

SEIB INSURANCE BROKERS LIMITED

2022 ANNUAL REPORT



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SEIB INSURANCE BROKERS LIMITED

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SEIB INSURANCE BROKERS LIMITED

Officers and Company Information

Directors: Matthew Mervyn Pyke, Chairman
Susan Jane Middleton FCII, Chief Executive Officer
Barry Fehler
David Robert Moore BA (HONS), MBA
Stephen Astley FCCA (Appointed 30 December 2022)
Bipin Thaker FCA
Paul John Glasper FCII, FCILEx (Appointed 2 February 2023)
Mark Christopher John Hews BSc.FIA (Resigned 30 December 2022)

Secretary: Rachael Jane Hall FCIS

Registered Office: 2000 Pioneer Avenue
Benefact House
Gloucester Business Park
Brockworth
Gloucester GL3 4AW

Country of incorporation: England

Company Registration Number: 06317314

Bankers: Barclays Bank plc
1 Churchill Place
London E14 5HP

Independent Auditors: PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

SEIB INSURANCE BROKERS LIMITED

Strategic Report

The Directors present the strategic report of the Company, SEIB Insurance Brokers Limited, for the year ended 31 December 2022.

Objective and strategy

The principal activity is that of insurance brokers. The Company's objective is to deliver long-term return to its shareholder, achieving this through meeting its customers' needs and increasing market share in targeted markets.

The strategy of the Directors is to achieve long-term organic growth whilst also seeking to expand by acquisitions, as and when the right opportunities arise.

Review of the company's business

The results of the Company for the year are shown on page 12 and the financial position at the year end is shown on page 13. At the year end, the Company had net current assets of £7.7 million (2021: £9.6 million) and total assets of £25.3 million (2021: £26.6 million).

Growth in revenue is attributed to maintaining renewal retention rates and winning new business. Increases in expenses were mainly payroll costs and further increases in marketing activities since easing of covid restrictions.

Key performance indicators

	2022 £	2021 £	Growth
Revenue	12,403,152	12,234,489	1%
Administrative expenses	(10,464,908)	(9,888,725)	6%
Operating profit	1,974,714	2,376,691	-17%
Profit before tax	2,806,641	3,140,388	-11%

Following the buoyancy and recovery from the 2020/21 COVID period 2022 began very positively with excellent retention and new business figures. Due to economic squeeze at the end of 2022 consumer parts of the business such as Equine or personal lines lead business quickly saw a downturn. The pressure to also support the business and retain the skilled workforce was impacted by increased costs on wages and also providing cost of living payments in June and December to support our teams. Where the top line of the business has remained healthy the impact of spiralling costs has effected the bottom line profitability.

Future prospects

Markets and access to capacity continue to remain difficult, indexation on property is starting to reduce although some premiums in certain sectors continue to see rates continue to increase, in turn putting pressure on the client to seek alternatives quotes and limit premium increases.

Squeeze on the financial climate continues in respect of expenses increasing with the need to maintain the businesses main assets -

Plans are in place to focus on the core parts of the business with growth opportunities targeted on the main sectors, providing solutions for clients to weather the financial uncertainty 2023 will bring.

Principal risks and uncertainties facing the company

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return to its shareholder and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder and issue new shares. The capital structure of the Company comprises equity attributable to owners of the Company comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Company is a schemes broker for specialist risks and is susceptible to price risks due to any changes to carrier capacities and profitability of schemes. The Company monitors market trends, carrier capacities and risk appetites.

The Company is regulated by the Financial Conduct Authority (FCA) and is required to hold regulatory capital in excess of the minimum level specified in the regulations. The Company exceeded the minimum requirement in the current and prior year.

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important component of financial risk is credit risk

SEIB INSURANCE BROKERS LIMITED

Strategic Report

Credit risks

Credit risk arises principally from cash and cash equivalents and deposits at banks and financial institutions as well as credit exposure to customers including committed transactions and outstanding receivables. The Group reviews its banking arrangements carefully to minimise such risks and has put in place credit control procedures to mitigate against risks arising from customers including the obtaining of references, setting of credit limits and monitoring of limits. Group cash balances are regularly reviewed to identify the quality of the counterparty bank and to monitor and limit concentrations of risk.

The carrying amount of these financial assets represents the Company's maximum exposure to credit risk. The Company has no concentration of credit risk with a particular client or any one scheme.

Liquidity risks

Liquidity risk is the risk that an entity may not have sufficient funds to pay obligations as they fall due.

The Company aims to mitigate liquidity risk by ensuring it reviews its cash management on a quarterly basis. Liquidity risk is managed at Company level and reliance is not placed on Group support.

Operational risks

Competition - The risk of failure to recognise and address changes in a competitive market, particularly competitor actions, distribution channels, an imbalance of bargaining power with distributors, business concentration and resource issues and the impact to the company of a loss of a key account or market.

The Company regularly monitors and compares competitors' premium rates, works with a number of insurance providers and there is no reliance on a single or group of clients or markets.

Loss of Insurer partner

The risk of one or more of the scheme insurers ceasing to write a class of business or scheme impacting on the ability to provide products and services to the chosen markets and resulting customer dissatisfaction, business disruption and significant financial cost due to staff training and data transfer.

The Company uses more than one provider and written agreements requiring adequate notice period.

Climate change risk

Whilst the Company has regard for climate change risk and the transition risks of moving towards a lower carbon economy, the nature of the Company means there is not expected to be a material impact on the Company and its balances.

