



**Smailes Goldie**  
Chartered Accountants

# Henderson Insurance Brokers Limited

## Consolidated Financial Statements

30th April 2015

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# HENDERSON

INSURANCE BROKERS

**Henderson Insurance Brokers Limited (Registered number:  
01985767)**

**Contents of the Consolidated Financial Statements**  
*for the year ended 30th April 2015*

	<b>Page</b>
<b>Company Information</b>	1
<b>Group Strategic Report</b>	2
<b>Report of the Directors</b>	3
<b>Report of the Independent Auditors</b>	5
<b>Consolidated Profit and Loss Account</b>	7
<b>Consolidated Balance Sheet</b>	8
<b>Company Balance Sheet</b>	9
<b>Consolidated Cash Flow Statement</b>	10
<b>Notes to the Consolidated Cash Flow Statement</b>	11
<b>Notes to the Consolidated Financial Statements</b>	14

# Henderson Insurance Brokers Limited

## Company Information

*for the year ended 30th April 2015*

**DIRECTORS:**

J F Gibson  
J E Henderson  
M C Wright  
S Farrow  
P A Deakin  
Mrs S Shaw  
S R Counsell

**SECRETARY:**

Mrs R Henderson

**REGISTERED OFFICE:**

Trueman House  
Capitol Park  
Leeds  
West Yorkshire  
LS27 0TS

**REGISTERED NUMBER:**

01985767 (England and Wales)

**AUDITORS:**

Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Group Strategic Report for the year ended 30th April 2015

The directors present their strategic report of the company and the group for the year ended 30th April 2015.

### REVIEW OF BUSINESS

The directors are satisfied with the results for the year, turnover and post tax profits being £28,344,193 and £1,726,271 respectively. In the view of the directors these are the two key performance indicators.

### Principal risks and uncertainties

#### Market risk

Like all insurance broking businesses the company is exposed to the insurance market cycle. This risk is mitigated by new business initiatives and close relationships with clients and insurers. A further market risk factor is the strength of the supply base, regular monitoring and assessment of insurer credit ratings ensuring that this is appropriate.

#### Regulatory risk

The company is regulated by the Financial Conduct Authority (FCA). The Compliance Officer, a director, reports regularly to the Chief Executive Officer and Board. The Compliance Officer monitors all regulatory developments with regular contact with the FCA.

#### Credit risk

The company manages its credit risk by ensuring that it receives premiums from clients before paying them on to insurers.

### BY ORDER OF THE BOARD:



Mrs R Henderson - Secretary

26th January 2016

# **Henderson Insurance Brokers Limited (Registered number: 01985767)**

## **Report of the Directors**

*for the year ended 30th April 2015*

The directors present their report with the financial statements of the company and the group for the year ended 30th April 2015.

### **DIVIDENDS**

Interim dividends totalling £724,250 were paid during the year on the A Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

Interim dividends totalling £245,750 were paid during the year on the B Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30th April 2015 will be £1,000,000.

### **FUTURE DEVELOPMENTS**

Since the year end, the group has purchased the entire share capital of Hall Rhodes Holdings Limited, a company registered in England.

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st May 2014 to the date of this report.

J F Gibson  
J E Henderson  
M C Wright  
S Farrow  
P A Deakin  
Mrs S Shaw

Other changes in directors holding office are as follows:

P J S Thompson - resigned 17th August 2014  
S R Counsell - appointed 12th February 2015

### **ACQUISITIONS**

On 27th June, 2014, the group acquired 100% of the issued share capital of Corporate Risk Systems Limited, a company registered in England.

### **EMPLOYEE INVOLVEMENT**

The group and company recognise the importance of good communications and relations with its employees. Priority is given to training and management development so as to ensure the availability of trained and skilled employees required by the group.

### **EMPLOYMENT OF DISABLED PERSONS**

The group and company give full and fair consideration to applications for employment by disabled persons having regard to their particular aptitudes and capabilities. Every effort is made to continue the employment of employees who have become disabled (whether from illness or accident) during their employment within the group.

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Report of the Directors for the year ended 30th April 2015

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

### AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### BY ORDER OF THE BOARD:



Mrs R Henderson - Secretary

26th January 2016

# **Report of the Independent Auditors to the Members of Henderson Insurance Brokers Limited**

We have audited the financial statements of Henderson Insurance Brokers Limited for the year ended 30th April 2015 on pages seven to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

## **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th April 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

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

# **Report of the Independent Auditors to the Members of Henderson Insurance Brokers Limited**

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

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

- adequate accounting records have not been kept 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.

