

**Butterworth Spengler  
South West Limited  
(Formerly known as  
Brunsdon Insurance  
Brokers Limited)**

Registered number: 03433998

**Directors' report and  
financial statements**

**For the 15 month period ended 31 March  
2022**



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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	N R Mills K Wright (appointed 26 May 2022)
<b>Registered number</b>	03433998
<b>Registered office</b>	Elmwood House Ghyll Royd Guiseley Leeds LS20 9LT
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 MARCH 2022**

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*The directors present their report and the financial statements for the period ended 31 March 2022.*

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activity**

The principal activity of the Company during the period was that of brokering insurance.

**Results and dividends**

The profit for the period, after taxation, amounted to £551,532 (2020 - £440,871).

Dividends totalling £177,500 were paid during the period (2020 - £334,000).

**Director**

The director who served during the period was:

N R Mills

**Qualifying third party indemnity provisions**

The Company had Directors' and Officers' insurance in place during the year.

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## **BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022**

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#### **Going concern**

Taking into consideration the post year end disposal of trade and assets to a fellow group company the directors are satisfied the Company remains a going concern for the foreseeable future. The Company remains in a strong net asset position and the Directors have no current intention of liquidating the Company.

The directors have a reasonable expectation that the Company has adequate resources to settle its liabilities as they fall due for the foreseeable future and have therefore concluded that the Company's financial statements should be prepared on a going concern basis.

#### **Exemption from preparing Strategic Report**

The Directors have taken the exemption from preparing a Strategic Report in accordance with Section 414B of the Companies Act 2006.

#### **Disclosure of information to auditor**

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

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

#### **Change of year end**

The Company has changed its year end to 31 March (previously 31 December) to be coterminous with the wider group headed by Augusta Topco Limited. The results shown therefore cover a 15 month period and are not wholly comparable with the prior year.

#### **Post balance sheet events**

On 1 November 2022 the business, assets and liabilities of the Company were transferred to Butterworth Spengler Commercial Limited for consideration totalling of £4,200,000.

The principal activity of Insurance Broking was therefore discontinued at this point.


#### **Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small companies note**

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

This report was approved by the board on Dec 22, 2022 and signed on its behalf.

  
N R Mills

**N R Mills**  
Director

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**Opinion**

We have audited the financial statements of Butterworth Spengler South West Limited (the 'Company') for the 15 month period ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 26 of the financial statements regarding Post Balance Sheet Events. The note explains that on 1 November 2022 the business, assets and liabilities of the Company were transferred to Butterworth Spengler Commercial Limited, a fellow group company, for consideration totalling £4,200,000. The operations presented within these financial statements have therefore been discontinued after the reporting period.

**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.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

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## **BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, Financial Conduct Authority (FCA) regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.



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## BUTTERWORTH SPENGLER SOUTH WEST LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUTTERWORTH SPENGLER SOUTH WEST LIMITED

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In addition, we evaluated the directors' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to profit share allocation, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit 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.

  
Christopher Hudson ID: 20202111455007

Christopher Hudson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
5th Floor  
3 Wellington Place  
Leeds  
LS1 4AP

Date: Dec 22, 2022

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2022**

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	Note	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Turnover	4	2,074,794	1,616,065
Cost of sales		(9,745)	(14,056)
<b>Gross profit</b>		<b>2,065,049</b>	<b>1,602,009</b>
Administrative expenses		(1,375,551)	(988,271)
<b>Operating profit</b>	5	<b>689,498</b>	<b>613,738</b>
Interest receivable and similar income	9	15	15
Interest payable and similar expenses	10	(8,651)	(164)
<b>Profit before tax</b>		<b>680,862</b>	<b>613,589</b>
Tax on profit	11	(129,330)	(172,718)
<b>Profit for the financial period</b>		<b>551,532</b>	<b>440,871</b>

There was no other comprehensive income for 2022 (2020: £NIL).


The notes on pages 10 to 23 form part of these financial statements.

