

**Lloyd & Whyte Group Limited**  
**Annual Report and Consolidated Financial Statements**  
**Year Ended 31 December 2022**

Registration number: 1143899



# **Lloyd & Whyte Group Limited**

## **Contents**

Company Information	1
Strategic Report	2 to 6
Directors' Report	7 to 8
Statement of Directors' Responsibilities	9
Independent Auditor's Report	10 to 13
Consolidated Profit and Loss Account	14
Consolidated Balance Sheet	15
Balance Sheet	16
Consolidated Statement of Changes in Equity	17
Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20 to 46

# **Lloyd & Whyte Group Limited**

## **Company Information**

**Directors** M M Pyke  
S Astley  
A G Miller  
D R Moore  
T J Williams

**Company secretary** S Astley

**Registered office** Affinity House  
Bindon Road  
Taunton  
Somerset  
TA2 6AA

**Auditors** PKF Francis Clark  
Statutory Auditor  
Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

# Lloyd & Whyte Group Limited

## Strategic Report

### Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

#### Principal activity

The principal activity of the company is that of a holding company. The principal activity of the group as a whole is that of insurance broking.

#### Review of business

The directors measure the group's financial performance on its overall profitability, its growth in revenue and managing headcount as this is the group's main overhead.

The group had a turnover of £28,402,406 (2021 - £23,430,828) representing an increase in revenue of 21.2% (2021 – 22.2%).

The group made a pre-tax profit of £576,406 (2021 - £4,246,242) for the year and generated an EBITDA of £6,833,691 (2021 – continuing operations - £5,984,075). This is calculated by taking the operating profit (page 14), adjusted by the depreciation and amortisation numbers (page 25) and the other finance income which is of a trading nature (page 27).

The increase in turnover and EBITDA was in line with the Board's expectations being driven by various acquisitions which are discussed below. The reduction in pre-tax profit was in line with the Board's expectations and is driven in part by increased interest expense (2022 - £2,550,938; 2021 - £2,114,927) and amortisation charges (2022 - £3,632,577; 2021 - £2,814,707), also as a result of the various acquisitions made during the year as well as in previous years, and because the prior year figure included profit on disposal of operations of £3,500,000 which was a one-off income stream.

Staffing costs for the year were £17,133,929 (2021 - £13,073,083). Average employee numbers have risen by over 10.1% (2021 – 8.7%) during the year (to 370 from 336).

This increase is as expected due to the following acquisitions made during the year:

## Lloyd & Whyte Group Limited

### Strategic Report

Year Ended 31 December 2022

Name	Date	Activity	Holding	Acquirer
Eastside Insurance	1 May 2022	A commercial and personal broker based in Swansea, South Wales with a strong local community presence	Book of business	Lloyd & Whyte Community Broking Limited
Naturesave Policies Limited	1 June 2022	A commercial broker based in Totnes, Devon with a focus on renewable energy	100% of the share capital	Lloyd & Whyte Group Limited
Cornish Insurance	1 July 2022	A commercial broker based in the South West	Book of business	Lloyd & Whyte Group Limited
Provenance IB Limited	1 September 2022	High net worth broker	25% of the share capital	Lloyd & Whyte Group Limited
Davies Craddock (Holdings) Limited and Davies Craddock Limited	1 December 2022	A commercial and personal broker based in Llanelli, South Wales with a strong local community presence	100% of the share capital	Lloyd & Whyte Group Limited
South Essex Insurance Holdings Limited & SEIB Insurance Brokers Limited	30 December 2022	A commercial broker specialising in the equestrian and property sectors	100% of the share capital	Lloyd & Whyte Group Limited

# Lloyd & Whyte Group Limited

## Strategic Report

### Year Ended 31 December 2022

*The acquisitions have resulted in significant changes in the balance sheet of the group, with increases in intangible assets (£41,918,254 increase in goodwill arising on the consolidation of the acquisitions, which can be seen at Note 11 on page 29) and loans and borrowings within non-current liabilities (£54,687,976 increase in investor provided debt finance used to fund the acquisitions). Increases in trade debtors and creditors are as a result of increased insurance broking assets and liabilities, due in the most part, to additional levels of activity driven by the acquisitions.*

*The Financial Services division of the business has performed in line with expectations, against the back drop of the uncertain economic situation evolving in the UK, which is discussed further below.*

*The directors consider the results for the year to be satisfactory, especially in light of the “hard” wider insurance market conditions in which premiums are rising so retention of clients is more challenging, underwriting is more difficult and the impact of the uncertain economic situation in the UK.*

*Whilst the group continues to monitor the operational impacts of the increased cost of living and wider uncertainties in respect of the UK economy, the Board are satisfied there are no significant operational issues as a direct result of the ongoing situation, which is supported by the result delivered during 2022 and 2023 year-to-date figures being ahead of target.*

*The directors look forward to a successful and profitable 2023 and beyond as the organic and acquisitive growth strategies continue to be delivered, continuing to work closely with our Affinity partners, as well as expanding our Specialist Broking division.*

*The non-financial Key Performance Indicators for the group are compliance with FCA regulations, staff culture scores and professional standards. These have been at satisfactory levels during the year under review.*

#### **Principal risks and uncertainties**

*The principal risks and uncertainties applying to the company and group are the “hard” market competition, pressure of the ‘claims culture’ and changes to the FCA regulatory environment.*

*In respect of the market conditions the group is reliant on insurers providing underwriting capacities and products. A withdrawal of capacity or products may impact the group’s income. The group manages the risk by maintaining a close relationship with a number of different insurance partners. The group has a long track record of generating profitable returns for insurers from underwriting and broking activities.*

*In order to manage regulatory compliance risk the group has a strong regulatory framework that includes a dedicated compliance manager overseeing a planning and monitoring programme to ensure that the group’s policies and procedures meet the standards set by the regulators and that the regulated group companies continue to meet their capital requirements.*

# Lloyd & Whyte Group Limited

## Strategic Report

Year Ended 31 December 2022

### Section 172(1) statement

The Directors of each of the Group companies have acted in a way that they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:

1. The likely consequences of any decisions in the long term
2. The interests of the company's employees
3. The need to foster the company's business relationships with suppliers, clients and others
4. The impact of the company's operations on the community and the environment
5. The need to act fairly between shareholders of the company

Section 172 considerations are embedded in Board decision making across the Group and further supported by the vision, values, culture and strategy of the Group.

