Insurance Times

Top50 Brokers 2016

IN ASSOCIATION WITH

IMAS

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Top of their

IMAS highlights the brokers that have led the market in terms of growth

These 10 brokers produced standout performances, according to IMAS's data. Their dynamism helped them lead the market and create value for shareholders.

HONOUR ROLL OF THE PAST SEVEN YEARS

	First	Second	Third
2015	RK Harrison	BGL Group	Stackhouse Poland
2014	Hyperion	RK Harrison	Arthur J Gallagher
2013	Hastings	Hyperion	Stackhouse Poland
2012	Miller	A-Plan	Aston Scott
2011	JLT	Brightside	Oamps UK
2010	RK Harrison	Abbey Protection	Cooper Gay
2009	Kwik-Fit	Windsor	JLT

#1

Hastings

Brokerage
£243.4m

EBITDA
£89.9m

Personal lines is going through a very competitive phase and yet the business has grown 19%. Have they been buying business? Profits have grown by 29% so obviously not. Nor is it a flash in the pan: Hastings topped the poll in 2013. Over the year (at time of writing) the share price is up 12.1% while the FTSE250 over the same period is unchanged.

EBITDA growth:
29.3%

#2

Simply Business

Brokerage
£38.1m

EBITDA
£5.8m

Whilst in a different market, Simply Business demonstrates that, like Hastings, when an internet-based business gets it right the results are impressive. Turnover up 31% and earnings jumping over 70%. Anacap sold the broker in April this year to US financial services-focused private equity house Acquiline, demonstrating that strong profit growth creates value.

EBITDA growth:
73.3%

#3

Crispin Speers

Brokerage
£22.4m

EBITDA
£4.7m

Lloyd's has often been a difficult place to create shareholder value. We expect to see a strong showing as the market is helped by weak sterling. Crispin Speers have put in many years of consistent growth. 21% this year and growing margins at the same time is an excellent result.

EBITDA growth:
54.5%

REST OF THE BEST

We have not sought to rank the seven firms ou

Integro

Brokerage
£109.4m

EBITDA
£34.1m

This US broker, backed by US private equity firm Odyssey, made a big splash in 2015 with a string of acquisitions in Lloyd's, specialist businesses and UK retail. Integro is not on the podium yet, as the challenge is now to create a coherent business from the disparate operations. Its deals have been earnings-focused so we expect to see growth and good margin maintained in the future.

EBITDA growth:
267%

Autonet

Brokerage
£37.2m

EBITDA
£10.2m

12% increase in turnover is not dramatic but profits have risen more so, achieving a very healthy 27%. Having started in the van market niche, Autonet has successfully broken into the broader motor market. Some niche brokers' long-term success is constrained by an inability to move outside their niches, not so with Autonet.

EBITDA growth:
13.6%

game

NOTES FROM IMAS

CRITERIA
IMAS has kept the key criteria as consistent as possible with previous years but needs to recognise the new entrants.

Growth
This is clearly a key factor. It is, however, not purely a drag race but one in which overall increases in shareholder value are reflected and we, therefore, focus on organic and acquisition-led growth that creates value rather than merely size.

Margin
Sustainable margin is just as important as sustainable growth. Recovery to acceptable levels of profit following a poor year, while commendable, is unlikely to win an award.

Peer performance
Where a sector has turned in excellent results, we have to look at the impact of a potential cycle and discount this influence as is regularly seen in the stock markets. It is individual excellent performance against peers that counts.

Past success
While it is not impossible to imagine, we have yet to choose the same company as the winner in consecutive years. This reflects the dynamic market and range of different activities undertaken.

utside the top three, but have highlighted what has been outstanding, from the largest to smallest by turnover

Tyser

Brokerage
£55.6m

EBITDA
£10.2m

17% growth for a much respected long established Lloyd's broker servicing traditional markets is a good performance. Lloyd's brokers with high staff costs have often struggled with profitability but at 18% this is certainly a praiseworthy performance

EBITDA growth:
3.7%

Ryan Direct

Brokerage
£28.4m

EBITDA
£7.0m

A combination of acquisitions and organic growth has put Ryan on the map in the UK. Organic growth last year at 16% was significantly stronger than the market average and earnings increased by 25%.

EBITDA growth:
7.7%

Carole Nash

Brokerage
£27.5m

EBITDA
£7.4m

Being the largest broker in a niche can at times be an uncomfortable place. It's hard to expand outside your niche and your customers are targeted by other brokers. Carole Nash has put in an excellent performance growing turnover by 18% and increasing profits by 70%. The firm is clearly focused on shareholder value.

EBITDA growth:
69.6%

Acorn

Brokerage
£23.2m

EBITDA
£8.2m

A specialist motor broker with its own underwriting operations (not included on the figures) has demonstrated its relevance by growing 16%. Acorn deserves a mention on account of its 35% margin in a tough market.

EBITDA growth:
25.0%

CFC underwriting

Brokerage
£23.1m

EBITDA
£9.1m

CFC would have been on the podium if they have been in the Top 50 last year. This is a quality MGA posting growth of over 40% and making a margin of 40%. MGAs have influence beyond their size, so this is one to watch.

EBITDA growth:
54.8%

A busy year

IMAS partner James Simpson looks at the changing growth landscape in this year's Top 50 Brokers

This year shows lots of movement reflecting successes, disappointments and acquisitions.

With all of this movement and a major new entrant, however, growth in the aggregate revenue of the Top 50 has slowed.

Revenue is up 4.6% this year compared to 5.1% last year on an historic basis, and that falls to growth of only 3.4% on a like for like basis.

While overall growth has slowed, it is getting harder to get into the Top 50 Brokers, with the entry point to the list up 11.6% to £20.6m.

The sector make-up of the Top 50 has stayed relatively stable.

There has, however, been a decline in the aggregate proportion represented by commercial brokers, down 50 basis points to 9.1%; and an increase in personal lines, up 70 basis points to 26.8%.

London and international brokers have maintained their shares.

The increase in personal lines stems from the entry of Saga to the Top 50, with the introduction of insurer panels for both its motor and household books, although Acromas Insurance Company is still a major insurer for them.

The decline of commercial is mainly down to the acquisition of Jelf by Marsh.

