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**Besso Re Limited**  
**Annual report and financial statements**  
For the year ended 31 December 2020

Registered number: 04910240

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## **Company information**

Directors	S J Hovey
Secretary	D J Field
Registered office	8-11 Crescent London EC3N 2LY
Company number	04910240

## Directors' report

The Director presents her report and the financial statements for the Company for the year ended 31 December 2020.

### Principal activities and review of the Business

The Company's principal activity was that of providing reinsurance client introductions to other Besso Group companies. The Company's permissions to trade as a separately regulated entity were cancelled with the Financial Services Authority on 31 December 2010, at which point its business transferred to its parent company, Besso Limited, with whom it works very closely. The Director is exploring options for the future activities of the Company.

### Business Review

The Company did not trade during the year.

### Future developments

The future activities of the Company will be reviewed at the end of 2021.

### Key performance indicators

The Company's key performance indicators for the year were as follows:

	2020 £	2019 £	Change %
Capital and reserves	(551,465)	(551,465)	-

### Dividends

The Director did not recommend the payment of any dividend (2019: £nil).

### Directors

The Director of the Company during the year, and to the date of this report, is as follows:

S J Hovey

## **Directors' report (continued)**

### **Going concern**

The Director has considered the appropriateness of preparing the financial statements on a going concern basis including the impact of the current COVID-19 pandemic. The Director does not consider that the COVID-19 pandemic will have a significant impact on the ability of the business to continue its operations.

The Company is in a net liability position as at 31 December 2020 and a letter of support has been issued by Besso Limited, the immediate parent of the Company, to support the Company for at least 12 months from the date of approval of the financial statements.

The nature of the Company is such that it has no external cash flow obligations or regulatory capital requirements. As the Company's transactions and balances are largely as a result of inter-group arrangements with the wider Besso Group, an assessment has been performed at the Besso Group level with entity specific considerations as applicable. The assessment supports the position that there is no material uncertainties on going concern. The Company is therefore expected to continue to remain in operation for a period of at least twelve months from the date of signing the financial statements.

### **Risks and uncertainties**

The Company is reliant upon the other Besso Group companies which are essentially involved as insurance intermediaries, therefore the principal risks and uncertainties for the Company are those associated with an insurance intermediary.

### **Statement of directors' responsibilities**

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and applicable law). Under company law the Director 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.

## Directors' report (continued)

### Statement of directors' responsibilities (continued)

In preparing these financial statements, the Director is required to:

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

The Director is 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. 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.

### Liability insurance

During the year, the indirect parent company, Besso Insurance Group Limited, maintained liability insurance for the Directors and other officers of all group companies as permitted by Section 233 of the Companies Act 2006.

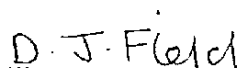
### Events after the reporting period

On 1 November 2021, The Ardonagh Group Limited ("Ardonagh") completed its acquisition of Besso Insurance Group Limited and Ed Broking Group Limited, including all their subsidiaries (collectively known as Corant Global) from BGC Partners Inc. for a total estimated consideration of \$500m.

### Small companies' exemption

A Strategic report has not been provided on the basis of the small companies' relief afforded by section 415(A) of the Companies Act 2006.

Approved by the Sole Director on 22 December 2021 and signed on her behalf by



D J Field  
Secretary

## Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		-	-
Administrative expenses		-	-
<b>Operating profit / (loss)</b>		-	-
Interest receivable and similar income		-	-
<b>Profit / (loss) on ordinary activities before taxation</b>		-	-
Taxation	4	-	-
<b>Profit / (loss) for the year</b>		-	-
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income</b>		-	-

All amounts relate to continuing operations.

## Statement of financial position

As at 31 December 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	5	402,648	402,648
		<u>402,648</u>	<u>402,648</u>
<b>Creditors: amounts falling due within one year</b>			
Trade and other creditors	6	(954,113)	(954,113)
		<u>(954,113)</u>	<u>(954,113)</u>
<b>Net current assets</b>		<u>(551,465)</u>	<u>(551,465)</u>
<b>Total assets less current liabilities</b>		<u>(551,465)</u>	<u>(551,465)</u>
<b>Net assets</b>		<u>(551,465)</u>	<u>(551,465)</u>
<b>Capital and reserves</b>			
Called up share capital	7	10,000	10,000
Profit and loss account		(561,465)	(561,465)
		<u>(551,465)</u>	<u>(551,465)</u>
<b>Shareholder's funds</b>		<u>(551,465)</u>	<u>(551,465)</u>

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Sole Director and authorised for issue on 22 December 2021.