Nicola Shipley FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

26th January 2016



# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Consolidated Profit and Loss Account

for the year ended 30th April 2015

	Notes	2015 £	2014 £
<b>TURNOVER</b>		<b>28,344,193</b>	24,505,841
Cost of sales		<u>423,149</u>	<u>-</u>
<b>GROSS PROFIT</b>		<b>27,921,044</b>	24,505,841
Administrative expenses		<u>26,119,684</u>	<u>22,051,197</u>
		<b>1,801,360</b>	2,454,644
Other operating income		<u>18,000</u>	<u>18,000</u>
<b>OPERATING PROFIT</b>	4	<b>1,819,360</b>	2,472,644
Exceptional items	5	<u>609,905</u>	<u>-</u>
		<b>2,429,265</b>	2,472,644
Interest receivable and similar income		<u>222,346</u>	<u>251,641</u>
		<b>2,651,611</b>	2,724,285
Interest payable and similar charges	6	<u>158,900</u>	<u>126,941</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,492,711</b>	2,597,344
Tax on profit on ordinary activities	7	<u>724,675</u>	<u>742,260</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>1,768,036</b>	1,855,084
Minority interest - equity		<u>41,765</u>	<u>26,138</u>
<b>RETAINED PROFIT FOR THE GROUP CARRIED FORWARD</b>		<b><u>1,726,271</u></b>	<b><u>1,828,946</u></b>

### CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

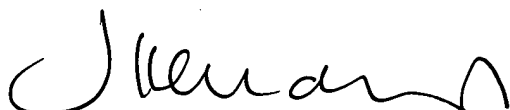
**Henderson Insurance Brokers Limited (Registered number: 01985767)**

**Consolidated Balance Sheet**

30th April 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		4,580,799		3,899,334
Tangible assets	11		2,352,776		2,896,689
Investments	12		-		-
			<u>6,933,575</u>		<u>6,796,023</u>
<b>CURRENT ASSETS</b>					
Stocks	13	1,500		-	
Debtors	14	21,988,652		22,378,235	
Investments	15	172,562		104,072	
Cash at bank and in hand	16	14,634,566		11,872,936	
			<u>36,797,280</u>	<u>34,355,243</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	17	34,115,279		33,027,640	
			<u>2,682,001</u>	<u>1,327,603</u>	
<b>NET CURRENT ASSETS</b>					
			<u>9,615,576</u>	<u>8,123,626</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		(1,958,737)		(1,234,823)
<b>MINORITY INTERESTS</b>	22		(144,853)		(103,088)
<b>NET ASSETS</b>			<u>7,511,986</u>		<u>6,785,715</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		66,291		66,291
Share premium	24		412,960		412,960
Profit and loss account	24		7,032,735		6,306,464
<b>SHAREHOLDERS' FUNDS</b>	29		<u>7,511,986</u>		<u>6,785,715</u>

The financial statements were approved by the Board of Directors on 26th January 2016 and were signed on its behalf by:



J E Henderson - Director

The notes form part of these financial statements

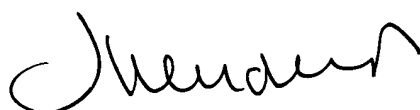
**Henderson Insurance Brokers Limited (Registered number: 01985767)**

**Company Balance Sheet**

30th April 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		132,703		299,077
Tangible assets	11		1,948,143		2,521,770
Investments	12		<u>6,956,563</u>		<u>5,175,834</u>
			<b>9,037,409</b>		<b>7,996,681</b>
<b>CURRENT ASSETS</b>					
Debtors	14	17,768,282		17,229,861	
Investments	15	172,562		104,072	
Cash at bank and in hand	16	<u>11,111,597</u>		<u>7,936,944</u>	
		<b>29,052,441</b>		<b>25,270,877</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>28,181,848</u>		<u>24,743,847</u>	
<b>NET CURRENT ASSETS</b>			<u><b>870,593</b></u>		<u><b>527,030</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>9,908,002</b>		<b>8,523,711</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		<u><b>1,877,670</b></u>		<u><b>1,146,909</b></u>
<b>NET ASSETS</b>			<u><u><b>8,030,332</b></u></u>		<u><u><b>7,376,802</b></u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		66,291		66,291
Share premium	24		412,960		412,960
Profit and loss account	24		<u>7,551,081</u>		<u>6,897,551</u>
<b>SHAREHOLDERS' FUNDS</b>	29		<u><u><b>8,030,332</b></u></u>		<u><u><b>7,376,802</b></u></u>