Current economic conditions risk

The current economic climate, inflation and cost of living crisis, driven by a number of economic and political events during the year, has created an additional uncertainty to the business during 2022. We are aware of increased costs within the Company's expense base as inflation continues. We are also cognisant of the impact of this volatility to our customers and remain mindful of this. We continue to closely monitor developments in this area and the evolving impact it may have on the business.

Section 172 Statement

This section of the Strategic Report provides an overview of how the directors have fulfilled their duties to promote the success of the company and had regard to the matters set out in section 172(1) (a) to (f) Companies Act 2006. In addition, it also forms the directors' statement required under section 414CZA of the Companies Act 2006.

Our Approach to the Long Term Success of the company

The Board of Directors recognise that the long-term success of the company is dependent upon having regard to the interests of our stakeholders. During the year, the board of the immediate parent company (South Essex Insurance Holdings Limited) discussed possible restructure arrangements. As a result, the sale of the entire issued share capital from Ecclesiastical Insurance Office plc to Lloyd & Whyte Group Limited (L & W)) was agreed. This was completed on 30th December 2022. Therefore, the company is now part of the Lloyd & Whyte Group, which is an associate undertaking of Benefact Group plc. Being part of the Benefact Group family with its ambition to be the most trusted and ethical specialist financial services group, we understand how important it is to listen and respond to the needs of stakeholders.

Stakeholder Engagement in Decision Making

The Board adopts a range of approaches to engage with stakeholders and recognises that the importance of a stakeholder group differ depending on the matter to be considered. Given the nature of the business, the Board sometimes engages directly with stakeholders and also understands that it may be more appropriate for engagement to be undertaken at an operational or Group level.

A one-year rolling plan of business for discussion is agreed annually to ensure that the Board is focused on the right issues at the right time and sufficient time is allowed for appropriate consideration and debate. Information is provided to directors in papers in advance of each meeting. In addition, people from the business are invited to attend meetings to provide insight into key matters and developments. At each Board meeting, the directors discuss strategic and business matters, financial, operational and governance issues and other relevant issues that arise. As a consequence of this, the Board has an appreciation of engagement with stakeholders and other relevant matters, which enables the directors to comply with their legal duty under section 172 of the Companies Act 2006.

Below is an example of a principle decision taken by the Board during the year in and how it has had regard to the interests of, and impact on a selection of its stakeholders

SEIB INSURANCE BROKERS LIMITED

Strategic Report

Principle Decision of the Board

Consumer Duty Plan and Champion

Following publication of the Financial Conduct Authority's (FCA) PS22/9 A Consumer Duty (the Duty) in July 2022, which outlined a new consumer principle requiring firms to act to deliver good outcomes for customers, the Board discussed with management the implementation of the Duty and its requirements at its meeting on 8 November 2022. The Board reviewed the Consumer Duty Plan (the Plan) developed by management to ensure that it was deliverable and robust, prior to approving the Plan. Prior to this, the Board had been provided with regular updates on the development of the Duty from consultation stage to publication and management's preparation. The Board also appointed Mr Barry Fehler, being a non-executive director, as the Consumer Duty Champion. The directors continue to receive regular updates on the progress of the Plan to ensure that they are meeting their regulatory obligations whilst ensuring the best possible outcomes for customers.

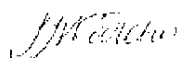
Our Strategy in action:

Our key stakeholders	Methods of engagement and outcomes
Employees <p>The Board recognises that employees are the Company's biggest asset given their specialist skills and knowledge and propensity to go above and beyond.</p>	<p>The Board receives regular updates on employee matters. The Chief Executive Officer provides resource updates as part of her report to the Board.</p> <p>Members of the management team are subject matter experts and are invited to board meetings to present on items and input into discussions.</p> <p>Staff have the opportunity to engage in two staff surveys during the year. The Board considered the results of these during the year and agreed action plans as necessary to address any shortfalls in company offering or support</p>
Customers <p>The Board considers the impact of any actions or decisions on the Company's customers (both direct and indirect customers) before proceeding with the same.</p>	<p>The Board considers that customers should be at the heart of everything we do, treating them fairly and ethically and ensuring any actions or decisions demonstrate our passion for customers and make us first choice for customers both today and in the future.</p> <p>Directors of the Board met regularly during the year to discuss strategy plans including consideration of customer matters. Customers are given the opportunity to engage in feedback surveys and the results of these are considered by the Board.</p>
Shareholders <p>South Essex Insurance Holdings Limited owns the entire issued Ordinary Share Capital of the Company, which in turn is owned by Lloyd & Whyte Group Limited</p>	<p>The Directors are aware of the importance of demonstrating its value to the shareholders, which includes ensuring financial performance, long term return on capital and a culture of transparency and propensity to "do the right thing" is set from the top. At each routine board meeting, the directors consider whether there are any matters to be escalated to the shareholder.</p> <p>The Board has an honest and constructive relationship with its shareholder. There is at least one "Common Director" (who sits on the board of the company as well as the board of the shareholder) who attends every Board meeting and provides insights and feedback from the shareholder. Stephen Astley, David Moore and Matthew Pyke are the common directors of the Company. SEIH and L&W. Relevant highlights from the shareholder are presented to the Directors. Regular dialogue takes place on the shareholder's expectations of the Company and the strategy for the development of the business. This ensures that the views of the shareholder are communicated to the Board as a whole. In turn, the Common Directors support the directors of the shareholder to understand the performance and strategic issues faced by the Company.</p>

