

**Lloyd & Whyte Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2020**  
Registration number: 03686765

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# Lloyd & Whyte Limited

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# **Lloyd & Whyte Limited**

## **Company Information**

**Directors** M M Pyke  
S Astley  
P F Lishman  
D R Moore

**Company secretary** S Astley

**Registered office** Affinity House  
Bindon Road  
Taunton  
Somerset  
TA2 6AA

**Auditors** PKF Francis Clark  
Statutory Auditor  
Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

# Lloyd & Whyte Limited

## Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

### Principal activity

The principal activity of the company is the provision of insurance broking services.

### Fair review of the business

The directors measure the Company's financial performance on its overall profitability, its growth in revenue and managing staff levels as this is the company's main overhead.

The company had a turnover of £7,469,927 (2019 - £6,501,263) representing an increase in revenue of 14.9% (2018 – 14.1%).

The company made a pre-tax profit of £3,627,473 (2019 - £2,159,190) for the year and generated an EBITDA of £3,937,354 (2018 - £2,352,640). This is calculated by taking the operating profit (page 9), adjusted by the depreciation (page 20) and amortisation numbers (page 19).

The increase in pre-tax profit and EBITDA was in line with the Board's expectations being driven by the hive over of the trade and assets of fellow subsidiary Medical Money Management (General Insurance Brokers) Limited (MMM) on 31 March 2020.

Staffing costs for the year were £2,289,417 (2019 - £2,170,868). Average employee numbers have increased slightly during the year (to 77 from 76). The Board is confident that the right staffing structure is in place to support future organic growth within the Company.

The hive over of the trade and assets of MMM during the year have resulted in an increase in both current assets and liabilities (being insurance broking assets and liabilities) in the balance sheet.

The directors consider the results for the year to be satisfactory, especially in light of the "hard" wider insurance market conditions in which premiums are rising so retention of clients is more challenging, underwriting is more difficult and the impact of the COVID-19 pandemic.

The pandemic has caused disruption to the Company's clients and suppliers and to the employees that support the Company's operations. Operational impacts are being carefully managed through initiation of the Company's business continuity arrangements, including focus on providing home working capability with appropriate controls and prioritising activities to focus on delivery of critical services to clients. For some of our employees home working was not possible and the Company accessed Government support during the temporary disruption in some operations. Whilst the Company continues to monitor the operational impacts, the Board are satisfied there are no significant operational issues as a direct result of the pandemic, which is supported by the result delivered during 2020 and 2021 year-to-date figures being ahead of target.

The directors look forward to a successful and profitable 2021 and beyond as the organic growth strategy continues to be delivered, continuing to work closely with our Affinity partners.

The non-financial Key Performance Indicators for the company are compliance with FCA regulations, staff culture scores and professional standards. These have been at satisfactory levels during the year under review.

# Lloyd & Whyte Limited

## Strategic Report for the Year Ended 31 December 2020

### Principal risks and uncertainties

The principal risks and uncertainties applying to the Company are the "hard" market competition, pressure of the 'claims culture' and changes to the FCA regulatory environment.

In respect of the market conditions the Company is reliant on insurers providing underwriting capacities and products. A withdrawal of capacity or products may impact the Company's income. The Company manages the risk by maintaining a close relationship with a number of different insurance partners. The Company has a long track record of generating profitable returns for insurers from underwriting and broking activities.

In order to manage regulatory compliance risk the Company has a strong regulatory framework that includes a dedicated compliance manager overseeing a planning and monitoring programme to ensure that the Company's policies and procedures meet the standards set by the regulators and that the regulated Company companies continue to meet their capital requirements.

As described above the COVID-19 pandemic is not deemed to represent a significant risk to the Company and, likewise, the UK's exit from the EU has not, to date, given rise to any actual or foreseeable business risks to the Company. The directors acknowledge that there can be no certainty as to the economic impact of these 'macro-factors' upon our clients which could have a knock-on impact to the Company, however the board is satisfied that the strategy of diversification within the wider group appropriately mitigates such risks.