Our strategy is aimed at creating long term value for shareholders. We are proud to be associated with the Benefact Group, with charitable giving at the heart of the Group's purpose.

We are a responsible employer who cares for the safety, welfare and wellbeing of our people. We nurture an environment in which our people can flourish, ensuring they are given a voice and investing in learning so our people can fulfil their growth potential.

We work in partnership with our clients, suppliers and the local communities in which we operate. We are aware of the environmental impact of our operations and we embrace change that reduces our impact on the planet.

We engage responsibly with our key stakeholders. The following section lists the key decisions that we made during the year together with how we engaged with the relevant stakeholders.

1. Acquisition of businesses, including draw down of debt facility to facilitate purchases

When reviewing a potential acquisition we look not only at the financial impact. Every potential acquisition is scored against a matrix to ensure it sits well with the culture and values of the Group, as well as meeting the Group's payback terms. Every acquisition includes engagement with our investor who ultimately approves the draw down against our debt facility to facilitate purchases.

2. Reducing our impact on the Planet

We were awarded the Investors in the Environment bronze award this year. This decision was made internally after engagement with our people and is supported by the Benefact Group ambition to be carbon neutral. There are certain criteria we had to demonstrate, which our Environmental Committee have worked on during 2022 and will continue into 2023 as best practice. We are required to:

- Have an active environmental policy,
- Demonstrate that our people are engaged with the issue,
- Monitor consumption of 6 key sources with an ambition to reduce our consumption

Our ambition is to be net carbon zero at the end of 2023.

# Lloyd & Whyte Group Limited

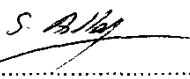
## Strategic Report

Year Ended 31 December 2022

### 3. Investment in technology

The use of insurance broking software is being consolidated across the Group. Each business division will be working on one or two core platforms. Investment in new technology has been made from our operating profits. This investment is vital to ensure we can provide appropriate technical support in-house, that our people have access to the resources they need in order to fulfill their roles to their potential, as well as ensuring our management teams have full access to the data they need in order to monitor the performance of their businesses. Our management teams and our people have been involved in the conversations about platform changes.

Approved and authorised by the Board on ..... and signed on its behalf by:

  
.....  
S Astley  
Director



# **Lloyd & Whyte Group Limited**

## **Directors' Report**

### **Year Ended 31 December 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

#### **Directors of the company**

The directors who held office during the year were as follows:

M M Pyke  
S Astley  
A G Miller  
D R Moore  
T J Williams

#### **Financial instruments**

##### ***Objectives and policies***

The group's activities expose it to a number of financial risks including credit risk, cashflow risk and liquidity risk. The use and nature of financial instruments are determined by the directors in the context of trading terms made available to the group by customers and suppliers, with the objective of securing the liquidity and profitability of the group.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

Due to the nature of the financial instruments used by the group there is a limited exposure to price risk.

Liquidity, credit and cashflow risk are managed by setting policies concerning the credit offered to clients and the regular monitoring of amounts outstanding for both time and limits. Trade creditors are paid in line with agreed credit terms and conditions, subject to correct invoicing.

#### **Employee involvement and employment of disabled persons**

We recognise that organisations are most successful where management and staff share a common purpose, work in partnership and communicate openly. We use a range of communication channels and we welcome feedback and discussion, including our twice-yearly culture survey which gives all of our staff a chance to have their say. We respect diversity and are committed to providing a positive and engaging working environment. This includes giving full consideration to people with disabilities, or, where our employees become disabled whilst in the Group's employment, making adjustments and providing training and support where necessary.

#### **Future developments**

The future developments of the business have been discussed in the strategic report.

#### **Energy and carbon report**

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. Lloyd & Whyte Group Limited supports these recommendations and are committed to disclosing the relevant information which can be found below.

# Lloyd & Whyte Group Limited

## Directors' Report

Year Ended 31 December 2022

### Methodology

Lloyd & Whyte Group Limited's streamlined energy and carbon figures are reported for activities within its financial and operational control across all entities under the control of the Group. Emissions have been calculated using UK Government Greenhouse Gas reporting emission factors 2021 (Department for Environment, Food and Rural Affairs).

Our scope 1 emissions comprise of gas and fuel in premises and vehicles; our scope 2 emissions are from purchased electricity and scope 3 emissions associated with business travel, waste and water use.

Emissions Type	2022 tCO <sub>2</sub> e	2021 tCO <sub>2</sub> e
Scope 1	26.60	2.50
Scope 2	26.01	21.06
Scope 3	153.47	14.67
Total	<u>206.08</u>	<u>39.89</u>

### Strategy

The Group's carbon footprint benefitted from the impact of the COVID-19 influence during 2021 with reduced office attendance and business travel, however and as expected this has moved back to more reasonable levels during 2022. The Group continued to grow during 2022, as well as 2021, with additional offices and people joining the Group resulting in increased emission levels.


The flexible working model has bedded in well with a large proportion of our people splitting their time between the office and working from home.

*Our ambition continues to be net carbon zero and we are working with the Benefact Group to review our resource consumption and find ways to reduce our environmental impact. There are four elements to the plan, these are Measurement Decarbonisation Offsetting Giving. We believe that together we have an opportunity to make a real difference and be a positive influence at a critical time for the planet.*

### Disclosure of information to the auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on ..... and signed on its behalf by:

  
.....  
S Astley  
Director

# **Lloyd & Whyte Group Limited**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Lloyd & Whyte Group Limited**

### **Independent Auditor's Report to the Members of Lloyd & Whyte Group Limited**

#### **Opinion**

We have audited the financial statements of Lloyd & Whyte Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and the parent company's affairs as at 31 December 2022 and of the group's profit for the year 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's 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 group and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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. 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.

## **Lloyd & Whyte Group Limited**

### **Independent Auditor's Report to the Members of Lloyd & Whyte Group Limited**

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

We have nothing to report in this regard.

#### **Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 9), 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Lloyd & Whyte Group Limited**

### **Independent Auditor's Report to the Members of Lloyd & Whyte Group Limited**

#### **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.

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were Financial Conduct Authority (FCA) regulations, General Data Protection Regulations (GDPR) and Employment Law.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006 and Corporation Taxes Acts 2009 and 2010.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place.