**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**  
**REGISTERED NUMBER: 03433998**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

			<b>31 March 2022 £</b>	<b>As restated 31 December 2020 £</b>
<b>Fixed assets</b>	<b>Note</b>			
Tangible assets	13		93,916	143,092
			<u>93,916</u>	<u>143,092</u>
<b>Current assets</b>				
Debtors: amounts falling due within one year	14	860,623	533,984	
Cash at bank and in hand	15	541,306	643,908	
		<u>1,401,929</u>	<u>1,177,892</u>	
Creditors: amounts falling due within one year	16	(616,323)	(630,807)	
<b>Net current assets</b>			<u>785,606</u>	<u>547,085</u>
<b>Total assets less current liabilities</b>			<u>879,522</u>	<u>690,177</u>
Creditors: amounts falling due after more than one year			-	(173,333)
<b>Provisions for liabilities</b>				
Deferred tax	18	(15,833)	(27,187)	
			<u>(15,833)</u>	<u>(27,187)</u>
<b>Net assets</b>			<u><u>863,689</u></u>	<u><u>489,657</u></u>
<b>Capital and reserves</b>				
Called up share capital	19	90,000	90,000	90,000
Capital redemption reserve	20	2,000	2,000	2,000
Profit and loss account	20	771,689	397,657	
			<u><u>863,689</u></u>	<u><u>489,657</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
Dec 22, 2022

  
N R Mills  
Director

The notes on pages 10 to 23 form part of these financial statements.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2022**

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	90,000	2,000	290,786	382,786
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	440,871	440,871
<b>Total comprehensive income for the year</b>	-	-	440,871	440,871
Dividends: Equity capital	-	-	(334,000)	(334,000)
<b>Total transactions with owners</b>	-	-	(334,000)	(334,000)
<b>At 1 January 2021</b>	90,000	2,000	397,657	489,657
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	551,532	551,532
<b>Total comprehensive income for the period</b>	-	-	551,532	551,532
Dividends: Equity capital	-	-	(177,500)	(177,500)
<b>Total transactions with owners</b>	-	-	(177,500)	(177,500)
<b>At 31 March 2022</b>	90,000	2,000	771,689	863,689

The notes on pages 10 to 23 form part of these financial statements.

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## **BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022**

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#### **1. General information**

Butterworth Spengler South West Limited is a private company, limited by shares, registered in England and Wales, registered number 03433998. The principal place of business is Elmwood House, Ghyll Royd, Guiseley, Leeds, West Yorkshire, LS20 9LT.

The presentational currency is Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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

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

The Company has changed its year end to 31 March (previously 31 December) to be coterminous with the wider group headed by Augusta Topco Limited. The results shown therefore cover a 15 month period and are not wholly comparable with the prior year.

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Augusta Topco Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

##### **2.3 Going concern**

Taking into consideration the post year end disposal of trade and assets to a fellow group company the directors are satisfied the Company remains a going concern for the foreseeable future. The Company remains in a strong net asset position and the Directors have no current intention of liquidating the Company.

The directors have a reasonable expectation that the Company has adequate resources to settle its liabilities as they fall due for the foreseeable future and have therefore concluded that the Company's financial statements should be prepared on a going concern basis.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)****2.4 Revenue**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Rendering of services**

Turnover represents commission and fees receivable on the brokerage of insurance, net of commissions ceded to introducers. Commission income is recognised on the inception date or renewal date of the policy. Alterations in brokerage arising from return and additional premiums are taken into account as and when these occur. Where there exists a material obligation to render post placement services an appropriate proportion of the revenue is deferred and recognised as revenue over the period those services are provided. Fee income is recognised in the period in which work was performed.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.9 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)****2.10 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	-	Over the length of the lease
Fixtures and fittings	-	15% Straight Line
Computer equipment	-	15% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)****2.12 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 Client money bank accounts**

The Company is required by its regulator, the Financial Conduct Authority, to pay all client money received into Client Money Bank accounts, which are held subject to a Statutory Trust. Payments from these accounts relate to the settlement of insurance creditors, refund of premiums to clients and withdrawals of earned commission and third-party professional fees.

