

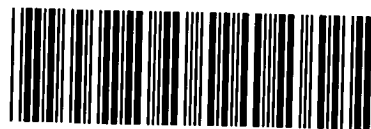
COMPANY REGISTRATION NUMBER 03633689

THOMPSON & RICHARDSON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2017

FRIDAY



A7FF4JT4

A23

28/09/2018

#578

COMPANIES HOUSE

THOMPSON & RICHARDSON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS	PAGES
Officers and professional advisers	2
Directors' report	3 to 4
Statement of directors' responsibilities	5
Independent auditor's report to the members of Thompson & Richardson Limited	6 to 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 to 31

THOMPSON & RICHARDSON LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Company registration number	03633689
The board of directors	Mr S Drew (appointed 8 December 2017) Mr P Harrison Mr D O'Connor (appointed 8 December 2017) Mr J O'Connor Mr A Sharp Mr C Travers
Company secretary	Mr S Drew (appointed 8 December 2017) Callidus Secretaries Ltd (appointed 8 December 2017) Mr C Travers (resigned 8 December 2017)
Registered office	Monument House Southgate Sleaford Lincolnshire NG34 7RL
Statutory auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

THOMPSON & RICHARDSON LIMITED

DIRECTORS' REPORT

The directors presents their report and the financial statements for the year ended 31 December 2017 for Thompson & Richardson Limited (the 'Company').

Principal activities and business review

The Company is part of a wider group known as the Bravo Group (the 'Group'). The ultimate UK parent company is Bravo Investment Holdings Limited.

The principal activity of the Company is the provision of insurance brokerage services.

The Company was acquired by Links Investment Holdings Limited on 8 December 2017.

The results for the Company show profit before tax of £212k (2016: £286k). At 31 December 2017 the Company had net assets of £794k (2016: £643k).

Directors of the Company

Details of directors, including appointments and resignations during the financial year, and changes since the end of the financial year are provided on page 2.

Dividends

The directors do not propose a final dividend payment to be made in respect of the financial year ended 31 December 2017. Dividends of £10k were approved and paid during the financial year ended 31 December 2017 (2016: £85k).

Financial risk management objectives and policies

The Company manages its risks in line with the Group risk management policies. For the Group, all risks are monitored by the operation of an Enterprise Risk Management Framework which is owned by the Risk and Compliance Director. The framework requires all risks to have owners, and those owners to have appropriate controls in place to mitigate the risks, the status of all identified risks and any actions required to bring risks within tolerance are regularly monitored and significant changes to the risk escalated as required.

Future developments

The Company will continue to operate in line with its principal activities and look to further build out its regional broking centre through acquisition.

Political and charitable donations

The Company made charitable donations of £807 (2016: £100) and political donations of £nil (2016: £nil) during the financial year ended 31 December 2017.

Employees

The Company actively encourages all employees to become involved in the Company's activities and information is shared on a regular basis as part of a strong internal communications plan. Quarterly face-to-face communication sessions ensure that all staff have an awareness of the financial and economic factors affecting the performance of the business.

THOMPSON & RICHARDSON LIMITED

DIRECTORS' REPORT (continued)

Employment of disabled persons

The Company's policy is to fully consider applications from disabled persons, equally with persons that do not suffer from a disability, for those vacancies that they have the appropriate skills and technical ability to perform. Once employed, a career plan is developed to ensure that suitable opportunities exist for each disabled person. Employees who become disabled during their working life will be retrained if necessary and wherever possible will be given help with any necessary rehabilitation and training. The Company is prepared to modify procedures or equipment, wherever practicable, so that full use can be made of an individual's abilities.

Going concern

The financial statements of the Company set out on pages 8 to 31 have been prepared on a going concern basis. The directors have given this matter due consideration and on the basis of their enquiries believe the going concern basis to be appropriate following assessment of the Company's financial position and its ability to meet its obligations as and when they fall due in the foreseeable future which is deemed to be a minimum of 12 months from the date of the approval of the accounts. Further details of this assessment can be found in note 1 to these financial statements.

Director's liabilities

Subject to the conditions set out in the Companies Act 2006, all directors benefited from qualifying third party indemnity provisions that were in place throughout the year through to the date of the approval of this report.