SEIB INSURANCE BROKERS LIMITED

Strategic Report

Community and Environment	
	The Board received updates on corporate responsibility including the work with the Company's charitable partners including Farleigh Hospice, Chelmsford and St Luke's Hospice Basildon. As part of the Benefact Group family, the Group as a whole is the UK's third largest corporate donor. Employees are supported to give to causes they care about through MyGiving. This enables them to offer support with volunteering, small grants and fundraising matching to create direct involvement and help to drive charitable giving at a local level.
Regulators	
The Company is regulated by FCA.	The Board recognises the importance of open and honest dialogue with Regulators and is committed to complying with applicable legislation and regulation. The Board receives regular reports detailing the Company's regulatory interactions. As a regulated entity within a responsible financial service group, the Board understands the need to keep up to date with any communications received by the Regulators. Further the directors know that this duty transcends the board room. Consequently, the directors receive regular and timely targeted communications on any pertinent regulatory matters.



Susan Jane Middleton
Chief Executive Officer
31 March 2023

Benefact House
2000 Pioneer Avenue
Brockworth
Gloucester GL3 4AW

SEIB INSURANCE BROKERS LIMITED

Directors' Report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2022.

Dividend

During the year dividends amounting to £4.5m were paid (2021: £2.5m). No dividend is proposed after the year end.

Directors

The Directors of the Company at the date of this report are stated on page 2.

Mark Christopher John Hews resigned on 30 December 2022. Stephen Astley was appointed on 30 December 2022 and Paul John Gasper was appointed on 2 February 2023.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

Ownership

All of the issued equity share capital of the Company is owned by South Essex Insurance Holdings Limited. The ultimate parent company is Lloyd & Whyte Group Limited. This is a change from prior year because on 30 December 2022, the entire issued share capital of South Essex Insurance Holdings Limited was sold by Ecclesiastical Insurance Office plc to Lloyd & Whyte Group Limited.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Future prospects

Details regarding future prospects are detailed in Strategic Report.

Charitable and political donations

During the year the Company made charitable donations amounting to £ 25,000 (2021: £ 76,000). No political donations were made in the year (2021: £ Nil).

Going Concern

The Company has adequate financial resources and no recourse to external borrowing. Also as stated in the Notes to the Financial Statements, after making enquiries, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Financial risk management

Details of financial and capital risk management are detailed in the Strategic Report.

Disclosure of Information to Auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- As 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 he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

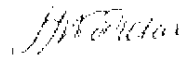
SEIB INSURANCE BROKERS LIMITED

Directors' Report

Independent Auditors

PricewaterhouseCoopers LLP (PwC) are the Company's statutory auditors and have indicated their willingness to continue in office in accordance with Section 487 of the Companies Act 2006.

By order of the Board



Susan Jane Middleton
Chief Executive Officer
31 March 2023
2000 Pioneer Avenue
Brockworth
Gloucester GL3 4AW

SEIB INSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEIB INSURANCE BROKERS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, SEIB Insurance Brokers Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2022 Annual Report (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2022; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

SEIB INSURANCE BROKERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEIB INSURANCE BROKERS LIMITED

Strategic report and the Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (UK), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate the financial performance of the company. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;
- Risk based journal testing, testing those journals which were identified as being higher risk.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SEIB INSURANCE BROKERS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEIB INSURANCE
BROKERS LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Pye (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Statutory Auditor
Bristol, United Kingdom
31 March 2023

SEIB INSURANCE BROKERS LIMITED

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Note	2022 £	2021 £
Revenue	3	12,403,152	12,234,489
Administrative expenses		(10,464,908)	(9,888,725)
Other operating income		<u>36,470</u>	<u>30,927</u>
Operating profit	9	1,974,714	2,376,691
Amount written off investment		-	(250,203)
Finance and investment income	7	<u>831,927</u>	<u>1,013,900</u>
Profit for the year before taxation		2,806,641	3,140,388
Income tax expense	8	<u>(554,830)</u>	<u>(599,035)</u>
Profit for the year after taxation		2,251,811	2,541,353
Total comprehensive income for the year attributable to equity holders		<u>2,251,811</u>	<u>2,541,353</u>

All amounts above are in respect of continuing operations. There were no other items of comprehensive income (2021: £Nil).

