Ed Broking Holdings LLP

Annual Report and Financial Statements

Year ended 31 December 2020

Registered number: OC339420

Contents **Page**

Partnership information	1
Strategic report	2 - 3
Partnership Board report	4 - 7
Independent auditor's report	8 - 11
Income statement	12
Balance sheet	13
Statement of changes in members' interests	14
Notes to the financial statements	15 - 21

Partnership Information

Designated members	Ed Broking (2016) Limited Piiq Risk Partners Limited (Formerly Ed Broking (London) Limited)
Partnership Board	S P Hearn (Chairperson) A D Draycott F Hamed A D Wallin
Registered number	OC339420 (England & Wales)
Registered office	2 Minster Court Mincing Lane London EC3R 7PD
Auditor	Ernst & Young LLP Statutory Auditor London United Kingdom
Bankers	Barclays Bank PLC 1 Churchill Place London EH14 5HP The Royal Bank of Scotland PLC 9th Floor 280 Bishopsgate London EC2M 4RB

Strategic Report for the year ended 31 December 2020

The Partnership Board ("The Board") presents its strategic report for Ed Broking Holdings LLP ("the LLP") for the year ended 31 December 2020.

Principal Activities

The LLP is part of the Ed Broking Group ("The Group"). The principal activity of the LLP is that of an intermediary holding company providing management services to Ed Broking Group companies. The Company will continue to operate in this capacity for the foreseeable future.

Business review

The profit for the year ended 31 December 2020 available for distribution to members amounted to £604,655 (2019: £17,695).

The Board does not believe that analysis using key performance indicators for the LLP, which is an intermediate holding company, is necessary or appropriate for the understanding of the performance of the LLP.

Post Balance Sheet Events

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 consideration of $500m.

Principal risks and uncertainties

The LLP is aware that there are risks to its future performance which primarily arise through its involvement with Ed Broking LLP. The relative significance of a risk may vary over time and Ed Broking LLP maintains a risk register which is regularly reviewed by its Risk & Audit Committee and Board. Ed Broking LLP seeks to assess, control and mitigate its risks wherever possible.

The Ed Broking LLP operates in a highly competitive environment and is dependent for its success on the abilities and performance of its employees and its ability to attract and retain high calibre staff. Key risks to the Group are therefore competition and failure to recruit or retain key individuals.

Other significant risks include reputation risk as the Group is reliant on a good reputation with both clients and markets in order to win and retain business. As the Group is principally involved in insurance broking in the London market, it is also dependent on the continued attractiveness of the London market to its clients.

As the Group's outgoings are primarily in GBP but the majority of its income is in foreign currency (especially USD) it is exposed to exchange rate risk.

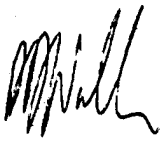
Strategic Report for the year ended 31 December 2020 (continued)

Principal risks and uncertainties (continued)

The Group is also subject to legal and regulatory risk. It handles large and complex (re)insurance contracts and is exposed to the risk of involvement in legal disputes. Group companies must act in accordance with the requirements of their various regulators. A failure to do so could result in fines or other action by the regulator.

The Group is reliant on its IT systems and would therefore be negatively impacted by a failure of one or more key systems over a period of time.

This report was approved by The Board and signed on its behalf by:



A D Wallin
For and on behalf of Ed Broking Holdings LLP
Member of the Board
17 December 2021

Partnership Board's Report

The Board presents its report together with the audited financial statements for the year ended 31 December 2020.

Future developments

The LLP will continue to look for opportunities to acquire or establish businesses in sectors complementary to those in which its subsidiaries currently operate.

Charitable Donations

During the year the LLP made no donations to charitable institutions (2019: £nil).

Financial risk management

The LLP is exposed to a variety of financial risks which primarily arise through its involvement with Ed Broking LLP and its other investments which include price risk, credit risk, interest rate risk, exchange rate risk and liquidity risk.

Price Risk: Pricing fluctuations in the markets in which the Group transacts business may impact on its income, particularly where the subsidiaries' remuneration is agreed as a percentage of premiums. The LLP has no exposure to equity securities price risk as the Group holds no listed or other equity investments.

Credit risk: During the year financial instruments which potentially subjected the Group to concentrations of credit risk consisted primarily of cash and temporary cash investments. The Group managed this risk by maintaining investment practices that restricted placement of these investments to financial institutions evaluated as highly creditworthy. Since the acquisition, surplus funds are placed on deposit with Ed Broking Holdings (London) Limited, an intermediate holding company in the Ed Broking Group.