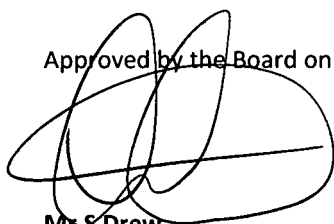
Disclosure of information to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of, and of which they know the auditors are unaware.

Reappointment of auditor

KPMG were appointed as auditors during the financial period and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 26 September 2018 and signed on its behalf by:



Mr S Drew
Director

Monument House
Southgate
Sleaford
Lincolnshire
NG34 7RL

THOMPSON & RICHARDSON LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMPSON & RICHARDSON LIMITED

Opinion

We have audited the financial statements of Thompson & Richardson Limited ('the Company') for the financial year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the financial year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an Auditor's Report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/ auditors' responsibilities](http://www.frc.org.uk/auditors-responsibilities).

The purpose of our audit work and to whom we owe our responsibilities

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.



Alain de Braekeleer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Leeds
LS1 4DA

27 September 2018

THOMPSON & RICHARDSON LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Revenue	3	1,530	1,503
Administrative expenses	4	(1,318)	(1,220)
Operating profit		212	283
Other interest receivable and similar income		2	3
Interest payable and similar charges		(2)	-
Profit before tax		212	286
Tax charge on profit on ordinary activities	5	(57)	(58)
Profit for the financial year		155	228
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		155	228

The above results were derived from continuing operations.

The notes on pages 12 to 31 form part of these financial statements.

THOMPSON & RICHARDSON LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	36	24
Goodwill	7	-	25
		<u>36</u>	<u>49</u>
CURRENT ASSETS			
Trade and other receivables	8	634	422
Cash and cash equivalents	9	928	906
		<u>1,562</u>	<u>1,328</u>
TOTAL ASSETS		<u>1,598</u>	<u>1,377</u>
EQUITY			
CAPITAL AND RESERVES			
Share capital	10	1	1
Share based payments reserve	11	6	-
Retained earnings		787	642
TOTAL EQUITY		<u>794</u>	<u>643</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax liability	12	6	4
Provisions	13	16	-
		<u>22</u>	<u>4</u>
CURRENT LIABILITIES			
Current tax		55	59
Trade and other payables	14	727	671
		<u>782</u>	<u>730</u>
TOTAL EQUITY AND LIABILITIES		<u>1,598</u>	<u>1,377</u>

Approved by the Board on 26 September 2018 and signed on its behalf by

Company registration number: 03633689


 Mr S Drew, Director

The notes on pages 12 to 31 form part of these financial statements.

THOMPSON & RICHARDSON LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

2017	Share capital £000	Share based payment reserve £000	Retained earnings £000	Total equity £000
Balance at the beginning of the year	1	-	642	643
Transactions with owners of the Company:				
Dividend paid during the financial year	-	-	(10)	(10)
Equity settled share based payments	-	6	-	6
Total comprehensive income	-	-	155	155
Balance at the end of the year	1	6	787	794

2016	Share capital £000	Share based payment reserve £000	Retained earnings £000	Total equity £000
Balance at the beginning of the year	1	-	499	500
Transactions with owners of the Company:				
Dividends paid during the financial year	-	-	(85)	(85)
Total comprehensive income	-	-	228	228
Balance at the end of the year	1	-	642	643

The notes on pages 12 to 31 form part of these financial statements.

THOMPSON & RICHARDSON LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Profit before tax		212	286
Adjustments for non-cash items			
Depreciation		8	6
Goodwill written-off		25	-
Fair value movement of share based payments		6	-
		<u>39</u>	<u>6</u>
Tax paid during the year		(59)	(44)
Movements in working capital			
Increase in trade and other receivables		(212)	(148)
Increase in trade and other payables		56	104
Increase / (decrease) in provisions		16	-
Net cash flows from operating activities		<u>(140)</u>	<u>(44)</u>
Cash flows from investing activities			
Payments to acquire tangible assets		(20)	(1)
Net cash flows from investing activities		<u>(20)</u>	<u>(1)</u>
Cash flows from financing activities			
Payment of dividends		(10)	(85)
Net cash flows from financing activities		<u>(10)</u>	<u>(85)</u>
Net change in cash flows for the financial year		<u>22</u>	<u>118</u>
Cash and cash equivalents at the beginning of the financial year		906	788
Cash and cash equivalents at the end of the financial year	9	<u>928</u>	<u>906</u>

The notes on pages 12 to 31 form part of these financial statements.

