

Registration number: 01600910

# B.I.B. (Darlington) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



# **B.I.B. (Darlington) Limited**

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## **B.I.B. (Darlington) Limited**

### **Company Information**

<b>Directors</b>	D C Ross D Cougill
<b>Company secretary</b>	D Clarke
<b>Registered office</b>	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom
<b>Auditor</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

## **B.I.B. (Darlington) Limited**

### **Strategic Report for the Year Ended 31 December 2020**

The directors present their Strategic Report for the year ended 31 December 2020 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 developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of The Ardonagh Group 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 £1,153 (2019: £2,845) and profit before tax of £1,075 (2019: £11,612) for the year. At 31 December 2020 the Company had net assets of £3,436,221 (2019: £3,435,350). The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors believe that the preparation of the financial statements on a basis other than going concern is appropriate.

#### **Outlook**

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

The unprecedented nature of the global Covid-19 pandemic (including short-term and long-term effects thereof) creates unprecedented and extraordinary uncertainties for most businesses including B.I.B. (Darlington) Limited. Consideration of the financial risk and future impact can be found in the 'Going concern' disclosure in note 2.

#### **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 2020**

The principal risks and their mitigation are as follows:

#### *Financial risk and impact of Covid-19*

The Company and Group have considered the wider operational consequences and ramifications of the Covid-19 pandemic. Although Covid-19 developments remain fluid, financial stress testing demonstrates the Group's financial resilience and operating flexibility.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained impact of Covid-19, although this has not materialised to date with the income impacts predominantly limited to the second quarter of 2020 and substantially offset by additional cost savings. The Group had available liquidity of £405.1m at 30 June 2021 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.

#### *Regulatory and legal risk*

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non-compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out throughout the Group and embedded within its culture to reduce the risk of errors and non-compliance.

#### *Cyber-security and data protection*

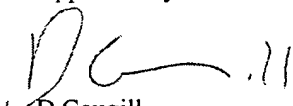
The Company's computer systems store information about our customers, some of which is sensitive personal data. Although the Company has taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our databases and to ensure that our processing of personal data complies with the General Data Protection Regulations (GDPR), the Company's technology may, on occasion, fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss. The Company's systems, and the wider public infrastructure they rely on, may also be subject to attack preventing use and disrupting business operations. The Company has robust policies, business standards and control frameworks in place for both cyber security and data protection.

#### *Future impact of Brexit*

Brexit affects the ability of businesses to passport from the UK into other EU states and likewise into the UK from the EU. The Group's plans always assumed a no deal, 'hard' Brexit and as such the Group was prepared for Brexit. The direct impact on the Group's UK businesses is not significant because they conduct only limited business within the EU and, importantly, because the operating segments have implemented mitigation strategies (e.g. gaining direct authorisation in certain EU member states) to reduce the risk. However, the loss of passporting rights may affect the insurance markets in which the Group operates, possibly reducing insurance capacity, competition and choice.

Brexit could also extend the current Covid-19 induced general decline in economic conditions in the UK where the Group operates predominantly. The diversified business portfolio of the Group continues to mitigate the risk of a general decline in economic conditions and the Group's going concern stressed scenario modelling incorporates general economic declines, including from Brexit and Covid-19.

Approved by the Board on 21 September 2021 and signed on its behalf by:



D Cougill  
Director

## **B.I.B. (Darlington) Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

#### **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 2020 (2019: £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 (2019: £Nil).

#### **Subsequent events**

Details of subsequent events can be found in the Notes to the financial statements within the 'Subsequent events' section on page 19.

#### **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 going concern.

#### **Directors' liabilities**

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.