There is also the risk that other parties that owe the Group money will not pay. The Group took steps to minimise this risk by maintaining sound credit and collection practices and by making provision for any amounts deemed uncollectible.

Interest rate risk: The Group's operations were subject to the risk of interest rate fluctuations only as it affects interest earning assets.

Exchange rate risk: The Group's most significant exposure to foreign currency risk is derived from the income Ed Broking LLP receives in foreign currency. To mitigate the risk FX management, until the acquisition by Ardonagh, was undertaken centrally within the BGC Group.

The Group is exposed to exchange rate risk as regards the value of its overseas holdings and the income arising therefrom.

Liquidity risk: During the year the Group invested in liquid assets. The Committee considers the balances held with Ed Broking Holdings (London) Limited to be near-cash investments.

Partnership Board's Report (continued)

Environmental risk management

As a Group operating as in the international insurance and reinsurance intermediation fields there is limited direct impact from the Group's operations on climate change. Ed do, however, take care to minimise their environmental footprint by reducing waste and minimising the use of electricity at local office level and avoiding the need for international travel where possible.

Brexit risk

The UK formally left the European Union on 31 January 2020 and the transition period ended on 31 December 2020. The Company has put in place arrangements to minimise future disruption for its EEA business, utilising an EEA intermediary platform within the Group and its UK branch. To date, there have been no matters that warrant adjustments to either the financial results as at 31 December 2020 and for the year then ended, or the directors' expectation of the going concern status of the company.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources for the period to 31 December 2022.

Given the relationships between the UK Ed Group companies, a going concern assessment has been performed at the consolidated Ed Broking Group Limited level, incorporating all of the entities owned by the Group. This assessment included consideration of the impacts of the COVID-19 pandemic on the Group's financial, liquidity and capital positions, including sensitivity analysis against base forecasts. The results of the assessment, including consideration of the factors listed below, supported the Board's expectation that the LLP continues to operate as a going concern for the period to 31 December 2022. The factors considered included:

- The current business performance against budget and forecasts over the calendar years 2021 and 2022. Whilst revenues have been negatively impacted in some lines, these have been largely offset by reduced expenses;
- The principal risks facing the Group, including ability to attract and retain high calibre staff, the highly competitive environment it operates in and the financial and operational impacts of COVID-19, remain largely unaffected;
- To the extent that Ed Broking Group Limited and its subsidiaries require financial support, funding of up to $20m will be provided by Ardonagh to 31 December 2022;
- That additional steps could be taken if necessary, including scaling back investment and reducing discretionary spend.

Following this assessment, the Directors are not aware of any material uncertainties that cast significant doubt on the LLP's ability to continue as a going concern for the period to 31 December 2022. The Directors are therefore satisfied that the going concern basis of accounting is appropriate in preparing the financial statements.

Partnership Board's Report (continued)

Designated Members (the "members")

Ed Broking (2016) Limited	(Designated member)
Piiq Risk Partners Limited	(Designated member)

Partnership Board

The overall management of the LLP, including its policies, direction and management of the business are the responsibility of the Board. The Board comprised the following persons during the year and up to the date of signing of the financial statements:

S P Hearn - Chairperson
A D Draycott
F Hamed
N P Perry – resigned 31 October 2021
A D Wallin

No Board member has any beneficial interest in the shares of any Group Companies other than the ultimate parent company the financial statements of which these holdings are disclosed in if appropriate.

Board's responsibilities statement

The Board are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the firm and of the profit or loss of the firm for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 firm will continue in business.

Partnership Board's Report (continued)

Board's responsibilities statement (continued)

The Board are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

So far as each Board member is aware at the time the report is approved:

- there is no relevant audit information of which the LLP's auditor is unaware, and
- the Board has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Ernst & Young LLP will be proposed for reappointment at the LLP's board meeting in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:

A D Wallin
For and on behalf of Ed Broking Holdings LLP
Member of the Board
17 December 2021

Independent auditor's report to the Board of Ed Broking Holdings LLP

Opinion

We have audited the financial statements of Ed Broking Holdings LLP for the year ended 31 December 2020 which comprise the income statement, balance sheet, statement of changes in members' interest and the related notes 1 to 14, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership 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 members' 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 limited liability partnership's ability to continue as a going concern for the period to 31 December 2022.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Independent auditor's report to the Board of Ed Broking Holdings LLP (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on pages 6 to 7, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Board of Ed Broking Holdings LLP (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how Ed Broking Holdings LLP is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the LLP. In assessing the effectiveness of the control environment, we also reviewed minutes of the Board meetings of the LLP and gained an understanding of the company's approach to governance.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the controls that the LLP has established to address risks identified by the LLP, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
    - Considering the effectiveness of management's controls designed to address the risk of fraud.
    - Testing of journal entries and other adjustments in the preparation of the financial statements.
    - Assessing accounting estimates for evidence of management bias
    - Evaluating the business rationale for significant and/or unusual transactions.
    - In addition, we considered the impact of Covid-19 on the LLP, including an assessment of the consistency of operations and controls in place as they transitioned to operating remotely for a significant proportion of 2020, making enquiries with management via the use of video conferencing.

