding arrangements. Liquidity is managed centrally by PSC Insurance Group's risk management function to ensure there is sufficient funding available if required. Cashflow is monitored for the Group on a day-by-day basis, together with Board reporting of cashflows on a quarterly basis to ensure the Group has sufficient cash liquidity to meet its needs, and the ability to fund liabilities as and when they become due.

The Group is holding own cash (excluding trust cash) of £795k at the year end, which represents 32% of the cash outflows for the financial year - see the Consolidated Statement of Cashflow. Cash has decreased by £1,042k in the financial year however the group has intercompany debtors which are repayable on demand from other companies within the UK group, which also reflects that liquidity risk is low for the Group.

## INSURANCE HOLDINGS LTD.

## Note 25: FINANCIAL RISK MANAGEMENT (continued)

	< 30 days	30-60 days	over 60 days	Total carrying amount
Financial Instruments	£'000	£'000	£'000	£'000
<b>2021</b>				
<b>Financial assets and liabilities</b>				
Cash and cash equivalents	795	-	-	<b>795</b>
Bonds and deposits	-	-	328	<b>328</b>
Financial assets - trust cash	10,905	-	-	<b>10,905</b>
Trade receivables	897	24	1,443	<b>2,364</b>
Other receivables	-	-	31	<b>31</b>
Related party loans and receivables	2,781	-	-	<b>2,781</b>
Trade creditors	(323)	-	-	<b>(323)</b>
Payables from broking, reinsurance and underwriting agency operations	(3,874)	(5,426)	(1,605)	<b>(10,905)</b>
Sundry creditors and accruals	(662)	-	-	<b>(662)</b>
Related party loans and payables	-	-	(6,458)	<b>(6,458)</b>
Lease liabilities	-	-	(4,307)	<b>(4,307)</b>
<b>Net Maturities</b>	<b>10,519</b>	<b>(5,402)</b>	<b>(10,568)</b>	<b>(5,451)</b>

	< 30 days	30-60 days	over 60 days	Total carrying amount
Financial Instruments	£'000	£'000	£'000	£'000
<b>2020:</b>				
<b>Financial assets and liabilities</b>				
Cash and cash equivalents	1,042	-	-	<b>1,042</b>
Bonds and deposits	-	-	328	<b>328</b>
Financial assets - trust cash	6,347	-	-	<b>6,347</b>
Trade receivables	505	21	1,213	<b>1,739</b>
Other receivables	-	-	59	<b>59</b>
Related party loans and receivables	9,421	-	-	<b>9,421</b>
Trade creditors	(541)	-	-	<b>(541)</b>
Payables from broking, reinsurance and underwriting agency operations	(4,378)	(772)	(1,287)	<b>(6,437)</b>
Sundry creditors and accruals	(678)	-	-	<b>(678)</b>
Related party loans and payables	-	-	(5,837)	<b>(5,837)</b>
Amounts due to vendors	-	-	(912)	<b>(912)</b>
<b>Net Maturities</b>	<b>11,718</b>	<b>(751)</b>	<b>(6,436)</b>	<b>4,531</b>

## INSURANCE HOLDINGS LTD.

## Note 25: FINANCIAL RISK MANAGEMENT (continued)

	< 30 days	30-60 days	over 60 days	Total carrying amount
Financial Instruments	£'000	£'000	£'000	£'000
<b>2019:</b>				
<b>Financial assets and liabilities</b>				
Cash and cash equivalents	921	-	-	<b>921</b>
Financial assets - trust cash	5,486	-	-	<b>5,486</b>
Trade receivables	1,424	5	285	<b>1,714</b>
Related party loans and receivables	804	-	-	<b>804</b>
Trade creditors	(150)	-	-	<b>(150)</b>
Payables from broking, reinsurance and underwriting agency operations	(3,730)	(768)	(987)	<b>(5,485)</b>
Sundry creditors and accruals	(283)	-	-	<b>(283)</b>
Related party loans and payables	-	-	(320)	<b>(320)</b>
Lease liabilities	(369)	-	-	<b>(369)</b>
Amounts due to vendors	-	-	(212)	<b>(212)</b>
<b>Net Maturities</b>	<b>4,103</b>	<b>(763)</b>	<b>(1,234)</b>	<b>2,106</b>

