

Lloyd & Whyte Limited
Annual Report and Financial Statements
Year Ended 31 December 2021
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 2021

The directors present their strategic report for the year ended 31 December 2021.

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 £7,940,339 (2020 - £7,469,927) representing an increase in revenue of 6.3% (2020 – 14.9 %).

The Company made a pre-tax profit of £4,411,310 (2020 - £3,627,473) for the year and generated an EBITDA of £4,568,881 (2020 - £3,937,354). This is calculated by taking the operating profit (page 10), adjusted by the depreciation (page 21) and amortisation numbers (page 20) and the other finance income which is of a trading nature (page 18).

Staffing costs for the year were £2,154,597 (2020 - £2,289,417). Average employee numbers have reduced by 6.5% (2020 – risen by 1.3%) during the year (to 72 from 77). This reduction is as a result of the wider Group's strategy to centralise payroll costs, with new employees being employed by the parent company.

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 and underwriting is more difficult.

As at 31 December 2021 the trade and assets of fellow subsidiary The Medical Insurance Advisory Bureau Limited were hived over to this Company. This has resulted in an increase in net current assets (from £3.62m to £4.94m), as insurance broking debtor and creditor balances have increased as a result of the hive over.

The balance sheet includes a capital contribution reserve of £198,942 (2020 - £nil), which is the result of the waiver of an intra-group debt following the hive over of the trade and assets of felling subsidiary Medical Money Management (General Insurance Brokers) Limited in the prior year.

The non-financial Key Performance Indicators for the Company are compliance with FCA regulations, specifically capital adequacy and CASS 5 regulatory requirements, staff culture scores and professional standards. These have been at satisfactory levels during the year under review.

Whilst the Company continues to monitor the operational impacts of the COVID-19 pandemic, 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 2021 and 2022 year-to-date figures being ahead of target.

The Board do not consider the ongoing situation in Ukraine to pose a significant risk to the Company. The Company does not have any key relationships which may be impacted by the evolving situation. The Board does recognise that the situation is leading to an increased cost of living and there are wider uncertainties in respect of the impact on the UK economy. The Board is monitoring the impact on both our people and our clients and appropriate steps will be taken to mitigate any risk as required.

The directors look forward to a successful and profitable 2022 and beyond as the organic growth strategy continues to be delivered, continuing to work closely with our affinity partners.

Lloyd & Whyte Limited

Strategic Report for the Year Ended 31 December 2021

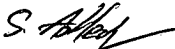
Principal risks and uncertainties

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 Company continues to meet its regulatory capital requirements.

Approved by the Board on ~~04/04/22~~..... and signed on its behalf by:



.....
S Astley
Director

Lloyd & Whyte Limited

Directors' Report for the Year Ended 31 December 2021

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

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.

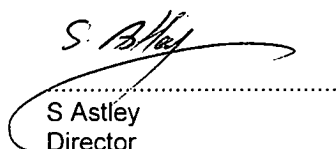
Future developments

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 **04/04/22** 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 2021, 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 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 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) 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); 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. 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: 5th April 2022

Lloyd & Whyte Limited

Profit and Loss Account

Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	3	7,940,339	7,469,927
Administrative expenses		(3,664,874)	(3,880,776)
Other operating income	4	-	35,127
Operating profit	5	4,275,465	3,624,278
Other interest receivable and similar income	9	135,845	3,195
Profit before tax		4,411,310	3,627,473
Taxation	10	(876,727)	(710,651)
Profit for the financial year		<u>3,534,583</u>	<u>2,916,822</u>

