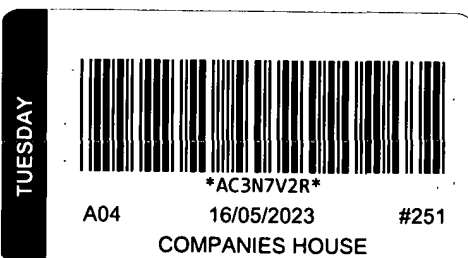


Registered number: 02828218

BDB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



BDB LIMITED

COMPANY INFORMATION

Directors	S de Besi Lord Clydesmuir P E Goff P Pezone M M Giuliani M P Lunn S J Failla Jr
Registered number	02828218
Registered office	c/o PKF Littlejohn 15 Westferry Circus Canary Wharf London E14 4HD
Independent auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Bankers	Lloyds Bank plc PO Box 1000 Andover BX1 1TL
Solicitors	Wedlake Bell LLP 71 Queen Victoria Street London EC4V 4AY

BDB LIMITED

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BDB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review

The Company is a wholesale Lloyd's insurance broker providing European intermediaries with access to the Lloyd's and London insurance markets and as a result offering purchasers of insurance competitive pricing against the European insurance markets. The Company's activities continue to be the provision of insurance services while acting as an insurance intermediary. However due to the UK leaving the European Union, from 1 October 2020, all new and renewal business is now being placed by another member of the Group. The Company will therefore continue at a much reduced capacity to handle run-off and any non-EU business.

Performance of the Business

The Company's trading during the year has been satisfactory and within expectations. The Company continues to be a niche Lloyd's broker in the London insurance market.

Principal risks and uncertainties

Economic Risk

As the Company's main activity is that of an insurance intermediary serving UK and Non-European insurance intermediaries and markets, the Company relies on business generated from these areas and therefore the economic climate in these areas can have an effect on the Company's business income.

Business Risk

The majority of the Company's business is placed in the Lloyd's and London insurance markets and so the Company is reliant on the insurance rates in these markets being competitive against those rates of the Company's competitors.

Foreign Exchange Risk

The Company's business is predominately in Euro's which makes the Company's income susceptible to exchange rate fluctuations. Now that the Company has transferred its EU business to another group company, the Company's exposure to currency fluctuation is greatly reduced.

This report was approved by the board and signed on its behalf.



P E Goff
Director

Date: 10th May 2023

BDB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activity

The principal activity of the Company is the provision of insurance and reinsurance services.

Results and dividends

The profit for the year, after taxation, amounted to £770,975 (2021 - £354,487).

Dividends paid in the year amounted to £Nil (2021 - £Nil).

Directors

The directors who served during the year were:

S de Besi
Lord Clydesmuir
P E Goff
P Pezone
M M Giuliani
M P Lunn
S J Failla Jr

Future developments

As described in the Strategic Report, due to the UK leaving the European Union, the Company has transferred all EU business to another Group Company, resulting in the Company operating in a reduced capacity moving forward. The Company's working capital base is sufficiently strong to enable the Board to be confident that it will be able to continue to trade for the foreseeable future.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P E Goff
Director

Date: 10th May 2023

BDB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

BDB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BDB LIMITED

Opinion

We have audited the financial statements of BDB Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

BDB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BDB LIMITED

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 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

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

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BDB LIMITED

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.

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 these are capable of detecting irregularities, including fraud are detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and application of cumulative audit knowledge and experience of the Insurance market.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from FCA regulation and the regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - o Review of any legal expenses incurred in the year.
 - o Review of Board minutes and subsequent discussions with management on any pertinent matters noted
 - o Review of any legal and regulatory correspondence in the period.
 - o Review of any compliance reports in the year.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the risk of material misstatement due to fraud related revenue recognition.
- We addressed the risk of material misstatement arising from revenue recognition by performing walkthroughs on significant income streams to assess the design and implementation of key controls, performing substantive transactional testing of material revenue line items and reviewing revenue transactions recorded shortly before and after 31 December 2022 to ensure revenue has been allocated to the correct accounting period
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

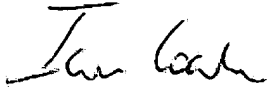
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BDB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BDB LIMITED

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.



Ian Cowan (Senior Statutory Auditor)

for and on behalf of

PKF Littlejohn LLP

Statutory Auditors

15 Westferry Circus

Canary Wharf

London

E14 4HD

Date: 10 May 2023

BDB LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	800,576	2,843,945
Administrative expenses		(21,484)	(2,403,240)
Operating profit	5	779,092	440,705
Interest receivable and similar income	7	-	148
Profit before tax		779,092	440,853
Tax on profit	8	(8,117)	(86,366)
Profit after tax		770,975	354,487
Retained earnings at the beginning of the year		3,166,949	2,812,462
		3,166,949	2,812,462
Profit for the year		770,975	354,487
Retained earnings at the end of the year		3,937,924	3,166,949

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 20 form part of these financial statements.