1. BASIS OF PREPARATION

The Company's financial statements for the year were authorised for issue on 26 September 2018 and the statement of financial position signed on the board's behalf by Mr S Drew. Thompson & Richardson Limited is a limited company incorporated and domiciled in England & Wales.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

The financial statements are presented in Pounds Sterling (£), rounded to the nearest thousand, unless otherwise stated.

Transition to IFRS

The Company transitioned from FRS102 to IFRS for the financial statements ended 31 December 2017 with retrospective application to prior periods with an effective transition date of 1 January 2016. The Company has applied the transitional provision in IFRIC 4 determining whether an arrangement contains a lease and has assessed all arrangements based upon the conditions in place as at the date of transition. As permitted by IAS 17 Leases, the standard has been applied prospectively from 1 January 2017. Please refer to note 20 for further details.

Correction of errors

During the year and subsequent to the change in ownership, the Company discovered transactions relating to a loan in the parent company's name had been incorrectly recorded in the financial statements of the Company, since 2015. The errors have been corrected by restating each of the affected financial statement line items in prior periods before the transition to IFRS. Please refer to note 20 for further details.

Standards and interpretations issued but not yet effective

The Company is assessing the impact of the following relevant revised standards, amendments and interpretations that were not effective at the balance sheet date of these accounts. Where already endorsed by the EU, these changes will be adopted on the effective dates noted. Where not yet endorsed by the EU the adoption date is less certain:

- IFRS 9 Financial Instruments: Classification and Measurement, effective 2018 financial year;
- IFRS 15 Revenue from Contracts with Customers, effective 2018 financial year; and
- IFRS 16 Leases

The Company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It introduces new rules for hedge accounting, and a new impairment model for financial assets based around credit risk. Adoption of IFRS 9 is mandatory for periods beginning on or after 1 January 2018.

The Company has reviewed its financial assets and liabilities and does not expect the new guidance to affect the classification and measurement of those assets and liabilities.

The Company's financial assets and liabilities are listed below:

- Trade receivables
- Cash
- Trade payables

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

1. BASIS OF PREPARATION (continued)

Standards and interpretations issued but not yet effective (continued)

All of the above items are presented at amortised cost. The Company does not intend to apply the option in IFRS 9 to measure its 'not available for sale' liabilities at fair value through the profit and loss account.

The Company does not expect to recognise any impairment to its financial assets based on expected credit losses.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will replace IAS 18, which covers contracts for goods and services, and IAS 11, which covers construction contracts. IFRS 15 is mandatory for financial years commencing on or after 1 January 2018. The Company intends to adopt the standard using the modified retrospective approach, which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The Company has assessed the effects of applying the new standard on its financial statements, and does not anticipate any impact. The current revenue recognition approach already identifies separate performance obligations, and recognises revenue only when economic benefits are probable and the value of the revenue can be reliably measured.

IFRS 16 Leases

IFRS 16 will replace IAS 17 with effect from 1 January 20. The Company does not intend to adopt the new standard early.

Of the other IFRSs that are available for early adoption, none are expected to have a material impact on the financial statements. The company plans to adopt the standards on their effective date.

Going Concern

The financial statements of the Company set out on pages 8 to 31 have been prepared on a going concern basis. The directors have given this matter due consideration and on the basis of their enquiries believes the going concern basis to be appropriate. In their assessment the directors have considered the Company's financial position and its ability to meet its liabilities as they fall due over the foreseeable future deemed to be a minimum of 12 months from the date of the approval of the accounts.

At 31 December 2017 the Company had net assets of £794k (2016: £643k).

Liquidity is managed at the Company level with short term liquidity monitored through daily cash flow analysis. The Company maintains internal liquidity limits that it has maintained throughout the financial year.