SEIB INSURANCE BROKERS LIMITED

Financial Statements

STATEMENT OF FINANCIAL POSITION

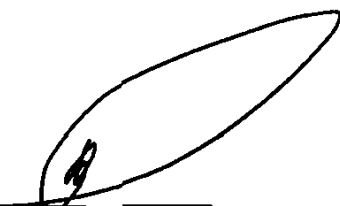
at 31 December 2022

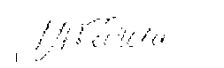
	Note	2022 £	Restated* 2021 £	Restated* 01 January 2021 £
ASSETS				
Non-current assets				
Goodwill	11	5,309,820	5,309,820	5,336,816
Other intangible assets	11	512,070	719,106	926,142
Property, plant and equipment	10	1,660,826	1,768,001	1,919,173
Deferred tax assets	12	60,670	93,030	61,453
Equity securities	13	1,168	1,168	251,371
		<u>7,544,554</u>	<u>7,891,125</u>	<u>8,494,955</u>
Current assets				
Trade and other receivables	14	8,982,215	8,929,792	7,975,595
Cash and cash equivalents	15	8,842,176	9,791,658	9,089,981
Total current assets		<u>17,824,391</u>	<u>18,721,450</u>	<u>17,065,576</u>
TOTAL ASSETS		<u>25,368,945</u>	<u>26,612,575</u>	<u>25,560,531</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	16	250	250	250
Share premium		4,339,797	4,339,797	4,339,797
Retained earnings		9,657,783	11,905,972	11,864,619
Total equity		<u>13,997,830</u>	<u>16,246,019</u>	<u>16,204,666</u>
Liabilities				
Non-current liabilities				
Lease obligations	21	942,298	1,030,476	1,145,337
Provisions	19	263,051	230,739	163,116
		<u>1,205,349</u>	<u>1,261,215</u>	<u>1,308,453</u>
Current liabilities				
Trade and other payables	18	8,871,845	7,912,701	6,853,355
Current tax liabilities		1,021,589	924,308	499,119
Lease obligations	21	272,332	268,332	276,964
Provisions		-	-	417,974
Total current liabilities		<u>10,165,766</u>	<u>9,105,341</u>	<u>8,047,412</u>
Total Liabilities		<u>11,371,115</u>	<u>10,366,556</u>	<u>9,355,865</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>25,368,945</u>	<u>26,612,575</u>	<u>25,560,531</u>

*See notes 8 and 14 for details regarding the restatement as a result of errors.

The financial statements of SEIB Insurance Brokers Limited, registered number 06317314, on pages 12 to 28 were approved and authorised for issue by the board of directors on 31 March 2023 and signed on its behalf by:

The notes on pages 16 to 28 form an integral part of these financial statements.


Matthew Mervyn Pyke
Chairman


Susan Jane Middleton
Chief Executive Officer

SEIB INSURANCE BROKERS LIMITED

Financial Statements

STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Note	2022 £	Restated 2021 £
Profit before taxation		2,806,641	3,140,388
<i>Adjustments for:</i>			
Finance and investment income		(831,927)	(1,013,900)
Finance expense		72,168	76,736
Amount written off financial investments		-	250,203
(Profit)/Loss on disposal of fixed assets		(7,766)	304
Depreciation, amortisation and impairment		548,822	556,225
 Increase in trade and other receivables		(52,423)	(1,159,620)
Increase in trade and other payables		1,009,212	1,059,346
Increase/(Decrease) in provisions		32,312	(350,351)
Cash generated from operations		3,577,039	2,559,331
Income tax paid		(425,188)	-
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,151,851	2,559,331
 Cash flows from investing activities			
Purchase of property, plant and equipment	10	(246,445)	(179,825)
Proceeds from disposal of property, plant and equipment		19,600	8,500
Dividend income	7	234	250,203
Bank interest received	7	43,579	1,687
Premium finance interest received	7	788,114	762,010
NET CASH INFLOW FROM INVESTING ACTIVITIES		605,082	842,575
 Cash flows used in financing activities			
Dividends paid on ordinary shares	17	(4,500,000)	(2,500,000)
Payment of lease liabilities	21	(206,415)	(200,229)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(4,706,415)	(2,700,229)
 NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(949,482)	701,677
Cash and cash equivalents at beginning of year		9,791,658	9,089,981
Cash and cash equivalents at end of year		8,842,176	9,791,658

SEIB INSURANCE BROKERS LIMITED

Financial Statements

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2022

	Note	Ordinary share capital £	Share premium £	Retained earnings £	Total £
Balance at 1 January 2021 as reported		250	4,339,797	12,363,738	16,703,785
Restatement	8	-	-	(499,119)	(499,119)
Balance at 1 January 2021 as restated				11,864,619	
Total comprehensive income for the year		-	-	2,541,353	2,541,353
Dividend paid on equity shares	17	-	-	(2,500,000)	(2,500,000)
Balance at 31 December 2021 as restated		250	4,339,797	11,905,972	16,246,019
Total comprehensive income for the year		-	-	2,251,811	2,251,811
Dividend paid on equity shares	17	-	-	(4,500,000)	(4,500,000)
Balance at 31 December 2022		250	4,339,797	9,657,783	13,997,830

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the Company's UK-adopted international accounting standards (IAS) financial statements are set out below. These policies have been applied consistently to all periods presented unless otherwise stated.

General information

SEIB Insurance Brokers Limited is a United Kingdom domiciled private Company limited by shares and incorporated in England and Wales under the Companies Act. The principal place of business is South Essex House, North Road, South Ockendon.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The functional currency is pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

New and revised Standards

A number of amendments and improvements to accounting standards have been issued by the International Accounting Standards Board (IASB) with an effective date of on or after 1 January 2022, and are therefore applicable for the 31 December 2022 financial statements. None had a significant impact on the Company. Standards in issue but not yet effective are not expected to materially impact the Company.

Going concern

The results of the Company for the year are shown on page 12 and the financial position at the year end is shown on page 13. At the year end, the Company had net current assets of £7.7 million (2021: £9.6 million) and total assets of £25.3 million (2021: £26.6 million).

The Company has adequate financial resources and no requirement or recourse to external borrowing. In light of the current economic climate the Company has further considered its financial position and future performance. The Company has sufficient cash resources and has no concerns over the ability to meet its commitments. The well-established business continuity plans have been used and the Company is able to continue to support its customers, perform other functions for the Company and expects to continue to be able to do so over the foreseeable future. Given the Company's operations, financial position and outlook, the Directors have a reasonable expectation that the Company has adequate resources and is well placed to manage its risks successfully and continue in operational existence for at least 12 months from the date of this report. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements. The Directors have considered severe, but plausible downside scenarios and considered that the Company remains a going concern even under such scenarios.

