Bspoke Lifestyle Ltd

Annual Report and Financial Statements

for the year ended 30 March 2023

Company Registration No. 11429456

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Officers and Advisers

Directors	Mr T J Smyth	
	Mr A R Baragwanath	
	Mr P R Searle	
	Mr J Purvis	
	Mrs K A Stacey	
	Mr C T Brannigan	(Appointed 12 July 2022) (Resigned 18 November 2022)
	Ms R A Pritchard	(Resigned 12 July 2022)
	Mr C R Hunter	(Appointed 23 January 2024)

Secretary Ms T O'Shea

Principal bankers
Santander UK Corporate Bank
58/60 Briggate
Leeds
LS1 6AS

Independent auditors
Crowe U.K. LLP
Chartered Accountants and Statutory Auditors
3rd Floor
The Lexicon
Mount Street
Manchester
M2 5NT

Tax advisors
RJP LLP Chartered Certified Accountants & Chartered Tax Advisors
Ground Floor
Egerton House
68 Baker Street
Weybridge
Surrey
KT13 8AL

Registered office
7 Pullman Court
Great Western Road
Gloucester
GL1 3ND

Company Registration number 11429456

Strategic Report for the year ended 30 March 2023

Principal activities
The Company's principal activities are that of an insurance underwriting agent.

Review of the business
The results as set on page 13 show a turnover of £3,326,129 (2022: £2,683,571) and operating profit of £278,627 (2022: loss of £367,976). The shareholders' funds of the Company show a surplus of £707,233 (2022: £653,703).

In the year ending March 23, the leisure industry showed clear signs of 'returning to normal' following the pandemic, turnover increased benefitting from the return of industry events, exhibitions and conferences. Face to face park owner contact fully resumed and staff office presence increased, although a degree of hybrid working remains, there are no issues with productivity or service.

Future outlook
A further increase in turnover is expected in the next 12 months, not only due to organic growth and strong park relationships, but also trading with insurance brokers, this is elevated by the accreditation of BIBA as a scheme provider in park insurance.

Going Concern
The Directors have assessed the appropriateness of the going concern basis of preparation, including review and appraisal of future prospects of the Company, working capital facilities available to the Company, consideration of assets at its disposal and its ability to settle future liabilities as they arise.

The Directors have modelled cashflows over the next 12 months based on a number of potential scenarios and performed sensitivity analysis on the projections. Following this analysis the Directors consider that it is appropriate for the accounts to be prepared on a going concern basis of accounting.

Principal risks and uncertainties
The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by Directors delegated with the appropriate responsibilities. Compliance with regulation, legal and ethical standards is a high priority for the Company.

The senior management team holds regular review meetings to review and report back to the Board on all risk related issues.

Principal risks arising from the competitive market place are:

- continued downward pressure on underwriting margins and a fluctuating interest rate environment;
- entrance of significant competitors in our core markets;
- current risk carriers terminate or significantly reduce capacity
- changes to the regulatory environment.

Strategic Report for the year ended 30 March 2023 (continued)

Financial Risk Management

Credit risk
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are amounts due from insurers and insurance intermediaries.

The Company manages the levels of credit risk it accepts and such risks are subject to regular review. Each account is closely monitored by the credit control function.

Operational risk
Operational risk is the risk of loss due to inadequate or failed internal processes, people, systems or from external events.

The Company manages operational risk by having suitable processes and systems in place. Our risk management function looks to capture risk information in a robust and consistent manner.

Regulatory and Conduct Risk
In the ordinary course of business, these risks could lead to reputational damage, regulatory or legal censure, fines or prosecutions and other types of non-budgeted operational risk losses associated with our conduct and activities.

Regulatory Risk
We have no appetite for material and firm level risks resulting in reputational damage, regulatory or legal censure, fines or prosecutions and other types of non-budgeted operational risk losses associated with Bspoke Lifestyle Ltd's activities. We maintain a robust and appropriate internal control environment. On a monthly basis the emerging regulatory landscape including the Financial Conduct Authority ("FCA") and equivalent bodies' publications are reviewed and analysed. The business impact is summarised and shared with the senior team and where appropriate plans are drafted to drive the change required within legislation deadlines.