The financial statements were approved by the Board of Directors on 26th January 2016 and were signed on its behalf by:



J E Henderson - Director

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Consolidated Cash Flow Statement

for the year ended 30th April 2015

	Notes	2015		2014	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	1		<b>6,698,345</b>		<b>2,265,671</b>
<b>Returns on investments and servicing of finance</b>	2		<b>63,446</b>		<b>124,700</b>
<b>Taxation</b>			<b>(660,385)</b>		<b>(608,150)</b>
<b>Capital expenditure and financial investment</b>	2		<b>(1,183,794)</b>		<b>(286,154)</b>
<b>Equity dividends paid</b>			<b>(1,000,000)</b>		<b>-</b>
			<b>3,917,612</b>		<b>1,496,067</b>
<b>Management of liquid resources</b>	2		<b>(68,500)</b>		<b>30,000</b>
<b>Financing</b>	2		<b>619,334</b>		<b>(2,253,767)</b>
<b>Increase/(decrease) in cash in the period</b>			<b><u>4,468,446</u></b>		<b><u>(727,700)</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>					
	3				
Increase/(decrease) in cash in the period		<b>4,468,446</b>		<b>(727,700)</b>	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		<b>68,490</b>		<b>(30,000)</b>	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<b><u>(619,334)</u></b>		<b><u>1,489,706</u></b>	
Change in net funds resulting from cash flows			<b>3,917,602</b>		<b>732,006</b>
New finance leases			<b><u>(115,000)</u></b>		<b><u>(653,664)</u></b>
<b>Movement in net funds in the period</b>			<b>3,802,602</b>		<b>78,342</b>
<b>Net funds at 1st May</b>			<b><u>7,714,433</u></b>		<b><u>7,636,091</u></b>
<b>Net funds at 30th April</b>			<b><u>11,517,035</u></b>		<b><u>7,714,433</u></b>

The notes form part of these financial statements

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Cash Flow Statement

for the year ended 30th April 2015

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	1,819,360	2,472,644
Depreciation charges	789,385	730,171
Profit on disposal of fixed assets	(66,301)	(121,485)
Goodwill amortisation	459,040	405,532
Exceptional items	609,905	-
Increase in stocks	(1,500)	-
Decrease/(increase) in debtors	554,436	(4,820,810)
Increase in creditors	<u>2,534,020</u>	<u>3,599,619</u>
<b>Net cash inflow from operating activities</b>	<b><u>6,698,345</u></b>	<b><u>2,265,671</u></b>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	222,346	251,641
Interest paid	(112,722)	(93,631)
Interest element of hire purchase payments	<u>(46,178)</u>	<u>(33,310)</u>
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b><u>63,446</u></b>	<b><u>124,700</u></b>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	38,012	(100,000)
Purchase of tangible fixed assets	(948,028)	(426,905)
Sale of tangible fixed assets	886,059	240,751
Purchase of subsidiary	(1,779,228)	-
Cash acquired with subsidiary	<u>619,391</u>	<u>-</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<b><u>(1,183,794)</u></b>	<b><u>(286,154)</u></b>
<b>Management of liquid resources</b>		
Purchase of current investments	<u>(68,500)</u>	<u>30,000</u>
<b>Net cash (outflow)/inflow from management of liquid resources</b>	<b><u>(68,500)</u></b>	<b><u>30,000</u></b>