We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non compliance or legal costs in respect of non compliance;
- Reviewed Board minutes;
- Reviewed returns to the FCA for consistency with the financial records of the company and any non compliance;
- Reviewed the FCA breaches register for any reportable breaches;
- Undertaken procedures in respect of the compliance with CASS 5 Client Money FCA regulations (separate engagement);and
- Reviewed the GDPR breaches register and reports to the ICO.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

## Lloyd & Whyte Group Limited

### Independent Auditor's Report to the Members of Lloyd & Whyte Group Limited

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were incentives relating to management bonuses and inflation of results reported to the group's minority shareholder, and we determined that the principal risks were related to the overstatement of profit, either through overstating revenue or management bias in accounting estimates.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the financial statements for any indication of bias and challenged assumptions used by management in making the estimates;
- Reviewed management bonus calculations and verified to underlying documentation; and
- Reviewed revenue recognition and cut-off in respect of insurance policy commission income to ensure no material overstatement of income.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statement. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 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.



Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

Date: 3<sup>rd</sup> July 2023

# Lloyd & Whyte Group Limited

## Consolidated Profit and Loss Account

Year Ended 31 December 2022

	Note	Continuing operations 2022 £	Discontinued operations 2022 £	Total 2022 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £
Turnover	3	28,402,406	-	28,402,406	23,063,118	367,710	23,430,828
Cost of sales		(1,065,680)	-	(1,065,680)	(1,089,937)	(142,853)	(1,232,790)
Gross profit		27,336,726	-	27,336,726	21,973,181	224,857	22,198,038
Administrative expenses		(27,547,024)	-	(27,547,024)	(21,560,533)	(572,043)	(22,132,576)
Operating (loss)/profit	4	(210,298)	-	(210,298)	412,648	(347,186)	65,462
Profit on disposal of operations		-	-	-	-	3,500,000	3,500,000
Other interest receivable and similar income		3,337,642	-	3,337,642	2,708,549	87,158	2,795,707
Interest payable and similar charges		(2,550,938)	-	(2,550,938)	(2,114,927)	-	(2,114,927)
		786,704	-	786,704	593,622	87,158	680,780
Profit before tax		576,406	-	576,406	1,006,270	3,239,972	4,246,242
Tax on profit	10	(329,142)	-	(329,142)	(514,777)	(619,749)	(1,134,526)
Profit for the financial year		247,264	-	247,264	491,493	2,620,223	3,111,716

The notes on pages 20 to 46 form an integral part of these financial statements.  
Page 14



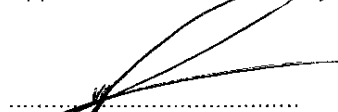
# Lloyd & Whyte Group Limited

## Consolidated Balance Sheet

31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	68,120,677	25,996,754
Tangible assets	12	603,409	244,089
Other financial assets		288,119	-
		<u>69,012,205</u>	<u>26,240,843</u>
<b>Current assets</b>			
Debtors	15	33,027,852	17,582,905
Cash at bank and in hand		22,060,584	13,522,378
		<u>55,088,436</u>	<u>31,105,283</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(41,114,181)</u>	<u>(28,088,099)</u>
<b>Net current assets</b>		<u>13,974,255</u>	<u>3,017,184</u>
<b>Total assets less current liabilities</b>		82,986,460	29,258,027
<b>Creditors: Amounts falling due after more than one year</b>	18	(79,069,136)	(23,997,562)
<b>Deferred income</b>	20	(1,274,134)	(964,037)
<b>Provisions for liabilities</b>	23	<u>(3,463,033)</u>	<u>(2,863,535)</u>
<b>Net (liabilities)/assets</b>		<u>(819,843)</u>	<u>1,432,893</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,068	1,068
Capital redemption reserve		530	530
Profit and loss account		<u>(821,441)</u>	<u>1,431,295</u>
<b>Total equity</b>		<u>(819,843)</u>	<u>1,432,893</u>

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

  
 .....  
 M.M. Pyke  
 Director

Company Registration Number: 1143899

# Lloyd & Whyte Group Limited

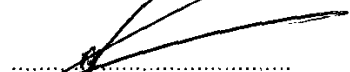
## Balance Sheet

31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	988,281	68,050
Tangible assets	12	54,285	57,856
Investments	13	91,096,798	32,318,524
Other financial assets	14	286,951	-
		<u>92,426,315</u>	<u>32,444,430</u>
<b>Current assets</b>			
Debtors	15	6,343,191	6,498,368
Cash at bank and in hand		2,311	8,267
		<u>6,345,502</u>	<u>6,506,635</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(11,882,808)</u>	<u>(8,248,403)</u>
<b>Net current liabilities</b>		<u>(5,537,306)</u>	<u>(1,741,768)</u>
<b>Total assets less current liabilities</b>		86,889,009	30,702,662
<b>Creditors: Amounts falling due after more than one year</b>	18	(79,069,136)	(23,997,562)
<b>Provisions for liabilities</b>	23	<u>(3,338,400)</u>	<u>(2,770,696)</u>
<b>Net assets</b>		<u>4,481,473</u>	<u>3,934,404</u>
<b>Capital and reserves</b>			
Called up share capital	25	1,068	1,068
Capital redemption reserve		530	530
Profit and loss account		<u>4,479,875</u>	<u>3,932,806</u>
Shareholders' funds		<u>4,481,473</u>	<u>3,934,404</u>

The company made a profit after tax for the financial year of £3,047,069 (2021 - profit of £2,622,320).

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

  
 .....  
 M. M. Pyke  
 Director

Company Registration Number: 1143899

## Lloyd & Whyte Group Limited

### Consolidated Statement of Changes in Equity

Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2022	1,068	530	1,431,295	1,432,893
Profit for the year	-	-	247,264	247,264
Total comprehensive income	-	-	247,264	247,264
Dividends	-	-	(2,500,000)	(2,500,000)
At 31 December 2022	1,068	530	(821,441)	(819,843)

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2021	1,068	530	1,019,579	1,021,177
Profit for the year	-	-	3,111,716	3,111,716
Total comprehensive income	-	-	3,111,716	3,111,716
Dividends	-	-	(2,700,000)	(2,700,000)
At 31 December 2021	1,068	530	1,431,295	1,432,893

The notes on pages 20 to 46 form an integral part of these financial statements.