Conduct Risk
Conduct risk has been defined as risks arising from Bspoke Lifestyle Ltd's conduct in direct relationships with commercial customers, or indirect relationship with customers via brokers or claims suppliers. This also includes claims suppliers and broker schemes with delegated authority.

Our code of conduct is "We will always aim to treat people with honesty and integrity, putting the interests of our customers first".

On a regular basis the following reports are considered and challenged from a customer perspective;
- Complaints analysis is reported at the end of the previous month.
- The Conduct Risk Dashboard is updated quarterly and reports on a number of agreed conduct risk areas.
- The Conduct Risk Framework is RAG rated on a monthly basis by the senior management team.

Strategic Report for the year ended 30 March 2023 (continued)

Financial Risk

Financial risk includes liquidity risk, interest rate risk and currency risk.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The primary liquidity risk of the Company is the obligation to pay insurers. All insurance related monies are held in designated insurance money accounts for the sole benefit of the relevant insurers.

Regular forecasts are performed to ensure that the Company maintains an appropriate level of liquidity.

Interest rate risk

Interest rate risk arises primarily from borrowing from group companies. The Company seeks to mitigate the risk by monitoring the materiality of this source of income and regularly reviewing the impact of changes in exchange rate.

Cyber Risk

The risks and opportunities which digital technologies, devices and media bring us are manifest. Cyber risk is never a matter purely for the IT team, although they clearly play a vital role. An organisation's risk management function needs a thorough understanding of the constantly evolving risks as well as the practical tools and techniques available to address them.

Capital Management

The Company maintains an efficient capital structure from a combination of equity shareholders' funds and borrowings, consistent with the Company's risk profile and the regulatory and market requirements of the business.

Bspoke Lifestyle Ltd is regulated by the Financial Conduct Authority and subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held. This capital is held in a ring-fenced account and cannot be used for normal business activities. The capital resources must exceed the capital requirement of 2.5% annual income, which is monitored on a monthly basis.

Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a Company to act in the way they consider would most likely promote the success of the Company for the benefit of its members as a whole. This includes, among other matters, the interests of the Company employees, likely consequences of any decisions in the long term, desirability of the Company for maintaining a reputation of high standards of business conduct, and the need to foster the Company's business relationships with suppliers, customers, and others.

Engagement with Employees

The Board recognise that employees are the key stakeholders within the business, and that they are integral to the success of the business. The Board acknowledge that, without the staff being as dedicated as they are, the business would not be able to provide customers with the exceptional, customer-focused service it currently provides. Engaging with staff is essential in aiding employees to feel involved in the business.

Strategic Report for the year ended 30 March 2023 (continued)

Section 172 statement (continued)

During the year, the Managing Director has addressed the entire business on a number of occasions and has created an environment in which our people can make a positive contribution and develop their careers to reach their full potential. Please refer to page 7 for additional information on employees.

Long Term Decision Making
The Board believes that all decisions made will be beneficial to the company, and the stakeholders, in the long term. All relevant stakeholder interests are considered when making decisions. To date, this has proven to be successful.

Engagement with Other Stakeholders
It is the director's duty to act with the best interest of the shareholders and combine their interests with the requirements of a responsible employer, and entity:

- The Directors regularly engage with the Company's parent through regular reporting, board meetings, and collaborating on strategic projects.
- The Board recognise the importance of loyal customers. The business is dedicated to providing its customers with a positive experience when dealing with the Group in order to both retain and attract new customers. The business aims to continue enhancing its customer experience journey and providing products to its customers from all entities within the Group,
  as well as protecting customer interests ensuring regulatory compliance and high standards of professional conduct.
- Bspoke Lifestyle Ltd is regulated by the Financial Conduct Authority, and it is the Board's desire that the business interacts with the regulators in an open and cooperative way. Regular Risk & Compliance Board Committee meetings are held, as well as distribution of regulatory horizon scanning and compliance bulletins periodically.
- The Managing Director interacts frequently with the capacity partners. The business provides regular reports and data to the insurers on business performance, alongside monthly premium and claim bordereaux. The business aims to protect the reputation of its insurers and be an ambassador of the product and service they provide.

