

ALEXANDER BONHILL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ALEXANDER BONHILL LIMITED

05082608

ALEXANDER BONHILL LIMITED

Company Information

Directors	Alec Guthrie James Howgego Neil Walton
Company secretary	James Howgego
Registered number	05082608
Registered office	9-11 The Quadrant Richmond Surrey TW9 1BP
Independent auditors	CLA Evelyn Partners Limited 45 Gresham Street London EC2V 7BG

ALEXANDER BONHILL LIMITED

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ALEXANDER BONHILL LIMITED

Directors' report For the year ended 31 March 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

Principal activity

The Company's principal activity during the year under review was insurance broking.

Review of the business

The profit for the year, after taxation, amounted to £1,469,047 (2021 - £736,649).

New digital processes introduced during the pandemic have helped the efficiency and profitability of the business. Overall, the Directors were content with the performance of the business and look forward to further improvements in future years as the business grows.

Going concern

The Directors have adopted the going concern basis in preparing this set of accounts.

The Directors consider that the company has adapted well to working in a post pandemic environment.

After reviewing the principal risks and challenges faced by the business, including the ongoing cost of living crisis, the Directors have concluded that the risks and challenges do not impact on the Company's ability to continue to operate for the foreseeable future and meet its obligations as they fall due.

The Directors have scenario planned for reductions in client renewals and brokerage rates. The Directors have focused on cash and working capital management to ensure the resources are adequate and sufficient to support trading levels.

The Directors believe that the Company is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Company will have adequate resources, with the support of the Parent Company, to continue in operation for at least 12 months from the signing of these financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Dividends

The Directors do not recommend the payment of a dividend (2021: £nil).

Directors

The Directors who served during the year were:

Alec Guthrie
James Howgego
Neil Walton

Directors' report (continued)
For the year ended 31 March 2022

Directors' responsibilities statement

The Directors are responsible for preparing 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;
- 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.

Future developments

As the Vegner Group increases its property management services and client portfolio through organic growth and acquisitions, the Directors are optimistic that the volume of insurance services provided to clients will continue to increase, consequently, the Directors consider the business will continue to grow.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions were in place during the year for the benefit of all Directors of the Company.

Disclosure of information to auditors

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

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

Auditors

The auditors, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ALEXANDER BONHILL LIMITED

Directors' report (continued)
For the year ended 31 March 2022

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 March 2023 and signed on its behalf.

James Howgego
Director

Independent auditors' report to the members of Alexander Bonhill Limited

Opinion

We have audited the financial statements of Alexander Bonhill Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of income and retained earnings, the Balance sheet 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 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Independent auditors' report to the members of Alexander Bonhill Limited (continued)

Other information

The other information comprises the information included in the Directors' Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Directors' 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 Alexander Bonhill 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:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the Company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The outsourcing of tax compliance to external experts.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements which are central to the Company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company;

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.
- Applicable regulatory principles governed by the Financial Conduct Authority (FCA).

To gain evidence about compliance with the significant laws and regulations above we have reviewed the company's breaches register and reviewed board meeting minutes.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key area identified in this discussion was the manipulation of the financial statements through the posting of manual journals and application of revenue recognition principles.

The procedures carried out to gain evidence in the above areas included:

- Substantive testing in relation to revenue recognition both during the period under audit and around the year end; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the Company's processes and controls surrounding manual journals.

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 Alexander Bonhill 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.

Nicholas Jacques (Senior statutory auditor)

for and on behalf of

CLA Evelyn Partners Limited

45 Gresham Street

London

EC2V 7BG

31 March 2023

ALEXANDER BONHILL LIMITED

Statement of income and retained earnings
For the year ended 31 March 2022

	Note	2022 £	2021 (restated) £
Turnover	4	3,674,948	3,487,369
Cost of sales		(937,743)	(907,140)
Gross profit		2,737,205	2,580,229
Administrative expenses		(41,823)	(42,170)
Operating profit	5	2,695,382	2,538,059
Tax on profit	6	(1,226,335)	(1,801,410)
Profit after tax		1,469,047	736,649
Retained earnings			
- as previously stated		4,503,612	4,458,296
- prior period adjustment	6	691,333	-
At the beginning of the year as restated		5,194,945	4,458,296
Profit for the year		1,469,047	736,649
Retained earnings at the end of the year		6,663,992	5,194,945

The notes on pages 10 to 16 form part of these financial statements.

ALEXANDER BONHILL LIMITED
Registered number: 05082608

Balance sheet
As at 31 March 2022

	Note	2022 £	2021 (restated) £
Current assets			
Debtors: amounts falling due within one year	7	8,172,595	5,853,526
Cash at bank and in hand		-	219,062
		<u>8,172,595</u>	<u>6,072,588</u>
Creditors: amounts falling due within one year	8	<u>(1,498,603)</u>	<u>(867,643)</u>
Net current assets		<u>6,673,992</u>	<u>5,204,945</u>
Total assets less current liabilities		<u>6,673,992</u>	<u>5,204,945</u>
Net assets		<u><u>6,673,992</u></u>	<u><u>5,204,945</u></u>
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account	10	6,663,992	5,194,945
		<u><u>6,673,992</u></u>	<u><u>5,204,945</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2023.

James Howgego
Director

The notes on pages 10 to 16 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2022

1. General information

Principal activity and registered office

The principal activity of the Company during the year under review was insurance broking.