Revenue

Revenue is derived from contracts with customers for the transfer of services, and is wholly generated in the United Kingdom. Revenue comprises commission, profit share commission and fees associated with the placement of insurance contracts and servicing them.

Commission and fees generated from insurance placements are recognised at a point in time, being the inception date of the cover. An estimate is made for the amount of commission and fees that may be clawed back as a result of policy cancellations or amendments in relation to performance obligations satisfied in the year. Where commission or fees are received in advance of the inception date of the cover, deferred income is recognised. Trade receivables are recognised on inception date if fees or commissions have not yet been received.

Where the Company places insurance and services the policies, the commission is allocated to the separate performance obligations. The amount of commission attributable to servicing the policies is calculated on a cost plus basis. It is initially recognised as deferred income and subsequently recognised in revenue when the servicing of the policies is complete. The element of the commission relating to insurance placement is recognised at the inception date of cover.

Profit share commission relates to the placement of insurance contracts. As the amount of profit share commission receivable is variable and contingent on factors outside of the Company's control, it is not recognised until the point at which there is certainty over the amount receivable and it is less likely to result in a significant reversal in the cumulative amount recognised at a future date.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES (continued)

Finance income

Interest received from the Company's premium finance facilities is recognised over the period of the underlying insurance policy.

Interest on deposits is recognised on a receivable basis.

Financial instruments

IFRS 9 requires the classification of certain financial assets and liabilities into separate categories for which the accounting requirements differ. The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition.

Equity investments which are held for trading are classified as FVTPL and measured at fair value where the fair value can be reliably measured. Where fair value cannot be reliably measured, the assets are held at cost less impairment. Any subsequent unrealised gains and losses arising from changes in fair value are recognised in profit or loss.

All other financial assets and financial liabilities are held at amortised cost, using the effective interest method (except for short-term receivables and payables when the recognition of interest would be immaterial).

Offset of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Operating profit

Operating profit is stated after charging depreciation on property, plant and equipment, amortisation and impairment of intangible assets but before finance income and finance costs.

Taxation

Income tax comprises current and deferred taxation. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items taken directly to equity, in which case it is recognised in equity.

Current tax is the expected tax (payable)/receivable on the taxable profit/(loss) for the period and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided in full, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws which have been enacted or substantively enacted at the year-end date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not discounted.

Foreign currency translation

The assets and liabilities denominated in foreign currencies are translated into the Company's functional currency using year end exchange rates and income and expenses using average exchange rates for the year.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised through profit and loss.

Investment in subsidiary

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to the accounting policy on goodwill on acquisition of subsidiaries.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Where the carrying amount of an item carried at historical cost less accumulated depreciation is greater than its estimate recoverable amount it is written down to its recoverable amount by way of an impairment charge to profit or loss.

Depreciation is calculated on the straight-line method to write down the cost of other assets to their residual values over their estimated useful lives as follows:

- Leasehold improvements: Lesser of over the life of the lease or 10 years;
- Furniture and equipment: 15% of cost;
- Computer equipment: 20% of cost;
- Motor vehicles: 27% of written down value;
- Right of use assets: over the life of the lease.

An assets residual value and useful economic life is reviewed at the end of each accounting period.

Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the identifiable assets and liabilities of the acquired business at the date of acquisition.

Goodwill is not amortised, but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. The Company has used the value in use method to determine the recoverable amount. Where an impairment is identified, it is charged to profit or loss in that year. An impairment loss for goodwill is not reversed in a subsequent period.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Other Intangible Assets

Other intangible assets consist of acquired customer relationships and trademarks, and are carried at cost of acquisition less accumulated amortisation after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life (9 years) of intangible assets acquired. The amortisation charge for the period is included in the statement of comprehensive income within administrative expenses. Intangible assets with indefinite useful life are not amortised but tested for impairment.

Insurance broking debtors and creditors

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and, as such, are not liable as principals for amounts arising from such transactions. In recognition of this relationship, debtors and creditors from insurance broking transactions are not included as an asset or liability of the Company.

However, where the Company provides premium finance facilities to its clients, amounts due from such clients are included as part of trade receivables in the Statement of Financial Position.

Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. As the payment period is short, future cash receipts are not discounted as the effect is not material.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, a probability-weighted estimate is calculated using historical write-offs. The analysis is performed on all debtors, ranging from those due and those overdue by more than 270 days. Loss allowances are deducted from the gross carrying amount of the trade and other receivables and are recognised in the statement of profit or loss.

The Directors consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term highly liquid deposits with original maturities of three months or less.

Trade payables

Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. As the payment period of trade payables is short, future cash payments are not discounted as the effect is not material.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation 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. Provisions are discounted using a rate which reflects the effect of the time value of money and the risks specific to the obligation, where the effect of discounting is material. Provisions balances represent dilapidations costs on leasehold properties and deferred payment provisions on business acquisitions.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Company. Each lease payment is deducted from the lease liability. Finance costs are charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Leased assets used by the company are office premises and equipment.