The notes form part of these financial statements

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Cash Flow Statement

for the year ended 30th April 2015

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2015 £	2014 £
<b>Financing</b>		
New loans in year	997,444	-
Loan repayments in year	-	(1,104,792)
Capital repayments in year	(83,618)	(384,914)
Amount introduced by directors	-	46,500
Amount withdrawn by directors	(294,492)	(846,876)
Share issue	-	36,315
<b>Net cash inflow/(outflow) from financing</b>	<u>619,334</u>	<u>(2,253,767)</u>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.14 £	Cash flow £	Other non-cash changes £	At 30.4.15 £
<b>Net cash:</b>				
Cash at bank and in hand	11,872,936	2,761,630		14,634,566
Bank overdraft	(1,706,816)	1,706,816		-
	<u>10,166,120</u>	<u>4,468,446</u>		<u>14,634,566</u>
<b>Liquid resources:</b>				
Current asset investments	104,072	68,490	-	172,562
	<u>104,072</u>	<u>68,490</u>	-	<u>172,562</u>
<b>Debt:</b>				
Hire purchase	(782,351)	83,618	(115,000)	(813,733)
Debts falling due within one year	(885,000)	37,152	-	(847,848)
Debts falling due after one year	(888,408)	(740,104)	-	(1,628,512)
	<u>(2,555,759)</u>	<u>(619,334)</u>	<u>(115,000)</u>	<u>(3,290,093)</u>
<b>Total</b>	<u>7,714,433</u>	<u>3,917,602</u>	<u>(115,000)</u>	<u>11,517,035</u>

The notes form part of these financial statements

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Cash Flow Statement

for the year ended 30th April 2015

### 4. ACQUISITION OF BUSINESS

On 27th July 2014 the company acquired 100% of the share capital of Corporate Risk Systems Limited. This has been consolidated using the acquisition method. The assets and liabilities obtained are set out below.

Net assets acquired	£
Tangible fixed assets	2,212
Investments	10
Stock	1,500
Debtors	123,263
Cash at bank	603,834
Creditors	<u>(142,015)</u>
	588,804
Goodwill	<u>1,127,124</u>
	<u>1,715,928</u>
Satisfied by	
Cash	<u>1,715,928</u>

An element of the acquisition price is based on future revenue which has been estimated in arriving at the above figures.

The accounting reference date for Corporate Risk Systems Limited has changed from 27th June to 30th April to coincide with that of the rest of the group. In the period 30th June, 2013 to 27th June 2014 Corporate Risk Systems Limited's profit after tax was £145,603. The profit after tax for the 12 months ended 30th June 2013 was £109,696.

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements

for the year ended 30th April 2015

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention.

#### Basis of consolidation

The consolidated accounts include the accounts of the company and all its subsidiary undertakings made up to 30th April 2015.

#### Turnover

Turnover represents net invoiced sales of services, excluding value added tax, together with commission and fees earned which are recognised when policy cover commences or when entitlement occurs.

#### Goodwill

Purchased goodwill is being amortised evenly over its estimated useful life of ten years subject to an impairment review. Goodwill arising on consolidation is being amortised evenly over its estimated useful life of twenty years subject to an impairment review.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- Over period of lease
Fixtures and fittings	- 20% to 33% on cost
Motor vehicles	- 25% on cost

#### Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

#### Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

#### Investments

Current asset investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

#### Insurance broking assets and liabilities

The group acts as agent in broking the insurable risks for their clients and, generally, are not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the group's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries, generally accepted accounting practice has been followed by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the group itself.



# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 1. ACCOUNTING POLICIES - continued

#### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals payable under operating leases are charged to the profit and loss account over the period of the lease on a straight line basis.

### 2. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	15,112,496	13,032,763
Social security costs	1,647,005	1,431,891
Other pension costs	<u>1,317,532</u>	<u>861,711</u>
	<u>18,077,033</u>	<u>15,326,365</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Office and management	75	57
Broking	<u>307</u>	<u>286</u>
	<u>382</u>	<u>343</u>

### 3. DIRECTORS' EMOLUMENTS

	2015	2014
	£	£
Directors' remuneration	899,946	828,703
Directors' pension contributions to money purchase schemes	<u>89,570</u>	<u>104,372</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2015	2014
	£	£
Emoluments etc	292,092	254,280
Pension contributions to money purchase schemes	<u>40,000</u>	<u>24,480</u>

	2014	2013
	£	£
Amounts payable to third parties in respect of directors' services	<u>25,521</u>	<u>28,806</u>

**Henderson Insurance Brokers Limited (Registered number: 01985767)**

**Notes to the Consolidated Financial Statements - continued**  
for the year ended 30th April 2015

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation - owned assets	347,979	456,639
Depreciation - assets on hire purchase contracts	441,406	273,532
Profit on disposal of fixed assets	(66,301)	(121,485)
Goodwill amortisation	459,040	405,532
Auditors' remuneration	59,370	52,840
Operating lease rentals	812,083	872,391
Rent received	<u>(18,000)</u>	<u>(18,000)</u>