2. ACCOUNTING POLICIES

Revenue recognition

(a) Commission and Fees

Commission and fees comprise commission income and fees earned in respect of placement of insurance and servicing of clients under insurance arrangements. Commission is recognised on the effective commencement or renewal date of the related insurance product. Fees are recognised when the services are rendered.

(b) Trading deals and profit commission arrangements

Profit sharing arrangements and fees for other contingent and non-contingent trading deals with third parties are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty.

Taxation

The tax expense for the financial year comprises current and deferred tax. Income tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority which permits the Company to make a single net payment. Deferred tax assets and liabilities are not discounted.

2. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of the asset is included in the income statement in the year of de-recognition.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Furniture and office equipment	20% per annum straight line
Computer hardware	25% per annum straight line

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Reversals of impairment

An impairment loss is reversed on assets only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. ACCOUNTING POLICIES (continued)

Insurance transactions

The Company does not conduct insurance transactions on its own account. However, the Company holds client money and manages these funds in accordance with FCA CASS 5 rules. In consequence the ledger transactions in terms of insurance creditors, insurance debtors and client money are held on the Company's balance sheet (refer to notes 9 and 14).

Goodwill

All business combinations are accounted for by applying the acquisition method in line with IFRS 3 Business Combinations. Goodwill arises on acquisition of subsidiaries, associates and joint ventures and represents the difference between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment on an annual basis. Where impairment is required, the amount is recognised in the income statement and cannot be subsequently reversed.

All goodwill has been written off in the year following the acquisition of the Company by Links Investment Holdings Limited.

Cash and cash equivalents

Cash and cash equivalents, other than client and insurer monies, comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statements on a straight line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (continued)

Defined contribution pension plan

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and the Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

For defined contribution plans contributions are paid to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include cash, trade and other receivables. Their subsequent measurement is at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are initially classified as financial liabilities at fair value plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables. Their subsequent measurement is at amortised cost.

Share-based payments

Business combinations have resulted in a number of cash settled share based payment arrangements, where future amounts may be payable to the previous owners of the acquired businesses, depending on the future performance of the acquired businesses and continued employment.

In the employing Company the share-based payments are deemed to be equity settled and are expensed on a straight line basis over the vesting period, based on the Company's estimate, at the end of the first accounting period, of awards that will eventually vest. The vesting period is the period over which all specified vesting conditions are to be satisfied.

Critical judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial year.

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

2. ACCOUNTING POLICIES (continued)

Critical judgments and estimates (continued)

Revenue recognition

Profit sharing arrangements, fees for the provision of payment instalment plans and other contingent and non-contingent trading deals with third parties are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty. Trading deal income includes contributions to marketing or product development, volume payments and profit commissions receivable. The amount and timing of trading deal and profit commission income is inherently uncertain and individual amounts may be material. Amounts accrued at the period end and recognised as assets may be judgmental. A change in estimation of trading deal or profit commission income could have a material effect on the Company financial performance.

Impairment of assets

An impairment loss is recorded where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. The recoverable amount of an asset is determined based on value in use calculations which require management to make assumptions and estimates about the future. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, operational cash flows, the financial health of and near-term business outlook for the business of which the asset is a part and industry and sector performance.

Estimated useful lives

Assets, other than assets with indefinite useful lives, are carried at historical cost less amortisation or depreciation calculated to write off the cost of such assets over their estimated useful lives.

Management determines the estimated useful lives and related amortisation or depreciation charges at inception or purchase. The estimated useful life is reviewed annually and the amortisation or depreciation charge is revised where useful lives are subsequently found to be different to those previously estimated.

Share based payments

Estimates and judgments have been used in the calculation of the share based payments expense. It has been assumed that all the owners of the cash settled share based payments exercise their put option to sell their shares.

Management have estimated the future value using the confidence of acquisition approach based on anticipated acquisitions, with an adjustment built in as to how confident they are of planned acquisitions and the value they will generate.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

3. REVENUE

The analysis of the Company's turnover from continuing operations is as follows:

	2017	2016
	£000	£000
Insurance income	1,530	1,503
	<u>1,530</u>	<u>1,503</u>

Revenue consists entirely of sales made in the United Kingdom.