Approved by the Board on ~~31/03/2021~~ and signed on its behalf by:

  
.....  
S Astley  
Director

# Lloyd & Whyte Limited

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

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

### Directors of the company

The directors who held office during the year were as follows:

M M Pyke

S Astley

P F Lishman

D R Moore

### Financial instruments

#### *Objectives and policies*

The company's activities expose it to a number of financial risks including credit risk, cashflow risk and liquidity risk. The use and nature of financial instruments are determined by the directors in the context of trading terms made available to the company by customers and suppliers, with the objective of securing the liquidity and profitability of the company.

#### *Price risk, credit risk, liquidity risk and cash flow risk*

Due to the nature of the financial instruments used by the company there is a limited exposure to price risk.

In respect of bank balances and other borrowings, the liquidity risk is managed by maintaining a balance between continuity of funding and flexibility through the availability of a group related finance facility.

Trade debtors are managed in respect of credit and cashflow risk policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Trade creditors are paid in line with agreed credit terms and conditions, subject to correct invoicing.

### Future developments

The future developments of the business have been discussed in the strategic report.

### Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on ~~31/03/2021~~ and signed on its behalf by:

  
.....  
S Astley  
Director

## **Lloyd & Whyte Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

# Lloyd & Whyte Limited

## Independent Auditor's Report to the Members of Lloyd & Whyte Limited

### Opinion

We have audited the financial statements of Lloyd & Whyte Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 2020 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 director's 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 original financial statements were 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 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 this regard.

# **Lloyd & Whyte Limited**

## **Independent Auditor's Report to the Members of Lloyd & Whyte Limited**

### **Opinion on other matter 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 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 5, 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.

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:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

## Lloyd & Whyte Limited

### Independent Auditor's Report to the Members of Lloyd & Whyte Limited

The key laws and regulations we identified were Financial Conduct Authority (FCA) regulations, General Data Protection Regulations (GDPR), Coronavirus Job Retention Scheme (CJRS) legislation and Employment Law.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006 and Corporation Taxes Acts 2009 and 2010.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance;
- Reviewed Board minutes;
- Reviewed returns to the FCA for consistency with the financial records of the company and any non compliance;
- Reviewed the FCA breaches register for any reportable breaches;
- Undertaken procedures in respect of the compliance with CASS 5 Client Money FCA regulations (separate engagement);
- Reviewed CJRS calculations and paperwork; and
- Reviewed the GDPR breaches register and reports to the ICO.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were incentives relating to management bonuses and inflation of results reported to the group's minority shareholder, and we determined that the principal risks were related to the overstatement of profit, either through overstating revenue or management bias in accounting estimates.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the financial statements for any indication of bias and challenged assumptions used by management in making the estimates;
- Reviewed management bonus calculations and verified to underlying documentation; and
- Reviewed cut-off in respect of insurance policy commission income to ensure no material overstatement of income.

## Lloyd & Whyte Limited

### Independent Auditor's Report to the Members of Lloyd & Whyte Limited

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 statement. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 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.



.....  
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

Date: 31/03/2021

## Lloyd & Whyte Limited

### Profit and Loss Account

Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	7,469,927	6,501,263
Administrative expenses		(3,880,776)	(4,304,939)
Other operating income	4	<u>35,127</u>	<u>-</u>
<b>Operating profit</b>	5	3,624,278	2,196,324
Other interest receivable and similar income	9	3,195	1,316
Interest payable and similar charges	10	<u>-</u>	<u>(38,450)</u>
<b>Profit before tax</b>		3,627,473	2,159,190
Taxation	11	<u>(710,651)</u>	<u>(431,883)</u>
<b>Profit for the financial year</b>		<u><u>2,916,822</u></u>	<u><u>1,727,307</u></u>