## Lloyd & Whyte Group Limited

### Statement of Changes in Equity

Year Ended 31 December 2022

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2022	1,068	530	3,932,806	3,934,404
Profit for the year	-	-	3,047,069	3,047,069
Total comprehensive income	-	-	3,047,069	3,047,069
Dividends	-	-	(2,500,000)	(2,500,000)
At 31 December 2022	1,068	530	4,479,875	4,481,473

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2021	1,068	530	4,010,486	4,012,084
Profit for the year	-	-	2,622,320	2,622,320
Total comprehensive income	-	-	2,622,320	2,622,320
Dividends	-	-	(2,700,000)	(2,700,000)
At 31 December 2021	1,068	530	3,932,806	3,934,404

The notes on pages 20 to 46 form an integral part of these financial statements.

# Lloyd & Whyte Group Limited

## Consolidated Statement of Cash Flows-Year Ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		247,264	3,111,716
<u>Adjustments to cash flows from non-cash items</u>			
Depreciation and amortisation	4	3,711,932	2,876,870
Loss on disposal of tangible assets		13,967	26,796
Loss on disposal of intangible assets		15,375	-
Finance costs	9	2,550,938	2,114,927
Tax expense	10	329,142	1,134,526
		<u>6,868,618</u>	<u>9,264,835</u>
<u>Working capital adjustments</u>			
(Increase)/decrease in debtors	15	(5,229,913)	2,555,851
Increase in creditors	18	2,473,010	3,339,918
Increase/(decrease) in provisions	23	58,029	(102,023)
Increase in deferred income		<u>98,832</u>	<u>43,975</u>
Cash generated from operations		4,268,576	15,102,556
Corporation tax paid	10	<u>(952,582)</u>	<u>(649,589)</u>
Net cash flow from operating activities		<u>3,315,994</u>	<u>14,452,967</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(70,102)	(168,850)
Acquisition of intangible assets	11	(342,930)	(191,356)
Cash paid to acquire subsidiaries		(54,250,741)	(15,680,595)
Cash paid to acquire investment		(286,951)	-
Cash acquired with subsidiaries		<u>10,324,392</u>	<u>1,676,430</u>
Net cash flows from investing activities		<u>(44,626,332)</u>	<u>(14,364,371)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(2,310,262)	(1,810,477)
Proceeds from other borrowing draw downs		55,345,000	10,500,000
Repayment of other borrowing		(686,194)	(831,336)
Dividends paid		<u>(2,500,000)</u>	<u>(1,800,000)</u>
Net cash flows from financing activities		<u>49,848,544</u>	<u>6,058,187</u>
Net increase in cash and cash equivalents	16	8,538,206	6,146,783
Cash and cash equivalents at 1 January		<u>13,522,378</u>	<u>7,375,595</u>
Cash and cash equivalents at 31 December		<u><u>22,060,584</u></u>	<u><u>13,522,378</u></u>

# **Lloyd & Whyte Group Limited**

## **Notes to the Financial Statements**

**Year Ended 31 December 2022**

### **1 General information**

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

The address of its registered office is:

Affinity House  
Bindon Road  
Taunton  
Somerset  
TA2 6AA

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures from FRS 102.

#### **Basis of preparation**

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

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

# **Lloyd & Whyte Group Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2022**

#### **Key judgements and sources of estimation uncertainty**

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

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

The key judgement in respect of the company's own financial statements is going concern. In forming their opinion, the directors have considered the profitable performance of the group both during the year and subsequent to the year end, the forecasted financial performance, and the impact on the company's own position in respect of dividend income and profits.

At the balance sheet date the company itself had net current liabilities of £5,537,306 (2021 - £1,741,768). In forming their going concern opinion on the company, and in addition to the above, the directors have taken into consideration the ongoing support of subsidiary companies and the available finance facilities.

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

The carrying value of goodwill arising on consolidation of acquired companies, and also acquisition of books of business, on the group balance sheet is carried at cost less accumulated amortisation and accumulated impairment losses. This requires estimation in the amortisation rate used, as well as assessment of the forecasted ongoing economic contribution of the subsidiaries and books of business to the group, as to whether an indicator of impairment has occurred. The directors are satisfied that the amortisation rates applied and the carrying value are appropriate and no impairment is required. The carrying amount is £67,457,228 (2021 - £25,538,974).

The carrying value of investments in subsidiaries in the company requires estimation as to the value of contingent consideration payable where relevant to the acquisition. The total consideration payable is based upon the future performance of the relevant company. The directors best estimate of the amount that will be payable is included in the company balance sheet at its present value. The resulting discount is unwound against interest payable in each relevant accounting period. The carrying amount is £3,338,400 (2021 - £2,901,567).

#### **Revenue recognition**

Turnover is recognised on a receivable basis and represents net brokerage earned and fees due net of Insurance Premium Tax and premiums due to insurers in respect of services to customers, with reference to the commencement date of the insurance policy or other product taken out by clients, and commissions and fees earned on financial services provided.

Revenue in respect of financing override income is recognised on inception of the policy and included in Other interest receivable and similar income in the financial statements.

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### Tax

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

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

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

### Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

### Intangible assets

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

### Amortisation

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

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years
Computer software	20% straight line

### Tangible assets

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

### Depreciation

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

Asset class	Depreciation method and rate
Short leasehold property	Straight line over 10 years
Fixtures, fittings and equipment	20% reducing balance
Plant and equipment	20% reducing balance

### Business combinations

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



# **Lloyd & Whyte Group Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2022**

#### **Investments**

Investments in subsidiaries are stated at historical cost less provision for any diminuation in value.

#### **Provisions**

Provisions, other than deferred tax, relate to deferred consideration in respect of business combinations which are conditional on certain business performance criteria. Provision is made at the date of acquisition, based on the present value of the estimated future payments based on the information available at the time. Adjustment to the provision is made at each balance sheet date as necessary to reflect the impact of the relevant business performance criteria being attained.

#### **Leases**

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

#### **Defined contribution pension obligation**

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

#### **Insurance broking assets and liabilities**

Insurance transactions are recorded in the books of the company when the invoice is sent to the client. When required by FCA regulations, monies received from clients are held in a separate Statutory or non-statutory Trust bank account prior to the settlement of the liability to the insurance company and the transfer of brokerage to the office account.