4. ADMINISTRATIVE EXPENSES

	£000	£000
Staff costs	925	867
Other administration costs	307	323
Depreciation expense	8	6
Goodwill write off	25	-
Operating lease expense - property	39	24
Auditors remuneration – audit of these financial statements	14	-
	<u>1,318</u>	<u>1,220</u>

The Company operates share based payment arrangements. The cost recognised for share based payments, in respect of services received from employees during the year, was £6k (2016: Nil), all of which relates to equity-settled share based payment transactions. This expense relates to ordinary shares and is included in other administration costs.

The beneficiaries of the Company's share based payment arrangements are the management team. The expected settlement cost is recognised progressively over the three year vesting periods, through the income statement.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

4. ADMINISTRATIVE EXPENSES (continued)

Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£000	£000
Wages and salaries	826	778
Social security costs	76	67
Pension costs - defined contribution scheme	23	22
	925	867

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2017	2016
	No.	No.
Administration	21	22
Sales	2	1
Management	4	4
	27	27

Director's remuneration

	2017	2016
	£000	£000
Executive Directors	363	338
Contributions paid to money purchase schemes	17	17
	380	355

The aggregate emoluments and amounts receivable under incentive schemes of the highest paid Director for the Company was £145k for the financial year to 31 December 2017 (2016: £120k).

5. INCOME TAX

	2017	2016
	£000	£000
Current tax		
Current year	(55)	(59)
Total current tax charge	(55)	(59)
Deferred tax		
Current year	(2)	1
Total deferred tax charge / (credit)	(2)	1
Total tax charge	(57)	(58)

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

5. INCOME TAX (continued)

	2017	2016
	£000	£000
Reconciliation of the tax charge:		
Profit on ordinary activities before tax	212	286
Tax calculated at rate of 19.25% (2016: 20.25%)	(41)	(58)
Effects of:		
Expenses not deductible for tax purposes	(16)	-
Total current tax charge	(57)	(58)

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

6. PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment £000	Computer equipment £000	Total £000
Cost			
At the beginning of the financial year	33	39	72
Additions	-	20	20
At the end of the financial year	33	59	92
Accumulated depreciation			
At the beginning of the financial year	(22)	(26)	(48)
Charge for year	(2)	(6)	(8)
At the end of the financial year	(24)	(32)	(56)
Net book value			
At the beginning of the financial year	11	13	24
At the end of the financial year	9	27	36

7. GOODWILL

	2017	2016
	£000	£000
Cost		
At the beginning of the financial year	66	66
Amounts written off	(66)	-
At the end of the financial year	-	66
Amortisation		
At the beginning of the financial year	(41)	(41)
Amounts written off	41	-
At the end of the financial year	-	(41)
Net book value		
At the beginning of the financial year	25	25
At the end of the financial year	-	25

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

8. TRADE AND OTHER RECEIVABLES

	2017 £000	2016 £000
Gross trade and other receivables	634	422
	£000	£000
Trade and other receivables are analysed as follows:		
Receivables from related parties (refer to note 14)	576	298
Accrued income	-	-
Prepayments	19	37
Other receivables	39	87
	634	422

All amounts are recoverable within one year.

Trade receivables are non-interest bearing and are generally on 30 - 90 day settlement terms.

9. CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash at bank	928	906
	928	906

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank.

Cash at bank includes £876k (2016: £783k) which constitutes restricted client money and insurer money which are considered restricted and not available to pay the general debts of the Company.

10. SHARE CAPITAL

	2017 No.	£'000	2016 No.	£'000
Allotted, called up and fully paid				
Ordinary A shares (£1 each)	1,000	1	1,000	1
Ordinary B shares (£1 each)	100	-	100	-

Both the ordinary A shares and B shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

11. SHARE BASED PAYMENT RESERVE

The share based payment reserve is the accumulated fair value increase in equity settled share based payments, granted in the year to 31 December 2017, in accordance with the accounting policy stated in Note 2. The cost has been recognised in the total comprehensive income for the year to 31 December 2017.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

12. DEFERRED TAX

	2017 £000	2016 £000
Deferred tax liability at the beginning of the year	(4)	(5)
(Charged) / credited to the income statement:		
Current year	(2)	1
Deferred tax liability at the end of the year	(6)	(4)
Deferred tax comprises:		
Accelerated capital allowances	(6)	(4)
Net deferred tax liability	(6)	(4)

13. PROVISIONS

	2017 £000	2016 £000
At the beginning of the year	-	-
Charged in the year	16	-
At the end of the year	16	-

Provisions are expected to be settled after more than one year.