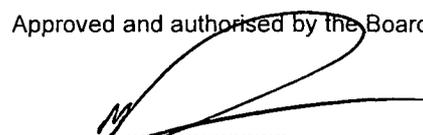
# Lloyd & Whyte Limited

## Balance Sheet

31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	1,084,792	1,241,002
Tangible assets	13	<u>37,565</u>	<u>49,464</u>
		<u>1,122,357</u>	<u>1,290,466</u>
<b>Current assets</b>			
Debtors	14	8,222,103	8,154,153
Cash at bank and in hand		<u>4,170,001</u>	<u>1,113,163</u>
		12,392,104	9,267,316
<b>Creditors: Amounts falling due within one year</b>	15	<u>(8,768,684)</u>	<u>(6,907,427)</u>
<b>Net current assets</b>		<u>3,623,420</u>	<u>2,359,889</u>
<b>Total assets less current liabilities</b>		4,745,777	3,650,355
<b>Provisions for liabilities</b>	18	<u>(14,100)</u>	<u>(335,500)</u>
<b>Net assets</b>		<u>4,731,677</u>	<u>3,314,855</u>
<b>Capital and reserves</b>			
Called up share capital		145,000	145,000
Profit and loss account		<u>4,586,677</u>	<u>3,169,855</u>
Shareholders' funds		<u>4,731,677</u>	<u>3,314,855</u>

Approved and authorised by the Board on 31/03/21... and signed on its behalf by:

  
.....  
M M Pyke  
Director

Company Registration Number: 03686765

## Lloyd & Whyte Limited

### Statement of Changes in Equity

Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	145,000	3,169,855	3,314,855
Profit for the year	-	2,916,822	2,916,822
Total comprehensive income	-	2,916,822	2,916,822
Dividends	-	(1,500,000)	(1,500,000)
At 31 December 2020	145,000	4,586,677	4,731,677

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	145,000	1,592,548	1,737,548
Profit for the year	-	1,727,307	1,727,307
Total comprehensive income	-	1,727,307	1,727,307
Dividends	-	(150,000)	(150,000)
At 31 December 2019	145,000	3,169,855	3,314,855

# **Lloyd & Whyte Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Affinity House  
Bindon Road  
Taunton  
Somerset  
TA2 6AA

### **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.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures from FRS 102.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

#### **Summary of disclosure exemptions**

The company has taken advantage of the disclosure exemptions available in FRS 102 in respect of key management personnel compensation, financial instruments and the presentation of a cashflow statement.

# Lloyd & Whyte Limited

## Notes to the Financial Statements

Year Ended 31 December 2020

### Key judgements and sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement in respect of the financial statements is going concern. In forming this opinion, and in particular, the directors have considered the profitable performance of the company and the wider Lloyd & Whyte group both during the year and subsequent to the year end, have given due consideration as to the known and likely impacts on the UK financial services sector of the Covid-19 pandemic, and have considered the company's ability to meet its liabilities as they fall due.

The key estimates that have a significant effect on the amounts recognised in the financial statements are described below:

The carrying value of goodwill requires estimate as to the value of contingent consideration payable where relevant to the acquisition. The total consideration payable is based upon the future performance of the relevant business division. The directors best estimate of the amount that will be payable is included in the accounts at its present value. The resulting discount is unwound against interest payable in each relevant accounting period. The directors also continue to review for indications of impairment of the carrying value of goodwill. The carrying amount is £1,044,120 (2019 - £1,170,680).

### Revenue recognition

Turnover represents amounts chargeable, net of Insurance Premium Tax and premiums due to insurers, in respect of services to customers. The turnover shown in the profit and loss account is recognised on a receivable basis and represents net brokerage earned and fees due with reference to the commencement date of the insurance policy taken out by clients. All of the activities of the company are carried out in the United Kingdom.

### Government grants

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

### Tax

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.

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

# Lloyd & Whyte Limited

## Notes to the Financial Statements

### Year Ended 31 December 2020

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	10 years straight line
Equipment	20% reducing balance
Plant & machinery	25% reducing balance

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent to future events, the company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets, other than assets under the course of construction, so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software	3 years straight line
Goodwill	10 years straight line

#### Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

# Lloyd & Whyte Limited

## Notes to the Financial Statements

Year Ended 31 December 2020

### **Leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

The treatment of finance leases is as set out in the accounting policy for financial instruments detailed below.

### **Defined contribution pension obligation**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

### **Insurance broking assets and liabilities**

Insurance transactions are recorded in the books of the company when the invoice is sent to the client. Monies received from clients are held in a separate Statutory Trust Client Bank Account prior to the settlement of the liability to the insurance company and the transfer of brokerage to the company's 'office' account.