Key performance indicators
Financial key performance indicators include turnover (2023: £3,326,129, 2022: £2,683,571) and operating profit before exceptional items (2023: £278,627 2022: loss of £367,976). Non-financial key performance indicators are focused on customer outcomes, conduct risk and operational effectiveness. These are monitored on a regular basis by management and form part of the monthly reporting cycle.

The financial statements were approved by the Board of Directors on 23rd February 2024 and signed on its behalf by:

....

Mr T Smyth
Director
Date: 23rd February 2024

Directors' Report for the year ended 30 March 2023

The Directors present their report and the audited financial statements for the year ended 30 March 2023.

Dividends

During the year no dividends were paid. Directors do not recommend payment of a final dividend for the year ended 30 March 2023.

Charitable and political donations

During the year the Company made charitable donations of £nil (2022 £nil)

Directors

Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Mr T Smyth	
Mr A R Baragwanath	
Mr P R Searle	
Ms R A Pritchard	(Resigned 12 July 2022)
Mr J Purvis	
Mrs K A Stacey	
Mr C T Brannigan	(Appointed 12 July 2022, Resigned 18 November 2022)
Mr C R Hunter	(Appointed 23 January 2024)

Qualifying third-party indemnity provisions

The Directors are protected by an indemnity insurance provision as defined by Section 234 of the Companies Act 2006. The indemnity cover has been in place for the last and current financial year. The cover is still in place at the date of signing this report.

Employees

The Company's employees represent a wide variety of skills and abilities. The Directors endeavour to provide training, safe and pleasant working conditions, good communication and teamwork, and a sense of pride and purpose that enables each individual to flourish. Recruitment and promotion is undertaken without prejudice to age, sex or race and, in particular, the Company recognises the contribution which can be made by disabled employees and gives them consideration for employment equal to that of the able-bodied, taking account of job requirements and the practical accommodations which can be made.

Independent auditors

The Company has elected to dispense with the requirement to hold an Annual General Meeting and reappoint auditors annually. Accordingly, Crowe U.K. LLP, having indicated their willingness to do so, will continue as the Company's auditors.

Directors' Report for the year ended 30 March 2023 (continued)

Statement of Directors' responsibilities in respect of the financial statements

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 United Kingdom Accounting Standards, comprising FRS 102 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 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.

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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

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

The financial statements on pages 13 to 26 were approved by the Board and signed on its behalf by:

....

Mr T Smyth
Director
Date: 23rd February 2024

Independent auditors' report to the members of Bspoke Lifestyle Ltd

Opinion

We have audited the financial statements of Bspoke Lifestyle Limited for the year ended 30 March 2023 which comprise the profit and loss account; the balance sheet as at 30 March 2023; and the statement of changes in equity for the period then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 March 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Independent auditors' report to the members of Bspoke Lifestyle Ltd (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the Directors' report for the financial period 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 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 by the Company, 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 exemption 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 8], the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of Bspoke Lifestyle Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)
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 legal and regulatory frameworks that are applicable to the Company and determined the most significant are the appropriate accounting standards in conformity with the requirements of the Companies Act 2006 and the Financial Services legislation.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience, through discussion with the Directors, and from inspection of the Company's board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Group Head of Finance.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered the potential for management to manage earnings and influence the perceptions of the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the timing of recognition of income.
Audit procedures performed by the engagement team included:

- Evaluation of the design of controls established to address the risks related to material irregularities in the financial statements; Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to non-routine transactions.
- Evaluation of income recognition policies and any judgements made around income recognition; reviewing the income system for significant deficiencies or susceptibility to fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Making enquiries of management;
- Review of minutes of board meetings throughout the period;

