

Registration number: 01600910

B.I.B. (Darlington) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2022

THURSDAY



ACBL1P9U

A30

07/09/2023

#15

COMPANIES HOUSE

B.I.B. (Darlington) Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Unaudited Financial Statements	9 to 17

B.I.B. (Darlington) Limited

Company Information

Directors	D C Ross D Cougill
Company secretary	Ardonagh Corporate Secretary Limited
Registered office	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom

B.I.B. (Darlington) Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022 for B.I.B. (Darlington) Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the performance of the Company during the financial year and its position at the end of the year. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. The Company is part of Ardonagh Group Holdings Limited ("the Group").

Principal activity and business review

The principal activity of the Company is the provision of insurance intermediary services. The Company was regulated by the Financial Conduct Authority but as part of the wider run-off process, was de-authorised with effect from 5 February 2021 and is therefore no longer regulated.

The results for the Company show turnover of £Nil (2021: £Nil) and loss before tax of £Nil (2021: £2,447) for the year. At 31 December 2022 the Company had net assets of £3,433,774 (2021: £3,433,774). The going concern note (part of accounting policies) on page 10 sets out the reasons why the directors believe that the preparation of the financial statements on a basis other than that of a going concern is appropriate.

Outlook

From 11 December 2017 the Company sold its renewal business and related assets to a fellow group company, Advisory Insurance Brokers Limited (formerly Towergate Underwriting Group Limited) and has been in run-off from that date. It is the directors' intention to liquidate the Company once the run-off process has been completed.

Key performance indicators

The Company has been in run-off since December 2017 and as a result, the directors consider the key performance indicator for the Company to be ensuring its liabilities are settled fairly and expeditiously.

Principal risks and uncertainties

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide-ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

As noted in the Outlook section the Company's operations are in run-off as of 11 December 2017, and the Company is managed on a basis other than that of a going concern from that date.

B.I.B. (Darlington) Limited

Strategic Report for the Year Ended 31 December 2022

The principal risks and their mitigation are as follows:

Financial risk

There is the risk of an adverse impact on business value or earnings capacity as well as the risk of inadequate cash flows to meet financial obligations. These risks are mitigated by proactive management of the business plan, by regular monitoring of cash flows against risk appetite and by a focus on debt collection.

The Company and Group has demonstrated its resilience to economic uncertainties and demonstrated operational and financial resilience in response to a downturn in UK business and customer confidence.

The Company and Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date and the Group would respond to income declines by seeking cost savings. The Group had available liquidity of £461.1m at 31 December 2022 and closely monitors available liquidity on an ongoing basis.

Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. Ardonagh is highly diversified and not materially exposed to a single carrier, customer or market sector.

Approved by the Board on 5 September 2023 and signed on its behalf by:



D Cougill
Director

B.I.B. (Darlington) Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2022.

Directors of the Company

The directors, who held office during the year and up to the date of signing this report, were as follows:

D C Ross

D Cougill

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2022 (2021: £Nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 2.

Future developments

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 2.

Political donations

The Company has not made any political donations during the year (2021: £Nil).

Subsequent events

Details of subsequent events can be found in the Notes to the financial statements within the 'Subsequent events' section on page 16.

Going concern

During the year ended 31 December 2017 the Company disposed of its trade and assets and is in run-off. It is the directors' intention to liquidate the Company. As a consequence, the financial statements have been prepared on a basis other than that of a going concern.

Directors' indemnities

All directors of the Company and fellow Group companies benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, in place during the financial year and at the date of this report.

Approved by the Board on 5 September 2023 and signed on its behalf by:



D Cougill
Director

B.I.B. (Darlington) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

B.I.B. (Darlington) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Revenue		-	-
Administrative expenses		-	(2,447)
Operating loss	4	-	(2,447)
Loss before tax		-	(2,447)
Income tax	7	-	-
Net loss for the year		-	(2,447)

The above results were derived from discontinued operations. There are no items of other comprehensive income in the current period or prior period.

B.I.B. (Darlington) Limited

(Registration number: 01600910)

Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Trade and other receivables	8	3,774,475	3,774,729
Current liabilities			
Trade and other payables	9	(340,701)	(340,751)
Income tax liability		-	(204)
		<u>(340,701)</u>	<u>(340,955)</u>
Net current assets		<u>3,433,774</u>	<u>3,433,774</u>
Total assets less current liabilities		<u>3,433,774</u>	<u>3,433,774</u>
Net assets		<u>3,433,774</u>	<u>3,433,774</u>
Capital and reserves			
Share capital	10	1	7,000
Capital redemption reserve		-	3,000
Merger reserve		735,782	735,782
Retained earnings		<u>2,697,991</u>	<u>2,687,992</u>
Total equity		<u>3,433,774</u>	<u>3,433,774</u>

For the financial year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 5 September 2023 and signed on its behalf by:

Diane Cougill

D Cougill
Director

B.I.B. (Darlington) Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total £
At 1 January 2022	7,000	3,000	735,782	2,687,992	3,433,774
Capital reduction	<u>(6,999)</u>	<u>(3,000)</u>	<u>-</u>	<u>9,999</u>	<u>-</u>
At 31 December 2022	<u>1</u>	<u>-</u>	<u>735,782</u>	<u>2,697,991</u>	<u>3,433,774</u>

On 6 May 2022 the Company undertook a capital reduction, cancelling and extinguishing 6,999 of the issued Ordinary shares of £1 and reducing the capital redemption reserve from £3,000 to £Nil.

