

CKRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CKRE LIMITED

COMPANY INFORMATION

Directors	M. Wright H. Dika
Registered number	03600683
Registered office	2nd Floor 40 Lime Street London EC3M 7AW
Independent auditors	Wilder Coe Ltd Chartered Accountants & Statutory Auditors 1st Floor Sackville House 143-149 Fenchurch Street London EC3M 6BL

CKRE LIMITED

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CKRE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

CKRe Limited ("CKRe") is an international insurance and reinsurance broking company and a broker at Lloyd's based in London, United Kingdom.

The Company arranges insurance and reinsurance contracts for corporate, private and insurance company clients throughout the world.

Business review

CKRe continued to make good progress as an international business during the year despite the continuing impact of the global Covid-19 pandemic. The robustness of its ability to trade, both in an office based and remote environment, has ensured that it could continue to transact business, despite governmental restrictions on office based working at various points, and restrictions on overseas travel during the period.

The Company continued to focus on its specialist broking activities embracing treaty and facultative reinsurance as well as retail insurance, with the majority of business derived from clients outside the UK. As part of this strategy the company has a diverse portfolio embracing marine, aviation, energy, private clients and sports risks as well as a strong reputation in Africa and the ability to transact all key insurance classes throughout the world.

The company has continued to demonstrate a profitable performance and in 2021 recorded a profit before taxation of £124,713 for the 12 month period despite the business restrictions imposed by the pandemic.

There were no changes in the shareholders or the ultimate holding company during the year.

Principal risks and uncertainties

At a macro level the principal risks and uncertainties faced by the company remain the uncertain global economic environment as the post pandemic recovery takes place leading to economic supply and inflationary pressures. In addition, the threat of political instability around the world creates trading uncertainty, sanction restrictions, currency fluctuations and domestic protectionism.

At a local level the principal risks and certainties are the changes in the regulatory requirements in the countries in which the company trades or operates from, the ever increasing cyber threats and the retention of key talent in the business in a competitive trading environment.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Business Risk Management

CKRe actively manages all risks in the business through the identification of the key risks, instigating mitigation plans and reviewing the risk register with regular Board oversight.

CKRe's principal regulator is the Financial Conduct Authority and it operates within the principals and good practice required by the Regulator. Practices and procedures are documented and monitored as part of the regulatory process and regular reports are produced at each Board Meeting. The company is also subject to the requirements of being a Lloyd's broker and adheres to the regulatory practices required by the countries with whom it trades and where it operates.

Procedures and practices are in place to ensure money laundering, conflicts of interest and sanction restrictions are implemented and monitored.

The Business also ensures it follows good practice diversity management and is developing a strategy for environmental sustainability, social responsibility and excellence in corporate governance.

The Directors consider the risk management and governance procedures that are in place are relevant and appropriate for the business and all necessary risk mitigation practices are in place.

Financial key performance indicators

The company uses a number of measures to regularly monitor performance including:

- Management accounts to review revenue and expenses against budget
- Analysis of placements with underwriters
- Monitoring of debtors and creditors
- Cashflow and regulatory capital projections
- Assessment of performance against objectives
- Compliance key indicator reports
- Audits of compliance and business processes
- Monitoring of incidents that could have a material financial impact on the business

The Directors are satisfied with the implementation of these and other measures as a means of monitoring the continuing good health of the Business and to identify adverse trends and future changes so that corrective actions can be taken in good time.

This report was approved by the board on 26 August 2022 and signed on its behalf.

M. Wright
Director

CKRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

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 judgments 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 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.

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.

Results

The profit for the year, after taxation, amounted to £124,713 (2020: £189,854).

The EBITDA for the year, before amounts written off investments and differences due to foreign exchange, showed a positive amount for the financial year of £217,791 (2020: £212,434).

Director

The director who served during the year was:

M. Wright

G. Callaghan (resigned 9 February 2022)

Following the year-end, H. Dika was appointed as a director on 1 February 2022.

CKRE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditors

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 August 2022 and signed on its behalf.

M. Wright

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CKRE LIMITED

Opinion

We have audited the financial statements of CKRe Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, Analysis of Net Debt, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2021 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CKRE LIMITED (CONTINUED)

Opinion 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.

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 set out on page 3, 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 CKRE LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, distributable profits legislation and FCA regulations.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include operating licence, environmental regulations, health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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 Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CKRE LIMITED (CONTINUED)

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 Auditors' 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.

Robert Bradman BA CA (Senior Statutory Auditor)
for and on behalf of

Wilder Coe Ltd

Chartered Accountants & Statutory Auditors
1st Floor Sackville House
143-149 Fenchurch Street
London
EC3M 6BL

26 August 2022

CKRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover		2,169,248	2,258,619
Administrative expenses		(2,044,535)	(2,081,293)
Other operating income		-	12,528
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		124,713	189,854
Taxation on profit on ordinary activities	9	-	-
PROFIT FOR THE FINANCIAL YEAR		124,713	189,854

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 14 to 25 form part of these financial statements.

EBITDA for the year, before amounts written off investments and differences due to foreign exchange, showed a positive for the financial year of £217,791 (2020: £212,434).