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Independent auditors' report to the members of Bspoke Lifestyle Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)
Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 auditor's report.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jayson
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 23 February 2024

Profit and Loss Account
for the year ended 30 March 2023

	Note	Year ended 30 March 2023 £	Year ended 30 March 2022 £
Turnover	5	**3,326,129**	2,683,571
Administrative expenses		**(3,047,502)**	(3,051,547)
Operating profit/(loss) before exceptional items		**278,627**	(367,976)
Exceptional Items	6	**(190,295)**	-
Operating profit/(loss)	7	**88,332**	(367,976)
Interest receivable and similar income	9	**-**	5,486
Interest payable and similar expenses	10	**(12,598)**	(18,846)
Profit/(loss) before taxation		**75,734**	(381,337)
Tax charge on profit/ (loss)	11	**(22,204)**	(21,140)
Profit/(loss) for the financial year		**53,530**	(402,477)

The notes to the financial statements on pages 16 to 26 form an integral part of these financial statements.

All activities derive from continuing operations and there were no gains or losses other than those reflected above and therefore no separate statement of the comprehensive income has been presented.

Statement of Financial Position
as at 30 March 2023

	Note	As at 30 March 2023 £	As at 30 March 2022 £
Fixed assets			
Intangible assets	12	**293,485**	543,642
Tangible assets	13	**24,604**	47,102
		318,089	590,745
Current assets			
Debtors	14	**1,201,050**	886,193
Cash at bank and in hand	15	**83,626**	63,161
		1,284,676	949,354
Creditors: amounts falling due within one year	16	**(859,038)**	(713,466)
Net current assets		**425,638**	235,888
Total assets less current liabilities		**743,727**	826,633
Creditors: amounts falling due after more than one year	17	**(36,494)**	(172,930)
Net assets		**707,233**	653,703
Capital and reserves			
Called up share capital	18	**1,327,600**	1,327,600
Accumulated Losses		**(620,367)**	(673,897)
Total shareholders' funds		**707,233**	653,703

The notes on pages 16 to 26 form an integral part of these financial statements.

The financial statements on pages 13 to 26 were authorised for issue by the Board of Directors on 23rd February 2024 and were signed on its behalf by;

....
Mr T Smyth
Director

Bspoke Lifestyle Ltd
Company registration number: 11429456

Statement of Changes in Equity
for the year ended 30 March 2023

	Called up share capital £	Accumulated Losses £	Total Shareholders' Funds £
Balance as at 31 March 2021	**1,327,600**	**(271,420)**	**1,056,180**
Loss for the financial year	-	(402,477)	(402,477)
Balance as at 30 March 2022	**1,327,600**	**(673,897)**	653,703
Balance as at 31 March 2022	1,327,600	(673,897)	653,703
Profit for the financial year	-	53,530	53,530
Balance as at 30 March 2023	**1,327,600**	**(620,367)**	**707,233**

The notes on pages 16 to 26 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 30 March 2023

1. General information
Bspoke Lifestyle Ltd (the 'Company') is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is 7 Pullman Court, Great Western Road, Gloucester, England, GL1 3ND.

On the 24th of October 2022, Bspoke Lifestyle Ltd and its parent were sold to Bspoke Insurance Group Ltd (formerly known as Pangaea Group Holdings Limited) on a going concern basis.

2. Statement of compliance
The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies
These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern
The Directors have assessed the appropriateness of the going concern basis of preparation, including review and appraisal of future prospects of the Company, working capital facilities available to the Company, consideration of assets at its disposal and its ability to settle future liabilities as they arise.

The Directors have modelled cashflows over the next 12 months based on a number of potential scenarios and performed sensitivity analysis on the projections. Following this analysis the Directors consider that it is appropriate for the accounts to be prepared on a going concern basis of accounting.