Growth has been very varied by sector; on a like for like basis (i.e. growth by this year's Top 50).

It is clear that personal lines have had a difficult year with only 0.4% aggregate growth in income.

On the other hand, the commercial sector has seen like for like growth of 6.9%, showing the underlying support in this sector for acquisitions.

London and international have, after acquisitions, maintained their relative rates.

The growth by decile has been markedly different this year.

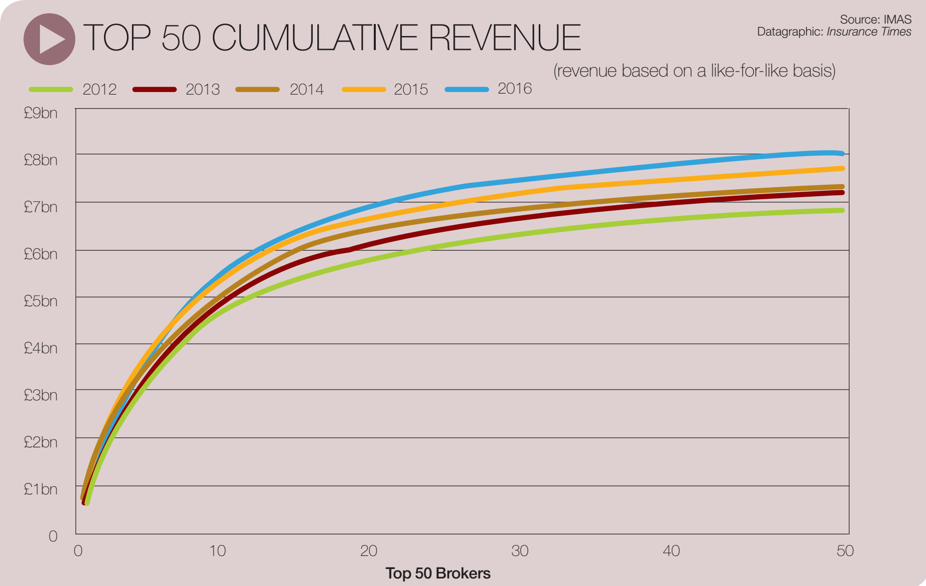
The top five brokers continue to show a steady income growth of 4.3% compared to 4.5% last year and a five-year compound growth of 4.8%.

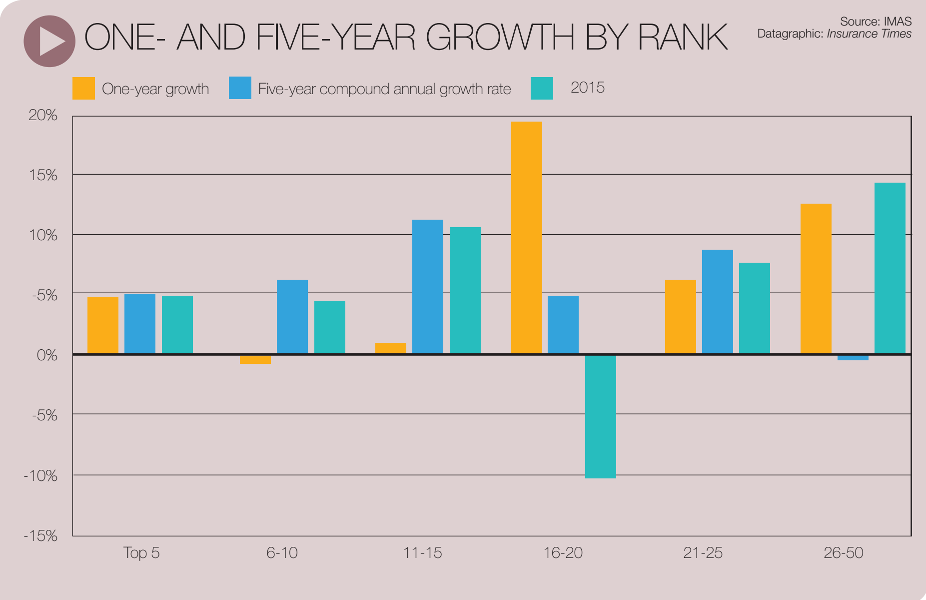
However the next five brokers are well down on last year and showed negative five-year compound growth of 0.2% compared to positive growth of 4.0% for last year and compound growth of 6.8% for the last five years. This decline is primarily down to Towergate's restructuring and Swinton suffering greater competition in the personal lines sector.

The big swings are however in the next two groups of five.Those ranked 11-15 have only grown by 1.6% compared to growth last year of 11.8% and those ranked 16-20 have grown by 18.6% compared to a decline of 10.3% last year.

These variations across the deciles confirm consolidation and are due to the differing nature of the companies involved.

Personal lines brokers have found growth diffcult in a competitive sector while acquisitive companies have grown strongly. The remaining deciles have continued to grow and show that the consolidation of





insurance broking continues apace. Companies ranked 26-50 have grown by 13.5% down only slightly from their 14.2% growth last year.

Newcomers to the Top 50 this year are Saga, coming in at 11; Global Risk Partners at 33, following a successful series of acquisitions; The Granite Group at 43; CFC at 44; and a re-entry by Barbon Insurance at 50.

Others might have hoped to be there off the back of acquisitions, but with the rest of the market making acquisitions and achieving continued organic growth the rise in the entry point has proved too difficult.

Next year, maybe, for those private equity-backed firms just outside of the Top 50.

Ownership

The ownership story continues to develop and, while following the path of previous years, listed companies have increased markedly with the entry of Saga.

Overseas-owned companies have maintained their share of the Top 50 at 50.3% but UK-based PE now only controls 17.9%, down from 19.8% last year primarily due to recent listings and some of the issues faced by the remaining PE-owned companies over the last year.

The increased share represented by listed companies is due to Saga's entry and the other companies showing good growth (Hastings in particular), the category being up to 18.3% from 14.9% last year.

The income stories

There has been some spectacular growth this year with acquisitions leading the way.

