

Specialist Broking Retail Limited

(formerly known as Business Choice Direct Insurance Services Limited)

Annual Report and Financial Statements

Year Ended 31 December 2022

Registration number: 10301653

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Specialist Broking Retail Limited
(formerly known as Business Choice Direct Insurance Services
Limited)

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Specialist Broking Retail Limited
(formerly known as Business Choice Direct Insurance Services Limited)

Balance Sheet

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	106,535	113,994
Tangible assets	5	46,317	57,897
Investments	6	-	4,346,094
		<u>152,852</u>	<u>4,517,985</u>
Current assets			
Debtors	7	2,694,449	1,562,286
Cash at bank and in hand		984,881	1,736,608
		<u>3,679,330</u>	<u>3,298,894</u>
Creditors: Amounts falling due within one year	8	<u>(2,211,060)</u>	<u>(6,350,177)</u>
Net current assets/(liabilities)		<u>1,468,270</u>	<u>(3,051,283)</u>
Total assets less current liabilities		1,621,122	1,466,702
Provisions for liabilities		<u>(38,200)</u>	<u>(41,662)</u>
Net assets		<u>1,582,922</u>	<u>1,425,040</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>1,582,822</u>	<u>1,424,940</u>
Shareholders' funds		<u>1,582,922</u>	<u>1,425,040</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 30/06/23 and signed on its behalf by:


M M Pyke
Director

Company Registration Number: 10301653

Specialist Broking Retail Limited (formerly known as Business Choice Direct Insurance Services Limited)

Notes to the Financial Statements

Year Ended 31 December 2022

1 General information

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

The address of its registered office is:

Affinity House
Bindon Road
Taunton
Somerset
TA2 6AA

The principal place of business is:

1st Floor Stoneham Gate
Stoneham Lane
Eastleigh
Hampshire
SO50 9NW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

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

Group accounts not prepared

The financial statements contain information about Business Choice Direct Insurance Services Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent company, Lloyd & Whyte Group Limited, a company incorporated in England & Wales.

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Notes to the Financial Statements

Year Ended 31 December 2022

Key judgements and sources of estimation uncertainty

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

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

The key judgement in respect of the financial statements is going concern. In forming this opinion, and in particular, the directors have considered the profitable performance of the company and the wider Lloyd & Whyte group both during the year and subsequent to the year end, and the forecasted financial performance.

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

The carrying value of investments in subsidiaries in the company requires estimation. The investment in subsidiary is measured at cost less any accumulated impairments, which is based on the performance of the investment. The directors best estimate of the amount is included in the company balance sheet. The carrying value of the investment in subsidiaries is £nil (2021 - £4,346,094).

Revenue recognition

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

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

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

Specialist Broking Retail Limited **(formerly known as Business Choice Direct Insurance Services Limited)**

Notes to the Financial Statements

Year Ended 31 December 2022

Intangible assets

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

Amortisation

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

Asset class	Amortisation method and rate
Software	20% reducing balance

Tangible assets

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

Depreciation

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

Asset class	Depreciation method and rate
Computer equipment	20% reducing balance

Business combinations

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

Investments

Investments in equity shares are measured at cost less impairment.

Leases

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

Defined contribution pension obligation

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

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Notes to the Financial Statements

Year Ended 31 December 2022

Insurance broking assets and liabilities

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

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

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intercompany debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

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

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2021 - 80).

From 1 April 2022 staff were employed through another group company.

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Notes to the Financial Statements

Year Ended 31 December 2022

4 Intangible assets

	Goodwill £	Software £	Total £
Cost or valuation			
At 1 January 2022	700,000	152,461	852,461
Additions	-	15,600	15,600
At 31 December 2022	700,000	168,061	868,061
Amortisation			
At 1 January 2022	700,000	38,467	738,467
Amortisation charge	-	23,059	23,059
At 31 December 2022	700,000	61,526	761,526
Carrying amount			
At 31 December 2022	-	106,535	106,535
At 31 December 2021	-	113,994	113,994

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2022	74,882	74,882
At 31 December 2022	74,882	74,882
Depreciation		
At 1 January 2022	16,985	16,985
Charge for the year	11,580	11,580
At 31 December 2022	28,565	28,565
Carrying amount		
At 31 December 2022	46,317	46,317
At 31 December 2021	57,897	57,897

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Notes to the Financial Statements

Year Ended 31 December 2022

6 Investments

	2022	2021
	£	£
Investments in subsidiaries	<u>-</u>	<u>4,346,094</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2022		4,346,094
Disposals		<u>(4,346,094)</u>
At 31 December 2022		<u>-</u>
Carrying amount		
At 31 December 2022		<u>-</u>
At 31 December 2021		<u>4,346,094</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Direct Corporate Risks Limited	Affinity House, Bindon Road, Taunton, Somerset, TA2 6AA	Ordinary	0%	100%

Subsidiary undertakings

Direct Corporate Risks Limited

The principal activity of Direct Corporate Risks Limited is provision of insurance broking services. The subsidiary company was sold to the group parent, Lloyd & Whyte Group Limited, during the year for its book value.

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Notes to the Financial Statements

Year Ended 31 December 2022

7 Debtors

	2022	2021
	£	£
Trade debtors	1,039,487	1,032,497
Amounts owed by group undertakings	1,100,760	100,000
Prepayments and accrued income	554,202	429,789
	<u>2,694,449</u>	<u>1,562,286</u>

8 Creditors

	2022	2021
	£	£
Due within one year		
Trade creditors	1,840,514	2,037,538
Amounts owed to group undertakings	-	3,874,543
Social security and other taxes	-	56,971
Corporation tax	216,607	196,890
Accruals and deferred income	153,939	184,235
	<u>2,211,060</u>	<u>6,350,177</u>

9 Insurance broking assets and liabilities

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

Included in debtors are £1,039,487 (2021 - £1,302,498) relating to insurance ledger debtors. Included in cash at bank is £984,220 (2021 - £1,513,399) in respect of client money held. Included in trade creditors is £1,765,253 (2021 - £1,990,439) owing to insurance companies and agents.

10 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet is £610,006 (2021 - £603,145). The financial commitments included in the balance sheet relate to operating leases in respect of property.

The total amount of guarantees not included in the balance sheet is £79,372,166 (2021 - £24,684,190). The guarantee relates to the company's assets, along with the assets of the rest of the group companies, being subject to a fixed and floating charge in respect of a loan facility entered into by its parent company.

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Notes to the Financial Statements

Year Ended 31 December 2022

11 Non adjusting events after the financial period

A dividend of £800,000 has been declared by the company after the balance sheet date. This is not provided in the year end balance sheet.

In addition, on 1 June 2023 the company acquired the trade and assets of fellow subsidiary, Direct Corporate Risks Limited, for the book value of £644,067.

12 Parent undertaking

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

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

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

13 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Nicholas Farrant BA MSc FCA, who signed for and on behalf of PKF Francis Clark on 3 July 2023.