

ANNUAL REPORT >
AND ACCOUNTS

2023

Contents

Chairman's Report	5
Strategic Report	6
Directors' Report	16
Report of the Remuneration Committee	18
Report of the independent auditors	19
Consolidated statement of comprehensive income	21
Consolidated statement of financial position	22
Company statement of financial position	23
Consolidated statement of cash flows	24
Consolidated statement of changes in equity	25
Company statement of changes in equity	26
Notes to the financial statements	27

Company registration number:

02958427

Registered office:

Deakins Park
Deakins Mill Way
Egerton
Bolton
BL7 9RW

Directors:

R Green
I J Gray
J K Rhodes
J A Golder
B Bradshaw

Bankers:

Barclays Commercial Bank
51 Mosley Street
Manchester
M60 2AU

Secretary:

D Makin

Auditors:

RMS UK Audit LLP
Bluebell House
Brian Johnson Way
Preston
PR2 5PE

Overview

Financially, 2023 was one of our best years on record with over £1.8m Group profit before tax. The Group ends the year with substantial reserves and contracts in the promising new market created by Connected Car technology. However, two developments in the year will impact negatively on immediate profits.

During the year we reported the loss of a significant contract with Zurich due to their withdrawal from areas of the personal lines market. In addition, the insurer backer of CPD, who provide our motor and household products, have imposed a pause on CPD motor product distribution while they arrange their reinsurance provision. At time of writing, we expect to recommence by July 2024.

BDElite has now restored its profitability to pre-Whiplash Regulation levels and with strong Group synergies has grown income and profits.

Markets

We operate in three connected markets.

We provide personal lines insurers and MGAs with third party administration services. We provide a range of products and services to a long-standing network of insurance brokers. With our subsidiary BDElite we provide claims management and related services through brokers and other channels.

The Motor Market which is our largest insurance market saw very significant average premium increases in 2023, reportedly in the high 50's percent after a period of loss-making results. This will be welcome news to our insurer and MGA clients and hopefully will encourage capacity providers.

There continue to be new players and new technology projects which require third party support, a key Broker Direct market that we have served for over 15 years.

One such new project is Connected Car. All new vehicles are now required to be connected to response centres, to deal with accidents. New systems and services are needed and new opportunities have been created. Broker Direct is now involved in a number of these projects.

The claims management market has absorbed regulation change and there are no new regulations on the horizon. However, Connected Car may impact future claims notification procedures and this may affect competition.

Prospects

The nature of our business means that we can always expect some existing contracts to terminate as projects move to new phases and we expect Broker Direct to make company losses in 2024 and 2025 due to the Zurich loss and the uncertainty surrounding CPD. Longer term we expect considerable upside from technology and other new projects, including Connected Car.

BDElite's excellent service and Group synergies have created the conditions for continuing profit growth in 2024.

We expect small profits at a Group consolidated level.

Dividend

Although reserves are healthy, the Board feel that it would not be prudent to pay a dividend until the uncertainties in the forecast are better resolved.

Staff

The Board thanks the staff and management for a year of excellent performance in a challenging environment.

We are sad to announce the passing of Neil Harris one of the founding directors of Broker Direct who served on the Board for 16 years. Our condolences to his partner Trish.



Roy Green
Chairman

7 May 2024

Strategic Report

Mission, Vision and Values

Our Mission (Our purpose, our reason for being)

We work diligently to achieve our customers' objectives, to help make their business stronger through the skills of our people with our technology.

Our Vision (where we are headed)

1. To be an employer of choice.
2. To communicate with customers how they want, when they want and where they want.
3. To be recognised as a cost-effective deliverer of high quality services.
4. To be known for providing the best service, helping our customers achieve their goals.
5. To play our part in maintaining the UK insurance profession's world-leading status through the recruitment and development of high calibre individuals.

Our Values (How we behave)

1. Trust & integrity.
2. Fulfilled employees.
3. Environmental, Societal, Governance, Diversity & Inclusion respectful.
4. Build strong relationships.
5. Provide a highly professional service.

Business model

The Group operates in three areas of UK general insurance, a mature and highly regulated marketplace:

1. Broker Direct provides product distribution, policy and premium administration and claims handling services.

Underpinned by sophisticated IT systems, the Company partners with insurers and Managing General Agents (MGAs) to provide:

- 1.1. 'Agency': Product distribution, policy servicing and claims handling, via the Company's 900+ network of UK insurance broker agencies.
- 1.2. 'Proficient': Third party administration services on behalf of insurers, Managing General Agents and others, who select a service or range of services from product build and distribution, through policy servicing and premium administration, to accident support and claims handling.

2. BDElite provides a suite of 'add-on' insurance products backed up with excellent service.

The Company's income is primarily derived from:

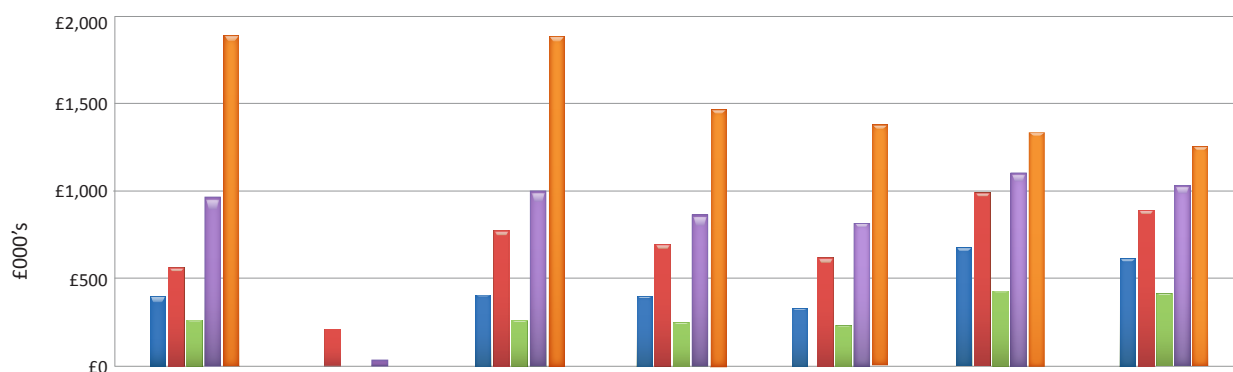
- commission earned on the sale of insurance policies, and
- referral and recommender fee income earned when handling the claims made on its motor legal expenses insurance policies.

Recognising the potential for 'Connected Car' technologies to dramatically disrupt the established claims handling business model, in 2023 Broker Direct began working with a supplier of automated crash management software, to deliver pro-active voice assistance when a vehicle collision is detected or reported.

The Group's income is primarily derived from policy sales, servicing, premium administration and claims handling. With the establishment of Connected Car services, future income will also be derived from delivering collision care services.

The Group only recognises and reports commission and fee income for providing the services in accordance with delegated authorities, rather than the gross premiums processed. Where a Company carries the financial risk, for example in the commissions ceded to our insurance brokers, the Company recognises revenue inclusive of those commissions.

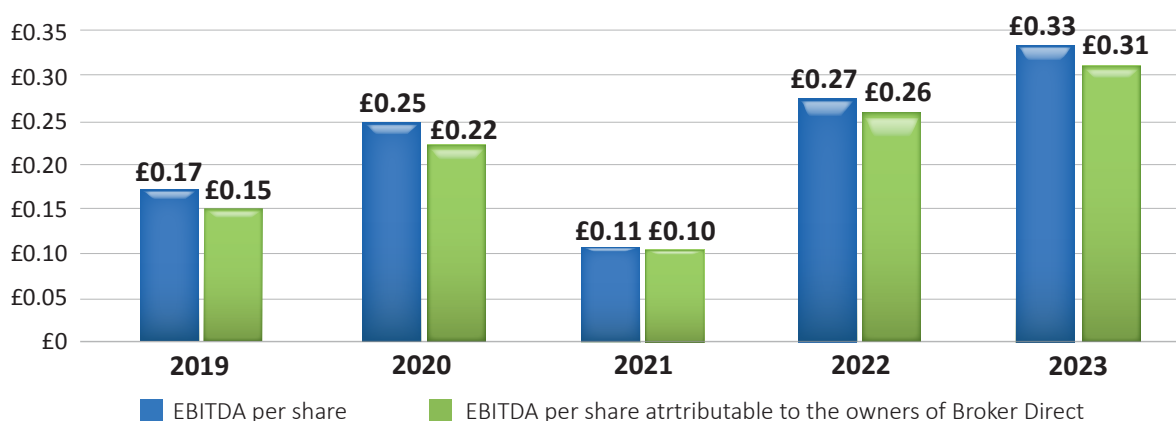
Profit metrics



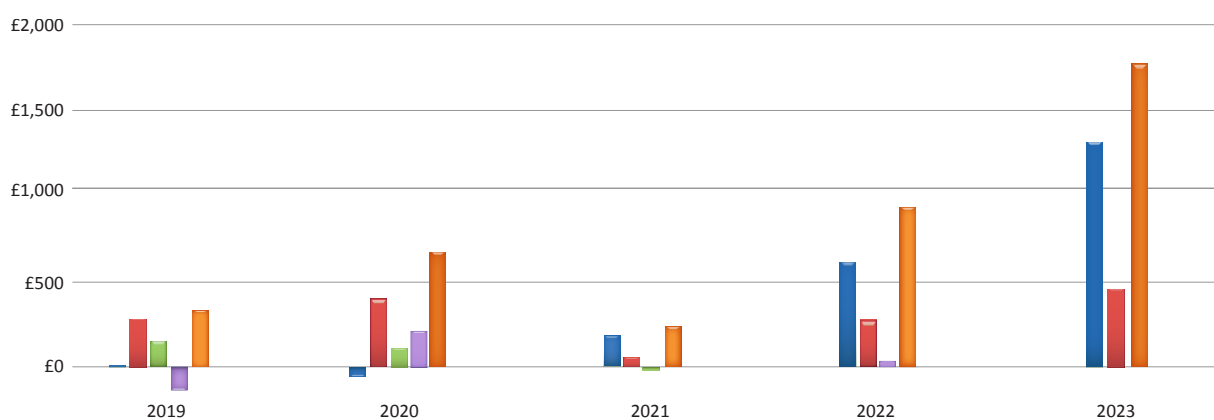
(£500)