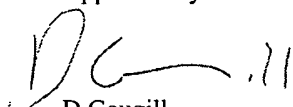
#### **Disclosure of information to the auditor**

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

#### **Reappointment of auditor**

The auditor, Deloitte LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the Board on 21 September 2021 and signed on its behalf by:



D Cougill  
Director

## **B.I.B. (Darlington) Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Reports 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), 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:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **B.I.B. (Darlington) Limited**

### **Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of B.I.B. (Darlington) Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Emphasis of Matter- Financial Statements prepared on a basis other than going concern**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

## **B.I.B. (Darlington) Limited**

### **Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **B.I.B. (Darlington) Limited**

### **Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and UK Tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and regulatory authorities.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

## **B.I.B. (Darlington) Limited**

### **Independent Auditor's Report to the Members of B.I.B. (Darlington) Limited**

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

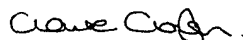
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **Use of our report**

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



**Claire Clough ACA (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**London, United Kingdom**

Date: 21 September 2021

## **B.I.B. (Darlington) Limited**


### **Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Commission and fees	4	1,153	2,845
Administrative expenses		<u>(78)</u>	<u>8,767</u>
<b>Operating profit</b>	5	<u>1,075</u>	<u>11,612</u>
<b>Profit before tax</b>		1,075	11,612
Income tax charge	8	<u>(204)</u>	<u>(2,206)</u>
<b>Net profit for the year</b>		<u><u>871</u></u>	<u><u>9,406</u></u>

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 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Cash and cash equivalents	10	179,730	191,818
Trade and other receivables	9	<u>3,605,287</u>	<u>3,608,758</u>
		<u>3,785,017</u>	<u>3,800,576</u>
<b>Current liabilities</b>			
Trade and other payables	11	(348,592)	(365,226)
Income tax liability	8	<u>(204)</u>	<u>-</u>
		<u>(348,796)</u>	<u>(365,226)</u>
<b>Net current assets</b>		<u>3,436,221</u>	<u>3,435,350</u>
<b>Total assets less current liabilities</b>		<u>3,436,221</u>	<u>3,435,350</u>
<b>Net assets</b>		<u>3,436,221</u>	<u>3,435,350</u>
<b>Capital and reserves</b>			
Share capital	12	7,000	7,000
Capital redemption reserve		3,000	3,000
Merger reserve		735,782	735,782
Retained earnings		<u>2,690,439</u>	<u>2,689,568</u>
<b>Total equity</b>		<u>3,436,221</u>	<u>3,435,350</u>

Approved by the Board on 21 September 2021 and signed on its behalf by:D Cougill  
Director

The notes on pages 13 to 19 form an integral part of these financial statements.

# **B.I.B. (Darlington) Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Share capital £</b>	<b>Capital redemption reserve £</b>	<b>Merger reserve £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2020	7,000	3,000	735,782	2,689,568	3,435,350
Net profit for the year	-	-	-	871	871
At 31 December 2020	<u>7,000</u>	<u>3,000</u>	<u>735,782</u>	<u>2,690,439</u>	<u>3,436,221</u>

	<b>Share capital £</b>	<b>Capital redemption reserve £</b>	<b>Merger reserve £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2019	7,000	3,000	735,782	2,680,162	3,425,944
Net profit for the year	-	-	-	9,406	9,406
At 31 December 2019	<u>7,000</u>	<u>3,000</u>	<u>735,782</u>	<u>2,689,568</u>	<u>3,435,350</u>

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

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **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 2020 were authorised for issue by the board on 21 September 2021 and the Statement of Financial Position was signed on the board's behalf by D Coughill.

#### **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 standards, amendments to standards or interpretations which are effective for annual periods beginning on 1 January 2020 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 EU ("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:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64 (q)(ii), B66 and B67 of IFRS 3 Business Combinations which includes among other exemptions the requirement to include a comparative period reconciliation for goodwill;
- the requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- the requirements of IFRS 7 Financial Instruments;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant & equipment and intangible assets;

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **2 Accounting policies (continued)**

- 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;
- 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;
- the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements, as required by FRS 101 where exemptions have been applied. This information is included in the consolidated financial statements of The Ardonagh Group Limited as at 31 December 2020 and these financial statements may be obtained from 2 Minster Court, Mincing Lane, London; EC3R 7PD.

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 16.

#### **Going Concern**

At 31 December 2020 the Company had net assets of £3,436,221 (2019: £3,435,350) and net current assets of £3,436,221 (2019: £3,435,350). The net current assets include amounts receivable from related parties of £3,604,414 (2019: £3,607,964) and the net current liabilities include amounts payable to related parties of £340,701 (2019: £340,701). The Company reported a profit before tax of £1,075 (2019: £11,612) for the year ended 31 December 2020.