**5. EXCEPTIONAL ITEMS**

During the year creditors totalling £609,905 were written back to the profit and loss account.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank interest	39,062	17,258
Bank loan interest	73,660	75,817
Other interest	-	556
Hire purchase	<u>46,178</u>	<u>33,310</u>
	<u>158,900</u>	<u>126,941</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	732,763	733,797
Tax under provided in previous periods	<u>1,284</u>	<u>1,976</u>
Total current tax	734,047	735,773
Deferred tax	<u>(9,372)</u>	<u>6,487</u>
Tax on profit on ordinary activities	<u>724,675</u>	<u>742,260</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 7. TAXATION - continued

#### Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>2,492,711</u>	<u>2,597,344</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 21%)	498,542	545,442
Effects of:		
Expenses not deductible for tax purposes	113,500	93,251
Depreciation for the period in excess of capital allowances	102,432	60,845
Profit on sale of fixed assets	(13,260)	(24,461)
Franked investment income	(40,000)	(136,500)
Inter company dividends	40,000	136,500
Changes in tax rates	31,549	58,720
Tax under provided in previous periods	<u>1,284</u>	<u>1,976</u>
Current tax charge	<u>734,047</u>	<u>735,773</u>

### 8. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,653,530 (2014 - £1,790,448).

### 9. DIVIDENDS

	2015 £	2014 £
A Ordinary shares of £1 each Interim	754,250	-
B Ordinary shares of £1 each Interim	<u>245,750</u>	-
	<u>1,000,000</u>	-

**Henderson Insurance Brokers Limited (Registered number:  
01985767)**

**Notes to the Consolidated Financial Statements - continued**  
*for the year ended 30th April 2015*

**10. INTANGIBLE FIXED ASSETS**

**Group**

	<b>Goodwill £</b>
<b>COST</b>	
At 1st May 2014	6,428,163
Additions	1,178,517
Revision to cost	<u>(38,012)</u>
At 30th April 2015	<u>7,568,668</u>
<b>AMORTISATION</b>	
At 1st May 2014	2,528,829
Amortisation for year	<u>459,040</u>
At 30th April 2015	<u>2,987,869</u>
<b>NET BOOK VALUE</b>	
At 30th April 2015	<u>4,580,799</u>
At 30th April 2014	<u>3,899,334</u>

**Company**

	<b>Goodwill £</b>
<b>COST</b>	
At 1st May 2014	1,841,799
Revision to cost	<u>(17,657)</u>
At 30th April 2015	<u>1,824,142</u>
<b>AMORTISATION</b>	
At 1st May 2014	1,542,722
Amortisation for year	<u>148,717</u>
At 30th April 2015	<u>1,691,439</u>
<b>NET BOOK VALUE</b>	
At 30th April 2015	<u>132,703</u>
At 30th April 2014	<u>299,077</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 11. TANGIBLE FIXED ASSETS

#### Group

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st May 2014	1,143,967	52,577	2,705,331	2,122,515	6,024,390
Additions	-	-	115,793	947,235	1,063,028
Disposals	(525,117)	-	-	(834,190)	(1,359,307)
On acquisition	-	-	29,655	-	29,655
At 30th April 2015	<u>618,850</u>	<u>52,577</u>	<u>2,850,779</u>	<u>2,235,560</u>	<u>5,757,766</u>
<b>DEPRECIATION</b>					
At 1st May 2014	51,576	52,577	2,219,461	804,087	3,127,701
Charge for year	18,588	-	198,040	572,757	789,385
Eliminated on disposal	(29,784)	-	-	(509,765)	(539,549)
On acquisition	-	-	27,453	-	27,453
At 30th April 2015	<u>40,380</u>	<u>52,577</u>	<u>2,444,954</u>	<u>867,079</u>	<u>3,404,990</u>
<b>NET BOOK VALUE</b>					
At 30th April 2015	<u>578,470</u>	<u>-</u>	<u>405,825</u>	<u>1,368,481</u>	<u>2,352,776</u>
At 30th April 2014	<u>1,092,391</u>	<u>-</u>	<u>485,870</u>	<u>1,318,428</u>	<u>2,896,689</u>

The net book value of tangible fixed assets includes an amount of £1,075,515 (2014 - £1,093,270) in respect of assets held under hire purchase contracts.