S J Hovey  
Director

The notes on pages 8 to 15 are an integral part of these financial statements.



## Statement of changes in equity

As at 31 December 2020

	Called up share capital £	Profit and loss Account £	Total £
<b>At 1 January 2019</b>	10,000	(561,465)	(551,465)
Loss for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Dividends payable		-	-
<b>At 31 December 2019</b>	<u>10,000</u>	<u>(561,465)</u>	<u>(551,465)</u>
Loss for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Dividends payable		-	-
<b>At 31 December 2020</b>	<u>10,000</u>	<u>(561,465)</u>	<u>(551,465)</u>

The notes on pages 8 to 15 are an integral part of these financial statements.

## Notes to the financial statements

For the year ended 31 December 2020

### 1 Accounting policies

#### 1.1 General information

Besso Re Limited ("the Company") is a private limited company incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is 8-11 Crescent, London, EC3N 2LY.

The financial statements present information about the Company as an individual undertaking.

These Company financial statements have been presented in Pounds Sterling, which is the Company's functional currency, being the primary economic environment in which the Company operates.

#### 1.2 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 102") and The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008, as set out in the Companies Act 2006. These financial statements have been prepared under the historical cost convention and where applicable, as modified for the fair value of certain financial instruments.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

In preparing the Company individual financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 *Related Party Disclosures*; and
- from presenting a statement of cash flows, as required by Section 7 *Statement of Cash Flows*.

On the basis that equivalent disclosures are given in the consolidated financial statements of, the ultimate parent company, Cantor Fitzgerald L.P., the Company has also taken advantage of the exemption not to provide:

- the disclosure requirements of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instrument Issues*.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### 1.3 Going concern

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and with the Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council.

The Directors have considered the appropriateness of preparing the financial statements on a going concern basis including the impact of the current COVID-19 pandemic. The Directors do not consider that the COVID-19 pandemic will have a significant impact on the ability of the business to continue its operations.

The Company is in a net liability position as at 31 December 2020 and a letter of support has been issued by Besso Limited, the immediate parent of the Company, to support the Company for at least 12 months from the date of approval of the financial statements.

The nature of the Company is such that it has no external cash flow obligations or regulatory capital requirements. As the Company's transactions and balances are largely as a result of inter-group arrangements with the wider Besso Group, an assessment has been performed at the Besso Group level with entity specific considerations as applicable. The assessment supports the position that there are no material uncertainties on going concern. The Company is therefore expected to continue to remain in operation for a period of at least twelve months from the date of signing the financial statements

#### 1.4 Revenue recognition

##### *Revenue from the provision of insurance intermediary services*

The Company generates revenue from commission and fees associated with placing insurance contracts.

Revenue relating to insurance broking is recognised at the later of the inception date of the coverage or when the placement has been completed and confirmed. Where there is an expectation of future servicing requirements, an element of income relating to the policy is deferred to cover the associated contractual obligation.

Other income represents management fees and other income receivable for services provided and are recognised over the period in which they are performed and when they can be measured with reasonable certainty.

##### *Interest income*

Interest income is recognised as interest accrues using the effective interest method.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### 1.5 Taxation

The tax expense for the year comprises current tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

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

#### 1.6 Foreign currencies

Foreign currency transactions are translated into the functional currency of the reporting entity using the exchange rate prevailing at the date the transactions took place. Income and expenses items are translated using an average exchange rate for the year where there are limited fluctuations in foreign exchange rates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

#### 1.7 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, trade and other creditors, and equity investments. The Company has chosen to apply the measurement and recognition provisions of Section 11 *Basic Financial Instruments* and in full.

##### Financial assets – classified as basic financial instruments

###### *Cash and cash equivalents*

Cash and cash equivalents including cash in hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less.

###### *Trade and other debtors*

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### 1.7 Financial instruments (continued)

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

#### Financial liabilities – classified as basic financial instruments

##### *Trade and other creditors*

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

### 2 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and 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 judgements, 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 year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

#### 2.1 Critical judgements in applying the company's accounting policies

The critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below.

##### *Assessing indicators of impairment*

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions and experience of recoverability.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 2 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 2.2 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 within the next financial year are discussed below.