CKRE LIMITED
REGISTERED NUMBER: 03600683

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	190,000	220,000
Tangible assets	11	60,798	87,626
Investments	12	19,084	19,084
		<hr/>	<hr/>
		269,882	326,710
CURRENT ASSETS			
Debtors	13	16,091,761	13,234,410
Cash at bank and in hand		3,127,853	2,722,759
		<hr/>	<hr/>
		19,219,614	15,957,169
Creditors: amounts falling due within one year	14	(18,029,087)	(14,990,683)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,190,527	966,486
Creditors: amounts falling due after more than one year	16	(42,500)	-
		<hr/>	<hr/>
NET ASSETS		<u>1,417,909</u>	<u>1,293,196</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,000	1,000
Irredeemable preference shares	18	2,851,000	2,851,000
Capital redemption reserve	18	219,022	219,022
Profit and loss account	18	(1,653,113)	(1,777,826)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		<u>1,417,909</u>	<u>1,293,196</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 August 2022.

M. Wright
Director

The notes on pages 14 to 25 form part of these financial statements.

CKRE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Irredeemable preference shares £	Capital redemption reserve £	Profit and loss account £	Total equity £
AT 1 JANUARY 2020	1,000	2,851,000	219,022	(1,967,680)	1,103,342
COMPREHENSIVE PROFIT FOR THE YEAR					
Profit for the year	-	-	-	189,854	189,854
AT 1 JANUARY 2021	1,000	2,851,000	219,022	(1,777,826)	1,293,196
COMPREHENSIVE PROFIT FOR THE YEAR					
Profit for the year	-	-	-	124,713	124,713
AT 31 DECEMBER 2021	<u>1,000</u>	<u>2,851,000</u>	<u>219,022</u>	<u>(1,653,113)</u>	<u>1,417,909</u>

The notes on pages 14 to 25 form part of these financial statements.

CKRE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	124,713	189,854
ADJUSTMENTS FOR:		
Amortisation of intangible assets	30,000	30,000
Depreciation of tangible assets	31,574	32,245
Increase in debtors	(2,857,351)	(576,146)
Increase in creditors	3,030,904	416,666
NET CASH GENERATED FROM OPERATING ACTIVITIES	359,840	92,619
CASH FLOWS INTO INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(4,746)	(49,864)
NET CASH INTO INVESTING ACTIVITIES	(4,746)	(49,864)
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans	50,000	-
NET CASH FROM FINANCING ACTIVITIES	50,000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	405,094	42,755
Cash and cash equivalents at beginning of year	2,722,759	2,680,004
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,127,853	2,722,759
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR COMPRISE:		
Cash at bank and in hand	3,127,853	2,722,759

The notes on pages 14 to 25 form part of these financial statements.

CKRE LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,722,759	405,094	3,127,853
Debt due after 1 year	-	(42,500)	(42,500)
Debt due within 1 year	-	(7,500)	(7,500)

The notes on pages 14 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

CKRe Limited (Company number: 03600683), having its registered office and principal place of business at Second Floor, 40 Lime Street, London, EC3M 7AW, is a private limited company incorporated in England and Wales.

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 following principal accounting policies have been applied:

2.2 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling (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 the Statement of Comprehensive Income.

2.3 TURNOVER

Turnover shown in the Statement of Comprehensive Income represents brokerage and fees which are taken to credit when debit notes are issued. Alterations in brokerage arising from return, additional premiums and adjustments are taken into account when they arise.

2.4 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.5 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.6 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.7 INSURANCE BROKING DEBTORS AND CREDITORS

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers, and, as such, are generally not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

Debtors and creditors arising from a transaction between clients and insurers are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances when the insurance broker acquires the credit risk. There is much legal uncertainty surrounding the circumstances and the extent of such exposure and consequently it cannot be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows.

Insurance broking debtors and creditors include gross balances in respect of claims being handled by the company on an administration/collection only basis.

2.8 TAXATION

Tax is recognised in the Statement of Comprehensive Income.

The current corporation 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 United Kingdom 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.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.9 PENSIONS

The Company makes contributions to a qualifying workplace pension scheme in respect of certain employees and directors. The pension charge represents amounts payable by the Company to the scheme in respect of the year.

2.10 INTANGIBLE ASSETS

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

2.11 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.

Depreciation is provided on the following basis:

Fixtures & equipment	- between 3 to 5 years on a straight-line basis
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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 in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.12 INVESTMENTS

Investments in convertible loan notes and joint ventures are measured at cost and amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.13 DEBTORS

Short-term debtors are measured at transaction price, less any impairment.

2.14 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.15 CREDITORS

Short-term creditors are measured at the transaction price.

2.16 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

3. TURNOVER

The whole of the turnover is attributable to the principal activity of the Company, being that of (Re)insurance broking, rather than just insurance.

All turnover is accounted for in the UK, which is predominately derived from overseas activities.

CKRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. OTHER OPERATING INCOME

	2021 £	2020 £
Government grants receivable	-	12,528

Government grants receivable was financed by the UK Government as part of the Coronavirus Job Retention Scheme.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Amortisation	30,000	30,000
Depreciation of tangible fixed assets	31,574	32,245
Exchange differences	31,504	(39,665)
Rent	203,877	189,208

6. AUDITOR'S REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,750	10,750

FEES PAYABLE TO THE COMPANY'S AUDITOR IN RESPECT OF:

All other services	4,250	4,250
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CKRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,221,547	1,316,604
Social security costs	144,657	154,630
Cost of defined contribution scheme	24,101	21,521
	<u>1,390,305</u>	<u>1,492,755</u>

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

	2021	2020
Directors	3	3
Insurance broking	13	14
Finance	2	2
	<u>18</u>	<u>19</u>

8. DIRECTORS' REMUNERATION

During the year the directors received remuneration of £103,141 (2020: £96,824).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAXATION

	2021 £	2020 £
Current tax on losses for the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	124,713	189,854
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	23,695	36,072
EFFECTS OF:		
Expenses not deductible for tax purposes	6,808	6,542
Capital allowances for year less than/(in excess of) depreciation	4,827	(3,348)
Utilisation of tax losses	(35,330)	(39,266)
TOTAL TAX CHARGES FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are taxable trading losses of £2,021,714 (2020: £2,207,657), available to carry forward and offset against future taxable profits, and a non-trade loan relationship deficit of £100,000 (2020: £100,000).

CKRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 January 2021 and 31 December 2021	329,581
	<hr/>
AMORTISATION	
At 1 January 2021	109,581
Charge for the year	30,000
	<hr/>
At 31 December 2021	139,581
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 December 2021	190,000
	<hr/>
<i>At 31 December 2020</i>	<i>220,000</i>
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TANGIBLE FIXED ASSETS

	Fixtures & equipment £
COST	
At 1 January 2021	217,415
Additions	4,746
Disposals	(95,886)
	<hr/>
At 31 December 2021	126,275
	<hr/>
DEPRECIATION	
At 1 January 2021	129,789
Charge for the year	31,574
Disposals	(95,886)
	<hr/>
At 31 December 2021	65,477
	<hr/>
NET BOOK VALUE	
	<hr/>
At 31 December 2021	60,798
	<hr/>
<i>At 31 December 2020</i>	<i>87,626</i>
	<hr/>

12. FIXED ASSET INVESTMENTS

	Investments £
COST	
At 1 January 2021 and 31 December 2021	19,084
	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. DEBTORS

	2021 £	2020 £
Due within one year		
Insurance broking debtors	15,875,678	13,115,597
Amounts owed by connected companies	127,694	26,619
Other debtors	2,949	11,192
Prepayments and accrued income	85,440	81,002
	<u>16,091,761</u>	<u>13,234,410</u>

14. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Bank loans	7,500	-
Insurance broking creditors	17,059,774	14,191,369
Amounts owed to group undertakings	260,000	260,000
Other taxation and social security	40,068	42,300
Other creditors	115,836	115,836
Accruals and deferred income	545,909	381,178
	<u>18,029,087</u>	<u>14,990,683</u>

15. LOANS

	2021 £	2020 £
Due within one year	7,500	-
Due between two and five years	40,000	-
Due after more than five years	2,500	-
	<u>50,000</u>	<u>-</u>

Bank loans comprise the UK government-backed Bounce Back Loan Scheme ("BBLs") loan. The loan incurs interest at the fixed rate of 2.5% per annum and is repayable by 04 March 2027. For the initial 12 months, no interest is charged on the loan, nor are any capital repayments due. Following the aforementioned period, the loan is repayable in monthly instalments. Repayments of capital and interest are due monthly in equal instalments.

CKRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>42,500</u>	<u>-</u>

17. SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

18. RESERVES

Irredeemable preference shares

The existing preference shares do not carry a coupon rate and carry no voting rights.

In the event of winding up or on a reduction of capital involving a return of capital, the preference shares hold priority for the return of capital above any other class of shares.

Capital redemption reserve

The capital redemption reserve relates to the redemption of preference shares in 2008 by the Company and is a non-distributable reserve.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Equipment		
Not later than 1 year	5,657	5,657
Later than 1 year and not later than 5 years	-	5,657
	<u>5,657</u>	<u>11,314</u>

20. RELATED PARTY TRANSACTIONS

Included within amounts owed to group undertakings is an amount due to the Company's immediate parent undertaking of £260,000 (2020: £260,000).

Included within amounts owed by connected companies is an amount due from the Company's appointed representative of £127,694 (2020: £26,619).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. ULTIMATE PARENT UNDERTAKINGS AND CONTROLLING PARTY

As at 31 December 2021 and 2020 the immediate parent undertaking is Risk Capital SA, a company incorporated in Luxembourg.

As at 31 December 2021 and 2020 the ultimate parent undertaking is HC.PI Investment Limited, a company incorporated in Cyprus.

As at 31 December 2021 and 2020 the ultimate controlling party is H. Junior Chalhoub by virtue of his shareholding in the ultimate parent undertaking.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.