Lease liabilities include the net present value of:

- fixed payments less any lease incentives receivable;
- variable lease payments that are based on an index or rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of an option if the lessee is reasonably certain to exercise that option; and
- payments and penalties from terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising:

- the amount of the initial measurement of lease liability;
- any lease payment made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are presented within property, plant and equipment in the statement of financial position.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Employee benefits

The Company operates a defined contribution pension scheme where fixed contributions are payable. The company pays contributions to privately administered pension insurance plans on a contractual basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Share capital

Ordinary shares are classified as equity.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial information in accordance with generally accepted accounting practice, in the case of the Company being International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union, requires the Directors to make estimates, assumptions and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events. Actual results may differ from these estimates.

The critical judgements made by management in applying the Company's accounting policies as set out above, were:

- The Company tests whether goodwill has suffered any impairment on an annual basis. For the 2022 and 2021 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.
- In determining the lease term, consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Key sources of estimation were:

- When quantifying the values of acquired intangible assets, estimates are made of how long customer relationships will last. Based on previous experience and changes in economic conditions, customer relationship is estimated to last on average, 9 years. Profit margin assumptions and renewal retention rates are based on management accounts of the relevant CGUs. For investment in Lansdown Insurance Brokers and WRS Insurance Brokers, the headroom is significant and reasonable possible changes to the assumptions do not result in impairment.
- An estimate of the amount of profit commission receivable is recognised in revenue based on an assessment of the certainty and likelihood becoming eligible for profit share commission. Profit share estimates are based on earned commission and loss ratios which has significant sensitivity in calculating the estimate.

3. REVENUE

	2022 £	2021 £
Fees	735,590	621,620
Commission	<u>11,667,562</u>	<u>11,612,869</u>
	<u>12,403,152</u>	<u>12,234,489</u>

In the current year and prior year all of the Company's revenue was recognised in respect of performance obligations satisfied at a point in time. All revenues are from United Kingdom.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

4. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's annual accounts	74,365	37,500
Total audit fees	<u>74,365</u>	<u>37,500</u>

5. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Staff costs comprised:		
Wages and salaries	5,149,188	4,864,634
Social security costs	572,248	509,110
Other pension costs	246,876	225,631
	<u>5,968,312</u>	<u>5,599,375</u>

The average monthly number of employees, including directors, employed by the Company during the period was:

	2022	2021
Management	15	14
Office and administration	118	116
	<u>133</u>	<u>130</u>

6. DIRECTORS' EMOLUMENTS

The remuneration paid to Company Directors during the period was as follows:

	2022 £	2021 £
Emoluments including benefits in kind	613,685	800,340
Pension contributions	18,630	38,420
	<u>632,315</u>	<u>838,760</u>

No Directors were members of the Company's defined contribution pension scheme in the current or prior year.

The emoluments of the highest paid director were as follows:

	2022 £	2021 £
Emoluments including benefits in kind	<u>316,676</u>	<u>303,581</u>

7. FINANCE AND INVESTMENT INCOME

	2022 £	2021 £
Dividend income	234	250,203
Premium finance income	788,114	762,010
Bank interest	43,579	1,687
	<u>831,927</u>	<u>1,013,900</u>

Finance income is all in respect of financial assets not at fair value through the statement of comprehensive income.

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

8. INCOME TAX EXPENSE

	2022 £	2021 £
Current tax		
- current year	522,470	629,085
- prior year	-	1,527
Deferred tax		
- current year	32,360	(15,051)
- Impact of change in deferred tax rate	-	(16,526)
Total tax charge for period	554,830	599,035

Tax on the Company's profit before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

In 2019, the Company claimed group loss relief, setting off losses of a group company against its taxable profits. As no payments were made to Group for losses surrendered, corporation tax amount of £ 499,000 was credited to income tax expense in 2020. However, in 2022 it was noted that payment should be made for loss relief, arising in prior year adjustment for corporation tax charge. Balance Sheet at 31st December 2021 has been restated. Retained earnings and current tax liabilities lines in Statement of Financial Position have been affected.

	£	£
Profit before taxation	2,806,641	3,140,388
Tax calculated at the UK standard rate of 19% (2021: 19%)	533,262	596,674
<i>Factors affecting charge for the year</i>		
Non-deductible expenses	711	12,691
Non-qualifying depreciation	19,391	4,669
Impact of change in deferred tax rate	-	(16,526)
Difference in estimating the quantum of profits for tax provision	1,466	-
Adjustment to tax charge in respect to prior periods	-	1,527
Total tax charge	554,830	599,035

Current tax has been provided at 19% for the current year and prior year. A change in UK standard rate of corporation tax from 19% to 25% will become effective from 1 April 2023. Deferred tax has been provided at an average rate of 24% (2021:24%)

9. OPERATING PROFIT

Operating profit for the year has been arrived at after charging the following:

	2022 £	2021 £
Foreign exchange losses	377	2,239
Depreciation of owned property, plant and equipment	341,786	322,193
Amortisation of intangible assets	207,036	207,036
(Profit)/Loss on sale of tangible assets	7,766	304
Impairment of goodwill	-	26,996
Employee benefits expense	5,968,312	5,599,375
Operating lease rentals - land and buildings	194,000	186,000
Operating lease rentals - others	12,415	14,229
Other expenses	3,733,216	3,530,353