#### Company

	Freehold property £	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1st May 2014	1,143,967	52,577	2,239,384	1,572,352	5,008,280
Additions	-	-	97,224	679,295	776,519
Disposals	(525,117)	-	-	(558,653)	(1,083,770)
At 30th April 2015	<u>618,850</u>	<u>52,577</u>	<u>2,336,608</u>	<u>1,692,994</u>	<u>4,701,029</u>
<b>DEPRECIATION</b>					
At 1st May 2014	51,576	52,577	1,834,401	547,956	2,486,510
Charge for year	18,588	-	162,326	434,811	615,725
Eliminated on disposal	(29,784)	-	-	(319,565)	(349,349)
At 30th April 2015	<u>40,380</u>	<u>52,577</u>	<u>1,996,727</u>	<u>663,202</u>	<u>2,752,886</u>
<b>NET BOOK VALUE</b>					
At 30th April 2015	<u>578,470</u>	<u>-</u>	<u>339,881</u>	<u>1,029,792</u>	<u>1,948,143</u>
At 30th April 2014	<u>1,092,391</u>	<u>-</u>	<u>404,983</u>	<u>1,024,396</u>	<u>2,521,770</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 11. TANGIBLE FIXED ASSETS - continued

#### Company

The net book value of tangible fixed assets includes an amount of £840,260 (2014 - £931,103) in respect of assets held under hire purchase contracts.

### 12. FIXED ASSET INVESTMENTS

#### Company

	Unlisted investments £
<b>COST</b>	
At 1st May 2014	5,175,834
Additions	<u>1,780,729</u>
At 30th April 2015	<u>6,956,563</u>
<b>NET BOOK VALUE</b>	
At 30th April 2015	<u>6,956,563</u>
At 30th April 2014	<u>5,175,834</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 12. FIXED ASSET INVESTMENTS - continued

The company held, throughout the year, 100% of the ordinary share capital of the following companies:

	<b>Nature of business</b>
Henderson Employee Benefits Limited	Independent financial advisers and providers of health insurance products
UK Credit Insurance Specialists Limited	Insurance broker
P G Bradley & Co Limited	Dormant
Denney O'Hara Limited	Dormant
Denney O'Hara (Life & Pensions) Limited	Dormant
Optimum Risk Solutions Limited	Dormant
Farmsure Limited	Dormant
Affinity Group Insurance Services Limited	Dormant
Henderson Corporate Insurance Brokers Limited	Dormant

In addition the company also holds 90% of the ordinary share capital of Contractsure Limited, an insurance broker.

At 1st May 2014 the company held 98% of the ordinary share capital of Henderson Risk Management Limited, a provider of risk management service, the remaining 2% of share capital was acquired during the year.

During the year the company acquired 100% of the ordinary share capital in the following companies:

	<b>Nature of business</b>
Corporate Risk Systems Limited	Provider of risk management consultancy and training services
Compare the Training Limited	Dormant
Richard Kiddle (Insurance Brokers) Limited	Insurance brokers
Insuractive Limited	Dormant

### 13. STOCKS

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Stocks	<b><u>1,500</u></b>	<u>-</u>

**Henderson Insurance Brokers Limited (Registered number: 01985767)**

**Notes to the Consolidated Financial Statements - continued**

for the year ended 30th April 2015

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	<b>17,990,850</b>	19,301,304	<b>14,179,735</b>	14,360,481
Other debtors	<b>927,466</b>	615,146	<b>890,338</b>	577,230
Directors' loan accounts	<b>1,664,411</b>	1,369,919	<b>1,664,411</b>	1,369,919
Deferred tax	<b>14,578</b>	5,206	<b>10,262</b>	5,206
Prepayments	<b>1,391,347</b>	1,086,660	<b>1,023,536</b>	917,025
	<b><u>21,988,652</u></b>	<u>22,378,235</u>	<b><u>17,768,282</u></b>	<u>17,229,861</u>

Deferred tax

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Short term timing differences	<u>14,578</u>	<u>5,206</u>	<u>10,262</u>	<u>5,206</u>
	<b><u>14,578</u></b>	<b><u>5,206</u></b>	<b><u>10,262</u></b>	<b><u>5,206</u></b>

	Deferred Tax £	Deferred Tax £
Balance at 1st May 2014	5,206	5,206
Transfer to profit and loss	<u>9,372</u>	<u>5,056</u>
Balance at 30th April 2015	<b><u>14,578</u></b>	<b><u>10,262</u></b>

**15. CURRENT ASSET INVESTMENTS**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Listed investments	<b>1,460</b>	1,460	<b>1,460</b>	1,460
Unlisted investments	<b>171,102</b>	102,612	<b>171,102</b>	102,612
	<b><u>172,562</u></b>	<u>104,072</u>	<b><u>172,562</u></b>	<u>104,072</u>