	Share capital £	Capital redemption reserve £	Merger reserve £	Retained earnings £	Total £
At 1 January 2021	7,000	3,000	735,782	2,690,439	3,436,221
Net loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,447)</u>	<u>(2,447)</u>
At 31 December 2021	<u>7,000</u>	<u>3,000</u>	<u>735,782</u>	<u>2,687,992</u>	<u>3,433,774</u>

The £0.7m merger reserve arose following the transfer of trade and assets to a company under common control in 2017.

The notes on pages 9 to 17 form an integral part of these financial statements.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by share capital incorporated, domiciled and registered in England, United Kingdom. The Company's registered office address can be found on page 1. The principal activity of the Company is disclosed on page 2 within the 'Strategic Report' section.

These financial statements for the year ended 31 December 2022 were authorised for issue by the board on 5 September 2023 and the Statement of Financial Position was signed on the board's behalf by D Cougill.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. These financial statements have been prepared under the historical cost convention, as modified to use a different measurement basis where necessary to comply with FRS 101.

There are no new standards, amendments to standards or interpretations which are effective in 2022 or not yet effective and that are expected to materially impact the Company's financial statements.

Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101 where relevant:

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

- the requirements of IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact; and
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Critical accounting judgements and key sources of estimation uncertainty on page 12.

Going Concern

At 31 December 2022 the Company had net assets of £3,433,774 (2021: £3,433,774) and net current assets of £3,433,774 (2021: £3,433,774). The net current assets include amounts receivable from related parties of £3,774,475 (2021: £3,774,729) and the net current liabilities include amounts payable to related parties of £340,701 (2021: £340,751). The Company reported a loss before tax of £Nil (2021: £2,447) for the year ended 31 December 2022.

From 11 December 2017 the Company sold its renewal business to a fellow group company, Advisory Insurance Brokers Limited (formerly Towergate Underwriting Group Limited) and has been in run-off since that date. It is the directors' intention to liquidate the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a basis other than that of a going concern.

The book values of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value due to their short-term nature. As such no adjustments to balances are required with the Company being reported on a basis other than that of a going concern.

Taxation

The tax expense for the prior period comprises current tax only. Income tax is recognised in profit or loss, 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.

Current tax

Current tax is recognised for the amount of tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Cash and cash equivalents

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Cash and cash equivalents 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.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include trade and other receivables.

Trade and other receivables represent other receivables and amounts due from related parties. They are recognised initially at fair value and subsequently at amortised cost, less any expected credit loss allowance.

Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date.

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. No financial instruments are subject to significant increase in credit risk as all under practical expedient for lifetime ECL.

ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Financial liabilities

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Trade and other payables represents amounts due to related parties and other payables. They are recognised initially at fair value and subsequently at amortised cost.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period.

There were no key sources of estimation uncertainty made in the preparation of these financial statements and no critical adjustments that have a significant effect on the carrying amounts of assets and liabilities.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

4 Operating loss

For the year ended 31 December 2022, the Company has taken the exemption under s479 of the Companies Act 2006 from the requirement to obtain an audit of their separate financial statements. The guarantee of the outstanding liabilities as at 31 December 2022 has been provided by Ardonagh Midco 2 plc, a fellow Group company. As a result, no audit fee has been incurred (2021: £Nil).

5 Staff costs

The Company had no employees in the current year or the preceding year. All administration is performed by employees of the Group, for which no recharge is made.

6 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors were directors of Ardonagh Group Holdings Limited and other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of Ardonagh Group Holdings Limited for the year ended 31 December 2022.

7 Income tax

The Company's tax charge is the sum of the total current and deferred tax expense.

	2022 £	2021 £
Current taxation		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
Total current taxation	-	-
Deferred taxation		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balances	-	-
Total deferred taxation	-	-
Tax charge in the Statement of Comprehensive Income	-	-

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

7 Income tax (continued)

The following table reconciles the tax charge calculated at the UK statutory rate on the Company's profit before tax with the actual tax charge for the year.

	2022	2021
	£	£
Loss before tax	-	(2,447)
Corporation tax at standard rate at 19% (2021: 19%)	-	465
Movement in deferred tax not recognised	-	(612)
Remeasurement of deferred tax for changes in tax rates	-	147
Total tax charge/(credit)	-	-

In the March 2023 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023.