	Operating Profit/(Loss) before exceptional items	Exceptional items	Profit/(Loss) before tax	Profit/(Loss) after tax	Profit/(Loss) after tax adjusted for non-controlling interest	EBITDA (Earnings before interest, tax, depreciation and amortisation)	EBITDA attributable to the owners of Broker Direct
2019	£402	£0	£402	£396	£324	£680	£609
2020	£561	£212	£773	£694	£613	£991	£891
2021	£261	(£2)	£259	£246	£233	£428	£413
2022	£964	£39	£1,003	£866	£810	£1,105	£1,035
2023	£1,890	£0	£1,890	£1,468	£1,381	£1,336	£1,249

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) per Share



Segmental reporting – contributions to Group profit before tax (£000's)



(£500)

	2019	2020	2021	2022	2023
Broker Direct	£16	(£57)	£188	£616	£1,314
BDElite adjusted for minority interest	£284	£401	£64	£279	£460
Discontinued businesses	£161	£117	(£7)		
Amortisation, impairment, gain/(loss) on sale of subsidiary	(£129)	£212	(£2)	£39	£0
Group Profit Before Tax attributable to Broker Direct shareholders	£331	£673	£243	£934	£1,775

Section 172 Statement

The Board acknowledges the public's expectation that businesses should act as good corporate citizens, serving a far wider set of stakeholders than just Broker Direct's shareholders. The Board believe that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company both for the benefit of its members as a whole, and in regard to the other matters as detailed in S.172 (a) - (f) Companies Act 2006.

The Board recognises its responsibility to promote the success of the Company for the benefit of the members as a whole, having regard to a number of broader matters including the Company's wider relationships. In this regard the Board;

- considers the key business activities and the likely long-term consequences of any key decisions
- ensures employees are regularly and routinely engaged with

- ensures the Company maintains strong business relationships with customers, suppliers and others
- ensures the Company's operations do not have a negative impact on the community and environment, and
- ensures, through the Company's policies and procedures, the desired high standards of business conduct prevail across all functions.

The Directors engage with stakeholders in a number of ways, including; sharing appropriate management information in a timely manner; employee surveys and bulletins, audits and meetings.

Decisions are taken in the interests of business stability, integrity and sustainability. Generally, this means building on what we do well, cementing our relationships and targeting new opportunities that exploit our skill sets. Further information is provided in the risk analyses later in this Strategic Report.

Principal risks and uncertainties

The Directors promote risk awareness through:

- Horizon scanning, continually monitoring the business environment to identify emerging issues and early warning signs.
- Maintaining an organisational risk aware culture, where everyone is encouraged to raise their insights or concerns which can be accelerated to the Board where appropriate.
- Avoiding complacency. Optimism bias undermines effective risk management.

Our approach

Risk and uncertainty are recognised as normal elements of doing business. Effective risk management is embedded through:

- Identification, probability, impact assessment, mitigation, contingency and review of risks (both existing and emerging); and
- timely management information to enable appropriate monitoring, reporting, oversight and decision making.

The Board has ultimate responsibility for the Group's risk management. Oversight is delegated to the executive directors of each trading Company to ensure that material risks facing that business and the Group have been identified and that appropriate arrangements are in place to manage, mitigate, monitor and report those risks effectively.

The risk management framework includes a documented Risk Framework & Strategy Policy as well as risk dashboards and risk registers that contain details of risks, controls, actions related to risk mitigation and ownership of each risk. The framework is used across the businesses, to ensure there is a consistent approach to risk management. The controls in place are regularly reviewed to ensure they are appropriate and proportionate to the size, nature and complexity of the businesses.

Internal control framework

It is our policy to seek out 'Risks' that affect our business and react positively to manage breaches and incidents in a timely, professional and effective manner, in line with our policies.

The Group has an internal control framework based on a three lines of defence approach:

First Line – Business Operations:

- has ownership, responsibility and accountability for day-to-day risk identification, assessment and management activity;
 - directly owns and operates the risk mitigating policies, controls and remedial actions;
 - ensures compliance with all regulatory obligations and internal policies; and
 - provides management assurance through monitoring and reporting incidents for governance oversight.
-

Second Line – Oversight Functions:

- establishes policies, frameworks and standards;
 - provides direction and guidance on effective risk, control and compliance; and
 - oversight, challenge, monitoring and assurance.
-

Third Line – Independent Assurance:

- independent challenge and assurance by external auditors, both statutory and from insurer partners; and
 - an independent systematic, disciplined approach to evaluate and improve the effectiveness of risk management control and governance processes.
-

The Group takes both a 'proactive and reactive' approach to Risk Monitoring and the Management of Risk.

Our 'Proactive' approach to Risk Management is to:

- Identify perceived Threats and Vulnerabilities within the business.
- Remain alert and register perceived or obvious other or new risks to the attention of the Compliance Committee.
- Mitigate risks.
- Manage any risks appropriately and oversee their management.
- Monitor any mitigation.
- Nominate an appropriate person or 'in house expert' to assist in the management and mitigation of the risk, working closely with Managers, Team Leaders, Compliance and the Compliance Committee.
- Manage the 'risk' in line with the Breaches Policy, our regulatory requirements, and the terms of our carrier contracts.

Our 'Reactive' approach to Risk Management is to:

- React, report and manage Incidents or Breaches in line with the Breaches Policy in order to minimise and contain the risk.
- Review any reported incidents or breaches including near misses in order to eliminate theme(s) repeating.
- Mitigate breaches or incidents where possible and amend or implement processes where necessary.
- Where a breach becomes a Risk this is added to the Risk Register.

Guidance and direction is provided to all colleagues through policies, procedures and training.

This approach assists us in meeting our commitments to customers on behalf of carriers and in meeting our regulatory requirements and good industry practice.

Compliance

The Compliance function provides regulatory risk oversight, and monitors compliance with the various regulatory and contractual obligations of the Group. This monitoring, together with regular interaction with the business functions, helps to provide input into such areas as training, marketing and the way the regulated firms deal with insurers, brokers and customers.

Fraud

Broker Direct maintains counter-fraud capabilities designed to both prevent fraud at the new business stage and mitigate exposure to fraudulent and exaggerated claims. Measures include:

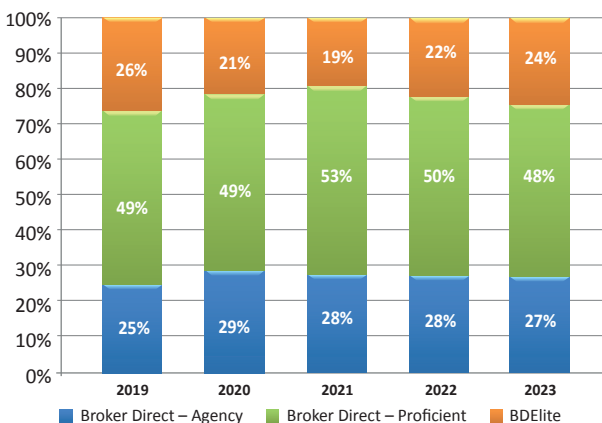
- At the point of quotation, data enrichment is used to identify and reduce exposure to potentially fraudulent applications;
- during the claims process, relational databases, external referencing and investigations are used to identify potentially fraudulent or exaggerated claims; and
- the Company is represented on the board of the Insurance Fraud Investigators Group Ltd, a not-for-profit organisation dedicated to the detection and prevention of insurance fraud.

Risk assessment

The key business risks affecting the Group have been classified as follows:

- Market Risk
- Operational Risk
 - Customer Service
 - Technology
 - Staff
 - Legislation & Regulation
- Financial Risk
 - Credit
 - Liquidity
 - Interest Rates
 - Reserving
 - Currency

Market Risk Revenue by Business Division



Note: Revenue here is deemed to be net of commissions ceded to insurance brokers.

The Group is committed to building strong positive relationships with a range of insurers, brokers and Managing General Agents and others.

Broker Direct

1. The Company’s focus has been in the personal lines insurance market which continues to be highly price sensitive and as a result is intensely competitive.

Revenues are primarily derived from the number of policies and the number of claims processed on behalf of our insurer and MGA (Managing General Agent) partners. The Company has contracts;

- with various terms ranging from fixed periods to rolling with individual notice periods, and
- with a range of potentially onerous penalty clauses for failure to provide the contracted services.