Independent auditor's report to the Board of Ed Broking Holdings LLP (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Vinood Ramabhai (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
20 December 2021

Income Statement for the year ended 31 December 2020

	Note	**Year ended 31 December 2020 £'000**	Year ended 31 December 2019 £'000
Operating expenses		**580**	(4)
Operating Profit/(Loss)	3	**580**	(4)
Interest receivable		**20**	22
Profit for the financial year before members' remuneration and profit shares	5	**600**	18
Profit for the financial year before members' remuneration and profit shares	5	**600**	18
Members' remuneration charged as an expense		**(600)**	(18)
Result for the financial year available for discretionary division among members		**-**	-

The LLP's turnover and expenses all relate to continuing operations.

There were no recognised gains and losses in either year other than those included in the above income statement.

Balance Sheet as at 31 December 2020

	Note	**Year ended 31 December 2020 £'000**	Year ended 31 December 2019 £'000
Non-current assets			
Investments in group undertakings	6	**9,271**	3,271
Current assets			
Debtors	7	**2,142**	3,812
Cash at bank and in hand		**2**	24
		2,144	3,836
Creditors: amount falling due within one year	8	**(5,483)**	(1,175)
Net current assets		**(3,339)**	2,661
Net assets		**5,932**	5,932
Represented by			
Loans and other debts due to members			
Loans and other debts		**-**	-
Members' other interest classified as equity			
Members' capital		**3,221**	3,221
Other reserves		**2,711**	2,711
Total		**5,932**	5,932
Total members' interests			
Amounts due from members		**(123)**	(723)
Members' other interest classified as equity		**5,932**	5,932
Loans and other debts due to members		**-**	-
Total		**5,809**	5,209

The accounting policies and notes on pages 15 to 22 form an integral part of these financial statements. The financial statements of Ed Broking Holdings LLP, registered number OC339420, were approved and authorised for issue by the Board and were signed on its behalf on 17 December 2021.

A D Wallin
Member of the Board
17 December 2021

Statement of Changes in Members' Interest for the Year Ended 31 December 2020

	Member's other interest classified as equity				Loans and other debts due to members			
	Members' Capital £'000	Share option reserve £'000	Other Reserves £'000	Total £'000	Other amounts £'000	Amounts due to/from members £'000	Total £'000	Total Members' interest £'000
Balance at 1 January 2019	3,221	2,711	-	5,932	23	(764)	(741)	5,191
Profit for the financial year	-	-	-	-	18	-	18	18
Allocated profit	-	-	-	-	(41)	-	(41)	(41)
Reclassification	-	(2,711)	2,711	-	-	-	-	-
(Increase)/decrease in amounts due from members	-	-	-	-	-	41	41	41
Balance at 31 December 2019	**3,221**	**-**	**2,711**	**5,932**	**-**	**(723)**	**(723)**	**5,209**
Profit for the financial year	-	-	-	-	600	-	**600**	**600**
Allocated profit	-	-	-	-	(600)	-	**(600)**	**(600)**
(Increase)/decrease in amounts due from members	-	-	-	-	-	600	**600**	**600**
Balance at 31 December 2020	**3,221**	**-**	**2,711**	**5,932**	**-**	**(123)**	**(123)**	**5,809**

Notes to the Financial Statements for the year ended 31 December 2020

1. Accounting Policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

1.1. General information and basis of preparation of accounting

Ed Broking Holdings LLP was incorporated in the United Kingdom on 18 August 2008 under the Limited Liability Partnerships Act 2000 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the LLP's operations and its principal activities are disclosed in the strategic report pages 2-3.

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council and the Limited Liability Partnership Statement of Recommended Practice (December 2018), the sections of the Companies Act 2006 relevant to LLP's and the partnership agreement dated 18 December 2014.