Exemptions for qualifying entities under FRS 102
Bspoke Lifestyle Ltd's accounts are consolidated into Bspoke Insurance Group's financial statements (being the parent company of the Group). Those consolidated accounts can be obtained from 4th Floor, 24 Old Bond Street, Mayfair, London W1S 4AW. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, required under FRS 102 paragraph 3.17(d) on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company Bspoke Insurance Group Ltd, includes the Company's cash flows.

(ii) from disclosing related party transactions with entities that are part of the Bspoke Insurance Group Ltd, under FRS 102 paragraph 33.1(a).

Notes to the Financial Statements for the year ended 30 March 2022

3. Accounting policies (continued)

Turnover
The Company generates revenue principally from commissions and fees associated with operating as an insurance underwriting agent. Revenues from brokerage, commissions and fees from insurance intermediary businesses are recognised when the policy is incepted. Any amendments to policies are recognised on the transactions date, whether resulting from additional premiums, cancellation, or return premium.

Depreciation & amortisation
Fixed assets both tangible and intangible are written off on a straight-line basis over their estimated useful lives being 4 years or for leasehold Improvements; period of the lease.

Intangible Assets
Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. Amortisation is calculated, using a straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

Where factors such as technological advancement or changes in market price indicate that residual value or useful life have changed, the residual value, useful life or amortization rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying value may be impaired.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible Assets
Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment costs. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and capitalised borrowing costs.

Operating Leases
Rentals payable under operating leases, which are those in which a significant proportion of the risks and rewards of ownership are retained by the lessor, are charged on a straight-line basis over the term of the lease.

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the balance sheet and are depreciated over the shorter of their useful lives and the lease term. The capital elements of the related lease obligations are included in the liabilities. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

3. Accounting policies (continued)

Taxation

Taxation for the year comprises current and deferred tax recognized in the reporting period. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

(ii) Deferred tax

Deferred tax is recognized on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognized when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Employee benefits

The Company provides a range of benefits to employees, including a defined contribution pension plan, health insurance and long service award.

Short term benefits, including long service award are recognized as an expense in the period in which the service is received.

The Company operates non-contributory defined contribution grouped personal pension plans covering the majority of permanent employees. The assets of the plans are held separately from those of the group in independently administered funds for individual members of staff. The plans are funded by contributions that are charged to the profit and loss account as incurred in accordance with the employment contract of each director or employee.

Provisions

Provisions are recognised when Bspoke Lifestyle Ltd has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Insurance Balances

Insurance balances, being amounts receivable from policyholders in respect of net written premiums ("NWP") and payable to the insurer and insurance monies held in designated insurance money accounts are only recognised to the extent that the Company retains the risks and rewards of ownership. Following consideration by management, amounts receivable from the policy holder in respect of net written premiums ('NWP') and payable to the insurer are not included as an asset or liability as they do not meet the criteria for recognition of a financial asset or liability. In addition, insurance monies held in designated insurance money accounts are not recognised on the balance sheet as the Group is not legally entitled to these funds.

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

3. Accounting policies (continued)

Financial instruments

The Company has chosen to adopt section 11 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised costs, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, this is when the contractual obligation is discharged, cancelled or expires.

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

4. Critical accounting judgements and estimation uncertainty

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.

Impairment of Intangibles
The Company conducts impairment reviews annually where there are indicators of impairment in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. There were no indicators of impairment to Intangibles during the year.

5. Turnover

All turnover and profit/loss before taxation is derived from the Company's principal activities of an underwriting agency within the United Kingdom.

6. Exceptional Items

	2023	2022
	£	£
One off costs/ (credits)	**190,295**	-
	190,295	-

One-off (credits) / charges that have a material impact on the financial results are classified as exceptional items. One off charges in the year relate to legacy reconciliations completed on insurance transactions.

7. Operating profit/(loss)

Operating profit/ (loss) is stated after charging:

	Year ended 30 March 2023	Year ended 30 March 2022
	£	£
Depreciation of owned tangible fixed assets and amortisation of software	**337,688**	331,369
Fees payable to group undertaking	**500,000**	250,000
Operating lease payments	**24,900**	24,900
Auditors' remuneration	**13,000**	10,000

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

8. Information regarding Directors and employees

The charge for Directors' emoluments and contributions to money purchase pension schemes total £211,755 (2022: £178,969) in respect of their services to the group as a whole.