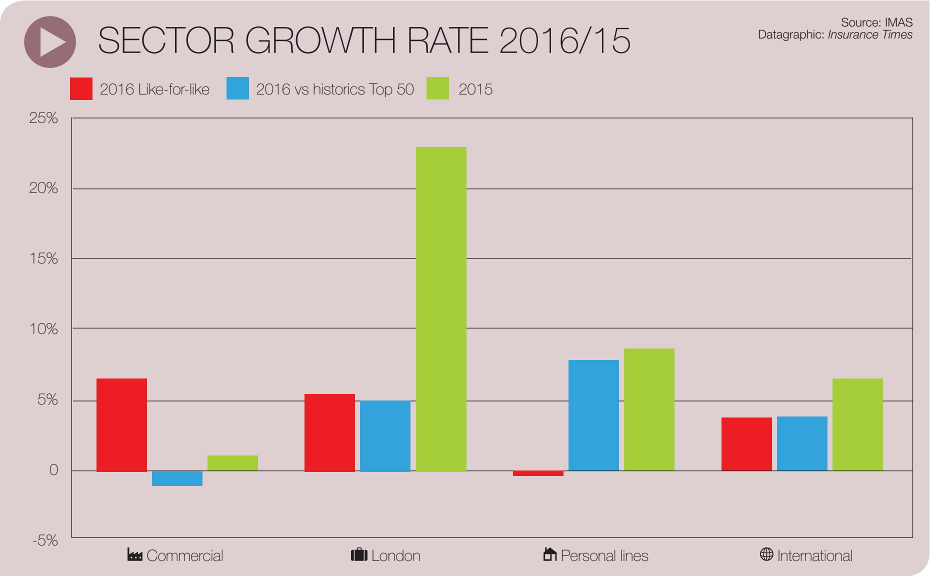
GRP and Integro are the big growers. GRP's growth of 107% is investment-led as it has not integrated or consolidated any of its acquisitions.

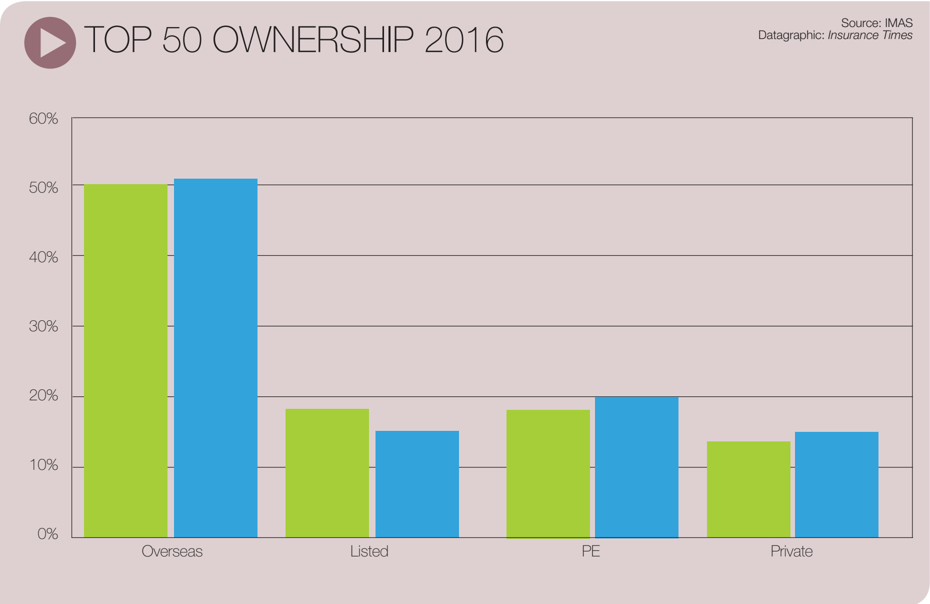
Integro's growth of 104% is very much acquisition- and integration-based, with older acquisitions now being integrated into the main company, Intergro Insurance Brokers.

Organic growth stories are led by Barbon with 44%, CFC with 41% and Simply Business with 31% growth: showing the benefits of their business models in a competitive market. Also notable are Hastings' growth of 19% in the tough personal lines sector and Crispin Speers with 19% growth in the London Market.

Income per employee is a familiar picture with BPL way out in front but it is Aon's second position that is of real note, having achieved an improvement of 23% over last year, it now has £231,000 per employee.

A new member of this table is Integro with £200,000 per employee and ranked number four: acquisition and integration have clearly allowed it to benefit from the process.





The profit stories

Overall profit/EBITDA margins have generally suffered in the last year across all sectors of the market as competition, soft markets and general cost pressures have taken their toll.

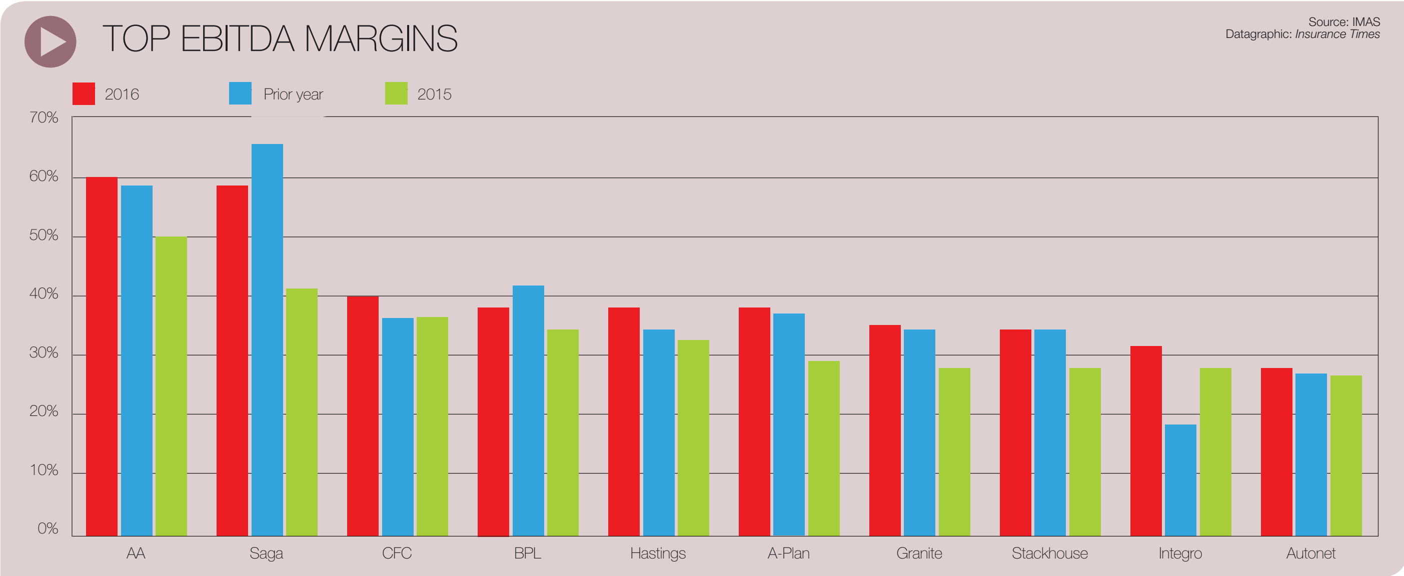
'Personal lines have had a difficult year, with only 0.4% aggregate growth in income. Commercial has seen like for like growth of 6.9%, showing the underlying support in this sector for acquisitions'