From 11 December 2017 the Company sold its renewal business to a fellow group company, Towergate Underwriting Group Limited and has been in run-off since that date. It is the directors' intention to wind up 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.

#### **Revenue**

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer (net of refunds) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a service to a customer. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **2 Accounting policies (continued)**

##### **Revenue (continued)**

###### *Commission and fees*

Revenue includes commission and fees receivable by the Company. Commission and fees relate mainly to placement or underwriting of policies on behalf of insurers or policyholders and are recognised at the later of policy inception date or when the policy placement has been completed and confirmed.

The Company charges fees and retains a portion of the policy premiums as commission. Premiums are typically collected on an annual basis, at or near contract inception (which could be up to 60 days from contract inception). In some cases, customers are offered to pay in instalments or are directed to a third-party premium credit provider. Some of the policies are rolling until the customer cancels the policy.

##### **Taxation**

The tax expense for the period comprises current and deferred tax. 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.

##### **Financial assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and they are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in Statement of Comprehensive Income.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Comprehensive Income. On derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the Statement of Comprehensive Income, but is transferred to retained earnings.

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **2 Accounting policies (continued)**

##### **Cash and cash equivalents**

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.

##### **Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and they are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in Statement of Comprehensive Income.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

##### **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**

There were no estimates or judgements made in the preparation of the financial statements.

#### **4 Commission and fees**

The analysis of the Company's turnover from discontinued operations for the year is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Commission and fees	1,153	504
Other regulated income	-	2,341
	<u>1,153</u>	<u>2,845</u>

Turnover consists entirely of sales made in the United Kingdom.

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **5 Operating profit**

The audit fee of £3,242 (2019: £10,588) for the audit of this Company was paid by other Group entities for which no recharge was made.

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, The Ardonagh Group Limited.

#### **6 Staff costs**

The Company had no employees in the current year or the preceding year. All administration is performed by employees of the Group.

#### **7 Directors' remuneration**

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited.

#### **8 Income tax**

Tax charged in the Statement of Comprehensive Income

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	(204)	(2,206)
Adjustments in respect of prior periods	-	-
<b>Total current taxation</b>	<b>(204)</b>	<b>(2,206)</b>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
Effect of Tax rate change on opening balances	-	-
<b>Total deferred taxation</b>	<b>-</b>	<b>-</b>
<b>Tax charge in the Statement of Comprehensive Income</b>	<b>(204)</b>	<b>(2,206)</b>

In the March 2021 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.

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **9 Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade receivables	873	794.0
Receivables from other group companies	3,604,414	3,607,964.0
Total current trade and other receivables	<u>3,605,287</u>	<u>3,608,758.0</u>

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

#### **10 Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Own funds - restricted	170,315	170,315
Fiduciary funds	9,415	21,503
	<u>179,730</u>	<u>191,818</u>

Fiduciary funds represent client money used to pay premiums to underwriters, to settle claims to policyholders and to defray commission and other income. Fiduciary funds are not available for general corporate purposes.

Own funds of £170,315 (2019: £170,315) are considered restricted and not available to pay the general debts of the Company.

#### **11 Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade payables in relation to insurance transactions	7,891	23,473
Amounts due to other Group companies	340,701	340,701
Contract liabilities*	-	1,052
	<u>348,592</u>	<u>365,226</u>

\*Contract liabilities are included in the trade and other payables in the Statement of Financial Position.

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

## **B.I.B. (Darlington) Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **12 Share capital**

##### **Allotted, called up and fully paid shares**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary Shares of £1 each	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

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

#### **13 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.

#### **14 Parent and ultimate parent undertaking**

The Group's majority shareholder and ultimate controlling party at 31 December 2020 is HPS Investment Partners LLC. The immediate parent company is B.I.B (Darlington) Acquisitions Limited. The ultimate parent company and parent company of the largest group that prepares group financial statements at 31 December 2020 that consolidate the Company is The Ardonagh Group Limited (incorporated in Jersey, registered office address 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG). The parent company of the smallest group that prepares group financial statements at 31 December 2020 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, London, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court  
Mincing Lane  
London  
EC3R 7PD

#### **15 Subsequent events**

The Company performed a review of events subsequent to the statement of financial position date through to the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.