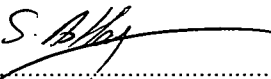
Lloyd & Whyte Limited

Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	1,008,455	1,084,792
Tangible assets	12	<u>62,802</u>	<u>37,565</u>
		<u>1,071,257</u>	<u>1,122,357</u>
Current assets			
Debtors	13	10,919,711	8,222,103
Cash at bank and in hand		<u>4,195,610</u>	<u>4,170,001</u>
		15,115,321	12,392,104
Creditors: Amounts falling due within one year	14	<u>(10,178,856)</u>	<u>(8,768,684)</u>
Net current assets		<u>4,936,465</u>	<u>3,623,420</u>
Total assets less current liabilities		6,007,722	4,745,777
Provisions for liabilities	17	<u>(42,520)</u>	<u>(14,100)</u>
Net assets		<u>5,965,202</u>	<u>4,731,677</u>
Capital and reserves			
Called up share capital		145,000	145,000
Capital contribution reserve		198,942	-
Profit and loss account		<u>5,621,260</u>	<u>4,586,677</u>
Shareholders' funds		<u>5,965,202</u>	<u>4,731,677</u>

Approved and authorised by the Board on ~~04/04/22~~ and signed on its behalf by:



 S Astley
 Director

Company Registration Number: 03686765

Lloyd & Whyte Limited

Statement of Changes in Equity

Year Ended 31 December 2021

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 January 2021	145,000	-	4,586,677	4,731,677
Profit for the year	-	-	3,534,583	3,534,583
Total comprehensive income	-	-	3,534,583	3,534,583
Dividends	-	-	(2,500,000)	(2,500,000)
Waiver of intra-group debt as a capital contribution	-	198,942	-	198,942
At 31 December 2021	145,000	198,942	5,621,260	5,965,202

	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

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

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, related party transactions with other group companies and the presentation of a cashflow statement.

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

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, and the forecasted financial performance.

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 estimation. The goodwill is measured in the financial statements at cost less any accumulated amortisation and accumulated impairment losses. This requires estimation in the amortisation rates used. The directors are satisfied that the amortisation rates applied and the carrying value are appropriate. The carrying value of goodwill is £917,560 (2020 - £1,044,120).

There is a level of uncertainty in relation to the recoverability of debtors from group undertakings. The board has reviewed the financial statements of each individual company and have determined that based on current and anticipated future performance, no impairment is required.

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.

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.

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.

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Intangible assets

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

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.

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

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.

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.

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

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; 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.

3 Revenue

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

	2021 £	2020 £
Commissions received	7,940,339	7,397,963
Other revenue	-	71,964
	<u>7,940,339</u>	<u>7,469,927</u>

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

4 Other operating income

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

	2021 £	2020 £
Government grants	-	35,127

5 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	10,167	11,899
Amortisation expense	147,404	161,770

6 Staff costs

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

	2021 £	2020 £
Wages and salaries	1,898,843	2,016,913
Social security costs	186,266	191,997
Pension costs, defined contribution scheme	69,488	80,507
	2,154,597	2,289,417

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

	2021 No.	2020 No.
Sales	70	75
Other departments	2	2
	72	77

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	203,682	171,149
Contributions paid to money purchase schemes	<u>8,484</u>	<u>8,400</u>
	<u><u>212,166</u></u>	<u><u>179,549</u></u>

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

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	201,200	-
Company contributions to money purchase pension schemes	<u>8,484</u>	<u>-</u>

8 Auditor's remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>7,500</u>	<u>5,650</u>

9 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	-	26
Other finance income	<u>135,845</u>	<u>3,169</u>
	<u><u>135,845</u></u>	<u><u>3,195</u></u>

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	874,007	719,551
Deferred taxation		
Arising from origination and reversal of timing differences	<u>2,720</u>	<u>(8,900)</u>
Tax expense in the income statement	<u>876,727</u>	<u>710,651</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>4,411,310</u>	<u>3,627,473</u>
Corporation tax at standard rate	838,149	689,220
Expenses not deductible for tax purposes	27,878	21,431
Adjustments to deferred tax in respect of changes in tax rates	9,053	-
Adjustments to tax charge in respect of previous periods	<u>1,647</u>	<u>-</u>
Total tax charge	<u>876,727</u>	<u>710,651</u>