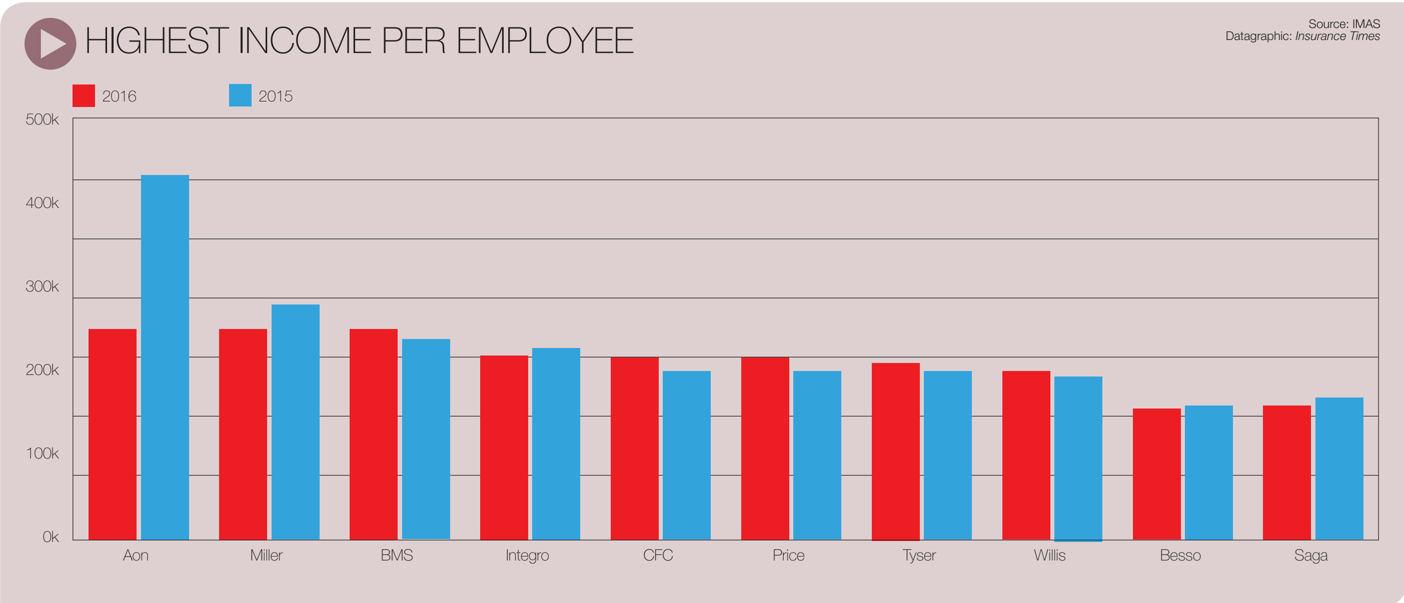
The highest margins have been achieved by the personal lines sector, as last year, and they are similar to last year at 26.4% to 26.2%, where the data has been provided.

But on a like for like basis, including Saga's prior year numbers, there is a decline, from 30.7% to 26.4%.

The lowest margins are recorded for London brokers at 19.5%, which are up from last year's 17.8%, and commercial is only now just ahead at 19.8% but caution should be exercised here as their financials have been sourced in a number of different ways and we only have EBITDA for three quarters of the companies by revenue.

IMAS





Individual company performance reflects the overall decline but the top margins are still impressive with the top ten all achieving over 25%.

The highest, AA at 59.5%, and Saga at 58.9%, are remarkable but there are group overheads not allocated to trading divisions for both of these companies, which might otherwise reduce this.

Newcomers to the EBITDA margin table are Integro, Granite and Autonet, with margins of 31.2%, 27.3% and 35.1% respectively, all showing that margin can be maintained while growing.

Meanwhile new entrant CFC has achieved the third best margin of the lot with 39.2%. The wide variety of businesses represented in this shows that good trading margins are more down to the business model and management than the sector/activity.

Profit per employee also shows a similar picture with one exception for a specialist business.

The employee stories

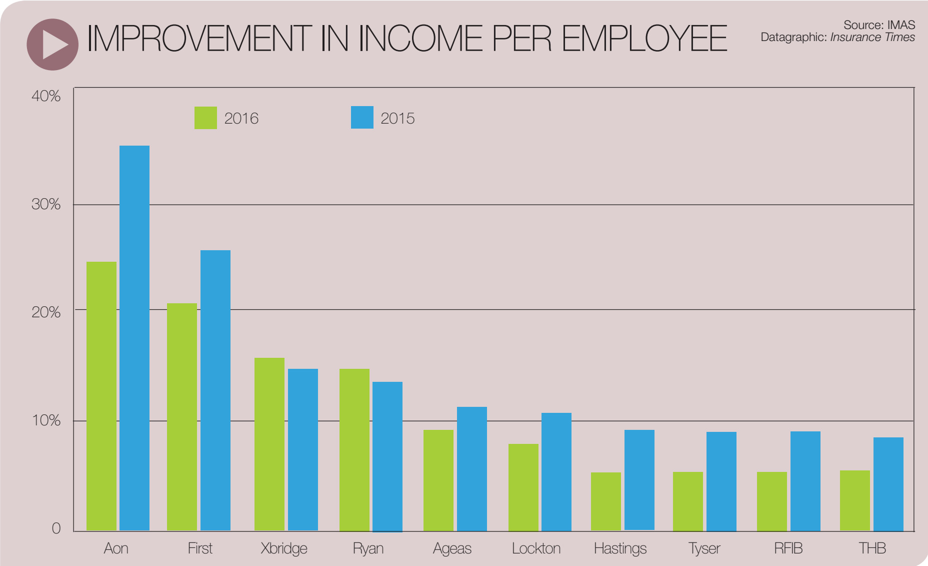
Employee performance is one of our key performance indicators and there remains the usual difference between London and international businesses and the personal lines and commercial sectors.