Generally, our contracts have 12 month notice periods, which means we are vulnerable to annual renewal cycles. As with previous years, in 2024 we expect the Company’s fortunes to continue to be heavily reliant on our partners’ competitive appetites.

2. In the Company’s 2022 Strategic Report, we said the Company will continue to seek additional complementary deals in 2023. In November we went live with a new and exciting business opportunity, providing proactive accident assistance services to ‘Connected Car’ drivers when a collision is detected or reported.

In 2024, we will continue to seek out additional, complementary partnerships.

Agency

Underwriting performance will always be a priority concern for insurers, MGA’s and ourselves.

- Working with our partner (CPD Underwriting Solutions Ltd), the Company is concentrating on positioning the current suite of products in the market with pricing targeted at underwriting profit together with delivering high quality policy and claims servicing. In 2023, the ‘CPD’ products wrote £64m premium (2022: £52m).

In 2024, we had expected to continue to work closely with CPD to profitably build their product portfolio. Whilst it is the case that we are continuing to work closely, there has however been a pause imposed on CPD by their insurer backer, to suspend distributing their motor products whilst the insurer arranges their reinsurance program. At the date of this report, the expectation is for CPD to recommence distributing the motor product from 1st July 2024, meaning 6 months of sales will have been lost. In the event that CPD does not recommence, then their household product will be withdrawn and our partnership will go into run-off.

- Broker Direct also has a number of distribution only deals with insurers and MGA’s. In 2024, we will look to develop the product offering further and recruit new MGA’s to expand our product offering.

Proficient

Broker Direct utilises its infrastructure to provide a range of administration services to insurers, MGA’s and others, for their branded products. These services are tailored to their individual requirements. For instance, current and previous contracts have included:

Strategic Report continued

- a) full, end to end product build, distribution, premium administration and claims handling;
- b) product build, distribution and premium administration;
- c) full and partial claims handling.

It is the nature of the industry, that new entrants face significant barriers to entry. Broker Direct therefore provides an attractive outsourcing option, but this also means that it is also easier for them to exit. In 2023:

- In July, our significant and long-term partner, Zurich Insurance UK, announced that they would be exiting a number of their home and motor portfolios. As a result, the services that Broker Direct provide started to reduce in the latter part of the year and will run off completely in 2024.
- In late 2023, the Company entered into an agreement with software company who have developed a platform that enables vehicle manufacturers to offer post-accident solutions to their customer base. Broker Direct is contracted to deliver pro-active, voice-based first notification of loss services directly to drivers when a collision is detected or reported.

We will continue to seek additional complementary deals in 2024.

BDElite

In addition to our core Motor Legal Expense Insurance (LEI) products, we offer a range of add-on products including Household LEI, Vehicle Breakdown, Motor Excess Protection, Home Emergency and Commercial LEI.

Revenues are derived primarily from:

- Commission retained on the sale of the insurance policies.
- Referral fee income earned when handling the claims arising on the Motor LEI policies.

2022 was a recovery year for the Company, following the impacts of (i) the COVID-19 pandemic and (ii) the 'Whiplash Reforms' introduced on 29th May 2021.

The Company fully recovered its profitability in 2023 and is building on this in 2024 with additional 'Add-On' products, further broker recruitment, and continuing to innovate and enhance all aspects of the customer journey, ensuring we deliver the exceptional levels of service that BDElite is known for.

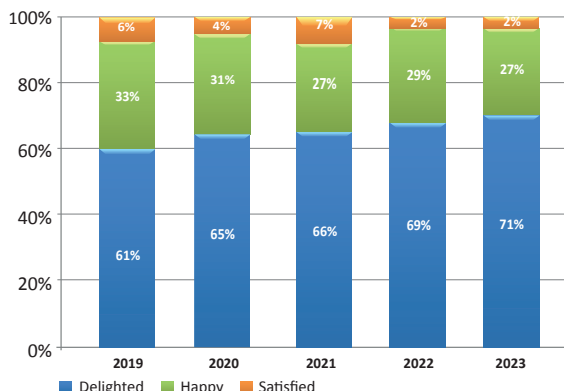
Operational Risk

Customer Service

The Group's businesses exist to provide services and consequently great attention is given to the delivery of those services. The businesses continually invest in efficient IT systems coupled with staff recruitment, training and development to meet our Mission, Vision and Values.

Recognising that one of the key opportunities to demonstrate the value of insurance is when claims are made, both Broker Direct and BDElite request customer feedback after conclusion of their claims.

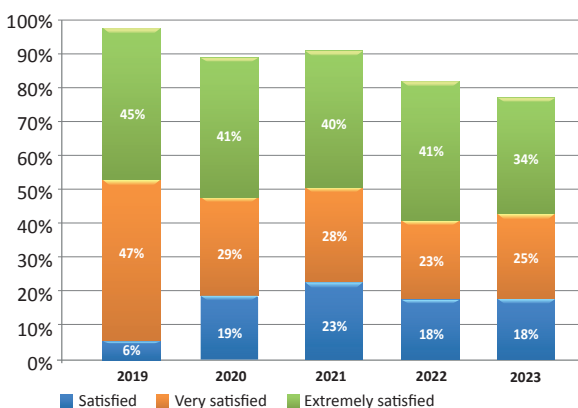
How Brokers felt about the overall experience of the service they received from Broker Direct



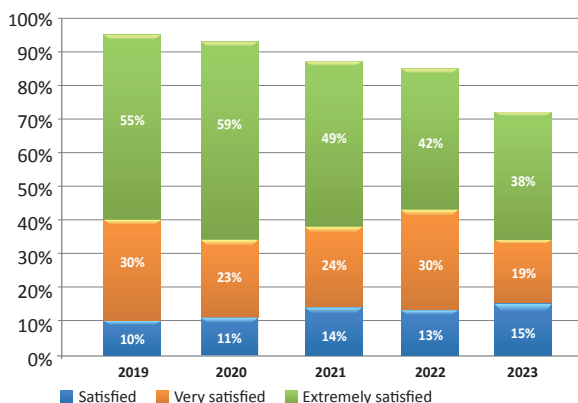
Reflected in the following charts:

- Post Covid fall-out:
 - Market wide issues with availability of parts and courtesy vehicles has continued to plague the motor insurance industry, frustrating our claimants.
 - Slower resolution of claims due to materials delays and human resource shortages in the claims supply chain.
- A continued robust attitude from some of our insurer partners in the acceptance of claims.

Motor Claimants' satisfaction with Broker Direct's service

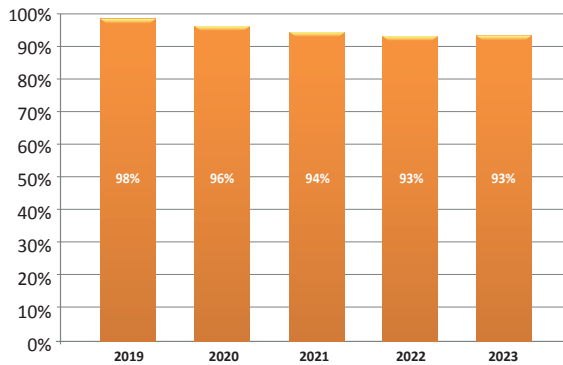


Household Claimants' satisfaction with Broker Direct's service



The Household satisfaction surveys response rate was only 7% in 2023. It is our objective to improve this.

Claimants who would recommend the BDElite service

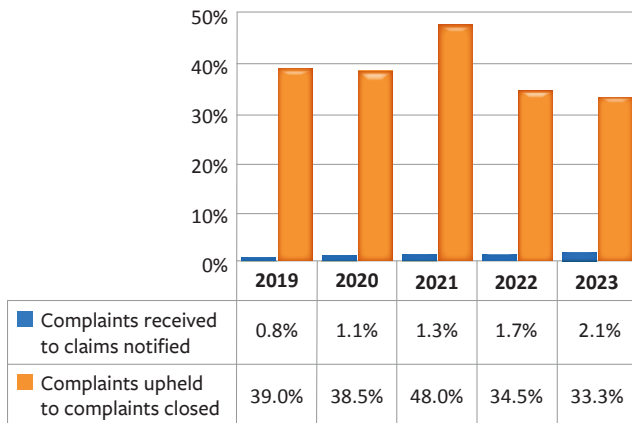


Complaints

The Group’s ethos is to promote fairness and integrity in customer service. Our aim is to ensure that all complaints are recorded and dealt with in a consistent manner, in compliance with best practice and regulatory requirements. We analyse our data and processes to identify areas where improvements can be made and take corrective or preventative action.

The Company Boards are satisfied that there is appropriate oversight and a compliant complaint culture has been maintained.

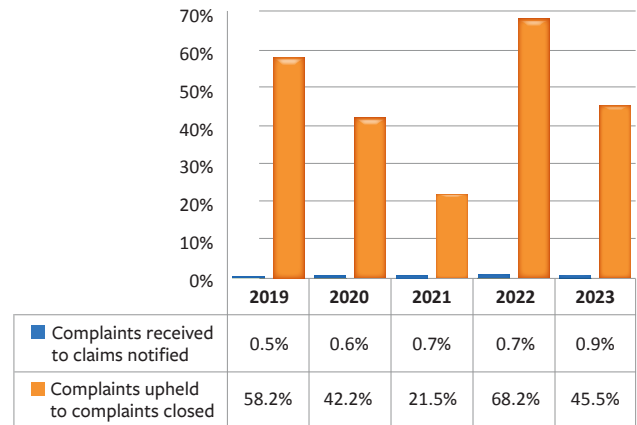
Broker Direct – Complaints



The Broker Direct ‘Complaints’ cover Underwriting, Broker Services and Claims types. The Company is concerned and closely monitoring the rising trend of complaints received to claims notified.