##### *Measuring deferred brokerage*

*The Group defers brokerage in respect of future servicing requirements associated with business placed. As future servicing requirements are unknown at the reporting date the Directors have established an estimate of the brokerage to be deferred based on historic patterns in post-placement activities and experience of similar business placed. Variations to estimates would result in the over or under recognition of revenue.*

##### *Recoverability of receivables*

A provision for debtors is established where it is estimated that the debtors are not considered to be fully recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

### 3 Directors' emoluments

No individuals (2019: none) were remunerated in their capacity as a Director of the Company.

The key management personnel of the Company is considered to be the Director. During the year no retirement benefits were accruing to the Director (2019: none) in respect of money purchase pension schemes.

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 4 Taxation

The tax charge recognised in profit or loss comprises:

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total tax on profit</b>	<u>-</u>	<u>-</u>

A reconciliation of the tax charged in the year is provided below.

	2020 £	2019 £
(Loss) on ordinary activities before taxation	<u>-</u>	<u>-</u>
Income tax calculated at 19% (2019: 19%)	-	-
Expenses not deductible for tax purposes	-	-
Capital allowances	-	-
Group relief given	-	-
<b>Tax expense for the year</b>	<u>-</u>	<u>-</u>

The effective statutory corporate tax rate for the year ended 31 December 2020 is 19%. On 11 March 2020, the UK government announced that the UK rate of corporation tax would no longer reduce to 17% with effect from 1 April 2020 and would remain at 19%. This was substantively enacted on 17 March 2020. On 3 March 2021, the UK government announced that the UK rate of corporation tax would be increased to 25% with effect from 1 April 2023.

### 5 Debtors

	2020 £	2019 £
<b>Amounts due within one year:</b>		
Amounts owed by parent undertaking	394,230	394,230
Amounts owed by group undertakings	8,418	8,418
	<u>402,648</u>	<u>402,648</u>

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 6 Trade and other creditors

	2020 £	2019 £
<b>Amounts due within one year:</b>		
Amounts owed to parent undertaking	701,062	643,729
Amounts owed by group undertakings	253,051	253,051
Accruals and deferred income	-	57,333
	<u>954,113</u>	<u>954,113</u>

### 7 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary Shares of £1 each:</b>				
Allotted, called up and fully paid	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

The ordinary shares have the right to receive notice of and attend and vote at any General Meeting duly convened, are entitled to participate in any winding up of the Company and have the right to receive a dividend when declared by the Company.

### 8 Contingent liabilities and other commitments

The Company has no contingent liabilities or other commitments.

### 9 Related party transactions

The Company has taken advantage of the exemption conferred by Section 33 *Related Party Transactions* not to disclose transactions with other members of the group headed by Besso Insurance Group Limited that are wholly owned by a member of that group.

As at 31 December 2020, the Company had the following balances outstanding with other group companies wholly owned by the Besso Insurance Group:

Besso Limited was due £701,062 (2019: £643,729), Besso LLP was due £241,021 (2019: £241,021), Besso Operational Support Services Limited was due £12,030 (2019: £12,030), Besso Insurance Group Limited owed £394,230 (2019: £394,230) and Besso Insurance Services Limited owed £8,418 (2019: £8,418). Balances receivable/payable on demand.



## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 10 Events after the reporting period

On 1 November 2021, The Ardonagh Group Limited ("Ardonagh") completed its acquisition of Ed Broking Group Limited and Besso Insurance Group Limited, including all their subsidiaries (collectively known as Corant Global) from BGC Partners Inc. for a total estimated consideration of \$500m.

### 11 Parent undertaking and ultimate controlling party

At 31 December 2020 the immediate parent company was Besso Limited, a company incorporated in England and Wales. For the year ended 31 December 2020 Besso Limited is the parent of the smallest group of which the Company is a member. Copies of the report and financial statements of Besso Limited can be obtained from Companies House.

On 27 July 2021 the ownership of the company was transferred to Besso Insurance Group Limited. For the year ending 31 December 2021 Besso Insurance Group Limited will be the parent of the smallest group of which the Company is a member.

At 31 December 2020 the ultimate parent and controlling entity was Cantor Fitzgerald L.P., a Limited Partnership which is registered in the United States of America. For the year ended 31 December 2020 the smallest group to make its financial statements publicly available into which the results of the Company are consolidated is BGC Partners, Inc., which is registered at 499 Park Avenue, NY 10022, United States of America. The largest group into which the results of the Company are consolidated is Cantor Fitzgerald L.P.

Following the acquisition on 1 November 2021 by Ardonagh the ultimate parent company is The Ardonagh Group Limited (a company incorporated in Jersey, registered office address: 3<sup>rd</sup> Floor, 47 Esplanade, St Helier, Jersey, JE4 9WG).5