Employee costs for the Company were as follows:

	2023	2022
	£	£
Wages and salaries	**1,307,364**	1,475,957
Social security costs	**147,211**	156,211
Other pension costs	**94,954**	94,408
	1,549,529	1,726,576

The monthly average number of persons employed by the Company (including Directors) during the year, were:

	2023	2022
	No.	No.
Number of Employees	**38**	41

9. Interest receivable and similar income

	2023	2022
	£	£
Group interest receivable	-	5,485
	-	5,485

10. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest	**1,001**	594
Finance lease interest	-	2,429
Interest on HMRC time to pay	-	11,161
Interest on finance loan	**11,597**	4,262
Interest payable to group undertakings	-	400
	12,598	18,846

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

11. Tax on profit/(loss) on ordinary activities

(a) Analysis of charge in the year

	30 March 2023	30 March 2022
	£	£
Current tax:		
Based on the profit/(loss) for the year at 19% (2022: 19%)		
Adjustment to tax in respect of prior periods	**-**	-
Current tax charge for the year	**-**	-
Deferred tax:		
Deferred tax charge/(credit) for the year (Note 10 (d))	**21,767**	81,040
Adjustments in respect of previous years	**437**	-
Adjustments due to change in tax rate	**-**	(59,900)
Total tax charge/(credit)	**22,204**	21,140

(b) Reconciliation of total tax charge/(credit)

The tax assessed for the period differs from the standard rate of corporation tax in the UK at 19% (2022: 19%).

The differences are explained below:

	2023	2022
	£	£
Profit / (Loss) before taxation	**75,734**	(381,337)
Profit/(Loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021:19%)	**14,389**	(72,454)
<u>Effects of;</u>		
Permanent differences	**2,154**	153,494
Adjustment to tax in respect of prior periods – group relief	**-**	-
Adjustment to tax in respect of prior periods- deferred tax	**437**	-
Remeasurement of deferred tax – change in UK tax rate	**5,224**	(59,900)
Total tax charge/(credit) for the year (Note 10 (a))	**22,204**	21,140

(c) Tax rate change

On 3 March 2021 it was announced that the UK corporation tax rate would increase from 19% to 25% from 01 April 2023, and the change was substantively enacted on 24 May 2021. As such, all deferred tax assets/liabilities have been restated and recognised at 25% to the extent they are expected to reverse after 1 April 2023.

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

11. Tax on profit/(loss) on ordinary activities (continued)

(d) Deferred tax

	2023	2022
	£	£
Accelerated capital allowances	102,950	70,548
Other timing differences	(22,649)	2,161
Carried forward tax losses	147,084	176,880
Undiscounted deferred tax asset	227,385	249,589

	2023	2022
	£	£
Deferred tax asset at the start of the period	249,589	270,729
Deferred tax credit in profit and loss account for the year (Note 10 (a))	(21,767)	(81,040)
Prior year adjustment	(437)	-
Rate change impact	-	59,900
Deferred tax asset at the end of the year (Note 13)	227,385	249,589

Deferred tax is calculated on temporary differences under the liability method using the tax rate of 25% (2022: 19%). Deferred tax assets have been recognised to the extent that they are deemed more likely than not to be recovered, based on forecasts of future taxable profits of this entity and the related group entities where losses could be obtained via group relief, resulting in an asset of £227,385 (2021: £249,589) recognised at 25% in relation to depreciation in excess of capital allowances, short term timing differences and carried forward tax losses.