At BDElite, the ratio of complaints to claims handled continues to be below 1%.

BDElite – Complaints



Supplier failure

The Group relies on a large number of external suppliers including a number of strategic suppliers who, if they were to fail, could materially undermine the Group’s ability to continue to operate and deliver its strategic objectives.

The Group has policies and procedures in place to manage and monitor both the supplier procurement process and contract management.

Technology

Technology can transform how and what businesses do, not only opening up new opportunities but also creating new threats. Challengers are rapidly attacking more established and complex organisations, offering wider and easier access to products and services. Examples provided in previous Strategic Reports include the technology adoption of connected cars and in connected homes.

Accelerating advances or developments for which the Group is not prepared would place the businesses at a competitive disadvantage. To stay relevant, the Group routinely monitors developments to ensure that the businesses remain informed, embraces innovation and change, and stays flexible to adapt our business models as appropriate, as evidenced by the new ‘Connected Car’ agreement described elsewhere in this Report.

Cyber and Information Security

Cyber risk encompasses any risk of financial loss, disruption, or damage to our reputation from some sort of failure of our information technology systems. Given the increasing risks of exposure and attack, no technology dependent organisation can guarantee it is immune to cyber risk. In addition to maintaining cyber insurance cover, the Group operates thorough information security policies and procedures designed to mitigate cyber risk, and continues to invest in resources and technology, to defend against the various and changing cyber threats.

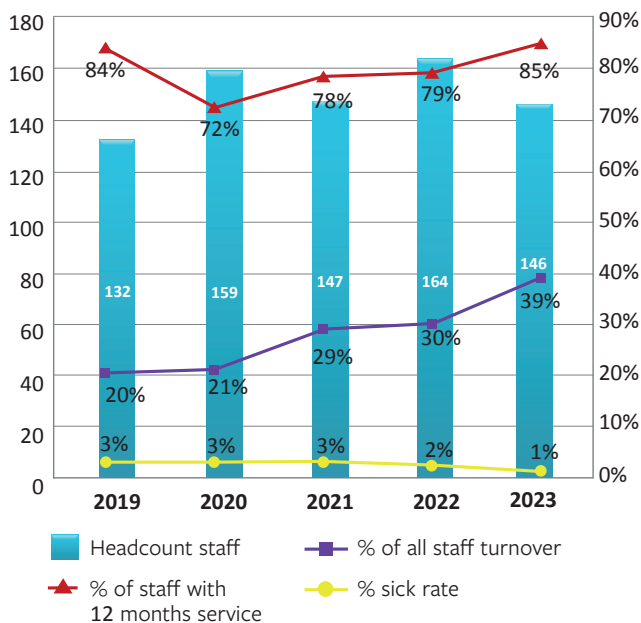
Strategic Report continued

Staff

Our aim is to empower our staff, to have fulfilling and rewarding jobs, using our technology to support them.

The struggle to recruit and retain skilled staff both across the country but also the insurance industry continued in 2023 and our businesses have not been exempt from this challenge.

Broker Direct – Staffing (at year end)



The announcement in the summer 2023 by one of our largest partners, Zurich Insurance UK, that they will cease to distribute their home and motor products through regional brokers directly impacted Broker Direct and has resulted in redundancies.

In 2024, we are continuing to:

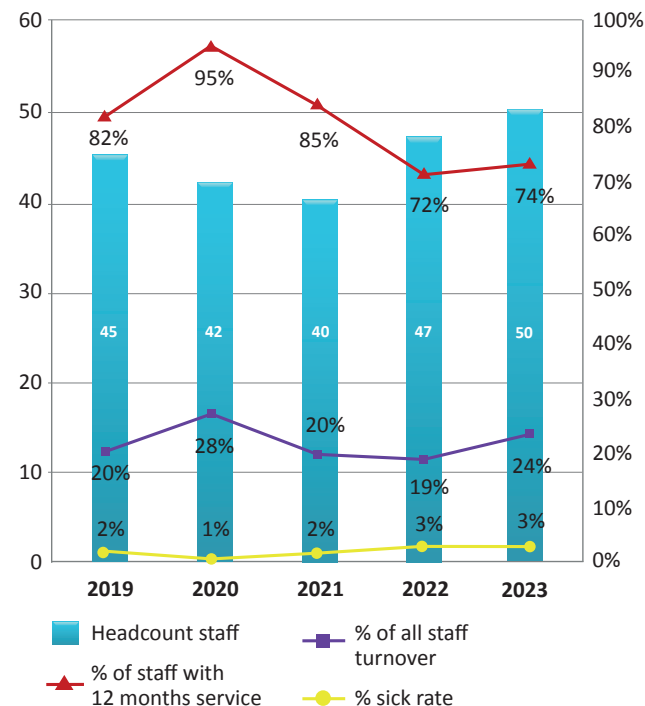
- Invest in our people practices from job descriptions, candidate selection, recruitment and induction, through employee engagement including training and remuneration, with an associated increase in our costs.
- Seek out technological solutions that will make our colleagues' lives easier and their roles more rewarding through (i) automation of boring, repetitive & predictable tasks, and (ii) offering our customers options to communicate with us how, where and when they want such as interactive voice response, self-service claims portals and live-chat.

Gender Balance

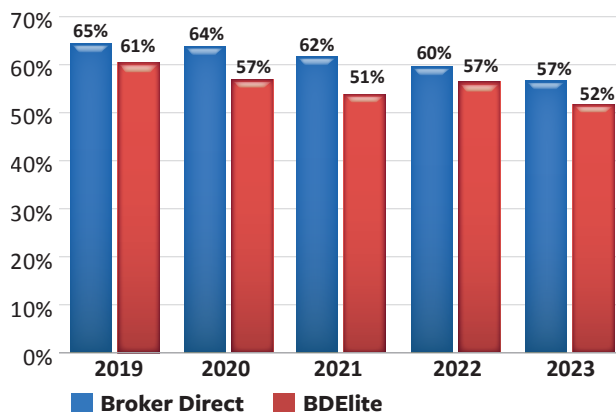
The Group is:

- Conscious and respectful of equality in the workplace.
- Committed to ensuring a fair workplace for all, focusing on capability, a flexible working culture and identifying and removing barriers to fairness, equality and inclusion.

BDElite - Staffing



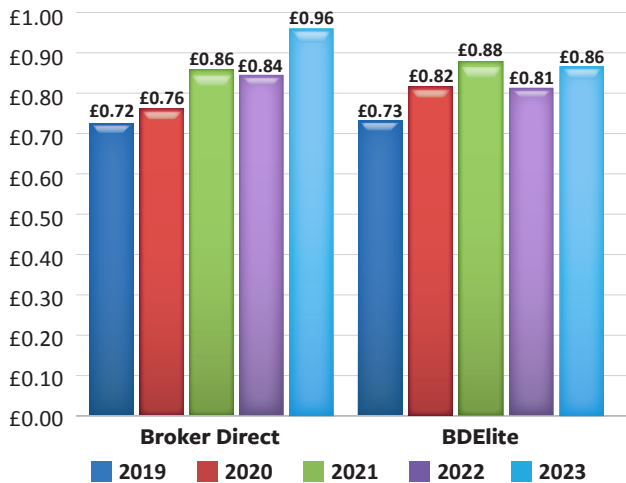
Proportion of workforce who are female



The Board is satisfied that:

- The Group provides equal pay for the same or similar work.
- Remuneration practices are consistently applied across all employees, irrespective of gender, and are regularly reviewed to ensure consistency.

For every £1 earned by a male, a female earns



Legislation & Regulatory Compliance

The insurance compliance environment is constantly evolving both at a regulatory and legislative level, with varying degrees of impact on the Group businesses. A shift in the regulatory landscape could introduce constraints therefore increasing the risk to income and/or an increase in capital requirements. Equally, however, changes to the regulatory landscape could present opportunities.

The Group has an effective regulatory horizon scanning capability to review the potential implications for the businesses. The trading entities take the opportunity to embrace change early and, where appropriate, adjust the strategic plans to accommodate such change.

Financial Risk

Financial performance, financial position and cash flows are regularly stress tested, including for reductions in premium and other income and business volumes.

Credit Risk

The Group’s principal assets are cash deposits and trade debtors. The credit risk associated with cash deposits is limited as the accounts are only held with a major UK high street bank. The principal credit risk arises therefore from trade debtors.