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Computer equipment £	Furniture & equipment £	Motor vehicles £	Right-of-use assets £	Total £
Cost/valuation						
At 1 January 2021	245,829	478,605	246,418	92,865	1,801,804	2,865,521
Additions	-	75,598	2,759	33,845	67,623	179,825
Disposals	-	(86,994)	(42,111)	(31,000)	-	(160,105)
At 31 December 2021	245,829	467,209	207,066	95,710	1,869,427	2,885,241
Additions	-	90,647	28,740	44,678	82,380	246,445
Disposals	-	-	-	(61,865)	-	(61,865)
At 31 December 2022	245,829	557,856	235,806	78,523	1,951,807	3,069,821
Accumulated Depreciation						
At 1 January 2021	111,363	271,811	178,808	67,850	316,516	946,348
Disposals	-	(86,994)	(42,111)	(22,196)	-	(151,301)
Charge for the period	24,576	93,439	27,719	13,515	162,944	322,193
At 31 December 2021	135,939	278,256	164,416	59,169	479,460	1,117,240
Disposals	-	-	-	(50,031)	-	(50,031)
Charge for the period	24,576	98,886	23,257	18,734	176,333	341,786
At 31 December 2022	160,515	377,142	187,673	27,872	655,793	1,408,995
Net book value as at 31 December 2022	85,314	180,714	48,133	50,651	1,296,014	1,660,826
Net book value as at 31 December 2021	109,890	188,953	42,650	36,541	1,389,967	1,768,001

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

11. GOODWILL AND OTHER INTANGIBLE ASSETS

	Customer relationships	Trademark	Goodwill	Total
	£	£	£	£
Cost				
At 1 January 2021	1,715,335	156,000	5,806,287	7,677,622
Additions	-	-	-	-
At 31 December 2021	1,715,335	156,000	5,806,287	7,677,622
Additions	-	-	-	-
At 31 December 2022	1,715,335	156,000	5,806,287	7,677,622
Accumulated amortisation and impairment losses				
At 1 January 2021	859,035	86,158	469,471	1,414,664
Impairment charge	-	-	26,996	26,996
Amortisation charge for year	189,704	17,332	-	207,036
At 31 December 2021	1,048,739	103,490	496,467	1,648,696
Impairment charge	-	-	-	-
Amortisation charge for year	189,704	17,332	-	207,036
At 31 December 2022	1,238,443	120,822	496,467	1,855,732
Net book value as at 31 December 2022	476,892	35,178	5,309,820	5,821,890
Net book value as at 31 December 2021	666,596	52,510	5,309,820	6,028,926

Goodwill is tested annually for impairment using the value in use method.

Customer relationships intangible assets have an overall remaining useful life of 3 (2021:4) years on a weighted average basis.

Goodwill relates to acquisitions made in prior years, which are each defined as individual cash generating units. Lansdown Insurance Broker being a book of business purchased in 2014, for which the identified goodwill is £4,391,714. WRS Insurance Brokers (purchased in 2020 as a subsidiary), where the trade and net assets were transferred to the Company alongside the reallocated goodwill of £918,106.

12. DEFERRED TAX ASSETS

	Accelerated depreciation	Provisions	Total
	£	£	£
At 1 January 2021	52,333	9,120	61,453
Credited to statement of comprehensive income	28,347	3,230	31,577
At 31 December 2021	80,680	12,350	93,030
Debited to statement of comprehensive income	(22,360)	(10,000)	(32,360)
At 31 December 2022	58,320	2,350	60,670

The deferred tax asset has been recognised in respect of accelerated depreciation charge which will reverse in future years and also in respect of pensions contributions and dilapidation provisions made in the accounts which will be allowed as tax deductible against future profits

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

13. EQUITY SECURITIES

	2022 £	2021 £
Fair value through profit or loss		
Equity securities	<u>1,168</u>	<u>1,168</u>
	<u>1,168</u>	<u>1,168</u>

Equity securities are unlisted and measured at fair value estimated by reference to recent comparable transactions in those shares, when available. Shares with no such comparable transactions are measured at cost less impairment.

The fair value of the financial assets has been measured by reference to Share mark. This is a Level 2 fair value hierarchy as the inputs are observable for those assets, either directly (that is, as prices) or indirectly (that is derived from prices).

14. TRADE AND OTHER RECEIVABLES

	2022 £	Restated 2021 £
Trade receivables	8,764,621	8,090,271
Expected credit loss	<u>(18,604)</u>	<u>(13,567)</u>
	8,746,017	8,076,704
Other receivables and prepayments	236,198	853,088
	<u>8,982,215</u>	<u>8,929,792</u>

The Directors consider that the carrying value of trade and other receivables is a reasonable approximation of fair value.

The loss allowance at the balance sheet date was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
2022					
Expected loss rate	0.03%	0.70%	1.02%	14%	0.21%
Gross carrying amount of trade receivables (£)	8,046,370	460,053	179,432	78,766	8,764,621
Loss allowance (£)	2,414	3,220	1,830	11,140	18,604
2021					
Expected loss rate	0.05%	0.92%	0.43%	8%	0.17%
Gross carrying amount of trade receivables (£)	7,474,893	387,298	151,294	76,786	8,090,271
Loss allowance (£)	3,419	3,563	651	5,934	13,567

The closing loss allowance for trade receivables as at the balance sheet date reconciles to the opening loss allowance as follows:

	2022 £	2021 £
Opening loss allowance as at 1 January	13,567	15,576
Receivables written off during the year as uncollectible	-	(7,547)
Remeasurement of loss allowance	5,037	5,538
Balance at 31 December	<u>18,604</u>	<u>13,567</u>

Unearned premium finance interest of £ 351,762 in 2021 (2020: £343,292) was previously disclosed as trade receivables and equivalent amount also disclosed as deferred income in trade and other payables in the Financial Statements. This basis of disclosure is incorrect and 2021 Financial Position item of trade receivable and payable restated. Also in prior years, premiums received in current year for policies incepting in the following year have been netted off against trade and other debtors. This disclosure is incorrect and such amounts are now shown in trade and other payables. 2021 Financial Position has been restated by adjustment of £1,171,267 (2020:£859,717).