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Fixed asset differences	<u>42,520</u>
2020	
Fixed asset differences	<u>14,100</u>

11 Intangible assets

	Goodwill £	Software £	Assets under the course of construction £	Total £
Cost or valuation				
At 1 January 2021	1,265,600	142,718	26,560	1,434,878
Additions acquired separately	-	71,067	-	71,067
Transfers	-	26,560	(26,560)	-
At 31 December 2021	<u>1,265,600</u>	<u>240,345</u>	<u>-</u>	<u>1,505,945</u>
Amortisation				
At 1 January 2021	221,480	128,606	-	350,086
Amortisation charge	126,560	20,844	-	147,404
At 31 December 2021	<u>348,040</u>	<u>149,450</u>	<u>-</u>	<u>497,490</u>
Carrying amount				
At 31 December 2021	<u>917,560</u>	<u>90,895</u>	<u>-</u>	<u>1,008,455</u>
At 31 December 2020	<u>1,044,120</u>	<u>14,112</u>	<u>26,560</u>	<u>1,084,792</u>

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 January 2021	5,145	124,848	169,086	299,079
Additions	-	35,404	-	35,404
At 31 December 2021	5,145	160,252	169,086	334,483
Depreciation				
At 1 January 2021	5,145	117,376	138,993	261,514
Charge for the year	-	2,644	7,523	10,167
At 31 December 2021	5,145	120,020	146,516	271,681
Carrying amount				
At 31 December 2021	-	40,232	22,570	62,802
At 31 December 2020	-	7,472	30,093	37,565

13 Debtors

	2021 £	2020 £
Trade debtors	2,980,851	743,647
Amounts due from group undertakings	7,285,316	6,705,798
Other debtors	6,100	8,200
Prepayments and accrued income	647,444	764,458
	<u>10,919,711</u>	<u>8,222,103</u>

14 Creditors

	2021 £	2020 £
Due within one year		
Trade creditors	8,006,895	7,449,758
Amounts due to group undertakings	647,219	254,468
Corporation tax	403,012	243,648
Social security and other taxes	58,684	38,948
Accruals and deferred income	1,063,046	781,862
	<u>10,178,856</u>	<u>8,768,684</u>

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

15 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	18,550	110,329
Later than one year and not later than five years	46,757	67,059
	<u>65,307</u>	<u>177,388</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £37,200 (2020 - £170,798).

16 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 £5,673,349 (2020 - £6,310,298) relating to insurance ledger debtors. Included in cash at bank is £3,403,056 (2020 - £2,191,119) in respect of client money held. Included in trade creditors is £7,678,505 (2020 - £7,059,437) owing to insurance companies and agents.

17 Provisions for liabilities

	Deferred tax £	Total £
At 1 January 2021	14,100	14,100
Increase in existing provisions	28,420	28,420
At 31 December 2021	<u>42,520</u>	<u>42,520</u>

18 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 £69,488 (2020 - £80,507).

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

19 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
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.

20 Dividends

Interim dividends paid

	2021 £	2020 £
Interim dividend of £17.241 (2020 - £10.345) per each Ordinary share	<u>2,500,000</u>	<u>1,500,000</u>

21 Financial guarantees

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 its parent company in a previous year. The total amount guaranteed by group companies and not included in the balance sheet as at 31 December 2021 was £24,684,190 (2020 - £15,001,392).

Lloyd & Whyte Limited

Notes to the Financial Statements

Year Ended 31 December 2021

22 Related party transactions

Transactions with directors

		At 1 January 2021 £	Repayments by director £	At 31 December 2021 £	
2021					
Director					
Interest free loan, repayable on demand		8,200	(2,400)	5,800	
		At 1 January 2020 £	Advances to directors £	Repayments by director £	At 31 December 2020 £
2020					
Director					
Interest free loan, repayable on demand		1,458	9,600	(2,858)	8,200

23 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