Provisions charged in the year of £16k (2016: nil) relate to the estimated amounts payable for dilapidation on a property at the end of the lease term.

14. TRADE AND OTHER PAYABLES

	2017 £000	2016 £000
Trade payables	582	564
Accrued liabilities	110	51
Other payables	35	56
	727	671

Trade and other payables includes £564k (2016: £516k) which constitutes restricted client money and insurer money which are considered restricted and not available to pay the general debts of the Company.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

15. RELATED PARTY TRANSACTIONS

Parent, subsidiary and ultimate controlling party

Thompson & Richardson Limited is 100% owned by Quadrupl Limited.

Bravo Investment Holdings Limited is the ultimate UK parent of a number of subsidiaries, including Thompson & Richardson Limited that form the Bravo Group ('Group').

For the purposes of related party disclosures, transactions with all companies of the Group are included and are listed as follows:

Name	Principal Activity	Registered	
		Address	Relationship
Bravo Investment Holdings Limited	Holding company	Note 1	Ultimate UK parent
Bravo Investment Holdings 2 Limited	Holding company	Note 1	Intermediate parent
Bravo Investment Holdings 3 Limited	Holding company	Note 1	Intermediate parent
Broker Network Partner Holdings Limited	Holding company	Note 2	Intermediate parent
The Broker Network Limited	Insurance broker support	Note 2	Fellow subsidiary
Broker Network (MGA) Limited	Insurance broker	Note 2	Fellow subsidiary
Countrywide Insurance Management Limited	Insurance broker support	Note 2	Fellow subsidiary
Verulam Holdings Limited	Holding company	Note 2	Fellow subsidiary
F.C.I.B (Holdings) Limited	Holding company	Note 3	Fellow subsidiary
Finch Commercial Insurance Brokers Limited	Insurance broker	Note 3	Fellow subsidiary
Taylor Beaumont (Insurance Consultants) Ltd	Insurance broker	Note 3	Fellow subsidiary
Miller & Co (Insurance Brokers) Limited	Insurance broker	Note 3	Fellow subsidiary
Berry Investment Holdings Limited	Holding company	Note 2	Fellow subsidiary
Links Investment Holdings Limited	Holding company	Note 2	Intermediate parent
Orangechart Limited	Holding company	Note 2	Fellow subsidiary
Thompson & Richardson (Lincoln) Limited	Insurance broker	Note 5	Fellow subsidiary
Quadrupl Limited	Holding company	Note 2	Immediate Parent
Burgess Thompson & Richardson Limited	Insurance broker	Note 6	Fellow subsidiary
Plaice Thompson & Richardson Limited	Insurance broker	Note 7	Fellow subsidiary
Stamford Investment Holdings Limited	Holding company	Note 2	Fellow subsidiary
Hawkwood Investment Holdings Limited	Holding company	Note 2	Fellow subsidiary

Note 1 - Registered address: Devonshire House, 4th Floor, 1 Mayfair Place, London, W1J 8AJ

Note 2 - Registered address: Hexagon House, Grimbald Crag Close, Knaresborough, North Yorkshire, HG5 8PJ

Note 3 - Registered address: 53a Crockamwell Road, Woodley, Reading, Berkshire, RG5 3JP

Note 4 - Registered address: 5 Mill Street, Paisley, Renfrewshire, PA1 1LY

Note 5 - Registered address: Monument House, Southgate, Sleaford, Lincolnshire, NG34 7RL

Note 6 - Registered address: 11 High Street, Boston, Lincolnshire, PE21 8SH

Note 7 - Registered address: 70a Castlegate, Grantham, Lincolnshire, NG31 6SH

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

15. RELATED PARTY TRANSACTIONS (continued)

	2017 £000	2016 £000
Trading activities		
Receivable from related parties:		
Broker Network Partner Holdings Limited	50	-
Quadrupl Limited	526	298
Net receivable from related parties	576	298

Transactions with other related parties

Key management personnel are considered to be the Board of the Company and other Group companies including the shareholders of the ultimate UK parent.