These insurance ledger balances are included in the accounts of the company with amounts owing from clients included in trade debtors, the client bank account included in cash at bank and the insurance company liabilities included in trade creditors.

### **Financial instruments**

#### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intercompany debtors and creditors;
- Hire purchase and finance leases; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS 102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

# Lloyd & Whyte Limited

## Notes to the Financial Statements

Year Ended 31 December 2020

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Commissions received	7,397,963	6,213,407
Other revenue	71,964	287,856
	<u>7,469,927</u>	<u>6,501,263</u>

### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£	£
Government grants	<u>35,127</u>	<u>-</u>

### 5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	11,899	14,896
Amortisation expense	161,770	133,592
Loss on disposal of property, plant and equipment	<u>-</u>	<u>5,022</u>

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	2,016,913	1,910,721
Social security costs	191,997	179,551
Pension costs, defined contribution scheme	80,507	80,596
	<u>2,289,417</u>	<u>2,170,868</u>

## Lloyd & Whyte Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2020

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Sales	75	74
Other departments	2	2
	<u>77</u>	<u>76</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	171,149	186,704
Contributions paid to money purchase schemes	8,400	7,122
	<u>179,549</u>	<u>193,826</u>

During the year the number of directors who were receiving benefits was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

#### 8 Auditor's remuneration

	2020 £	2019 £
Audit of the financial statements	<u>5,650</u>	<u>5,500</u>

#### 9 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	26	1,316
Other finance income	3,169	-
	<u>3,195</u>	<u>1,316</u>

# Lloyd & Whyte Limited

## Notes to the Financial Statements

Year Ended 31 December 2020

### 10 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	-	33,268
Interest on obligations under finance leases and hire purchase contracts	-	3,764
Interest expense on other finance liabilities	-	1,418
	<u>-</u>	<u>38,450</u>

### 11 Taxation

Tax charged/(credited) in the income statement

	2020	2019
	£	£
<b>Current taxation</b>		
UK corporation tax	719,551	435,096
UK corporation tax adjustment to prior periods	-	(213)
	<u>719,551</u>	<u>434,883</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(8,900)</u>	<u>(3,000)</u>
Tax expense in the income statement	<u>710,651</u>	<u>431,883</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020	2019
	£	£
Profit before tax	<u>3,627,473</u>	<u>2,159,190</u>
Corporation tax at standard rate	689,220	410,246
Expenses not deductible for tax purposes	21,431	18,415
Adjustments to deferred tax in respect of changes in tax rates	-	3,018
Adjustments to tax charge in respect of previous periods	-	204
Total tax charge	<u>710,651</u>	<u>431,883</u>

## Lloyd & Whyte Limited

### Notes to the Financial Statements

Year Ended 31 December 2020

#### Deferred tax

Deferred tax assets and liabilities

2020	Liability £
Fixed asset differences	<u>14,100</u>
	Liability £
Fixed asset differences	<u>23,000</u>

#### 12 Intangible assets

	Goodwill £	Software £	Assets under the course of construction £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	1,265,600	142,718	21,000	1,429,318
Additions acquired separately	-	-	14,040	14,040
Disposals	-	-	(8,480)	(8,480)
At 31 December 2020	<u>1,265,600</u>	<u>142,718</u>	<u>26,560</u>	<u>1,434,878</u>
<b>Amortisation</b>				
At 1 January 2020	94,920	93,396	-	188,316
Amortisation charge	126,560	35,210	-	161,770
At 31 December 2020	<u>221,480</u>	<u>128,606</u>	<u>-</u>	<u>350,086</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>1,044,120</u>	<u>14,112</u>	<u>26,560</u>	<u>1,084,792</u>
At 31 December 2019	<u>1,170,680</u>	<u>49,322</u>	<u>21,000</u>	<u>1,241,002</u>