These insurance ledger balances are included in the accounts of the company with amounts owing from clients included in trade debtors, the bank account included in cash at bank and the insurance company liabilities included in trade creditors. See note 22.

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### Financial instruments

#### Classification

The group holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Deferred consideration;
- Other borrowings; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### Recognition and measurement

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

Except for other borrowings and deferred consideration, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Other borrowings and deferred consideration are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

### 3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Commissions and related income received	28,202,406	23,288,581
Other revenue	200,000	142,247
	<u>28,402,406</u>	<u>23,430,828</u>

All revenue is from the same class of business and within the UK.

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	79,355	72,684
Amortisation expense	3,632,577	2,814,707
Loss on disposal of property, plant and equipment	13,967	9,313

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	14,944,528	11,474,442
Social security costs	1,660,699	1,187,179
Pension costs, defined contribution scheme	528,702	411,462
	17,133,929	13,073,083

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	80	76
Sales	270	241
Other departments	20	19
	370	336

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	581,415	646,747
Contributions paid to money purchase schemes	26,500	24,000
	<u>607,915</u>	<u>670,747</u>

During the year the number of directors who were receiving benefits was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2022 £	2021 £
Remuneration	406,942	472,321
Company contributions to money purchase pension schemes	<u>22,500</u>	<u>21,000</u>

### 7 Auditor's remuneration

	2022 £	2021 £
Audit of these financial statements	11,000	10,800
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>34,550</u>	<u>40,380</u>
	<u>45,550</u>	<u>51,180</u>

#### Other fees to auditors

Taxation compliance services	10,350	9,600
All other assurance services	15,600	10,920
All other non-audit services	<u>18,740</u>	<u>4,600</u>
	<u>44,690</u>	<u>25,120</u>

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 8 Other interest receivable and similar income

	2022	2021
	£	£
Interest income on bank deposits	3,513	111
Other finance income	3,334,129	2,795,596
	<u>3,337,642</u>	<u>2,795,707</u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
Interest expense on other finance liabilities	<u>2,550,938</u>	<u>2,114,927</u>

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2022	2021
	£	£
<b>Current taxation</b>		
UK corporation tax	813,531	1,287,851
UK corporation tax adjustment to prior periods	<u>2,025</u>	<u>(1,933)</u>
	815,556	1,285,918
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(486,414)</u>	<u>(151,392)</u>
Tax expense in the income statement	<u>329,142</u>	<u>1,134,526</u>

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2022

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	576,406	4,246,242
Corporation tax at standard rate	109,517	806,786
Expenses not deductible for tax purposes	679,463	357,109
Adjustments to deferred tax in respect of changes in tax rates	(113,442)	(11,105)
Utilisation of tax losses on which no deferred tax recognised	-	(54,477)
Deferred tax credit from unrecognised tax loss	(353,040)	-
Deferred tax (credit)/expense in respect of previous periods	(8,427)	28,465
Current tax expense in respect of previous periods	7,099	6,418
Other tax effects for reconciliation between accounting profit and tax expense	7,972	1,330
Total tax charge	329,142	1,134,526

#### Deferred tax

##### Group

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2022</b>		
Fixed asset timing differences	-	(68,651)
Tax losses carried forward	392,025	-
Short term timing differences	275,790	-
	667,815	(68,651)
<b>2021</b>		
Fixed asset timing differences	-	(120,308)
Short term timing differences	158,340	-
	158,340	(120,308)

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

### Year Ended 31 December 2022

#### Company

##### Deferred tax assets and liabilities

	Asset £	Liability £
<b>2022</b>		
Fixed asset differences	-	(27,488)
Short term timing differences	303,277	-
	<u>303,277</u>	<u>(27,488)</u>
<b>2021</b>		
Fixed asset differences	-	(26,129)
Short term timing differences	157,000	-
	<u>157,000</u>	<u>(26,129)</u>

#### 11 Intangible assets

##### Group

	Goodwill £	Software £	Trademarks £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	32,513,031	743,808	-	33,256,839
Additions acquired separately	-	342,930	-	342,930
Acquired through business combinations	44,669,101	-	35,178	44,704,279
Adjustment to consideration	724,666	-	-	724,666
Disposals	-	(15,375)	-	(15,375)
At 31 December 2022	<u>77,906,798</u>	<u>1,071,363</u>	<u>35,178</u>	<u>79,013,339</u>
<b>Amortisation</b>				
At 1 January 2022	6,974,057	286,028	-	7,260,085
Amortisation charge	3,475,513	157,064	-	3,632,577
At 31 December 2022	<u>10,449,570</u>	<u>443,092</u>	<u>-</u>	<u>10,892,662</u>
<b>Carrying amount</b>				
At 31 December 2022	<u>67,457,228</u>	<u>628,271</u>	<u>35,178</u>	<u>68,120,677</u>
At 31 December 2021	<u>25,538,974</u>	<u>457,780</u>	<u>-</u>	<u>25,996,754</u>

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### Company

	Goodwill £	Software £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	-	71,304	71,304
Additions acquired separately	-	19,500	19,500
Acquired through business combinations	966,385	-	966,385
At 31 December 2022	966,385	90,804	1,057,189
<b>Amortisation</b>			
At 1 January 2022	-	3,254	3,254
Amortisation charge	48,318	17,336	65,654
At 31 December 2022	48,318	20,590	68,908
<b>Carrying amount</b>			
At 31 December 2022	918,067	70,214	988,281
At 31 December 2021	-	68,050	68,050



# Lloyd & Whyte Group Limited

## Notes to the Financial Statements Year Ended 31 December 2022

### 12 Tangible assets

#### Group

	Short leasehold land & buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	31,527	420,151	-	169,086	620,764
Additions	93,689	305,666	50,651	2,636	452,642
Disposals	-	(161,973)	-	-	(161,973)
At 31 December 2022	125,216	563,844	50,651	171,722	911,433
<b>Depreciation</b>					
At 1 January 2022	12,801	217,358	-	146,516	376,675
Charge for the year	4,467	69,178	-	5,710	79,355
Eliminated on disposal	-	(148,006)	-	-	(148,006)
At 31 December 2022	17,268	138,530	-	152,226	308,024
<b>Carrying amount</b>					
At 31 December 2022	107,948	425,314	50,651	19,496	603,409
At 31 December 2021	18,726	202,793	-	22,570	244,089