BDB LIMITED
REGISTERED NUMBER:02828218

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	-	1,341
		<u>-</u>	<u>1,341</u>
Current assets			
Debtors: amounts falling due within one year	10	970,458	461,943
Cash at bank and in hand	11	5,523,874	6,168,456
		<u>6,494,332</u>	<u>6,630,399</u>
Creditors: amounts falling due within one year	12	(2,156,408)	(3,064,791)
Net current assets		<u>4,337,924</u>	<u>3,565,608</u>
Total assets less current liabilities		<u>4,337,924</u>	<u>3,566,949</u>
Net assets		<u><u>4,337,924</u></u>	<u><u>3,566,949</u></u>
Capital and reserves			
Called up share capital	14	400,000	400,000
Profit and loss account	15	3,937,924	3,166,949
		<u><u>4,337,924</u></u>	<u><u>3,566,949</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S de Besi
 Director



Date: 10th May 2023

P Pezone
 Director



Date: 10th May 2023

The notes on pages 10 to 20 form part of these financial statements.

BDB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Company is a private Company limited by shares and incorporated and domiciled in England. The principal place of business is 52-54 Leadenhall Street, London, EC3A 2BJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" :

- the requirements of Section 7;
- the requirements of Section 3 paragraph 3.17(d);
- the requirements of Section 11 paragraphs 11.42, 11.44-45, 11.47, 11.48(a)(iii-iv) and 11.48(b-c);
- the requirements of Section 12 paragraphs 12.26-7, 12.29(a-b) and 12.29A;
- the requirements of Section 33 paragraph 33.7.

This information is included in the consolidated financial statements of BDB Holdings Limited as at 31 December 2022 and these financial statements may be obtained from the Company's registered office.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Company will also continue to act as an FCA regulated principal to another member of the Group, BDB (UK) Limited.

The Directors have also discussed the implications on going concern within the Future Developments section of the Directors report and do not believe there is any material impact on the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Revenue

Turnover represents brokerage and profit commission arising on the placement of insurance and reinsurance contracts by the Company.

Brokerage is recognised when the Company's contractual right to such income is established, and to the extent that the Company's relevant obligations under the contracts concerned have been performed. For most of the Company's broking activities, this means that brokerage is recognised at the inception of the underlying contract of insurance concerned, subject to a deferral of brokerage in respect of post placement services that constitute obligations of the Company under those contracts.

Where the amount of brokerage is dependent on the achievement of contractual targets, the minimum amounts under the contract are recognised on inception, and the incremental amounts arising are recognised when the targets concerned are achieved.

Where the amount of brokerage is dependent on the results of the business placed, the minimum amounts under the contract are recognised at inception, and any incremental amounts are recognised only to the extent that a reliable estimate of the amounts concerned can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved. Alterations in brokerage arising from premium adjustments are taken into account as and when such adjustments are made.

Profit commission arising from the placement of insurance contracts or the exercise of an underwriting agency by the Company is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives are as follows:

Motor vehicles	-	3 years
Fixtures and fittings	-	3 years
Computer equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

Lease incentives received when entering into an operating lease are credited to the Statement of Income and Retained Earnings to reduce the lease expense, on a straight-line basis over the period of the lease.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like insurance and other accounts receivable and payable.

Debtors do not carry interest and are measured at the transaction price, less impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Income and Retained Earnings when there is objective evidence that the asset is impaired.

Creditors are not interest bearing and are measured at the transaction price.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within administrative expenses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.10 Insurance assets and liabilities

The Company acts as an insurance broker placing the insurable risks of its clients with insurers and as such is not liable as principal for the amounts arising from such transactions. In recognition of this relationship, debtors from insurance transactions are not included as assets of the Company.

Other than amounts receivable for the fees and commissions earned on a transaction, the Company does not recognise any part of the insurance transaction until cash is received in respect of premiums or claims. At that time a corresponding liability is established in favour of the insurer or client. In certain circumstances the Company advances premiums, refunds or claims to insurers or clients prior to collection. The advances are reflected in the balance sheet as part of insurance debtors.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

BDB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgments in applying the entity's accounting policies

No judgments have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Accrued profit commission receivable

The Company is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Company is dependent upon the underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Company for a period of time following completion of the contract on which profit commission is earned. The Directors were able to reliably estimate profit commission due at 31 December 2022 and therefore £501,017 has been recognised in the statement of financial position.

4. Analysis of turnover

	2022 £	2021 £
European Union	800,576	2,843,945
	<u>800,576</u>	<u>2,843,945</u>

From 1 October 2020, all renewal business from the European Union was transferred to BDB Europe SRL as part of the Company's Brexit strategy. The company is still responsible for managing the run off of the legacy business including the collection of any profit commissions arising from that business. The turnover above represents brokerage of £198,970 (2021 - £2,371,072), profit commission of £585,356 (2021 - £472,873) and investment income of £4,763 (2021 - £Nil). The remaining amount of £11,487 (2021 - £Nil) relates to difference on foreign exchange.