12. Intangible assets

	Software	Total
	£	£
Cost		
As at 30 March 2022	1,187,760	1,817,760
Additions	49,485	49,485
As at 30 March 2023	1,237,245	**1,237,245**
Accumulated amortisation		
As at 30 March 2022	644,116	644,116
Charge for the year	299,644	299,644
As at 30 March 2023	943,760	**943,760**
Net book value		
As at 30 March 2022	543,643	543,643
As at 30 March 2023	**293,485**	**293,485**

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

13. Tangible assets

	Motor Vehicles	Computer Equipment & Fixtures	Total £
Cost			
As at 30 March 2022	124,800	76,264	201,064
Additions	-	20,711	20,711
Disposals	(24,800)	-	(24,800)
As at 30 March 2023	**100,000**	**96,975**	**196,975**
Accumulated depreciation			
As at 30 March 2022	98,800	55,162	153,962
Charge for the year	20,833	17,209	38,043
Depreciation on disposal	(19,633)	-	(19,633)
As at 30 March 2023	**100,000**	**72,371**	**172,391**
Net Book Value			
As at 30 March 2022	26,000	21,102	47,102
As at 30 March 2023	**0**	**24,604**	**24,604**

14. Debtors

	2023	2022
	£	£
Commission	**269,448**	164,218
Amounts owed by group undertakings	**650,301**	418,310
Deferred tax (Note 10 (d))	**227,385**	249,589
Prepayments and accrued income	**53,916**	54,076
	1,201,050	886,193

Commission represents premiums due from policy holders in each case collected on behalf of the principal and passed on to the policy holder or underwriter after deduction of any commissions or other sums due to third parties or the group. Insurance claims bordereaux have been offset against the insurance float creditor to which they relate as permitted by accounting standards.

15. Cash at bank and in hand

The cash at bank and in hand balance of £21,126 (2022: £63,161), represents commission income collected and office account cash.

£1,040,390 (2022: £1,039,695) is held in designated insurer bank accounts. These balances comprise premium due to insurer partners, claims floats provided by insurer partners and commission due to trading partners. Under FRS102, these monies are not presented on the balance sheet.

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	**17,297**	1,980
Finance Lease	-	14,681
Other creditors	**358,820**	188,000
Taxation and social security creditors	**183,343**	188,020
Accruals and deferred income	**299,578**	320,785
	859,038	713,466

17. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Taxation and social security creditors	**11,494**	137,930
Other creditors	**25,000**	35,000
	36,494	172,930

18. Called up share capital

Allotted, called up and fully paid	**2023**	2022
	£	£
1,327,600 (2020: 1,327,600) Ordinary shares of £1 each	**1,327,600**	1,327,600

19. Finance lease

Future minimum payments under finance leases are as follows:

	2023	2022
	£	£
Within one year	-	14,681
In more than one year, but not more than five years	-	-
Total gross payments	-	14,681
Less finance charges included above	-	(447)
	-	14,234

20. Pension commitments

The Company operates non-contributory defined contribution personal pension plans. The assets of the plans are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the Company to the plans and the amount contributed during the year to the 30 March 2023 was £94,954 (2022: £94,408).

Notes to the Financial Statements for the year ended 30 March 2023 (continued)

21. Commitments under operating leases

As at 30 March the Company had land and buildings non-cancellable operating lease commitments as follows:

	2023	2022
	£	£
No later than one year	**29,880**	24,900
Between 2-5 years	**19,920**	41,500
Total	**49,800**	66,400

The lease was renewed for 2 years commencing 1 December 2022.

22. Related party disclosures

As permitted under FRS 102 paragraph 33.1(a), transactions between group companies which are wholly owned have not been disclosed.

23. Ultimate parent undertaking

The immediate parent undertaking is Bspoke Central Services Ltd.

On 24th of October 2022, the immediate parent (Bspoke Central Services Ltd) was acquired by Bspoke Insurance Group Ltd. Following acquisition, the ultimate beneficial owner of the Company is Bspoke Insurance Group Ltd.

As at 30 March 2023, Bspoke Insurance Group Ltd is the largest group of undertakings to consolidate these financial statements. The registered address of Bspoke Insurance Group Ltd is 4th Floor 24 Old Bond Street, Mayfair, London, United Kingdom, W1S 4AW.