SEIB INSURANCE BROKERS LIMITED

Notes to the Financial Statements

15. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	6,410,154	7,367,210
Short-term bank deposits	2,432,022	2,424,448
	<u>8,842,176</u>	<u>9,791,658</u>

Included within cash and cash equivalents are cash deposits of £4,926,186 (2021: £4,604,000) which is restricted cash held on an agency basis. Equivalent amounts payable are included in trade payables.

16. SHARE CAPITAL

	2022 £	2021 £
Issued, allotted and fully paid: 250 (2021:250) Ordinary shares of £1	<u>250</u>	<u>250</u>

The Company has one class of ordinary shares which carries no right to fixed income.

17. DIVIDENDS

	2022 £	2021 £
Dividends paid on equity capital		
Final dividend for the year ended 31 December 2022 of £Nil (2021 - £Nil) per fully paid share	-	-
Interim dividend for the year ended 31 December 2022 of £18,000 (2021 - £10,000) per fully paid share	<u>4,500,000</u>	<u>2,500,000</u>
	<u>4,500,000</u>	<u>2,500,000</u>

18. TRADE AND OTHER PAYABLES

	2022 £	Restated 2021 £
Trade payables	8,001,744	7,243,140
Taxation and social security	180,484	-
Balances due to Group Companies	-	14,163
Accruals	539,617	505,398
Deferred income	150,000	150,000
	<u>8,871,845</u>	<u>7,912,701</u>

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

19. PROVISIONS

	Dilapidations provision £
At 1 January 2022	230,739
Additional provision in the year	32,312
Used during the year	-
At 31 December 2022	<u>263,051</u>
Non Current	<u>263,051</u>

A dilapidations provision is held in respect of leases on properties expiring in 2028 and 2029 to recognise cost of restoring the properties to their original conditions as required by the respective lease contracts.

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Notes to the Financial Statements

20 RETIREMENT BENEFIT SCHEMES

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. The pension cost for the period represents contributions made by the Company to the fund and amounted to £246,876 (2021: £225,631).

21. LEASE OBLIGATIONS

The Company has lease contracts for various items of property and other equipment used in its operations. Leases of property generally have terms between 10 and 15 years and other equipment generally have lease terms between 3 and 6 years. Lease terms are negotiated on an individual basis and contain different terms and conditions, but do not impose any covenants other than security interests. The Company's obligations under its leases are secured by the lessor's title to the leased assets, and leased assets may not be used as security for borrowing purposes.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

	Land and buildings £	Other equipment £	Total £
At 1 January 2022	1,360,754	29,213	1,389,967
Additions	82,380	-	82,380
Depreciation charge for year	(164,884)	(11,449)	(176,333)
At 31 December 2022	1,278,250	17,764	1,296,014
At 1 January 2021	1,443,026	42,262	1,485,288
Additions	67,623	-	67,623
Depreciation charge for year	(149,895)	(13,049)	(162,944)
At 31 December 2021	1,360,754	29,213	1,389,967

Set out below are the carrying amounts of lease obligations:

	2022 £	2021 £
Current	272,332	268,332
Non-current	942,298	1,030,476
	<u>1,214,630</u>	<u>1,298,808</u>

Profit for the year has been arrived at after charging the following amounts in respect of lease contracts:

	2022 £	2021 £
Depreciation expense of right of use assets	176,333	162,944
Interest expense on lease liabilities	72,168	76,736
	<u>248,501</u>	<u>239,680</u>

During the year the company had total cash outflows for leases of £206,415 (2021: £200,229).

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

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Notes to the Financial Statements

22. RELATED PARTY TRANSACTIONS

During the year the Company entered into the following transactions with related parties.

Amounts outstanding are unsecured, are not subject to guarantees, and will be settled in cash

During the year the Company rented premises with an annual rental of £100,000 (2021: £100,000) from South Essex Insurance Pension Fund. Mr B Fehler, a Director of the Company is a Trustee and beneficiary of the Pension Fund. The rental was agreed through an independent review in 2018.

During the year, the Company placed business with Ecclesiastical Insurance Office plc (Parent Company of South Essex Insurance Holdings Limited up until 30 December 2022), on normal commercial terms and earned commission and profit share of £2,095,328 (2021: £1,959,814). During the year, the Company paid £58,359 to Ecclesiastical Insurance Office plc by way of recharges of expenses (2021: £56,693) and £125,180 in respect of tax payments on account (2021: £Nil).

Key management compensation

Details of remuneration of the Directors, who are the key management personnel of the Company, consisted of short-term employee benefits and post-employment benefits. An analysis of the Director's remuneration is included in note 6

23. CONTROLLING PARTIES

SEIB Insurance Brokers Limited is a wholly owned subsidiary of South Essex Insurance Holdings Limited.

The parent company of the smallest group for which group financial statements are drawn up is Lloyd & Whyte Group Limited. Matthew Mervyn Pyke is the ultimate controlling party, by virtue of his majority shareholding in the ultimate holding company.

All companies are incorporated and operate in the United Kingdom. The address of Lloyd & Whyte Group Limited is at Affinity House, Bindon Road, Taunton, TA2 6AA.