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

#### Company

	Short leasehold land & buildings £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	21,421	73,123	94,544
Additions	-	14,434	14,434
At 31 December 2022	21,421	87,557	108,978
<b>Depreciation</b>			
At 1 January 2022	6,844	29,844	36,688
Charge for the year	2,118	15,887	18,005
At 31 December 2022	8,962	45,731	54,693
<b>Carrying amount</b>			
At 31 December 2022	12,459	41,826	54,285
At 31 December 2021	14,577	43,279	57,856

#### 13 Investments

##### Group subsidiaries

Details of group subsidiaries as at 31 December 2022 are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
<b>Subsidiary undertakings</b>				
Lloyd & Whyte Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Lloyd and Whyte (Financial Services) Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Insurance Broking Finance Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
The Medical Insurance Advisory Bureau Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Specialist Broking Retail Limited (formerly Business Choice Direct Insurance Services Limited)*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			0%	100%
Stride Holdings (Chichester) Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares		
Stride Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Lloyd & Whyte Community Broking Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Mi Specialty Ltd (formerly MI Commercial Risks Ltd)	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Northcott Beaton Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Direct Corporate Risks Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Membership Plans Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	100%
Naturesave Policies Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	0%
Davies Craddock (Holdings) Limited*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	0%
Davies Craddock Limited	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary shares	100%	0%
South Essex Insurance Holdings Limited*	Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW	Ordinary shares	100%	0%
SEIB Insurance Brokers Limited	Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW	Ordinary shares	100%	0%
Provenance IB Ltd*	Affinity House, Bindon Road, Taunton, TA2 6AA	Ordinary	25%	0%

\* indicates direct investment of the company

## **Lloyd & Whyte Group Limited**

### **Notes to the Financial Statements**

**Year Ended 31 December 2022**

#### **Subsidiary undertakings**

##### *Lloyd & Whyte Limited*

The principal activity of Lloyd & Whyte Limited is the provision of insurance broking services.

##### *Lloyd and Whyte (Financial Services) Limited*

The principal activity of Lloyd and Whyte (Financial Services) Limited is the provision of financial services.

##### *Insurance Broking Finance Limited*

The principal activity of Insurance Broking Finance Limited is the provision of finance for insurance policies.

##### *The Medical Insurance Advisory Bureau Limited*

The principal activity of The Medical Insurance Advisory Bureau Limited is the provision of insurance broking services.

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

The principal activity of Specialist Broking Retail Limited (formerly Business Choice Direct Insurance Services Limited) is the provision of insurance broking services.

##### *Stride Holdings (Chichester) Limited*

The principal activity of Stride Holdings (Chichester) Limited is an intermediate holding company. The company was dissolved on 28 June 2022

##### *Stride Limited*

The principal activity of Stride Limited is the provision of insurance broking services.

##### *Lloyd & Whyte Community Broking Limited*

The principal activity of Lloyd & Whyte Community Broking Limited is the provision of insurance broking services.

##### *Mi Specialty Ltd (formerly MI Commercial Risks Ltd)*

The principal activity of Mi Specialty Ltd (formerly MI Commercial Risks Ltd) is the provision of insurance broking services.

##### *Northcott Beaton Limited*

The principal activity of Northcott Beaton Limited is the provision of insurance broking services.

##### *Direct Corporate Risks Limited*

The principal activity of Direct Corporate Risks Limited is the provision of insurance broking services.

##### *Membership Plans Limited*

The principal activity of Membership Plans Limited is that of payment collection facilities management provision.

##### *Naturesave Policies Limited*

The principal activity of Naturesave Policies Limited is the provision of insurance broking services.

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

### Year Ended 31 December 2022

#### *Davies Craddock (Holdings) Limited*

The principal activity of Davies Craddock (Holdings) Limited is that of an intermediate holding company.

#### *Davies Craddock Limited*

The principal activity of Davies Craddock Limited is the provision of insurance broking services.

#### *South Essex Insurance Holdings Limited*

The principal activity of South Essex Insurance Holdings Limited is that of an intermediate holding company.

#### *SEIB Insurance Brokers Limited*

The principal activity of SEIB Insurance Brokers Limited is the provision of insurance broking services.

#### *Provenance IB Ltd*

The principal activity of Provenance IB Ltd is the provision of insurance broking services. The company has not been consolidated on the equity basis on the grounds of materiality.

For the year ending 31 December 2022 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Davies Craddock Limited - registered number 06403519

Davies Craddock (Holdings) Limited - registered number 06523912

Insurance Broking Finance Limited - registered number 04981657

Lloyd & Whyte Community Broking Limited - registered number 04640518

Membership Plans Limited - registered number 06322047

Naturesave Policies Limited - registered number 02797137

The Medical Insurance Advisory Bureau Limited - registered number 07217140

#### **Company**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments in subsidiaries	<u>91,096,798</u>	<u>32,318,524</u>

#### **Subsidiaries**

**£**

#### **Cost or valuation**

At 1 January 2022	32,318,524
Additions	58,053,608
Adjustment to consideration	<u>724,666</u>
At 31 December 2022	<u>91,096,798</u>

#### **Carrying amount**

At 31 December 2022	<u>91,096,798</u>
At 31 December 2021	<u>32,318,524</u>

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 14 Other financial assets

#### Group

	Financial assets at cost less impairment £	Total £
<b>Cost or valuation</b>		
Additions	288,119	288,119
At 31 December 2022	288,119	288,119
<b>Carrying amount</b>		
At 31 December 2022	288,119	288,119
At 31 December 2021	-	-

#### Company

	Financial assets at cost less impairment £	Total £
<b>Cost or valuation</b>		
Additions	286,951	286,951
At 31 December 2022	286,951	286,951
<b>Carrying amount</b>		
At 31 December 2022	286,951	286,951
At 31 December 2021	-	-

### 15 Debtors

	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Current</b>				
Trade debtors	27,232,225	14,985,461	-	-
Amounts owed by group undertakings	-	-	3,276,183	6,431,847
Other debtors	3,072,894	71,987	2,685,654	300
Prepayments and accrued income	2,153,655	2,525,457	135,650	66,221
Deferred tax assets	569,078	-	245,704	-
	<u>33,027,852</u>	<u>17,582,905</u>	<u>6,343,191</u>	<u>6,498,368</u>