The parent companies administration costs are borne by the Company.

Key management compensation

Key management compensation for directors of the Company is disclosed in note 4.

16. OBLIGATIONS UNDER LEASES

The total future value of minimum operating lease payments is as follows:

	2017 £000	2016 £000
Within one year	31	31
Within two to five years	86	104
	116	135

At the end of the year, the company held one property under an operating lease.

The Company has no contracts deemed to be finance leases as at the balance sheet date (2016: £nil).

17. PENSIONS

The Company operates a defined contribution pension scheme. The pensions cost for the year represents contributions payable by the Company to the scheme and amounted to £23k (2016: £22k).

No contributions payable to the scheme were outstanding at the balance sheet date.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The table below analyses the balance sheet carry values of financial assets and liabilities by IFRS classification:

2017	Loans and receivables £000	Liabilities at amortised cost £000	Total £000
Assets			
Trade and other receivables	634	-	634
Cash and cash equivalents	928	-	928
Total financial assets	1,562	-	1,562
Non-financial assets			36
Total assets			1,598
Liabilities			
Trade and other payables	-	727	727
Total financial liabilities	-	727	727
Non-financial liabilities			77
Total liabilities			804
Capital and reserves			794
Total liabilities and equity			1,598

2016	Loans and receivables £000	Liabilities at amortised cost £000	Total £000
Assets			
Trade and other receivables	422	-	422
Cash and cash equivalents	906	-	906
Total financial assets	1,328	-	1,328
Non-financial assets			49
Total assets			1,377
Liabilities			
Trade and other payables	-	671	671
Total financial liabilities	-	671	671
Non-financial liabilities			63
Total liabilities			734
Capital and reserves			643
Total liabilities and equity			1,377

There are no financial assets or liabilities recognised at fair value within the Company financial statements.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

18. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The carrying values of financial instruments measured at fair value are determined in accordance with the following hierarchy:

Level 1 – Quoted market prices in active markets

Financial instruments with quoted prices for identical instruments in active markets. The best evidence of fair value is a quoted market price in an actively traded market.

Level 2 – Valuation techniques using observable inputs

Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable. The valuation techniques used to value these instruments employ only observable market data.

Level 3 – Valuation techniques using unobservable inputs

This is used for financial instruments valued using models where one or more significant inputs are not observable.

All initial fair values are valued using a valuation technique using unobservable inputs (level 3). Cash flows are discounted at a credit adjusted discount rate based on an internal rate of return. A reasonable change in assumptions would not result in material change in valuation.

Fair values of financial assets and liabilities not designated at fair value

	2017		2016	
	Carrying value £000	Fair value £000	Carrying value £000	Fair value £000
Financial assets				
Trade and other receivables	634	634	1,147	1,147
Cash and cash equivalents	928	928	906	906
Financial liabilities				
Trade and other payables	727	727	671	671

The carrying values for trade and other receivables, cash and cash equivalents and trade and other payables are deemed to be a close approximation to fair value due to their short maturity.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

19. RISK MANAGEMENT (continued)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables and cash and cash equivalents.

Credit risk is managed through a framework that sets out policies and procedures both in terms of its management and measurement.

Exposure to Credit Risk

2017	Gross £000	Impairment £000	Net £000
Trade and other receivables	634	-	634
Cash and cash equivalents	928	-	928
Total	1,562	-	1,562
2016	Gross £000	Impairment £000	Net £000
Trade and other receivables	422	-	422
Cash and cash equivalents	906	-	906
Total	1,328	-	1,328

Trade and other receivables are further analysed in note 8. They primarily relate to receivables from related parties. Monitoring of debtor performance is continuously performed through daily cash flow monitoring and focussed debt collection.

Cash and cash equivalents predominantly relate to restricted client and insurer monies. The Group's policy is to diversify its cash holdings across mainstream UK Banks.