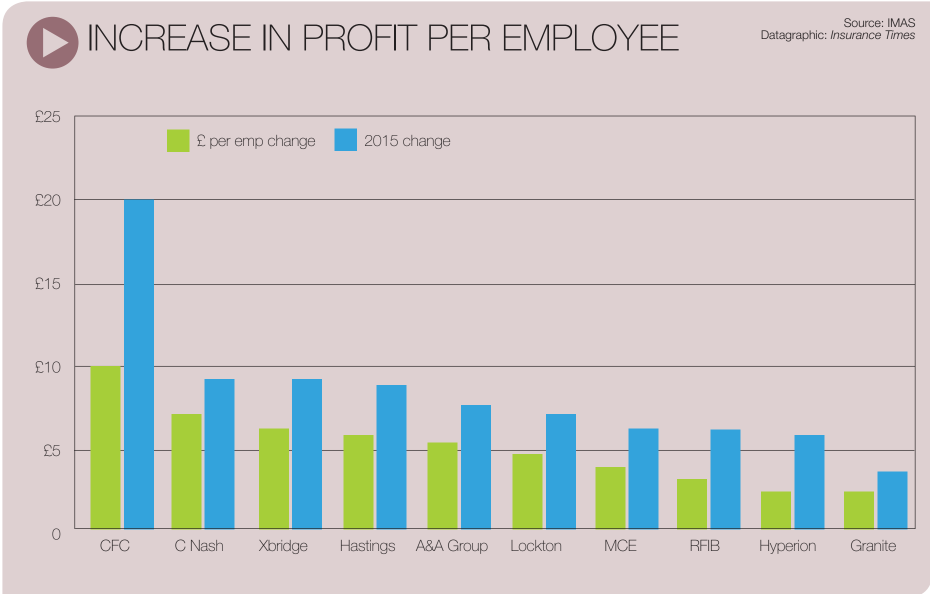
Unfortunately this year we have fewer companies with full employee details to work with. Only 70% by revenue have reported employee numbers, but for these companies we have seen an overall increase in income per employee of 6.6% compared to last year.

The largest increase in income per employee has come in the commercial sector with 13.4% but surprisingly London has seen a small decline of 0.6%. The largest variations have been in personal lines where we have already seen that there have been very different experiences in a difficult year, the best being an improvement of 20%, the worst a decline of 23%.

> 'Individual company performance reflects the overall decline, but the top margins are still impressive, with the top ten all achieving over 25%. The highest, the AA at 59.5%, and Saga at 58.9% are remarkable'

'We also thought that listed companies would come to the fore and they have, although the newer-listed larger personal lines businesses, except for Hastings, have had a tough year. It is the smaller, more focused companies that have done better in personal lines'





Income per employee is headed once again by BPL, well out in front with £408,000 per employee.

The highly commendable performances below this are Aon with £232,000 per employee, Integro with £201,000, CFC with £78,000, Price Forbes with £199,000 and BMS Group, although this is for the year to December 2014.

The improvement in income per employee is headed by Aon, with an excellent 23% improvement or £43,000 per employee.

The next best performance comes from First Central with a 20.5% improvement following the consolidation of their business in the prior year, then Simply Business with 17% improvement, underpinning their overall improvement in performance and then Ryan Direct Group with 16.2%.

These are the only double digit improvements this year and comparing them all to last year shows improvement was obviously harder to achieve.

EBITDA per employee, the true measure of productivity and performance, is headed by BPL but at a much reduced level than last year, £156,500 per employee compared to £181,000.

New entrant to the Top 50, Saga Services, is the next highest with £93,600 per employee.

We don't have employee numbers for AA Insurance, but one might assume that they would have a similar figure.

Next come other newcomers CFC with £78,000 per employee and Integro, with £62,000 per employee. So this looks like a newcomers category this year!

Hastings with £47,600, is an excellent performance for a personal lines business where the next closest is A-Plan with £27,700 EBITDA per employee.

The future

Last year we predicted that the PE-backed businesses would have an impact this year and to a certain extent they have.

But the largest, Integro, is a US PE-backed business.

GRP has been very successful with its achievements and coming into the Top 50.

But, with the consolidation of the market, the likes of PIB and Aston Scott have been left just outside the Top 50.

With continued acquisition we are sure that they will be there next year.

We also thought that listed companies would come to the fore and they have, although we have seen that the newer-listed larger personal lines businesses, except for Hastings, have had a tough year.

It is the smaller, more focused companies that have done better in personal lines and we would expect to see one or two of these appear in the Top 50 next year in the way that The Granite Group has done this year.

The major factor on companies' minds now must be the impact of the Brexit vote and the prospect of the UK leaving the EU.

What will that do to the insurance sector and more importantly to the insurance sector's clients?

The international sector should be least impacted as Europe tends to be less important to their UK revenues than other regions of the world.

The London market brokers could start to see material impact as European business brought to London by them will start to have to deal with uncertainty and look for alternative methods or routes, all of which will push up costs.

Personal lines will need to focus on the status of their capacity, particularly those that use Gibraltar for their own capacity.