The principal trade debtor credit risks are:

- **Brokers:** Both Broker Direct and BDElite collect premiums from brokers to pass on to the insurers who carry the underwritten risk exposure. Settlement to the insurers is after deducting our fees, commissions and expenses for administering the policies and handling the claims. If a broker fails to settle their debt to us, we are still obliged to settle the balance due to the insurer. The Company has strict acceptance criteria for the appointment of new broker agencies and monitors the brokers against agreed credit and settlement terms. Bad debt experience is negligible.
- **Insurers and Managing General Agents:** Broker Direct’s administration services are invoiced monthly in arrears, for settlement within 30 days. Insurers and Managing General Agents are pre-vetted and monitored for their financial stability.
- In addition to commission income on policy sales, BDElite Ltd receives fee income: (i) from at fault insurers for the provisions of rehabilitation services; (ii) from the suppliers of temporary replacement vehicles to motor accident claimants that we have referred or recommended to them. The Company has well-established and close working relationships with its major revenue sources.

Strategic Report continued

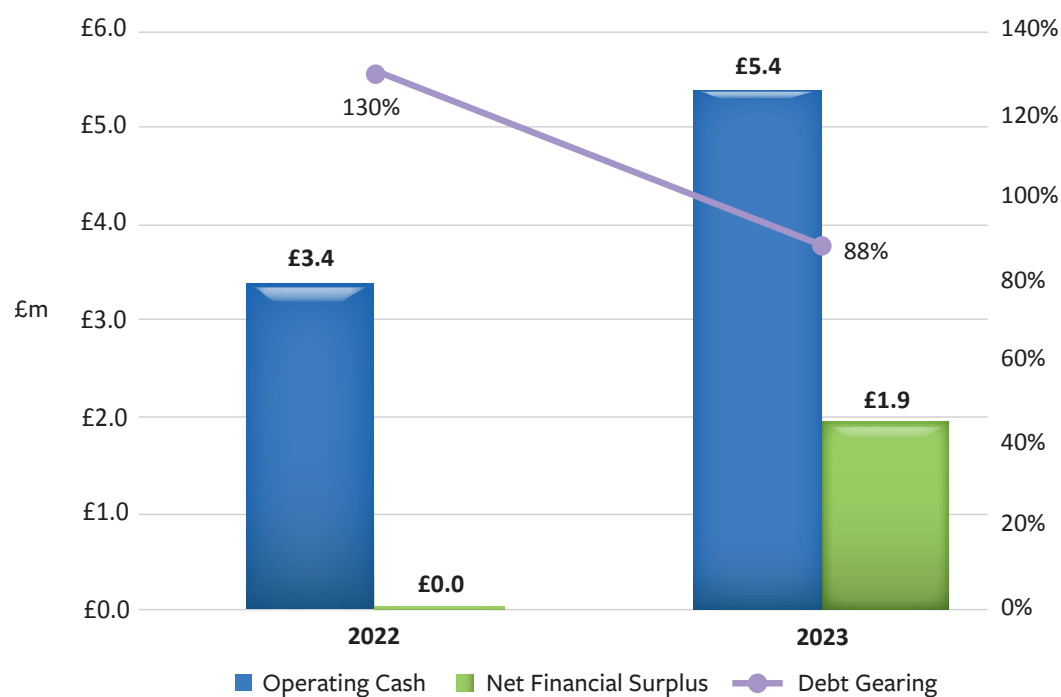
Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient working capital is available to meet both (i) its foreseeable needs, and (ii) the adequate resources obligations stipulated by the Financial Conduct Authority.

The Group policy during the year was unchanged, to:

- hold cash balances in readily accessible treasury deposits;
- utilise fixed interest, asset leasing and borrowing facilities.

Broker Direct – Group Financial Indebtedness



(i) Net Financial debt is measured as operating cash balances less operating creditors ('operating creditors' excludes insurer balances).

(ii) Debt gearing is measured as operating creditor balances as a proportion of shareholders' funds at year end.

Interest Rate Risk

The increasing interest rates of 2022 and 2023 that contributed to Broker Direct's profitability are not expected to continue in 2024. The Company has prepared its budget on the expectation of interest rate reductions.

The Group's borrowings relate to fixed interest leases and are therefore not susceptible to interest rate fluctuations.

Reserving Risk

Broker Direct maintains reserves (deferred income and technical provisions) that are released against the future costs of servicing insurance policies incepted in prior underwriting periods and claims not yet closed.

Notably the business holds reserves for:

- Potential bad debt;
- Policy administration; the Company incurs costs over the policy year to administer the policy. The reserve is released to income against those costs;
- Claims handling; where the Company is paid to administer claims, it holds a reserve for release to income as the expenses of handling those claims arise; and
- Commission claw-back; where policies cancel mid-term, and the Company returns an element of its commission income associated with those cancellations; this return is met via a release from the commission clawback reserve.

BDElite hold a reserve for irrecoverable rehabilitation fees where the insurer either refuses to accept fault and therefore liability for a claim, or the at fault insurer disputes the value of the fees.

There is a risk that the reserves are insufficient to meet the forecast requirements.

Foreign Currency Risk

The Group does not transact foreign currency business. On rare occasions, Broker Direct settles motor insurance claims in Euros but any loss or gain on foreign exchange is borne by the insurance company underwriting the policy rather than by Broker Direct.

BY ORDER OF THE BOARD



Iain Gray
Chief Executive Officer
7 May 2024

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2023.

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management and engagement with stakeholders.

Directors

The directors who served during the year are shown below:

Barbara Bradshaw	Director	Non-Executive
Ann Golder	Operations Director	Executive
Iain Gray	Chief Executive Officer	Executive
Roy Green	Chairman	Non-Executive
Kedric Rhodes	Director	Non-Executive

Directors' interests

The interests in the Company of the directors in office at the year-end are as follows:

	Shareholding	Share options vested	Share options granted, not vested
Barbara Bradshaw	36,283	-	-
Ann Golder	308,167	-	446,667
Iain Gray	340,928	-	446,667
Roy Green	171,613	-	-
Kedric Rhodes	39,280	-	-

Directors may only trade in the Company's shares in compliance with its Code for Transactions in Company Securities.

Directors' liabilities

The Company maintains Directors and Officers insurance cover for the directors.

Appointment of directors

The directors may appoint a person to be a director, either to fill a vacancy or as an additional director. A director so appointed shall hold office only until the next following annual general meeting and then shall be eligible for election and, if then not reappointed, shall vacate office.

Employment policies

The Group maintains a policy of offering employment opportunities that are free from discrimination on any grounds, other than unsuitability for the position in question, whether this relates to initial selection for employment, promotion or any other employment matter. Equal consideration is given to disabled people, where they have the appropriate experience, qualifications and ability to do the job.

Employee involvement

We seek to employ staff who will take the opportunity presented to make positive contributions to the development of the business, and it is the approach of the Group to be as open as possible with staff and obtain their feedback.

Dividends

The Company's Articles of Association provide that the members in general meeting may declare dividends in accordance with the respective rights of the members, but dividends shall not exceed the amount recommended by the directors. The Articles also provide that the directors may pay interim dividends out of profits of the Company available for distribution.

No dividend was paid during the year (2022: 5p per Fully paid-up share, 1.25p per 25% Part paid share) The directors do not propose a final dividend for the year (2022: Nil).

Going concern

The directors consider it appropriate to adopt the going concern basis in preparing these financial statements. Further commentary in this regard is set out in the Strategic Report, the Accounting Policies and Note 2 to the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Chairman's Report, the Directors' Report, the Strategic Report, the Report of the Remuneration Committee 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 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". 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 Company and of the profit or loss of the Group and Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Parent Company's websites.

The directors confirm that:

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


The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

RSM UK Audit LLP have indicated their willingness to be re-appointed.

BY ORDER OF THE BOARD



Iain Gray

Chief Executive Officer

7 May 2024

Remuneration Committee Report

Introduction

The Remuneration Committee recognises that directors' remuneration is of legitimate concern to shareholders and is committed to following current best practice. The information provided in this report is not the full information which would be required for a 'quoted' company as the company is not considered to meet such a definition under Company Law.

To avoid potential conflicts of interest, the Board of Directors has delegated responsibility for determining executive remuneration to a Committee comprising of the Chairman and Non-Executive directors, who:

- are knowledgeable of the business;
- are responsive to the shareholders' interests; and
- have no personal financial interest in the remuneration decisions they are taking.

During 2023 the members of the Committee were:

Roy Green – Chairman of Remuneration Committee

Kedric Rhodes – Non-Executive Director

Barbara Bradshaw – Non-Executive Director

Executive Directors' Remuneration Policy – Objectives

- To provide packages which attract, retain and motivate the Executive Directors.
- Link rewards to the performance of both the Group and the individual.
- Align the interests of directors and shareholders in promoting the Group's progress.

Directors' Service Contracts

The service contract for Iain Gray and Ann Golder are in a similar form. The term in each case is for a rolling term of six months. The Group may give three months' notice at any time subject to paying no more than six months' compensation (except in specific circumstances when no compensation will be payable). There are no mandatory retirement clauses in any of the Executive Directors' service contracts.

Remuneration Committee Report

The Executive Team in 2023 comprised Iain Gray, CEO and Ann Golder, Operations Director. The salaries of the Executives were not changed during the year. Bonuses earned were accrued but not paid, in line with the dividend policy.

There is no change to the Executives share option plans.

Independent auditor's report to the members of Broker Direct Plc

Opinion

We have audited the financial statements of Broker Direct Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cashflows, the consolidated statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the

extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement set out on page 22, 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

Independent auditor's report to the members of Broker Direct Plc continued

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including

assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the overall control environment

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and audit procedures in respect of the charge and provision for taxation.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations. We inspected compliance documentation and correspondence with the FCA as well as considering compliance with the conditions for authorisation and other regulatory obligations.