Credit Quality of Financial Assets and Impairment Losses

The ageing of trade and other receivables at the balance sheet date was:

2017	Gross £000	Impairment £000
Not past due	634	-
2016	Gross £000	Impairment £000
Not past due	422	-

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

19. RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The principal financial obligations of the Company are trade and other payables.

Liquidity is managed at the Company level with short term liquidity monitored through daily cash flow analysis. The Company maintains internal liquidity limits that it has maintained throughout the year.

All trade and other payables in the current and prior financial year are due in less than one year.

2017	Carrying amount £000	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 5 years £000	Due between 5 and 10 years £000	Total £000
Deferred tax	6	1	1	4	-	6
Provisions	16	-	-	16	-	16
Current tax	55	55	-	-	-	55
Trade and other payables	727	727	-	-	-	727
	804	783	1	20	-	804

2016	Carrying amount £000	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 5 years £000	Due between 5 and 10 years £000	Total £000
Deferred tax	4	1	1	2	-	4
Provisions	-	-	-	-	-	-
Current tax	59	59	-	-	-	59
Trade and other payables	671	671	-	-	-	671
	734	731	1	2	-	734

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. Market risk is not deemed to be a principal risk for the Company as it has no borrowing exposure.

Capital Management

The Board manages the Company's capital through the regular review of cash flow forecasts and underlying profitability. The Company maintains capital adequacy in line with FCA regulatory solvency requirements. There have been no identified breaches during the financial period.

The current capital structure of the Company is equity. Equity is made up of issued share capital, reserves and retained earnings as set out in the Statement of Changes in Equity.

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

20. CORRECTION OF ERRORS AND TRANSITION TO IFRS

During the year and subsequent to the change in ownership, the Company discovered transactions relating to a loan in the name of the Company's parent company had been incorrectly recorded in the financial statements since 2015. As a consequence administration expenses and interest payable and similar charges have been overstated and trade and other receivables have been understated. The errors have been corrected by restating each of the affected financial statement line items in prior periods before the transition to IFRS.

The 2017 accounts have been prepared under international financial reporting standards ('IFRS'). Under previous GAAP goodwill was amortised over its useful economic life. On transition to IFRS the amortisation has been written back to the balance sheet. In addition debtor and creditor amount relating to the insurance transaction chain were previously reported gross on the balance sheet, on transition to IFRS these have been stated net. The 2016 comparatives have accordingly been restated.

The following tables summarise the impacts on the Company's financial statements.

Statement of Financial Position

1 January 2016	As previously reported £000	Correction of errors £000	Transition to IFRS £000	As adjusted £000
Intangible assets	20	-	5	25
Trade and other receivables	813	82	(621)	274
Other assets	817	-	-	817
Total assets	1,650	82	(616)	1,116
Trade and other payables	1,188	-	(621)	567
Other liabilities	49	-	-	49
Total liabilities	1,237	-	(621)	616
Retained earnings	412	82	5	499
Share capital	1	-	-	1
Total equity	413	82	5	500

31 December 2016	As previously reported £000	1 January adjustments £000	Correction of errors £000	Transition to IFRS £000	As reported £000
Intangible assets	15	5	-	5	25
Trade and other receivables	959	(539)	106	(104)	422
Other assets	930	-	-	-	930
Total assets	1,904	(534)	106	(99)	1,377
Trade and other payables	1,396	(621)	-	(104)	671
Other liabilities	63	-	-	-	63
Total liabilities	1,459	(621)	-	(104)	734
Retained earnings	444	87	106	5	642
Share capital	1	-	-	-	1
Total equity	445	87	106	5	643

THOMPSON & RICHARDSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

20. CORRECTION OF ERRORS AND TRANSITION TO IFRS (continued)

Statement of Comprehensive Income

For the year ended 31 December 2016	As previously reported			
	reported	Correction of errors	Transition to IFRS	As reported
	£000	£000	£000	£000
Administrative expenses	(1,325)	100	5	(1,220)
Interest payable and similar charges	(6)	6	-	-
Other	1,448	-	-	1,448
Profit for the financial year	117	106	5	228
Total comprehensive income for the financial year	117	106	5	228