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 16 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash on hand	349	117	63	117
Cash at bank	22,060,235	13,522,261	2,248	8,150
	<u>22,060,584</u>	<u>13,522,378</u>	<u>2,311</u>	<u>8,267</u>

### 17 Analysis of cash and cash equivalents and net debt

	At 1 January 2022 £	Cash flow	Cash acquired with subsidiaries £	Other	At 31 December 2022 £
Cash at bank and on hand	13,522,378	(1,786,186)	10,324,392	-	22,060,584
	13,522,378	(1,786,186)	10,324,392	-	22,060,584
Other borrowings	(24,684,190)	(54,658,806)	-	(29,170)	(79,372,166)
Net debt	<u>(11,161,812)</u>	<u>(56,444,992)</u>	<u>10,324,392</u>	<u>(29,170)</u>	<u>(57,311,582)</u>

### 18 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Due within one year</b>					
Loans and borrowings	19	303,030	686,628	303,030	686,628
Trade creditors		34,703,889	23,020,830	55,851	44,684
Amounts due to group undertakings		-	-	8,460,311	5,501,259
Social security and other taxes		638,360	324,963	431,784	142,148
Outstanding defined contribution pension costs		-	469	-	-
Corporation tax		1,912,150	1,325,931	-	-
Other creditors		145,370	1,124,335	-	982,768
Payments on account		54,105	195,580	-	-
Accruals		<u>3,357,277</u>	<u>1,409,363</u>	<u>2,631,832</u>	<u>890,916</u>
		<u>41,114,181</u>	<u>28,088,099</u>	<u>11,882,808</u>	<u>8,248,403</u>
<b>Due after one year</b>					
Loans and borrowings	19	<u>79,069,136</u>	<u>23,997,562</u>	<u>79,069,136</u>	<u>23,997,562</u>

# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 19 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Current loans and borrowings</b>				
Other borrowings	<u>303,030</u>	<u>686,628</u>	<u>303,030</u>	<u>686,628</u>
	2022 £	Group 2021 £	2022 £	Company 2021 £
<b>Non-current loans and borrowings</b>				
Other borrowings	<u>79,069,136</u>	<u>23,997,562</u>	<u>79,069,136</u>	<u>23,997,562</u>

#### Group and Company

##### Other borrowings

Other borrowings - facility 1 is denominated in sterling with a nominal interest rate of 3.75% plus base, and the final instalment is due on 29 September 2025. The carrying amount at year end is £690,426 (2021 - £940,965).

The loan facility is secured with a fixed and floating charge over the assets of the group.

The loan is repayable in quarterly instalments.

Other borrowings - facility 2 is denominated in sterling with a nominal interest rate of 8.5%, and the final instalment is due on 30 June 2026. The carrying amount at year end is £34,451,442 (2021 - £23,743,225).

The loan facility is secured with a fixed and floating charge over the assets of the group.

The loan is repayable on the 7th anniversary of the date of the master agreement.

Other borrowings - facility 3 is denominated in sterling with a nominal interest rate of 8.5%, and the final instalment is due on 30 June 2026. The carrying amount at year end is £44,230,298 (2021 - £Nil).

The loan facility is secured with a fixed and floating charge over the assets of the group.

The loan is repayable on the 7th anniversary of the date of the master agreement.

### 20 Deferred income

	2022 £
At 1 January 2022	964,037
Released to profit during the year	(964,037)
Received during the year	<u>1,274,134</u>
At 31 December 2022	<u>1,274,134</u>



# Lloyd & Whyte Group Limited

## Notes to the Financial Statements

Year Ended 31 December 2022

### 21 Obligations under leases and hire purchase contracts

#### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	705,235	504,556
Later than one year and not later than five years	1,902,919	1,578,588
Later than five years	85,838	2,125
	<u>2,693,992</u>	<u>2,085,269</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £637,731 (2021 - £578,959).

#### Company

##### Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	345,022	208,662
Later than one year and not later than five years	836,524	587,560
	<u>1,181,546</u>	<u>796,222</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £343,222 (2021 - £202,129).

### 22 Insurance broking assets and liabilities

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

Included in debtors is £18,246,425 (2021 - £14,672,872) relating to insurance ledger debtors, included in cash at bank is £11,364,293 (2021 - £11,590,652) in respect of client money and included in creditors is £26,121,537 (2021 - £22,050,442) owing to insurance companies and agents.

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 23 Deferred tax and other provisions

##### Group

	Dilapidations £	Deferred tax £	Deferred consideration £	Total £
At 1 January 2022	-	38,032	2,901,567	2,939,599
Increase through business combinations	124,633	-	-	124,633
Increase/(decrease) in existing provisions	-	(38,032)	436,833	398,801
At 31 December 2022	<u>124,633</u>	<u>-</u>	<u>3,338,400</u>	<u>3,463,033</u>

##### Company

	Deferred tax £	Deferred consideration £	Total £
At 1 January 2022	(130,871)	2,901,567	2,770,696
Decrease in existing provisions	<u>130,871</u>	<u>436,833</u>	<u>567,704</u>
At 31 December 2022	<u>-</u>	<u>3,338,400</u>	<u>3,338,400</u>

At the year end, the group had certain deferred consideration liabilities in respect of business combinations which are conditional on certain business performance criteria. These liabilities relate to deferred acquisition consideration payments which are provided at the present value of the future payments in accordance with agreed schedules of payment. The final payment is due on 28 February 2025.

#### 24 Pension schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £528,702 (2021 - £411,462).

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 25 Share capital

##### Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary shares of £1 each	1,068	1,068	1,068	1,068

##### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares are non-redeemable and attract full voting, equity and dividend rights

#### 26 Dividends

	2022 £	2021 £
Interim dividend of £2,340.82 (2021 - £2,528.09) per ordinary share	2,500,000	2,700,000

#### 27 Contingent assets and liabilities

##### Group

The total amount of contingent assets not included in the balance sheet is £625,000 (2021 - £Nil). Related to this is a contingent liability of 40% of the asset (2022 - £250,000; 2021 - £Nil) not included in the balance sheet due to be paid out on receipt of the asset. The group expects to receive profit shares from insurers on certain products but have yet to be confirmed..