Vital statistics

All the financial data from the UK's Top 50 Brokers

2016	2015	Company Name	Current Year	Brokerage	Brokerage Change	Costs	Investment Income net	EBITDA	EBITDA Growth	EBITDA Margin %	Net Current Assets	Total D
1	(1)	JLT Group (6)	Dec-15	£866,620	6.2%	£687,289	£3,647	£182,978	6.5%	21.1%	£289,171	£603,5
2	(2)	Marsh (1, 2)	Dec-15	£831,683	6.3%	£-	£-	£196,305	-2.6%	23.6%	£785,400	£-
3	(3)	Aon (4)	Dec-15	£758,440	9.5%	N/A	N/A	N/A	n/a	N/A	£434,944	£-
4	(5)	Arthur J. Gallagher International (1, 2)	Dec-15	£650,136	5.1%	N/A	N/A	N/A	n/a	N/A	N/A	N/A
5	(4)	Willis (2)	Dec-15	£601,682	-7.0%	£519,489	£35,318	£113,016	-38.0%	18.8%	£452,707	£-
6	(6)	BGL Group	Jun-15	£507,245	0.5%	£453,242	£(3,989)	£74,026	-40.6%	14.6%	£(44,072)	£85,18
7	(8)	Hyperion (2)	Sep-15	£387,489	8.5%	£283,553	£778	£104,714	11.8%	27.0%	£97,891	£490,0
8	(7)	Towergate (2)	Dec-15	£352,189	-6.3%	£515,108	£(44,952)	£58,061	-39.2%	16.5%	N/A	N/A
9	(9)	Swinton Group (4)	Dec-14	£285,096	-6.5%	£259,381	£(3,605)	£62,971	-2.7%	22.1%	£81,590	£101,6
10	(12)	Hastings Insurance Services (4)	Dec-15	£243,372	19.0%	£158,729	£193	£89,894	29.3%	36.9%	£22,904	£-
11	(n/a)	Saga Services	Jan-16	£229,550	-13.4%	£94,352	£19	£135,217	-22.1%	58.9%	£101,696	£250,1
12	(13)	Lockton (4)	Apr-16	£223,729	11.8%	£224,038	£425	£33,100	50.3%	14.8%	£25,547	£-
13	(11)	Cooper Gay Swett & Crawford (4)	Dec-15	£219,273	-11.9%	N/A	N/A	N/A	n/a	N/A	N/A	N/A
14	(14)	Ageas Retail (4)	Dec-15	£146,877	-10.8%	£138,438	£91	£13,909	-48.6%	9.5%	£110,821	£103,3
15	(10)	AA Insurance Services	Jan-16	£131,000	-8.0%	N/A	N/A	£78,000	-7.0%	59.5%	N/A	N/A
16	(15)	Bluefin Insurance Group (4)	Dec-15	£120,995	3.1%	£100,774	£290	£20,511	-13.6%	17.0%	£(79,921)	£101,4
17	(16)	Miller (4)	Dec-15	£117,364	3.2%	£79,300	£165	£19,503	-23.7%	16.6%	£31,105	£-
18	(26)	Integro Insurance Brokers (2, 4)	Dec-15	£109,443	104.3%	£78,522	£-	£34,111	266.7%	31.2%	£23,266	£74,29
19	(19)	A-Plan	Feb-16	£75,060	11.3%	£47,481	£54	£27,633	13.1%	36.8%	£13,381	£-
20	(17)	Brightside	Dec-15	£69,528	-21.5%	£114,256	£(457)	£9,081	-51.5%	13.1%	£(3,654)	£22,81
21	(21)	THB Group (4)	Dec-15	£64,195	3.7%	£57,472	£(1,929)	£10,674	5.0%	16.6%	£9,310	£-
22	(22)	Markerstudy	Dec-15	£63,019	4.9%	£54,627	£-	£8,392	37.3%	13.3%	£798	£44,16

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[1] Figures for UK business extracted from US SEC Form 10K
[2] Annualised figures to reflect material acquisitions in current financial year
[3] Annualised figures to reflect material disposals in current financial year
Note: Percentage change based on actual prior-year figures, so may differ from last year's Top 50 where estimates were given by individual companies

[4] Management-provided information
[5] Annualised for changed year-end
[6] Excludes non-general insurance business
[7] This year's brokerage for Aon is based on Aon UK Ltd's statutory accounts, and so is not directly comparable with the management-provided information reported in last year's Top 50 Brokers

ebt	Total Liabilities	Share-holders Funds	Goodwill to EBITDA %	Highest Paid Director	Total Directors Emoluments	Employee Numbers	Employee Cost	Average employee cost	Average Employee cost change	Head-count Inc	T/O per employee
82	£1,905,818	£330,802	328.2%	£2,702	£6,710	5,990	n/a	n/a	n/a	5.1%	£144.7
	£4,181,100	£837,900	145.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	£1,848,605	£984,999	n/a	£4,640	£10,380	3,272	£395,935	£121	24.4%	-11.0%	£231.8
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
	£3,345,534	£811,019	131.8%	£2,432	£9,127	3,341	£328,774	£98	-0.6%	-8.5%	£180.1
6	£511,136	£85,819	33.3%	£410	£1,015	3,260	£134,557	£41	2.0%	6.7%	£155.6
19	£1,196,120	£(27,613)	267.4%	£490	£1,816	3,351	£218,589	£65	16.2%	3.9%	£115.6
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
10	£240,496	£156,598	49.6%	£603	£1,129	4,027	£126,515	£31	3.6%	-5.5%	£70.8
	£247,003	£61,234	n/a	£526	£1,740	1,887	£54,195	£29	-5.7%	13.1%	£129.0
03	£168,178	£112,531	n/a	£457	£1,015	1,445	£34,402	£24	9.2%	0.0%	£-
	£673,225	£14,026	150.3%	n/a	n/a	2,085	£155,602	£75	3.6%	4.5%	£107.3
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
16	£171,018	£33,471	n/a	£460	£1,157	2,062	£59,407	£29	2.3%	-17.7%	£71.2
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
85	£255,863	£111,932	910.6%	n/a	n/a	1,369	£60,939	£45	2.9%	4.5%	£88.4
	£436,343	£106,789	136.0%	N/A	N/A	510	£47,875	£94	-1.3%	8.7%	£230.1
9	£220,118	£33,507	5.1%	£560	£1,315	545	£34,975	£64	n/a	n/a	£200.8
	£26,047	£23,190	n/a	n/a	n/a	996	£32,422	£33	11.3%	12.2%	£75.4
2	£47,755	£49,306	515.6%	£1,212	£1,802	983	£26,151	£27	-8.3%	-4.6%	£70.7
	£110,803	£21,197	262.0%	n/a	n/a	442	£39,446	£89	2.3%	-0.9%	£145.2
5	£45,831	£7,626	62.8%	£-	£-	875	£23,289	£27	-18.3%	25.0%	£72.0