The group audit engagement team identified the risk of management override of controls and the risk of fraud in revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in respect of management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures in respect of revenue recognition included but were not limited to substantive analytical procedures and substantive tests of details.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of the audit report

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

Michael Oates CA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor,
Chartered Accountants
Bluebell House, Brian Johnson Way, Preston, PR2 5PE

7 May 2024

Consolidated statement of comprehensive income

	Note	2023	2022
		£	£
Turnover	5	27,483,852	26,289,376
Cost of sales		(11,886,600)	(11,032,110)
Gross profit		15,597,252	15,257,266
Other operating charges		(14,463,654)	(14,362,508)
Operating profit		1,133,598	894,758
Movement in Share Option Reserve	6	(5,354)	(5,692)
Profit/(loss) on disposal of Operations	6	–	39,380
Interest receivable and similar income		761,510	75,049
Interest payable and similar expenses		–	–
Profit before tax		1,889,754	1,003,495
Tax on profit	8	(421,525)	(137,300)
Profit after tax for the financial year		1,468,229	866,195
Profit for the year attributable to:			
Non-controlling interests		87,392	56,070
Owners of the parent company		1,380,837	810,125
Profit for the financial year		1,468,229	866,195
Profit per share attributable to the owners of the parent company			
- Basic and Diluted (pence)		34.30	20.12

There were no recognised gains or losses other than the profit for the year.

Consolidated statement of financial position

	Note	31 Dec 2023 £	As restated 31 Dec 2022 £
Fixed assets			
Investments	12	–	–
Intangible assets	10	200	200
Tangible assets	11	307,877	276,337
		308,077	276,537
Current assets			
Debtors	15	11,836,985	15,528,732
Cash at bank and in hand	14	17,700,046	10,705,499
		29,537,031	26,234,231
Creditors: amounts falling due within one year	16	(25,321,511)	(23,325,141)
Net current assets		4,215,520	2,909,090
Total assets less current liabilities		4,523,597	3,185,627
Creditors: amounts falling due after more than one year	17	(444,688)	(422,659)
Provisions for liabilities	18	(148,585)	(182,827)
Net assets		3,930,324	2,580,141
Capital and reserves			
Called up share capital	20	795,812	795,812
Share option reserve	21	16,737	11,383
Profit and loss account	21	3,021,388	1,640,551
Equity attributable to the owners of the parent company		3,833,937	2,447,746
Non-controlling interests		96,387	132,395
Shareholders' funds		3,930,324	2,580,141

The financial statements were approved and authorised for issue by the Board of Directors on 7 May 2024.

Company No: 02958427



I J Gray
Chief Executive Officer



J A Golder
Operations Director

The accompanying notes form part of these financial statements.

Company statement of financial position

as at 31 December 2023

	Note	31 Dec 2023 £	As restated 31 Dec 2022 £
Fixed assets			
Tangible assets	11	275,128	237,658
Investments	12	2,000	4,000
		277,128	241,658
Current assets			
Debtors	15	11,365,108	14,981,191
Cash at bank and in hand		16,852,173	9,612,923
		28,217,281	24,594,114
Creditors: amounts falling due within one year	16	(24,451,947)	(22,311,322)
Net current assets		3,765,334	2,282,792
Total assets less current liabilities		4,042,462	2,524,450
Creditors: amounts falling due after more than one year	17	(444,688)	(422,659)
Provisions for liabilities	18	(148,585)	(182,827)
Net assets		3,449,189	1,918,964
Capital and reserves			
Called up share capital	20	795,812	795,812
Share option reserve	21	16,737	11,383
Profit and loss account	21	2,636,640	1,111,769
Shareholders' funds		3,449,189	1,918,964

The Company made a profit of £1,524,871 in the year ended 31 December 2023 (2022: Profit £1,058,947).

The financial statements were approved and authorised for issue by the Board of Directors on 7 May 2024.

Company No: 02958427



I J Gray
Chief Executive Officer



J A Golder
Operations Director

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

	2023	2022
	£	£
Cash flows from operating activities		
Profit after tax: Continuing operations	1,468,229	866,195
Depreciation	207,813	176,572
Loss/(Profit) on sale of fixed assets	242	(4,851)
Broker Direct Retail Holding Ltd – b/fwd losses	–	26,120
Reassessment of the gain on disposal of Insurance Compliance Services Limited	–	(39,380)
Share option expense	5,354	5,692
Interest income	(761,510)	(75,049)
Taxation	421,525	137,300
Decrease in debtors	3,833,293	177,090
Increase/(Decrease) in creditors	1,635,472	(128,530)
Cash generated from operations	6,810,418	1,141,159
Corporation tax paid	(139,082)	–
Net cash generated from operating activities	6,671,336	1,141,159
Cash flows from investing activities		
Proceeds from sale of tangible assets	–	7,650
Net cash inflow from sale of discontinued operations	–	464,555
Purchase of tangible and intangible fixed assets	(239,595)	(188,211)
Interest received	686,206	75,049
Net cash generated from investing activities	446,611	359,043
Cash flows from financing activities		
Equity dividends paid	(123,400)	(250,953)
Net cash utilised in financing activities	(123,400)	(250,953)
Net increase in cash and cash equivalents	6,994,547	1,249,249
Cash and cash equivalents at the beginning of the year	10,705,499	9,456,250
Cash and cash equivalents at the end of the year	17,700,046	10,705,499

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

	Called up share capital	Share option reserve	Profit and loss account	Shareholders equity	Non- controlling interest	Total equity
	£	£	£	£	£	£
At 1 January 2022	795,812	5,691	1,003,259	1,804,762	128,325	1,933,087
Profit and total comprehensive income for the year	–	–	810,125	810,125	56,070	866,195
Increase in share option reserve	–	5,692	–	5,692	–	5,692
Broker Direct Retail Holding retained earnings	–	–	26,120	26,120	–	26,120
Dividends paid	–	–	(198,953)	(198,953)	–	(198,953)
Non-controlling interest transactions	–	–	–	–	(52,000)	(52,000)
At 31 December 2022	795,812	11,383	1,640,551	2,447,746	132,395	2,580,141
Profit and total comprehensive income for the year	–	–	1,380,837	1,380,837	87,392	1,468,229
Increase in share option reserve	–	5,354	–	5,354	–	5,354
Non-controlling interest transactions	–	–	–	–	(123,400)	(123,400)
At 31 December 2023	795,812	16,737	3,021,388	3,833,937	96,387	3,930,324

Company statement of changes in equity

	Called up share capital	Share option reserve	Profit and loss account	Total
	£	£	£	£
At 1 January 2022	795,812	5,691	251,775	1,053,278
Profit and total comprehensive income for the year	–	–	1,058,947	1,058,947
Increase in share option reserve	–	5,692	–	5,692
Dividends paid	–	–	(198,953)	(198,953)
At 31 December 2022	795,812	11,383	1,111,769	1,918,964
Profit and total comprehensive income for the year	–	–	1,524,871	1,524,871
Increase in share option reserve	–	5,354	–	5,354
At 31 December 2023	795,812	16,737	2,636,640	3,449,189

1 Company information

Broker Direct Plc is a public limited company incorporated in the United Kingdom. Its principal place of business and registered address is Deakins Park, Deakins Mill Way, Egerton, Bolton, BL7 9RW.

The business was established in 1997 with a unique proposition: the establishment of a general insurance management operation for brokers, majority owned by brokers.

Today, the Broker Direct Group supplies a range of insurance related capabilities including product build, distribution, premium collection and claims handling and accident management services.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (‘FRS 102’) the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£) as this is the functional currency of the Group.

The Group financial statements consolidate the financial statements of Broker Direct Plc and all its subsidiary undertakings drawn up to 31 December each year.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company’s profit for the year was £1,524,871 (2022: £1,058,947).

The individual accounts of Broker Direct Plc have also adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes; and
- Financial instrument disclosures, including:
 - categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to and management of financial risks.

Going Concern

The financial statements for the Company are prepared on a going concern basis in accordance with UK Financial Reporting Standards (FRS 102).

At 31 December 2023, operational cash balances amounted to £5,391,696 (Note 14) (2022: £3,382,189).

The Group’s objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to risks are set out in the Strategic Report.

The Directors have:

- Assessed the financial position and the future funding requirements of the Group including a review of the Group’s financial forecasts for a period of at least 12 months from the date of approval of the financial statements.
- Considered whether there are events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern, and whether or not a material uncertainty related to going concern exists.

Having undertaken this assessment and after due consideration, including an assessment of the impact of severe but plausible scenarios, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of this report, and so determine that it is appropriate for the 2023 Financial Statements to be prepared on a going concern basis.

3 Significant judgements and estimates

In the application of the Group’s accounting policies management are required to make judgements, 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 historic experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Management have considered the key assumptions used to estimate the Group’s assets and liabilities as at the balance sheet date and believe these assumptions to be entirely appropriate. The estimates and judgements most likely to have a significant effect are in the following areas:

- Going concern (refer to Note 2 – Basis of preparation, Going Concern);
- Technical reserves (refer to Turnover accounting policy);
- Deferred tax (refer to Taxation accounting policy);

Notes to the financial statements continued

- Share options (refer to Employee Share Schemes accounting policy);
- Useful economic life of tangible fixed assets for depreciation (refer to Tangible Assets accounting policy);
- Valuation of investment in associate company;
- Dilapidations provision.