Given the relationships between the UK Ed Group companies, a going concern assessment has been performed at the consolidated Ed Broking Group Limited level, incorporating all of the group entities. This assessment included consideration of the impacts of the COVID-19 pandemic on the Group's financial, liquidity and capital positions, including sensitivity analysis against base forecasts. The results of the assessment, including considerations of the factors listed below, supported the Directors expectations that the LLP continues to operate as a going concern for the period to 31 December 2022. The factors considered included:

- The current business performance against budget and forecasts over the calendar years 2021 and 2022. Whilst revenues have been negatively impacted in some lines, these have been largely offset by reduced expenses and growth in areas that have seen investment in previous years;
- The principal risks facing the Group, including ability to attract and retain high calibre staff, the highly competitive environment it operates in and financial and operational impacts of COVID-19, remain largely unaffected;
- To the extent that Ed Broking Group Limited and its subsidiaries require financial support, funding of up to $20m will be provided by Ardonagh to 31 December 2022;
- Additional steps could be taken if necessary, including scaling back investment and reducing discretionary spend.

Following this assessment, the Directors are not aware of any material uncertainties that cast significant doubt on the LLP's ability to continue as a going concern for the period to 31 December 2022. The Directors are therefore satisfied that the going concern basis of accounting is appropriate in preparing the financial statements.

The financial statements contain information about Ed Broking Holdings LLP as an individual entity, and do not contain consolidated financial information as the parent of a sub group.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1.1. General information and basis of preparation of accounting (continued)

In preparing the LLP's individual financial statements, the LLP has taken advantage of the following exemptions:

- from presenting a statement of cash flows, as required by section 7 statement of Cash Flows
- from disclosing key management personnel compensations required by paragraph 7 of Section 33 Related Party Disclosures

Numbers are round to the nearest thousand (£'000.)

1.2. Turnover

Turnover is stated net of VAT and consists of management fees and drawings that the LLP is entitled to from subsidiary and associated companies.

1.3. Foreign currencies

Items included in the separate financial statements of the LLP are measured and presented in pound sterling which is the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are recorded at rates of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date and the related gains and losses are reported in the income statement through other operating income or expenses.

1.4. Investments

Investments are measured at cost less impairment.

1.5. Financial Assets

The LLP classifies its financial assets as receivables, cash and loans. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Receivables are recognised at undiscounted cost being the fair value of the consideration receivable net of impairment.

1.6. Financial Liabilities

The LLP classifies its financial liabilities as payables and loans. Payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current liabilities.

1.7. Impairment of assets

Assets are reviewed for impairment if events or changes in circumstances indicate that the carry amount of the asset may not be recoverable.

As the result an impairment loss is recognised in income statement to the extent that carry amount exceeds the best estimate of amount that would be received if the asset was to be sold at the reporting date.

1.8. Provisions for liabilities and charges

A provision is recognised where there is a present obligation, legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

2. Critical accounting judgements and key sources of uncertainty

In the application of the LLP's accounting policies, which are described in note 1, the Board are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

Key judgements made by management are as follows:

i. Investments (note 6)

The LLP tests investments annually in accordance with the accounting policy for "Impairment of assets" described above. The present value of estimated future cash flows are based on management assumptions and required the use of estimates. This determination requires significant judgement. In making this judgement, the LLP evaluates the duration and extent to which fair value of an investment is less than its cost and the financial health of and near term business outlook for the investment, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flows.

3. Operating profit

	31 December 2020 £'000	31 December 2019 £'000
The operating (Loss)/profit is stated after charging/(crediting):		
Intercompany release of loan provision	**(585)**	-
Exchange (gains)/losses	**-**	(1)

3.1 Auditor's remuneration

	31 December 2020 £'000	31 December 2019 £'000
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	**5**	5

Fees payable to the LLP's auditor for the audit of the LLP's financial statement were £5,000 (2019: £5,000). The auditor's remuneration for 2020 was borne by a fellow Ed Group entity and not recharged to the LLP. No further fees were paid to the auditor in relation to the LLP.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

4. Staff Numbers

The LLP had no employees during the year (2019: nil).

5. Members' share of profit

On 30 April 2017 the last individual member resigned from the LLP.

Each individual member was entitled to receive a base profit share which was agreed by the Board. This base profit share is shown in the financial statements as an expense charged to the income statement.

The Board determines the amount of profits to be distributed after the financial statements have been approved and the amounts, all of which are treated as an expense, are distributed shortly after the year end.

In 2020, this distributable result is divided equally between the designated members by the Board. This treatment is in line with 2019.

The average number of designated members during the year was 2 (2019: 2).