DATA SOURCE: IMAS-insight

2016	2015	Company Name	Current Year	Brokerage	Brokerage Change	Costs	Investment Income net	EBITDA	EBITDA Growth	EBITDA Margin %	Net Current Assets	Total De
23	(23)	BMS Group (4)	Dec-15	£62,715	4.9%	£58,227	£39	£11,300	16.5%	18.0%	£(4,044)	n/a
24	(24)	Adrian Flux (4)	Sep-15	£61,000	13.0%	N/A	N/A	N/A	n/a	N/A	N/A	N/A
25	(20)	Endsleigh Insurance Services	Dec-15	£56,256	-15.3%	£49,766	£(2,325)	£7,234	-51.5%	12.9%	£39,989	£23,90
26	(28)	Tyser & Co	Dec-15	£55,570	16.8%	£47,089	£(163)	£10,194	3.7%	18.3%	£3,538	£-
27	(27)	First Central	Dec-15	£55,485	16.1%	£57,443	£-	£1,738	38.6%	3.1%	£2,449	£-
28	(25)	Price Forbes (4)	Dec-14	£55,026	2.5%	£47,688	£(111)	£8,634	-16.3%	15.7%	£17,792	£3,631
29	(29)	United Insurance Brokers	Dec-15	£41,791	-0.9%	£38,818	£285	£3,312	-21.6%	7.9%	£22,732	£-
30	(30)	RFIB Group	Dec-14	£40,784	-1.5%	£38,039	£374	£4,115	17.4%	10.1%	£6,773	£500
31	(34)	Simply Business	Dec-15	£38,096	30.9%	£33,074	£(22)	£5,803	73.3%	15.2%	£10,182	£2,982
32	(N/A)	Autonet Insurance	Dec-14	£37,248	11.7%	£27,705	£(47)	£10,180	13.6%	27.3%	£12,772	£1,818
33	(52)	Global Risk Partners (2,4)	Dec-15	£36,321	107.5%	N/A	N/A	N/A	n/a	N/A	N/A	N/A
34	(32)	MCE Insurance (4)	May-16	£36,195	18.0%	£34,360	£-	£1,836	644.0%	5.1%	£4,198	£-
35	(35)	Henderson (4)	Apr-16	£35,500	25.2%	N/A	N/A	N/A	n/a	N/A	N/A	N/A
36	(33)	Besso Insurance Group	Dec-14	£32,316	11.0%	£31,505	£(1,028)	£2,149	30.5%	6.6%	£4,674	£8,236
37	(36)	Be Wiser (4)	May-16	£31,060	10.0%	£30,136	£-	£924	-53.9%	3.0%	£468	£10,65
38	(38)	Complete Cover Group (formerly The A & A Group) (3, 4)	Dec-15	£29,935	11.6%	£28,878	£19	£2,222	N/A	7.4%	£9,562	£-
39	(41)	Ryan Direct Group (4)	Dec-15	£28,394	16.5%	£21,351	n/a	£7,043	7.7%	24.8%	£5,088	£-
40	(39)	Lark Group	Dec-15	£27,883	6.8%	£23,730	£(749)	£6,598	4.1%	23.7%	£2,761	£13,85
41	(37)	Berry Palmer & Lyle	Mar-15	£27,791	2.3%	£17,572	£59	£10,645	-5.6%	38.3%	£13,727	£-
42	(42)	Carole Nash (4)	Dec-15	£27,495	18.1%	£20,489	£28	£7,395	69.6%	26.9%	£7,028	£-
43	(40)	Abbey Protection	Dec-15	£26,117	0.3%	£23,783	£19	£3,538	-42.2%	13.5%	£861	£-
44	(N/A)	The Granite Group	Dec-15	£23,240	16.5%	£16,801	£(722)	£8,167	25.0%	35.1%	£23,789	£-
45	(54)	CFC Underwriting	Sep-15	£23,069	40.9%	£15,062	£1	£9,053	54.8%	39.2%	£10,189	£14,83
46	(49)	Crispin Speers (4)	Mar-16	£22,405	21.1%	N/A	N/A	£4,654	54.5%	20.8%	£11,730	N/A
47	(43)	Stackhouse Poland (2, 4)	Dec-15	£21,600	1.4%	N/A	N/A	£7,200	2.9%	33.3%	N/A	£12,80
48	(44)	Staysure	Dec-14	£21,302	9.0%	£20,463	£14	£986	21.8%	4.6%	£1,964	£-
49	(N/A)	One Call Insurance Services	Oct-14	£21,044	11.8%	£20,968	£44	£296	-76.1%	1.4%	£5,539	£2,842
50	(55)	Barbon Insurance (3)	Dec-15	£20,600	44.1%	N/A	N/A	N/A	n/a	N/A	N/A	N/A

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[1] Figures for UK business extracted from US SEC Form 10K
[2] Annualised figures to reflect material acquisitions in current financial year
[3] Annualised figures to reflect material disposals in current financial year
Note: Percentage change based on actual prior-year figures, so may differ from last year's Top 50 where estimates were given by individual companies

[4] Management-provided information
[5] Annualised for changed year-end
[6] Excludes non-general insurance business
[7] This year's brokerage for Aon is based on Aon UK Ltd's statutory accounts, and so is not directly comparable with the management-provided information reported in last year's Top 50 Brokers