Deferred tax

The Company did not recognise deferred tax assets as follows. These deferred tax assets have not been recognised in these accounts as it is not expected that the Group's future profitability will be sufficient to utilise them.

	2022	2021
	£	£
Losses	612	612
Unrecognised deferred tax assets	612	612

8 Trade and other receivables

	2022	2021
	£	£
Current trade and other receivables		
Receivables from other group companies	3,774,475	3,774,729

The directors believe that the intercompany receivables are recoverable. The balances are unsecured, interest free and repayable on demand.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

9 Trade and other payables

	2022	2021
	£	£
Current trade and other payables		
Amounts due to other Group companies	340,701	340,701
Other payables	-	50
	<u>340,701</u>	<u>340,751</u>

Amounts due to other group companies are unsecured, interest free and payable on demand.

10 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>7,000</u>	<u>7,000</u>

On 6 May 2022 the Company undertook a capital reduction, cancelling and extinguishing 6,999 of the issued Ordinary shares of £1.

The Ordinary shares have full voting rights, dividend rights and capital distribution (including winding up) rights. They do not confer any rights of redemption.

11 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

12 Parent and ultimate parent undertaking

The immediate parent company is B.I.B. (Darlington) Acquisitions Limited and the ultimate parent company is Tara Topco Limited.

The Group's majority shareholder and ultimate controlling party at 31 December 2022 is Madison Dearborn Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Group Holdings Limited (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). The parent company of the smallest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). Financial statements for Ardonagh Group Holdings Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court
Mincing Lane
London
EC3R 7PD

13 Subsequent events

The Group completed the following acquisitions after the reporting period:

- On 2 February 2023, Accurisk Holdings LLC, a joint venture owned by the Group and the Amynta Group, completed the acquisition of the entire issued share capital of Matrix Group Benefits LLC, a medical stop-loss insurance broker based in the United States. The consideration paid was USD 11.1m cash, plus contingent consideration with a fair value of USD 2.4m.
- On 2 February 2023, the Group purchased Envest Pty Limited. Envest is an insurance investment and distribution business headquartered in Brisbane, Australia. The consideration paid was AUD 357.1m cash plus shares in Ardonagh Australia Pty Limited, a subsidiary of the Group, with a fair value of AUD 45.9m.
- On 1 March 2023, the Group purchased Oxford Insurance Group Limited, an insurance broker with capability in professional indemnity, general liability, marine and energy. Oxford Insurance Group is based in London, UK. The consideration paid was USD 22.4m cash, plus contingent consideration with a fair value of USD 26.8m.
- Other individually not material businesses, the aggregate consideration of which was €4.7m, AUD 15.2m and USD 0.1m cash, plus contingent consideration with a fair value of €1.6m and AUD 0.9m.

B.I.B. (Darlington) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

13 Subsequent events (continued)

On 2 February 2023, Ardonagh Group Holdings Limited issued 1 ordinary share of nominal value £0.01 to its immediate parent company, Ardonagh New Midco 1 Limited, in exchange for cash consideration of £134.9m. On 21 March 2023, Ardonagh Group Holdings Limited issued 1 ordinary share of nominal value £0.01 to its immediate parent company, Ardonagh New Midco 1 Limited, in exchange for cash consideration of £187.4m.

On 18 January 2023, the Group entered into an interest rate swap on EUR 150m borrowings that exchanges floating EURIBOR for fixed 2.775% until 17 July 2026. On 20 January 2023, the Group entered into an interest rate swap on GBP 250m borrowings that exchanges Compounded Daily SONIA for fixed 4.14% until 17 July 2023. On 10 February 2023, the Group entered into an interest rate swap on USD 150m borrowings that exchanges Term SOFR for fixed 3.869% until 20 July 2026. On 17 February 2023, the Group entered into an interest rate swap on EUR 150m borrowings that exchanges floating EURIBOR for fixed 3.316% until 17 July 2026. On 7 March 2023, the Group entered into an interest rate swap on EUR 150m borrowings that exchanges floating EURIBOR for fixed 3.638% until 17 July 2026.

On 9 January 2023 the Group secured a new USD 365m B5 CAR Facility. On 30 January 2023 the Group drew USD 182.5m of the new B5 Facility for the completion of the Envest acquisition. In addition, on 25 January 2023 an AUD 200.0m privately placed syndicated facility due 2028 was agreed by an Australian subsidiary of the Group, which was fully drawn as part of the funding for the Envest acquisition on 2 February 2023.

As at the reporting date the Group had a further debt facility of AUD 40.0m of which AUD 14.0m (£8.0m) has been drawn at 31 December 2022. This debt facility was repaid with the net proceeds of the AUD 200m facility in January 2023.