#### 28 Financial guarantee contracts

##### Group

At the current year end the company's assets, along with the assets of the rest of the group companies, are subject to a fixed and floating charge in respect of a loan facility entered into by the company during the year. The total amount guaranteed by group companies as at 31 December 2022 was £79,372,166 (2021 - £24,684,190).

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 29 Business combinations

On 30 December 2022, Lloyd & Whyte Group Limited acquired 100% of the issued share capital of South Essex Insurance Holdings Limited, obtaining control.

South Essex Insurance Holdings Limited contributed £Nil revenue and £Nil to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value 2022 £	Revaluation adjustments 2022 £	Fair value 2022 £
<b>Assets and liabilities acquired</b>			
Financial assets	17,825,559	21,500	17,845,998
Tangible assets	1,660,826	(1,296,014)	365,980
Identifiable intangible assets	5,821,890	(5,786,712)	35,178
Financial liabilities	(11,310,445)	1,353,048	(9,957,397)
Total identifiable assets	13,997,830	(5,708,178)	8,289,759
Goodwill	30,238,554	5,708,178	35,946,625
Total consideration	44,236,384	-	44,236,384
<b>Satisfied by:</b>			
Cash	44,236,384	-	44,236,384
<b>Cash flow analysis:</b>			
Cash consideration	44,236,384	-	44,236,384
Less: cash and cash equivalent balances acquired	(8,842,176)	-	(8,842,176)
Net cash outflow arising on acquisition	35,394,208	-	35,394,208

The acquisition comprised South Essex Insurance Holdings Limited and its subsidiary, SEIB Insurance Brokers Limited. The figures in the table above relate to the consolidated South Essex Insurance Holdings Limited group.

The revaluation adjustments represent the adjustments necessary to convert the acquired group's financial statements from IFRS to UK GAAP, and the removal of goodwill and customer relationships intangible assets.

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2022

On 1 December 2022, Lloyd & Whyte Group Limited acquired 100% the issued share capital of Davies Craddock (Holdings) Limited, obtaining control.

Davies Craddock (Holdings) Limited contributed £145,212 revenue and £176,640 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Book value 2022 £</b>	<b>Fair value 2022 £</b>
<b>Assets and liabilities acquired</b>		
Financial assets	1,591,813	1,591,813
Tangible assets	3,782	3,782
Financial liabilities	(912,846)	(912,846)
Total identifiable assets	682,749	682,749
Goodwill	4,012,703	4,012,703
Total consideration	4,695,452	4,695,452
<b>Satisfied by:</b>		
Cash	4,695,452	4,695,452
<b>Cash flow analysis:</b>		
Cash consideration	4,695,452	4,695,452
Less: cash and cash equivalent balances acquired	(1,019,950)	(1,019,950)
Net cash outflow arising on acquisition	3,675,502	3,675,502

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2022

On 31 May 2022, Lloyd & Whyte Group Limited acquired 100% of the issued share capital of Naturesave Policies Limited, obtaining control.

Naturesave Policies Limited contributed £433,829 revenue and £(25,730) to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Book value 2022 £</b>	<b>Fair value 2022 £</b>
<b>Assets and liabilities acquired</b>		
Financial assets	157,028	157,028
Tangible assets	13,946	13,946
Financial liabilities	<u>(47,234)</u>	<u>(47,234)</u>
Total identifiable assets	<u>123,740</u>	<u>123,740</u>
Goodwill	<u>1,736,161</u>	<u>1,736,161</u>
Total consideration	<u>1,859,901</u>	<u>1,859,901</u>
<b>Satisfied by:</b>		
Cash	<u>1,845,955</u>	<u>1,845,955</u>
<b>Cash flow analysis:</b>		
Cash consideration	1,845,955	1,845,955
Less: cash and cash equivalent balances acquired	<u>(2,552)</u>	<u>(2,552)</u>
Net cash outflow arising on acquisition	<u>1,843,403</u>	<u>1,843,403</u>

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

#### Year Ended 31 December 2022

On 1 July 2022, Lloyd & Whyte Group Limited acquired 100% of Cornish Insurance book of business, obtaining control.

Cornish Insurance book of business contributed £217,271 revenue and £192,620 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Book value 2022 £</b>	<b>Fair value 2022 £</b>
Goodwill	<u>950,000</u>	<u>950,000</u>
<b>Satisfied by:</b>		
Cash	<u>950,000</u>	<u>950,000</u>
<b>Cash flow analysis:</b>		
Cash consideration	<u>950,000</u>	<u>950,000</u>

On 3 May 2022, Lloyd & Whyte Community Broking Limited (group subsidiary) acquired 100% of Eastside Insurance Services book of business, obtaining control.

Eastside Insurance Services book of business contributed £719,791 revenue and £223,093 to the group's profit for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Book value 2022 £</b>	<b>Fair value 2022 £</b>
Goodwill	<u>20,000,000</u>	<u>2,000,000</u>
<b>Satisfied by:</b>		
Cash	<u>2,000,000</u>	<u>2,000,000</u>
<b>Cash flow analysis:</b>		
Cash consideration	<u>2,000,000</u>	<u>2,000,000</u>

## Lloyd & Whyte Group Limited

### Notes to the Financial Statements

Year Ended 31 December 2022

#### 30 Non adjusting events after the financial period

A dividend of £2,250,000 has been declared by the company after the balance sheet date. This is not provided in the period end balance sheet.

Since the year end, the group has completed the following transactions for an overall net cost of £2,465,000:

Acquisition of 100% of the share capital of Cleddau Holdings Limited (3 January 2023)

Acquisition of a book of business (3 January 2023)

Acquisition of 100% of the share capital of Playle Russell (Special Risks) Limited (15 May 2023)

#### 31 Parent and ultimate parent undertaking

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

#### 32 Related party transactions

##### Group

##### Key management compensation

	2022 £	2021 £
Salaries and other short term employee benefits	<u>2,593,230</u>	<u>2,580,530</u>

##### Dividends paid to directors

	2022 £	2021 £
Dividend paid	<u>1,500,000</u>	<u>1,620,000</u>

##### Other transactions with directors

During the year, a director's loan account was overdrawn by £Nil (2021 - £156,598). At the balance sheet date the company owed the director £Nil (2021 - £540,000).