With respect to the above, the directors consider that there are no individual underlying assumptions to which the monetary amount is particularly sensitive.

4 Principal accounting policies

a) Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

b) Investment in associates

Investments in associates are accounted for at cost less impairment in the individual financial statements.

c) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- the technical feasibility of completing the software so that it will be available for use or sale;
- the intention to complete the software and use or sell it;
- the ability to use the software or sell it;
- how the software will generate probable future economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the software; and
- the ability to measure reliably the expenditure attributable to the software during its development.

Product development costs are written off in full in the year that they are incurred in accordance with section 18 of Financial Reporting Standard 102.

Amortisation is charged so as to allocate the cost of intangibles over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following economic lives:

- Software development costs 5 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

d) Tangible assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets by equal monthly instalments over their expected useful economic lives. The periods generally applicable are:

Leasehold improvements: 4 years straight line (or to end of lease if shorter)

Computer – hardware: 3 years straight line

Computer – software development: 5 years straight line

Equipment: 4 years straight line

Furniture and fittings: 4 years straight line

Cars: 3 years straight line

e) Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

f) Investments

In respect of the parent company, investments are included at cost, net of provision for impairment.

g) Cash at bank and in hand

Cash received for insurance premiums, claims and commissions is held on trust in separate insurer accounts until either settled to third parties or in the case of commissions, transferred to Group operational cash balances. Cash at hand and in bank therefore includes both insurer and operational monies (see Note 14).

h) Insurance debtors and creditors

The Group acts as an agent of insurance companies in broking and administering insurance products and is liable as a principal for premiums due to those underwriters. The Group has followed generally accepted accounting practice for insurance brokers by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the Group itself. Revenue is recognised on such agency arrangements as set out in the turnover accounting policy.

i) Other debtors

Short-term debtors are measured at transaction price, less any impairment.

j) Other creditors

Short-term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured at fair value inclusive of unpaid interest accrued to date.

k) Leases

Where the Group enters into a lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee, the lease is treated as a finance lease. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. Future instalments under such leases, net of finance charges, are included in creditors. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of comprehensive income over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the statement of comprehensive income on a straight-line basis over the lease term.

l) Operating leases

Rentals under operating leases are charged to the statement of comprehensive income account on a straight-line basis over the lease term.

Benefits receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

m) Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the accounting period, taking into account the risks and uncertainties surrounding the obligation.

The Group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of the absence and is included within Accrual and Deferred Income.

n) Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity

Notes to the financial statements continued

depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

o) Turnover

Turnover is the amount receivable, by the Group, for services provided, exclusive of Value Added Tax ("VAT"). VAT is chargeable on services relating to motor accident management.

Income from commission is received for selling and administering insurance policies and is recognised in the statement of comprehensive income at the later of the transaction effective date or the date the transaction was received into the business. Provisions are maintained to meet potential subsequent bad debts and commission clawbacks for policies that could cancel in the future. Trade debtors are shown net of any provision for bad debts. Additional provisions are maintained to meet the costs of post placement services for policy administration. These are included in 'technical reserves' and are included in amounts to be recognised after more than one year. Income received for handling claims is recognised in the statement of comprehensive income over the period it takes to close an average claim. An additional provision is maintained to meet the costs of servicing claims that take longer to settle. These are included in provisions for liabilities' in the statement of financial position.

In addition, income is received from insurer partners to help fund the development of the IT systems that support the distribution and administration of their products. This is recognised in the statement of comprehensive income in the month in which the expense is incurred.

p) Employee benefits

Employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

q) Employee share schemes

All share-based payment arrangements granted after 7 November 2002 are recognised in the financial statements in accordance with Financial Reporting Standard 102.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market

vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to "share option reserve".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

r) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest to the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

s) Exceptional items

Items which are material either because of their size or their nature, and which are non-recurring, are presented separately within the statement of comprehensive income. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance.

Notes to the financial statements continued

5 Turnover, other operating income and profit on ordinary activities before taxation

The turnover, other operating income and profit on ordinary activities before taxation are attributable to the principal activity of the Group which is carried out entirely within the United Kingdom.

Turnover and other operating income, analysed by type, was as follows:

	2023	2022
	Total	Total
	£	£
Turnover		
Rendering of services and commission	27,483,852	26,289,376

6 Profit on ordinary activities before taxation

	2023	2022
	£	£

The profit on ordinary activities before taxation is stated after charging/(crediting):

Auditors' remuneration:

Fees payable to the Group's auditors

– for the audit of the Group's annual financial statements

86,340 66,000

Depreciation of tangible fixed assets - owned

207,813 176,572

(Loss)/Gain on sale of fixed assets

242 (4,851)

Operating lease charges – land and buildings

176,627 207,506

– equipment

439 –

Exceptional items:

Movement in Share Option Reserve (Note 24)

5,354 5,692

(Profit) on sale of Insurance Compliance Limited (Note 13)

– (39,380)

Notes to the financial statements continued

7 Directors and employees

Group

	2023	2022
	£	£
Staff costs during the year were as follows:		
Wages and salaries	7,006,004	6,159,455
Social security costs	655,618	606,265
Pension costs	536,344	431,300
	8,197,966	7,197,020

The Company operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £536,344 (2022: £431,300).

	2023	2022
	Number	Number
The average full time equivalent number of employees during the year was:		
Management	23	23
Other	173	165
	196	188

Remuneration in respect of Company directors was as follows:

	2023	2022
	£	£
Emoluments	651,288	430,343
Pension costs	52,671	43,768
	703,959	474,111

During the year, 2 directors (2022: 2 directors) participated in money purchase pension schemes. No directors exercised share options in the current or prior year

Directors' remuneration disclosed above includes amounts paid to the highest paid director as follows:

	2023	2022
	£	£
Emoluments	275,641	173,674
Pension costs	26,336	21,884
	301,977	195,558

8 Tax on profit on ordinary activities

	2023	2022
	£	£
The taxation charge is based on the profit for the year and represents:		
Current tax:		
UK corporation tax at 23.5% (2022: 19%)	487,768	139,082
Adjustment in respect of prior periods	–	–
Total current tax	487,768	139,082
Deferred tax:		
Origination and reversal of timing differences	(37,826)	(1,782)
Resulting from a change in tax rate	(28,417)	–
Adjustments in respect of prior years	–	–
Total deferred tax (Note 19)	(66,243)	(1,782)
Total tax charge on profit on ordinary activities	421,525	137,300

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 23.5% (2022: 19%). The differences are explained as follows:

	2023	2022
	£	£
Profit on ordinary activities before tax	1,889,754	1,003,495
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19%)	444,481	190,664
Effect of:		
Expenses not deductible for tax purposes	5,461	28,656
(Profit) on disposal of subsidiary, not chargeable to tax	–	(7,482)
Effect of change in tax rate	(28,417)	–
Other short-term differences	–	1,782
Losses brought forward now utilised	–	(74,538)
Total	421,525	139,082

9 Profit for the financial year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £1,524,871 (2022: £1,058,947).

Notes to the financial statements continued

10 Intangible fixed assets

Group	Computer software development	Goodwill on consolidation	Total
	£	£	£
Cost			
At 1 January & 31 December 2023	1,105,920	200	1,106,120
Amortisation			
At 1 January & 31 December 2023	1,105,920	–	1,105,920
Net book amount			
At 31 December 2023	–	200	200
At 31 December 2022	–	200	200

Amortisation of intangible fixed assets is included in administration expenses.

Company

	Computer software development
	£
Cost	
At 1 January and 31 December 2023	1,105,920
Amortisation	
At 1 January and 31 December 2023	1,105,920
Net book amount	
At 31 December 2023	–
At 31 December 2022	–

Amortisation of intangible fixed assets is included in administration expenses.

The Company's insurance transaction processing system is included within software development costs and has a carrying value of £Nil (2022: £Nil).

Notes to the financial statements continued

11 Tangible fixed assets

Group

	Leasehold improvements	Fixtures & fittings	Cars	Computers and other equipment	Total
	£	£	£	£	£
Costs					
At 1 January 2023	630,807	224,816	36,000	2,840,165	3,731,788
Additions	–	6,154	–	233,441	239,595
Disposals	–	–	–	(430)	(430)
At 31 December 2023	630,807	230,970	36,000	3,073,176	3,970,953
Depreciation					
At 1 January 2023	630,807	224,695	7,200	2,592,749	3,455,451
Provided in the year	–	781	10,800	196,232	207,813
Disposals	–	–	–	(188)	(188)
At 31 December 2023	630,807	225,476	18,000	2,788,793	3,663,076
Net book amount					
At 31 December 2023	–	5,494	18,000	284,383	307,877
At 31 December 2022	–	121	28,800	247,416	276,337

There are no assets held under finance leases and similar hire purchase contracts (2022: £Nil).