ebt	Total Liabilities	Sharehold-ers Funds	Goodwill to EBITDA %	Highest Paid Director	Total Directors Emoluments	Employee Numbers	Employee Cost	Average employee cost	Average Employee cost change	Head-count Inc	T/O per employee
	£286,416	£2,045	n/a	£521	£3,327	273	£37,249	£136	-6.5%	2.2%	£229.7
	N/A	N/A	n/a	N/A	N/A	1,004	N/A	n/a	n/a	14.9%	£60.8
3	£89,090	£4,226	160.8%	£435	£814	956	£31,433	£33	1.9%	7.9%	£58.8
	£68,404	£11,915	125.7%	£637	£3,072	291	£31,196	£107	16.2%	11.1%	£191.0
	£105,638	£3,772	n/a	£213	£1,006	519	£18,146	£35	13.5%	-3.7%	£106.9
	£13,516	£16,310	21.8%	£914	£2,107	277	£34,225	£124	-1.4%	9.9%	£198.6
	£10,579	£19,459	n/a	£304	£1,244	449	£26,261	£58	-5.7%	7.2%	£93.1
	£169,179	£20,130	61.8%	£354	£1,502	273	£24,403	£89	4.1%	-6.2%	£149.4
	£15,818	£13,601	22.0%	£262	£682	316	£12,572	£40	1.2%	11.7%	£120.6
	£12,508	£5,225	n/a	£383	£814	713	£13,002	£18	0.2%	7.2%	£52.2
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
	£28,303	£5,206	n/a	£138	£602	389	£6,602	£17	-10.0%	54.4%	£93.0
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
	£128,704	£5,251	301.1%	£195	£556	203	£15,730	£77	2.3%	8.0%	£159.2
7	£13,533	£1,700	n/a	£300	£1,398	710	£15,912	£22	-3.5%	20.7%	£43.7
	£80,247	£20,488	327.2%	£235	£235	428	£12,610	£29	-8.3%	17.3%	£69.9
	£63,731	£6,174	576.3%	£637	£1,254	460	£11,704	£25	-0.4%	0.2%	£61.7
5	£20,547	£19,722	421.5%	£262	£1,318	336	£15,914	£47	0.3%	12.8%	£83.0
	£11,463	£11,868	5.9%	£741	£5,678	68	£12,596	£185	-10.0%	13.3%	£408.7
	£5,562	£7,700	n/a	£385	£894	354	£9,450	£27	-2.8%	13.1%	£77.7
	£32,955	£10,706	255.1%	N/A	N/A	267	£14,027	£53	7.8%	14.6%	£97.8
	£18,549	£8,977	n/a	£140	£280	360	£9,711	£27	2.0%	14.3%	£64.6
1	£30,271	£11,699	n/a	£588	£2,347	116	£10,056	£87	-2.0%	34.9%	£198.9
	N/A	£13,171	14.2%	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a
0	N/A	N/A	n/a	N/A	N/A	202	N/A	n/a	n/a	1.0%	£106.9
	£4,904	£2,239	n/a	£104	£283	234	£5,742	£25	2.8%	13.0%	£91.0
	£28,108	£3,703	53.8%	£72	£342	295	£5,344	£18	3.9%	17.1%	£71.3
	N/A	N/A	n/a	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a

DATA SOURCE: IMAS-insight

A question of timing

Selling a business requires preparation: if this has not been done, then it is too early to sell

Olly Laughton-Scott is founding partner at mergers and acquisitions (M&A) specialist IMAS. He is a qualified accountant with 25 years' experience in M&A across financial services

We are often asked the question "When should I sell?".

It is usually couched in the terms of: "Should I wait a couple of years when prices could be higher?" We often jest that if we knew the answer to this question we would be sitting on the beach with a tablet and phone, trading options while being served by fit young people. The future is unknown, as demonstrated by last year's general election when no one expected the Conservatives to win a majority, or the even more extraordinary emergence of Jeremy Corbyn as leader of the Labour Party. And that is before we get onto the EU referendum.

What you can talk about is the here and now and the past. Today is a good time to sell, better than recent yesterdays but probably not quite as good as 2007; unless you are a major operation, as size now has a greater premium. No one knows what tomorrow will bring; so, if you are minded to do a deal now, it is probably better to take the bird in the hand.

Doing a good deal requires the ability to walk away at any moment, including right at the end. It has never happened to an IMAS client, as we suspect buyers would not wish to risk the reputational damage; but we have met individuals who have had the price chipped by 10% in the completion meeting. If you have left it late, you may have already spent the money in your mind, and the next generation are looking forward to "the old boy" finally moving on, and it can then be very hard to just walk away from the deal.

Imperceptible changes do not mean that change is not happening. Indeed major changes often happen in this way. I never went bald, but find that I am bald. I am always amazed how business owners don't appreciate that although no member of staff actually mentions it, they are only too aware of a boss's age and the inevitable change in ownership as a direct consequence. This can make it harder to recruit senior staff who do not wish to face the risk of being sold back to where they came from. Indeed, major potential clients may also ask questions about the future of the business's ownership so you run the risk of a particular box not being ticked.

In highly people-focused businesses, as exemplified by the Lloyd's market, hanging on too long can mean the valuable relationships have moved to the next generation, so while you as the owner have legal ownership, in reality the economic ownership has shifted to the next generation. This is one reason why we have seen private equity play such a major role in the Lloyd's market as the owners have had no choice but to sell to the next generation.

Successful selling requires preparation and, if this has not been done, then it is too early to sell. Management are often poor at thinking about how a buyer will see them. Businesses that have spent their time trumpeting the benefits of their independence find themselves needing to explain to their clients how being part of a much larger group is in fact such a great idea after all. Many an owner prides themselves on running entrepreneurial businesses but that is exactly what most buyers are not looking for. The ideal target for them is a process driven business that, due to its embedded expertise, will continue to develop and win market share. So much the better if, by being part of a larger group, they can secure larger clients that previously eluded them. What they may be wary of is fleet of foot business, with managers who are no longer aligned with the financial stewardship of the company and who then pile into a new area with the inherent risk that entails.

> 'Doing a good deal requires the ability to walk away at any moment, including right at the end'
>
> **Olly Laughton-Scott, IMAS**

One can't prepare for sale unless one has carefully thought about who is going to buy you and what they are most likely to value. Don't invest a lot in your brand/market profile if you are going to be bought by a company that focuses exclusively on a single brand strategy. However, the answer is often ambiguous. Marsh has maintained Jelf's brand and yet Gallagher ditched the Oval brand on acquisition.

The smaller the business, the more likely it will be fully subsumed into the larger acquirer. The easier this is to do the more value is likely to attach to the selling business. Bespoke software may be a source of competitive advantage but a buyer will worry if it can be maintained and upgraded over time. Buyers value simplicity because complexity can represent an ongoing management challenge.

When should I sell? Hard to answer but important to reflect on. It is impossible to give generic advice but we welcome the opportunity to discuss this issue with owners as it can result in specific action many years before an actual disposal, resulting in an increase in the eventual exit value. This is often the best investment of 60 minutes that a business owner can ever make.