## Note 26: SEGMENTAL INFORMATION

The Group's business is segmented by where the placing intermediary is based, and is split as follows:

	International	CIG	Breeze	UK	PCs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Fee and Commission Income 2021	2,486	1,379	2,886	5,086	312	12,149
Fee and Commission Income 2020	1,434	1,607	2,311	4,287	409	10,048

Management reviews the company segmental performance for revenue streams only, as profitability is managed for the whole business. The above excludes any advance claims revenue.

## INSURANCE HOLDINGS LTD.

## Note 27: AUDITORS REMUNERATION

	2021 £'000	2020 £'000
<i>Audit services</i>		
Audit of consolidated financial statements	66	34
<i>Other services</i>		
Audit related assurance services	13	30

Audit remuneration in 2021 has been recharged to the Group through the central services expense which covers the wider UK Group.

## Note 28: EMPLOYEES

The average monthly number of employees, including Directors, during the year was 107 (2020: 100).

## Note 29: DIRECTORS' REMUNERATION

The names of directors and key management during the year are:

<b>Name</b>
<b>Directors:</b>
Noel Lenihan
David Ezzard
Sami Sulaiman
Sindy Goldstone
Glenn Bremerman
Garry Bright (appointed 13 May 2021)
Peter Carroll (appointed 26 July 2020)
Gregory Duignan (appointed 24 March 2021)
Neil Clarke
Jeremy Lewis
Andrew Chisnall (resigned 24 September 2021)
<b>Key Management:</b>
Dean Cain
Sharna Bullen
Terri Franklin

Directors' and key management remuneration amounted to:

	2021 £'000	2020 £'000
<i>Compensation by category</i>		
Short-term employment benefits	1,399	996
Post-employment benefits	69	50
	<b>1,468</b>	<b>1,046</b>



## INSURANCE HOLDINGS LTD.

## Note 30: RELATED PARTY DISCLOSURES

## (a) Ownership interests in related parties

Details of interests in controlled entities are set out in Note 23.

## (b) Related party transactions

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

*(i) Transactions with subsidiaries*

All transactions that have occurred among the subsidiaries within the consolidated entity have been eliminated for consolidation purposes.

*(ii) Transactions with parent company*

	Group 2021 £'000	Group 2020 £'000	Group 2019 £'000	Company 2021 £'000	Company 2020 £'000
Amounts owed by related parties	2,781	2,151	1,004	2,724	1,027
	<b>2,781</b>	<b>2,151</b>	<b>804</b>	<b>2,724</b>	<b>1,027</b>
Amounts owed to related parties					
Related party loans – interest bearing	4,955	4,955	-	4,955	4,955
Related party loans	1,503	882	320	10,469	7,289
	<b>6,458</b>	<b>5,837</b>	<b>320</b>	<b>15,424</b>	<b>12,244</b>

The interest-bearing related party loan relates to a loan from the Group's immediate parent PSC UK Pty Limited provided for funding of the prior year business acquisition of Carroll Insurance Group and to refinance the borrowings previously held with Clydesdale Bank Plc. This loan with the immediate parent has no fixed maturity and attracts interest at LIBOR plus a margin which reflects the external loan that the parent has taken out. All remaining loans are interest free with no fixed maturity date.

## Note 31: ENTITY DETAILS

The Company's immediate parent undertaking is PSC UK Pty Limited, a company registered in Australia. The ultimate parent company and ultimate controlling entity is PSC Insurance Group Ltd who draws the consolidated financial statements, a company registered in Australia.

The registered office and principal place of business of the Group is:

PSC Insurance Group Limited  
96 Wellington Parade  
East Melbourne  
Victoria, 3002