Market value of listed investments at 30th April 2015 held by the group and the company - £4,458



# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 16. CASH AT BANK AND IN HAND

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Office accounts	1,320,161	1,047,052	251,264	-
Insurance broking accounts	13,312,662	10,824,003	10,858,906	7,935,303
Cash in hand	<u>1,743</u>	<u>1,881</u>	<u>1,427</u>	<u>1,641</u>
	<u>14,634,566</u>	<u>11,872,936</u>	<u>11,111,597</u>	<u>7,936,944</u>

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank loans and overdrafts (see note 19)	<b>847,848</b>	2,591,816	<b>847,848</b>	1,796,693
Hire purchase contracts (see note 20)	<b>483,508</b>	465,124	<b>376,509</b>	391,338
Trade creditors	<b>29,489,317</b>	27,599,491	<b>23,792,823</b>	20,921,860
Amounts owed to group undertakings	-	-	<b>728,399</b>	124,263
Tax	<b>475,378</b>	401,716	<b>354,642</b>	177,896
Social security and other taxes	<b>663,222</b>	545,701	<b>410,414</b>	361,040
Other creditors	<b>423,254</b>	33,464	<b>397,622</b>	5,899
Accruals and deferred income	<b>1,732,752</b>	1,390,328	<b>1,273,591</b>	964,858
	<u><b>34,115,279</b></u>	<u>33,027,640</u>	<u><b>28,181,848</b></u>	<u>24,743,847</u>

### 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank loans (see note 19)	<b>1,628,512</b>	888,408	<b>1,628,512</b>	888,408
Hire purchase contracts (see note 20)	<b>330,225</b>	317,227	<b>249,158</b>	258,501
Other creditors	-	29,188	-	-
	<u><b>1,958,737</b></u>	<u>1,234,823</u>	<u><b>1,877,670</b></u>	<u>1,146,909</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Amounts falling due within one year or on demand:				
Bank overdrafts	-	1,706,816	-	911,693
Bank loans	<u>847,848</u>	<u>885,000</u>	<u>847,848</u>	<u>885,000</u>
	<u>847,848</u>	<u>2,591,816</u>	<u>847,848</u>	<u>1,796,693</u>
Amounts falling due between one and two years:				
Bank loans	<u>847,848</u>	<u>420,000</u>	<u>847,848</u>	<u>420,000</u>
Amounts falling due between two and five years:				
Bank loans	<u>780,664</u>	<u>460,000</u>	<u>780,664</u>	<u>460,000</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>-</u>	<u>8,408</u>	<u>-</u>	<u>8,408</u>

### 20. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

#### Group

	Hire purchase contracts	
	2015 £	2014 £
Gross obligations repayable:		
Within one year	514,450	498,107
Between one and five years	<u>350,131</u>	<u>338,657</u>
	<u>864,581</u>	<u>836,764</u>
Finance charges repayable:		
Within one year	30,942	32,983
Between one and five years	<u>19,906</u>	<u>21,430</u>
	<u>50,848</u>	<u>54,413</u>
Net obligations repayable:		
Within one year	483,508	465,124
Between one and five years	<u>330,225</u>	<u>317,227</u>
	<u>813,733</u>	<u>782,351</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 20. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

#### Company

	Hire purchase contracts	
	2015 £	2014 £
Gross obligations repayable:		
Within one year	<b>404,868</b>	421,580
Between one and five years	<b>267,107</b>	278,671
	<b><u>671,975</u></b>	<u>700,251</u>
Finance charges repayable:		
Within one year	<b>28,359</b>	30,242
Between one and five years	<b>17,949</b>	20,170
	<b><u>46,308</u></b>	<u>50,412</u>
Net obligations repayable:		
Within one year	<b>376,509</b>	391,338
Between one and five years	<b>249,158</b>	258,501
	<b><u>625,667</u></b>	<u>649,839</u>

The following operating lease payments are committed to be paid within one year:

#### Group

	Land and buildings		Other operating leases	
	2015 £	2014 £	2015 £	2014 £
Expiring:				
Within one year	<b>112,693</b>	-	-	14,323
Between one and five years	<b>525,495</b>	668,341	<b>13,550</b>	13,440
In more than five years	<b>41,760</b>	53,760	-	-
	<b><u>679,948</u></b>	<u>722,101</u>	<b><u>13,550</u></b>	<u>27,763</u>