6. Investments

	31 December 2020 £'000	31 December 2019 £'000
At 1 January 2020	3,271	3,271
Addition	6,000	-
At 31 December 2020	**9,271**	**3,271**

30 June 2020 the LLP increased its investment in Globe Underwriting Limited (£6M).

The LLP reviewed the carrying value of investments in subsidiaries and concluded that the carrying amount was equal or below of the amount recoverable based on the latest financial data.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

6.1. Additional information on subsidiary undertakings:

	Address of registered office	Principal activity	Country of incorporation/ registration	Class of shares	Percentage of ordinary shares/capital held by the LLP
Ed Broking LLP	1	Lloyd's insurance broker	England and Wales	N/A	100%
Globe Underwriting Ltd	1	Managing agent for insurance contracts	England and Wales	Ordinary	100%
NMB Beijing Consulting Company Ltd	2	Service entity	China	Ordinary	100%

The registered offices
1 2 Minster Court, Mincing Lane, London, EC3R 7PD
2 27 Floor Tower , No 5 Jinghua South Street Chaoyang District, Beijing China 10020

7. Debtors

	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year:		
Amounts owed by entities under control of the LLP	**-**	1,550
Amounts owed by entities with control over the LLP	**2,142**	2,262
	2,142	3,812

Included in amounts owed to entities with control over the company are loan amounts due to Ed Broking Holdings (London) Ltd 2020: £524,000 (2019: £524,000). These loans are unsecured, incur interest rates of 3.5% above LIBOR and are repayable on demand. Interest received in the year was 2020: £20,000 (2019: £22,000).

8. Creditors

	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year:		
Amounts owed to entities under control of LLP	**24**	511
Amounts owed to entities with control over the LLP	**5,459**	79
Provision against loan due from entity under control of LLP	**-**	585
	5,483	1,175

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

9. Financial instruments by category

	31 December 2020 £'000	31 December 2019 £'000
Assets per balance sheet include:		
Undiscounted amounts receivable:		
Debtors	**2,142**	3,812
Cash at bank	**2**	24
	2,144	3,836

	31 December 2020 £'000	31 December 2019 £'000
Liabilities per balance sheet include:		
Undiscounted amounts payable:		
Creditors	**5,483**	1,175
	5,483	1,175

All financial instruments are recognised on an amortised cost basis.

10. Members' Interests and reserves

Members are required to provide capital on admission to membership and may make further capital contributions at their discretion. In the event of the LLP going into administration or being wound up the members' capital ranks after unsecured creditors that are not members of the LLP. Detailed movements in members' interests during the year together with comparatives are presented in the statements of changes in the members' interests in page 14 of this report. Members other interest can only be reduced if the Executive Committee is satisfied that the LLP's financing requirements will continue to be satisfied and rank after unsecured creditors in the event of a winding up.

Share option reserve: Prior to the take-over of the Ed Broking Group by BGC Partner Inc the Group ran an equity-settled share-based payment scheme. The fair value of the share options granted to employees being recognised as an employee expense with a corresponding increase in equity. In 2019 the scheme was replaced by BGC Restricted Stock Units. This balance was reclassified to other reserves in the year 2019.

Other reserves: Cumulative profits or losses and other adjustments are represented in the Members' other interest classified as equity.

Amounts due to/from members: these are considered related party balances and are detailed in note 11.

11. Related party transactions

The LLP owed net non-insurance balances of £3,317,000 at 31 December 2020 (2019: was owed £2,637,000), relating to Group Companies. A breakdown of the balances are as follows:

Amounts owed by/(to) entities under control of the LLP	2020 Debtor/ (Creditor) £'000	2019 Debtor/ (Creditor) £'000
Ed Broking LLP	**(24)**	(511)
Globe Underwriting Management Ltd	**-**	965
Total	**(24)**	454

Amounts owed by/(to) entities with control over the LLP	2020 Debtor/ (Creditor) £'000	2019 Debtor/ (Creditor) £'000
Ed Broking (2016) Ltd (member)	**502**	802
Ed Broking Holdings (London) Ltd	**652**	633
Ed Broking Holdings (2016) Ltd	**462**	462
Ed Broking (UK) Ltd	**525**	365
Ed Broking Group Ltd	**(5,079)**	-
Piiq Risk Partners Ltd (member)	**(379)**	(79)
Total	**(3,317)**	2,183
Debtors (note 7)	**2,142**	3,812
Creditors (note 8)	**(5,483)**	(1,175)
Total	**(3,341)**	2,637

12. Financial commitments

There are no material future financial commitments to disclose.

13. Immediate parent and ultimate controlling company

The immediate parent company is Ed Broking (2016) Limited. At the end of December 2020 the ultimate parent company was Cantor Fitzgerald LP, a Limited Partner 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, until the acquisition by Ardonagh, into which the results of the LLP are consolidated is Cantor Fitzgerald Inc LP.

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: 3rd floor, 47 Esplanade, St Helier, Jersey, JE4 9WG).

14. Post balance sheet event

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 consideration of $500m.

Ed.