The Company is a private company limited by shares and incorporated in England and Wales. The address of the registered office is 9-11 The Quadrant, Richmond, Surrey, TW9 1BP. Its registered number is 05082608.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

Reduced disclosure exemptions

The Company is a qualifying entity and has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a statement of cash flows;
- disclosure of key management personnel compensation; and
- certain financial instrument disclosures.

Equivalent disclosures are included in the consolidated financial statements of Vegner Holdings Limited, the Company's ultimate parent undertaking. The registered office of Vegner Holdings Limited is 9-11 The Quadrant, Richmond, Surrey TW9 1BP.

2.2 Going concern

The Company's forecasts and projections for the 12 months following the signing of these accounts, taking account of possible changes in trading performance from macro-economic issues and other factors, show that the Company, with the support of the Parent, will be able to meet its obligations as they fall due.

Consequently, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue is derived from property insurance services and comprises of broking and insurance brokerage which is recognised at the commencement of the policy.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.4 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Client monies

The management of client monies is part of the Company's insurance broking activities. This money belongs to clients, but the Company has operational control over the monies in order to perform its broking services. As with many insurance broking companies, these monies are not recognised on the Balance Sheet.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.6 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings, as described below.

Financial assets

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. The impairment loss is measured as the difference between a financial asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the Board's best estimate of its value, with the latter being an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of an instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at a transaction price unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument. Debtors and creditors due after more than one year are subsequently measured at amortised cost using the effective interest rate method. Financial assets and liabilities due within one year are measured at their undiscounted carrying value. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the Company, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are only offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ALEXANDER BONHILL LIMITED

Notes to the financial statements
For the year ended 31 March 2022

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

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors have concluded that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

Revenue, all of which arises from continuing activities, represents fees receivable from insurance broking and related services. All revenue arises in the UK and is stated net of VAT.

5. Operating profit

Auditor's remuneration is borne by the parent Company. The audit fee attributable to the statutory audit for this Company is £7,350 (2021: £6,000).

6. Taxation

	2022 £	2021 (restated) £
Corporation tax		
Current tax on profits for the year	391,507	6,268
Adjustments in respect of previous periods	200,007	(18,593)
Purchase of losses from other group companies	634,821	1,813,735
Total current tax	1,226,335	1,801,410

ALEXANDER BONHILL LIMITED

Notes to the financial statements
For the year ended 31 March 2022

6. Taxation (continued)**Factors affecting tax charge for the year**

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

	2022 £	2021 (restated) £
Profit on ordinary activities before tax	<u>2,695,382</u>	<u>2,538,059</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	512,123	482,231
Effects of:		
Adjustments to tax charge in respect of prior periods	200,007	(18,593)
Purchase of losses from other group companies	634,821	1,813,735
Group relief	(120,616)	(475,963)
Total tax charge for the year	<u>1,226,335</u>	<u>1,801,410</u>

The comparative information reflects an adjustment to the purchase of losses from group companies following an adjustment made when finalising the group tax returns for the year ended 31 March 2021. The adjustment has increased the profit for the year and increased net assets by £691,333 as at 31 March 2021.

7. Debtors

	2022 £	2021 (restated) £
Amounts owed by parent company	6,073,430	3,885,257
Amounts owed by fellow subs	712,201	751,466
Prepayments and accrued income	1,386,964	1,216,803
	<u>8,172,595</u>	<u>5,853,526</u>

ALEXANDER BONHILL LIMITED

Notes to the financial statements
For the year ended 31 March 2022

8. Creditors: Amounts falling due within one year

	2022	2021 (restated)
	£	£
Bank overdrafts	11	-
Trade creditors	31,448	4,803
Corporation tax	552,397	6,268
Accruals and deferred income	914,747	856,572
	<u>1,498,603</u>	<u>867,643</u>

9. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
10,000 (2021 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

10. Reserves**Retained earnings**

Retained earnings represents cumulative profits and losses, after payment of dividends.

11. Other financial commitments

The Company has entered into a bank cross guarantee with its fellow group companies. The assets of the Company are pledged as security for the bank borrowings by way of fixed and floating charge.

12. Related party transactions

During the year, Neil Walton was a director of both Alexander Bonhill Limited and Centor Insurance and Risk Management Limited. During the year, Alexander Bonhill Limited paid underwriting fees totalling £932,116 (2021: £864,018) to Centor Insurance and Risk Management Limited for insurance broking services. At the year-end £300,904 was outstanding (2021: £66,039)

Alexander Bonhill Limited and all the other companies in the Vegner Group Limited group retain no interest in the shares of Centor Insurance and Risk Management Limited and all business is conducted on commercial terms.

The Company has taken advantage of the exemption provided under FRS 102 Section 33.1A of FRS 102 and has not disclosed transactions or balances with members of the group which are wholly owned by the ultimate parent company whose financial statements are consolidated and publicly available.

ALEXANDER BONHILL LIMITED

Notes to the financial statements
For the year ended 31 March 2022

13. Controlling party

The immediate parent undertaking is Vegner Group Limited a Company incorporated in the United Kingdom and registered in England and Wales. Vegner Group Limited owns 100% of the share capital of the Company and provides central management services to the Company.

The ultimate parent undertaking is Vegner Holdings Limited, a Company incorporated in the United Kingdom and registered in England and Wales.

The ultimate controlling party is North Atlantic Value GP 5 LLP.

These accounts have been consolidated in the group accounts of Vegner Holdings Limited, which can be obtained from Companies House, Crown Way, Cardiff.

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.