#### Company

	Land and buildings		Other operating leases	
	2015 £	2014 £	2015 £	2014 £
Expiring:				
Within one year	<b>54,715</b>	-	-	14,323
Between one and five years	<b>475,867</b>	422,107	<b>13,440</b>	13,440
In more than five years	<b>41,760</b>	53,760	-	-
	<b><u>572,342</u></b>	<u>475,867</u>	<b><u>13,440</u></b>	<u>27,763</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued for the year ended 30th April 2015

### 21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Bank overdraft	-	1,706,816	-	911,693
Bank loans	<u>2,476,360</u>	<u>1,773,408</u>	<u>2,476,360</u>	<u>1,773,408</u>
	<u>2,476,360</u>	<u>3,480,224</u>	<u>2,476,360</u>	<u>2,685,101</u>

The bank overdraft and loans are secured by unlimited debentures and a legal charge over property.

### 22. MINORITY INTERESTS

The minority interest represents a 10% shareholding in Contractsure Limited.

### 23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
50,000	A Ordinary	£1	<u>50,000</u>	50,000
16,291	B Ordinary	£1	<u>16,291</u>	<u>16,291</u>
			<u>66,291</u>	<u>66,291</u>

### 24. RESERVES

#### Group

	Profit and loss account £	Share premium £	Totals £
At 1st May 2014	6,306,464	412,960	6,719,424
Profit for the year	1,726,271	-	1,726,271
Dividends	<u>(1,000,000)</u>	-	<u>(1,000,000)</u>
At 30th April 2015	<u>7,032,735</u>	<u>412,960</u>	<u>7,445,695</u>

#### Company

	Profit and loss account £	Share premium £	Totals £
At 1st May 2014	6,897,551	412,960	7,310,511
Profit for the year	1,653,530	-	1,653,530
Dividends	<u>(1,000,000)</u>	-	<u>(1,000,000)</u>
At 30th April 2015	<u>7,551,081</u>	<u>412,960</u>	<u>7,964,041</u>

# Henderson Insurance Brokers Limited (Registered number: 01985767)

## Notes to the Consolidated Financial Statements - continued

for the year ended 30th April 2015

### 24. RESERVES - continued

### 25. PENSION COMMITMENTS

The group makes payments to defined contribution pension schemes. The charge for the year amounted to £1,317,531 (2014 £861,530). The amount outstanding at the year end amounted to £85,909 (2014 £46,704).

### 26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year the group made loans to directors on an interest free basis. At 30th April 2015 the balance due from J E Henderson was £1,664,411 (2014 £1,369,919).

### 27. RELATED PARTY DISCLOSURES

**J E Henderson**  
Majority Shareholder

During the year the group disposed of motor vehicles to JE Henderson for proceeds totalling £95,000. This amount is included within other debtors at 30th April 2015.

In addition a freehold property was sold to JE Hendersons personal SIPP on an arms length basis for £515,000.

### 28. POST BALANCE SHEET EVENTS

Since the year end the group has acquired the entire share capital of Hall Rhodes Holdings Limited.

### 29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

#### Group

	2015 £	2014 £
Profit for the financial year	1,726,271	1,828,946
Dividends	(1,000,000)	-
New share capital subscribed	-	36,315
<b>Net addition to shareholders' funds</b>	<b>726,271</b>	<b>1,865,261</b>
Opening shareholders' funds	<u>6,785,715</u>	<u>4,920,454</u>
<b>Closing shareholders' funds</b>	<u><b>7,511,986</b></u>	<u><b>6,785,715</b></u>

#### Company

	2015 £	2014 £
Profit for the financial year	1,653,530	1,790,448
Dividends	(1,000,000)	-
New share capital subscribed	-	36,315
<b>Net addition to shareholders' funds</b>	<b>653,530</b>	<b>1,826,763</b>
Opening shareholders' funds	<u>7,376,802</u>	<u>5,550,039</u>
<b>Closing shareholders' funds</b>	<u><b>8,030,332</b></u>	<u><b>7,376,802</b></u>

**Henderson Insurance Brokers Limited (Registered number:  
01985767)**

**Notes to the Consolidated Financial Statements - continued**  
*for the year ended 30th April 2015*

**30. CONTROL RELATIONSHIPS**

The group is controlled by J E Henderson by virtue of his majority ownership of the parent company's issued share capital.