## Lloyd & Whyte Limited

### Notes to the Financial Statements

Year Ended 31 December 2020

#### 13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	<u>5,145</u>	<u>124,848</u>	<u>169,086</u>	<u>299,079</u>
At 31 December 2020	<u>5,145</u>	<u>124,848</u>	<u>169,086</u>	<u>299,079</u>
<b>Depreciation</b>				
At 1 January 2020	5,145	115,508	128,962	249,615
Charge for the year	<u>-</u>	<u>1,868</u>	<u>10,031</u>	<u>11,899</u>
At 31 December 2020	<u>5,145</u>	<u>117,376</u>	<u>138,993</u>	<u>261,514</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>-</u>	<u>7,472</u>	<u>30,093</u>	<u>37,565</u>
At 31 December 2019	<u>-</u>	<u>9,340</u>	<u>40,124</u>	<u>49,464</u>

#### 14 Debtors

	2020 £	2019 £
Trade debtors	743,647	583,883
Amounts due from group undertakings	6,705,798	7,047,300
Other debtors	8,200	2,447
Prepayments and accrued income	<u>764,458</u>	<u>520,523</u>
	<u>8,222,103</u>	<u>8,154,153</u>

#### 15 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Trade creditors	7,449,758	5,454,300
Amounts due to group undertakings	254,468	8,820
Corporation tax	243,648	268,150
Social security and other taxes	38,948	40,458
Accruals and deferred income	<u>781,862</u>	<u>1,135,699</u>
	<u>8,768,684</u>	<u>6,907,427</u>

# Lloyd & Whyte Limited

## Notes to the Financial Statements

Year Ended 31 December 2020

### 16 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	110,329	125,110
Later than one year and not later than five years	67,059	96,606
	<u>177,388</u>	<u>221,716</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £170,798 (2019 - £114,072).

### 17 Insurance broking assets and liabilities

Insurance broking assets and liabilities are included in the balance sheet of the company and are disclosed as follows:

Included in debtors are £6,310,298 (2019 - £5,371,041) relating to insurance ledger debtors. Included in cash at bank is £2,191,119 (2019 - £1,036,450) in respect of client money held. Included in trade creditors is £7,059,437 (2019 - £5,278,686) owing to insurance companies and agents.

### 18 Provisions for liabilities

	Deferred tax £	Deferred consideration £	Total £
At 1 January 2020	23,000	312,500	335,500
Provisions used	<u>(8,900)</u>	<u>(312,500)</u>	<u>(321,400)</u>
At 31 December 2020	<u>14,100</u>	<u>-</u>	<u>14,100</u>

At the previous year end the company had deferred consideration liabilities in respect of business combinations. These liabilities have been settled in full during the year.

### 19 Pension scheme

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £80,507 (2019 - £80,596).

## Lloyd & Whyte Limited

### Notes to the Financial Statements

Year Ended 31 December 2020

#### 20 Share capital

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

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>

##### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares are non-redeemable and attract full voting, equity and dividend rights.

#### 21 Dividends

##### Interim dividends paid

	2020 £	2019 £
Interim dividend of £10.345 (2019 - £1.345) per each Ordinary shares	<u>1,500,000</u>	<u>150,000</u>

#### 22 Contingent liabilities

At the current year end the company's assets, along with the assets of the rest of the group companies, are subject to a fixed and floating charge in respect of a loan facility entered into by the company during the year. The total amount guaranteed by group companies as at 31 December 2019 was £15,001,392 (2019 - £3,750,480).

## Lloyd & Whyte Limited

### Notes to the Financial Statements

Year Ended 31 December 2020

#### 23 Related party transactions

##### Transactions with directors

	At 1 January 2020 £	Advances to directors £	Repayments by director £	At 31 December 2020 £
<b>2020</b>				
<b>Director</b>				
Interest free loan, repayable on demand	<u>1,458</u>	<u>9,600</u>	<u>(2,858)</u>	<u>8,200</u>
		At 1 January 2019 £	Repayments by director £	At 31 December 2019 £
<b>2019</b>				
<b>Director</b>				
Interest free loan, repayable on demand		<u>3,955</u>	<u>(2,497)</u>	<u>1,458</u>

#### 24 Parent and ultimate parent undertaking

The ultimate controlling party is M M Pyke, by virtue of his majority shareholding in the ultimate parent company.

The parent of the largest and smallest group in which these financial statements are consolidated is Lloyd & Whyte Group Limited, a company incorporated in England & Wales.

The address of Lloyd & Whyte Group Limited is:  
Affinity House, Bindon Road, Taunton, TA2 6AA