5. Operating profit

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

	2022 £	2021 £
Depreciation of tangible fixed assets	1,341	8,056
Fees payable to the company's auditor and its associates for the audit of the Company's annual financial statements	20,000	30,000
Exchange differences	(11,487)	(38,632)
Operating lease charges	<u>487,841</u>	<u>263,152</u>

BDB LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****6. Employees**

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

	2022	2021
	No.	No.
Directors	<u>7</u>	<u>7</u>

7. Interest receivable

	2022	2021
	£	£
Other interest receivable	-	148
	<u>-</u>	<u>148</u>

8. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	89,425
Adjustments in respect of previous periods	6,969	-
Total current tax	<u>6,969</u>	<u>89,425</u>
Deferred tax		
Origination and reversal of timing differences	1,148	(3,059)
Total deferred tax	<u>1,148</u>	<u>(3,059)</u>
Taxation on profit on ordinary activities	<u>8,117</u>	<u>86,366</u>

BDB LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****8. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	779,092	440,853
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	143,409	83,762
Effects of:		
Expenses not deductible for tax purposes	-	12,433
Short term timing difference leading to an increase/ (decrease) in taxation	-	(6,969)
Adjustments to tax charge in respect of previous periods	6,969	-
Remeasurement of deferred tax for changes in tax rates	276	-
Group relief received not charged	(142,537)	(2,860)
Total tax charge for the year	8,117	86,366

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

BDB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2022	57,170	311,094	113,853	482,117
At 31 December 2022	57,170	311,094	113,853	482,117
Depreciation				
At 1 January 2022	55,829	311,094	113,853	480,776
Charge for the year on owned assets	1,341	-	-	1,341
At 31 December 2022	57,170	311,094	113,853	482,117
Net book value				
At 31 December 2022	-	-	-	-
At 31 December 2021	1,341	-	-	1,341

10. Debtors

	2022 £	2021 £
Insurance debtors	31,343	250,184
Amounts owed by group undertakings	377,660	102,043
Other debtors	2,754	-
Prepayments and accrued income	504,902	97,800
Corporation tax receivable	43,031	-
Deferred taxation	10,768	11,916
	970,458	461,943

BDB LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	5,523,874	6,168,456
	<u>5,523,874</u>	<u>6,168,456</u>

Cash at bank and in hand includes £2,381,883 (2021 - £2,674,930) held in client money bank accounts, which is not available to the Company for working capital purposes as it is held and used to pay premiums to insurers and claims to policy holders.

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Insurance creditors	2,125,208	2,404,930
Amounts owed to group undertakings	-	582,315
Corporation tax	-	53,033
Accruals and deferred income	31,200	24,513
	<u>2,156,408</u>	<u>3,064,791</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Deferred taxation

	2022 £	2021 £
At beginning of year	11,916	8,857
Credited/(Charged) to profit or loss	(1,148)	3,059
At end of year	<u>10,768</u>	<u>11,916</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	10,768	11,916
	<u>10,768</u>	<u>11,916</u>

BDB LIMITED

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14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,600,000 (2021 - 1,600,000) Ordinary Shares shares of £0.25 each	400,000	400,000

15. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

16. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	174,749	197,472
	174,749	197,472

17. Other financial commitments

The Company has given a financial commitment to Lloyd's of London in respect of Mithras Underwriting Limited ("Mithras"), a fellow subsidiary, to guarantee Mithras's obligations under certain binding authorities to the Lloyd's market.

18. Related party transactions

The Company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with Group companies in instances where subsidiaries of the Company's parent undertaking are wholly owned.

During the year the Company traded with De Besi Di Giacomo SPA. Mr S de Besi is a shareholder of De Besi Di Giacomo SPA. During the year commission amounting to €5,675 (2021: €17,774) was earned from De Besi Di Giacomo, with a balance of €Nil (2021: €Nil) due to the Company at the year end.

During the year the Company charged £187,449 (£2021 - £297,890) to BDB (UK) Limited, a fellow subsidiary and a company in which R J L Bramble, S de Besi and P E Goff are directors. The amount owed at the year end was £30,369 (2021 - £25,587). The Company processes insurance transactions into the Lloyd's and London insurance markets on behalf of BDB (UK) Limited.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Controlling party

The Company's immediate and Ultimate Parent Undertaking is BDB Holdings Ltd, a company registered in England and Wales. Group financial statements are available from the Company's registered office.

The ultimate controlling party is Brown & Brown, Inc. The registered address of Brown & Brown, Inc is 300 N. Beach Street, Daytona Beach, Florida, United States, 32114.