The client money account is presented as an asset on the company SOFP with an equal and opposite liability recognised reflecting that the amount is owed to underwriters or customers.

**2.15 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.



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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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**2. Accounting policies (continued)****2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

**2.18 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

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

In applying the Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

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.

**Critical judgments in applying the accounting policies**

The directors have concluded that there are no critical judgments in applying the accounting policies.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next year are discussed below:

**Profit share allocation**

The group receives profit shares from its underwriters on a group basis. Group management allocate the profit share around the group's trading subsidiaries based on their estimate contribution towards the overall achievement of the profit share. This is inherently subjective and actual amounts received are not known until after the year end.

**4. Turnover**

*All turnover arose within the United Kingdom.*

**5. Operating profit**

The operating profit is stated after charging:

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Depreciation of tangible fixed assets	49,176	24,412
Defined pension contribution cost	56,020	66,818

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Auditor's remuneration**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
<b>Fees payable to the Company's auditor in respect of:</b>		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,000	-

**7. Employees**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Wages and salaries	788,987	500,647
Social security costs	76,139	50,100
Cost of defined contribution scheme	56,020	66,818
	<u>921,146</u>	<u>617,565</u>

The average monthly number of employees, including the directors, during the period was as follows:

	<b>15 months ended 31 March 2022 No.</b>	<b>Year ended 31 December 2020 No.</b>
Employees	<u>18</u>	<u>17</u>

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**8. Directors' remuneration**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Directors' emoluments	59,833	8,600
Company contributions to defined contribution pension schemes	5,078	41,500
	<u>64,911</u>	<u>50,100</u>

**9. Interest receivable**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Other interest receivable	15	15

**10. Interest payable and similar expenses**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Bank interest payable	8,651	164

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**11. Taxation**

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	136,088	172,718
<b>Total current tax</b>	<u>136,088</u>	<u>172,718</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,758)	-
<b>Total deferred tax</b>	<u>(6,758)</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>129,330</u>	<u>172,718</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>15 months ended 31 March 2022 £</b>	<b>Year ended 31 December 2020 £</b>
Profit on ordinary activities before tax	<u>680,862</u>	<u>613,589</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	129,364	172,718
<b>Effects of:</b>		
Other differences leading to an increase (decrease) in the tax charge	(34)	-
<b>Total tax charge for the period/year</b>	<u>129,330</u>	<u>172,718</u>

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023 the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher rate will apply but with a marginal relief applying as profits increase.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Dividends**

	<b>31 March 2022 £</b>	<b>31 December 2020 £</b>
Dividends declared on ordinary shares	177,500	334,000
	<u>177,500</u>	<u>334,000</u>

**13. Tangible fixed assets**

	<b>Leasehold property improvements £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2021	47,466	63,661	87,311	198,438
Additions	-	-	495	495
Disposals	-	(2,105)	(36,257)	(38,362)
At 31 March 2022	<u>47,466</u>	<u>61,556</u>	<u>51,549</u>	<u>160,571</u>
<b>Depreciation</b>				
At 1 January 2021	5,013	5,456	44,877	55,346
Charge for the period on owned assets	11,867	14,459	23,083	49,409
Disposals	-	(1,843)	(36,257)	(38,100)
At 31 March 2022	<u>16,880</u>	<u>18,072</u>	<u>31,703</u>	<u>66,655</u>
<b>Net book value</b>				
At 31 March 2022	<u>30,586</u>	<u>43,484</u>	<u>19,846</u>	<u>93,916</u>
At 31 December 2020	<u>42,453</u>	<u>58,205</u>	<u>42,434</u>	<u>143,092</u>

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**14. Debtors**

	<b>31 March 2022 £</b>	<b>31 December 2020 £</b>
Trade debtors	88,665	95,259
Amounts owed by group undertakings	520,275	393,345
Other debtors	205,863	11,136
Prepayments and accrued income	45,820	34,244
	<u>860,623</u>	<u>533,984</u>

**15. Cash and cash equivalents**

	<b>31 March 2022 £</b>	<b>As restated 31 December 2020 £</b>
Cash at bank and in hand	541,306	643,908
	<u>541,306</u>	<u>643,908</u>

Included within cash at bank and in hand is a client money bank account totalling £342,605 (2020: £315,107).

**16. Creditors: Amounts falling due within one year**

	<b>31 March 2022 £</b>	<b>As restated 31 December 2020 £</b>
Bank loans	-	26,667
Trade creditors	368,768	342,936
Corporation tax	139,354	97,004
Other taxation and social security	-	13,787
Other creditors	16,741	40,471
Accruals and deferred income	91,460	109,942
	<u>616,323</u>	<u>630,807</u>

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Creditors: Amounts falling due after more than one year**

	<b>31 March 2022 £</b>	<b>31 December 2020 £</b>
Bank loans	-	173,333

**18. Deferred taxation**

	<b>2022 £</b>	<b>2020 £</b>
At beginning of year	(27,187)	-
Charged to profit or loss	11,354	(27,187)
<b>At end of year</b>	<b>(15,833)</b>	<b>(27,187)</b>

The provision for deferred taxation is made up as follows:

	<b>31 March 2022 £</b>	<b>31 December 2020 £</b>
Accelerated capital allowances	(15,833)	(27,187)

**19. Share capital**

	<b>31 March 2022 £</b>	<b>31 December 2020 £</b>
<b>Allotted, called up and fully paid</b>		
90,000 (2020 - 90,000) Ordinary shares shares of £1.00 each	90,000	90,000



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**20. Reserves****Capital redemption reserve**

This reserve represents amounts transferred following the redemption or purchase of the Company's own shares.

**Profit and loss account**

This reserve represents cumulative profits and losses less dividends paid.

**21. Prior year adjustment**

Client money bank accounts totalling £315,107 have been brought on balance sheet with an equal and opposite entry to creditors reflecting amounts owed to insurers and customers. The adjustment has been made to reflect the appropriate accounting treatment under FRS102. The adjustment has no impact on profit or net assets.

**22. Contingent liabilities**

The Company is party to a group borrowing arrangement and is subject to an unlimited cross guarantee in respect of amounts owed by the group to its lender. At the year end the wider group owed £5.2m (2021: £Nil) to its lender.

**23. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £56,020 (2020: £66,818). Contributions totalling £Nil (2020 - £4,586) were payable to the fund at the balance sheet date.

**24. Commitments under operating leases**

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 March 2022 £	31 December 2020 £
<b>Property and office equipment</b>		
Not later than 1 year	71,030	56,972
Later than 1 year and not later than 5 years	151,731	21,018
	<u>222,761</u>	<u>77,990</u>

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**BUTTERWORTH SPENGLER SOUTH WEST LIMITED**

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**25. Related party transactions**

The Company is an indirectly owned subsidiary of Butterworth Spengler Group Limited and has taken advantage of the exemption in Section 33 of Financial Reporting Standard 102 (Related Party Disclosures) from the requirement to disclose transactions with other wholly owned group companies.

	31 March 2022 £	31 December 2020 £
Due from group undertakings	520,554	393,345

**26. Post balance sheet events**

On 1 November 2022 the business, assets and liabilities of the Company were transferred to Butterworth Spengler Commercial Limited for consideration totalling of £4,200,000. The principal activity of Insurance Broking was therefore discontinued at this point.

**27. Controlling party**

The immediate parent company is BIBL Holdings (2015) Limited, a company incorporated in England and Wales.

The name of the smallest and largest company which prepares consolidated financial statements incorporating the results of the Company is Augusta Topco Limited, a company incorporated in England and Wales. Its office and registered address is Elmwood House, Ghyll Royd, Guiseley, Leeds, England, LS20 9LT and the consolidated financial statements are publicly available from Companies House.

The ultimate controlling party is Synova LLP by way of their majority control of Augusta Topco Limited, there is no one individual with control over this entity.