Company

	Leasehold improvements	Fixtures & fittings	Cars	Computers and other equipment	Total
	£	£	£	£	£
Costs					
At 1 January 2023	630,807	224,816	36,000	2,732,250	3,623,873
Additions	–	6,154	–	213,687	219,841
Disposals	–	–	–	(430)	(430)
At 31 December 2023	630,807	230,970	36,000	2,945,507	3,843,284
Depreciation					
At 1 January 2023	630,807	224,695	7,200	2,523,513	3,386,215
Provided in the year	–	780	10,800	170,549	182,129
Disposals	–	–	–	(188)	(188)
At 31 December 2023	630,807	225,475	18,000	2,693,874	3,568,156
Net book amount					
At 31 December 2023	–	5,495	18,000	251,633	275,128
At 31 December 2022	–	121	28,800	208,737	237,658

There are no assets held under finance leases and similar hire purchase contracts (2022: £Nil).

Notes to the financial statements continued

12 Fixed asset investments

Group

	Investment in associates £
At 1 January and 31 December 2023	–

The carrying value of the shareholding in CPD Underwriting Solutions Ltd was impaired to £Nil in 2020.

Company

	Investment in subsidiaries and associates £
At 1 January 2023	4,000
Disposal	(2,000)
At 31 December 2023	2,000

Broker Direct Acquisitions Ltd and Our Network Services Ltd were dissolved on 5 September 2023

At 31 December 2023, the Company had the following principal subsidiaries which are registered in England and Wales:

	Nature of business	Class of share capital held	Proportion held	Held by
Proficient Insurance Administration Limited	Dormant	Ordinary shares	100%	Broker Direct Plc
BDElite Limited	Claims Management Solutions	Ordinary shares	80%	Broker Direct Plc

The registered address for BDElite Limited is Atria, Spa Road, Bolton, BL1 4AG. The registered address for Proficient Insurance Administration Limited is Deakins Park, Deakins Mill Way, Egerton, Bolton, BL7 9RW.

At 31 December 2023, the Company had the following principal associate which was registered in England and Wales:

	Nature of Business	Class of share capital held	Proportion held	Held by
CPD Underwriting Solutions Ltd	Underwriting consultancy and Managing General Agent	Ordinary shares	30%	Broker Direct Plc

These shares are voting and capital rights only, they are not entitled to dividends.

13 Disposal

The Board of Directors sold the subsidiary Insurance Compliance Services Limited on 30 October 2020 at which date control of the subsidiary was passed to the acquirer.

At the time of sale, settlement of an element of the consideration was deferred; contingent upon the company's revenues during each of the two years following disposal. In 2021, the first year's revenues were agreed and settlement received. At this time £2,226 was written off to profit and loss. In December 2022, the second year's revenues were agreed and a gain of £39,380 was posted to profit and loss, increasing the total profit on the sale to £248,744.

Notes to the financial statements continued

14 Cash at bank and in hand

Cash at bank and in hand includes both insurer monies held in trust and operational monies. Insurer monies include unsettled premiums and claims and commission not yet transferred into the operational bank accounts.

	At 1 January 2023 £	Movement £	At 31 December 2023 £
Operational cash at bank and in hand	3,382,189	2,009,507	5,391,696
Insurer cash at bank and in hand	7,323,310	4,985,040	12,308,350
Total cash at bank and in hand	10,705,499	6,994,547	17,700,046

15 Debtors

	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Broker and policyholder debtors	10,166,715	9,825,766	13,635,583	13,318,681
Insurer debtors	845,179	772,408	944,581	803,710
Amount owed by Group undertakings	-	18,206	-	19,557
Prepayments and accrued income	629,537	560,430	714,275	667,956
Other debtors	46,856	37,212	151,838	86,295
Deferred tax asset (Note 19)	148,698	151,086	82,455	84,992
	11,836,985	11,365,108	15,528,732	14,981,191

Amounts owed by Group undertakings are repayable on demand; however, the debts will only be called in to the extent that the undertaking is able to pay it without financial hardship.

16 Creditors: amounts falling due within one year

	Group 2023 £	Company 2023 £	As restated Group 2022 £	As restated Company 2022 £
Payable to insurers	22,238,200	21,845,774	20,364,949	19,953,358
Pension contributions	71,065	60,141	55,778	47,230
Technical reserves	60,895	37,620	39,650	4,620
Other taxation and social security costs	850,655	567,187	420,538	252,673
Accruals and deferred income	2,100,696	1,941,225	2,444,226	2,053,441
	25,321,511	24,451,947	23,325,141	22,311,322

17 Creditors: amounts falling due after more than one year

	Group 2023 £	Company 2023 £	As restated Group 2022 £	As restated Company 2022 £
Technical reserves creditor	318,948	318,948	293,062	293,062
Deferred income	125,740	125,740	129,597	129,597
	444,688	444,688	422,659	422,659

Notes to the financial statements continued

18 Provisions for liabilities

Group and Company

Provisions are maintained to meet potential commission clawbacks for policies that could cancel in the future and to restore the leased premises back to its original condition should we terminate the lease.

The movement in the provisions during the year were:

	Claims Handling	Commission clawback provision	Dilapidation provision	Total
	£	£	£	£
At 1 January 2023	38,855	43,972	100,000	182,827
Utilised in the year	(38,855)	(43,972)	-	(82,827)
Additional provision for the year	48,270	315	-	48,585
At 31 December 2023	48,270	315	100,000	148,585

19 Deferred taxation

The potential deferred taxation asset is as follows:

	Group 2023	Company 2023	Group 2022	Company 2022
	£	£	£	£
Depreciation in excess of capital allowances	(32,407)	(24,573)	(14,047)	(7,026)
Technical reserves	181,105	175,659	96,502	92,018
Deferred tax asset	148,698	151,086	82,455	84,992

The deferred taxation asset has been recognised to the extent that in the directors' opinion the Group's and Company's forecasts indicate there will be suitable taxable profits from which the partial reversal of the underlying timing differences can be deducted, this is shown below:

	Group 2023	Company 2023	Group 2022	Company 2022
	£	£	£	£
Deferred tax asset brought forward	82,455	84,992	80,673	84,756
Statement of comprehensive income movements in the year (Note 8)	66,243	66,094	1,782	236
Deferred tax asset carried forward	148,698	151,086	82,455	84,992

The amount of the net reversal of deferred tax expected to occur next year is £20,525 (2022: £41,772), relating to the reversal of existing timing differences on tangible fixed assets and provisions.

20 Called up share capital

	2023 £	2022 £
Authorised		
6,000,000 'A' ordinary shares of £0.20 (2022: £0.20) each	1,200,000	1,200,000
Allotted		
4,025,934 'A' ordinary shares of £0.20 (2022: £0.20) each	805,187	805,187
Called up		
Fully paid		
3,963,434 'A' ordinary shares of £0.20 (2022: £0.20) each	792,687	792,687
Partly paid		
62,500 'A' ordinary shares of £0.20 (2022: £0.20) each one quarter called up and paid	3,125	3,125
	795,812	795,812

All shares are equity shares, carrying the same right to dividends and priority on a winding up and are non-redeemable.

The capital of the Company is 'A' Ordinary shares of £0.20 each. 3,963,434 of such shares are in issue and fully paid up and 62,500 of such shares are partly paid up to the extent of £0.05 each and none of the remaining shares have been issued.

A number of share options have been granted to directors and staff and these are detailed in Note 23.

21 Reserves

Called-up share capital – represents the nominal value of shares that have been issued and paid.

Share option reserve – the provision required to date for the fair value of share options likely to vest in employee schemes currently in place.

Profit and loss account – includes all current and prior period retained profits and losses.

Non-controlling interest – includes the amount of capital and reserves attributable to minority interests.

22 Dividends

No dividends were paid on equity shares in 2023 (2022: £198,953).

23 Share based payments

In accordance with Financial Reporting Standard 102, the Schemes are restricted to the sale of the Company and are therefore treated as equity settled share-based payment transactions.

Details of the share options granted are set out below:

	Scheme 7	Scheme 8
Exercise price	£1.00	£1.00
Outstanding at 1 January 2023	643,334	450,000
Granted during the year	0	0
Expired during the year	0	0
Outstanding at 31 December 2023	643,334	450,000
Exercisable at 31 December 2023	0	0

Notes to the financial statements continued

No 7 and 8 Enterprise Management Incentive Schemes (2020)

At the Annual General Meeting on 16 September 2020, the shareholders passed a resolution authorising the establishment of the Broker Direct Plc 2020 Share Option Scheme.

In January 2021, the Company granted options (which were granted as qualifying Enterprise Management Incentives pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003) to certain directors and managers. The options may only vest and be exercised on achieving Company performance targets.

Nil shares have vested to qualifying individuals as at 31 December 2023.

Vested options are exercisable at any time until 20 July 2026.

Assumptions:

The Group used the Monte-Carlo model to fair value the Group's share options. During the year £5,354 was expensed with a corresponding credit to other reserves (2022: £5,692).

24 Leasing commitments

Future operating lease payments are due as follows:

	2023	2022
	Land and buildings and equipment	Land and buildings
	£	£
Operating lease payments payable:		
– within one year	198,944	94,208
– within two to five years	509,824	506,882
	708,768	601,090

25 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 December 2023 or 31 December 2022.

26 Related party transactions

The Company has taken advantage of the exemption within FRS 102 (section 33) and has not disclosed transactions with wholly owned subsidiaries.

Management determine that the key management personnel are the directors of the Group and Company whose remuneration is disclosed in Note 7.

In the year, the Group had the following transactions with CPD Underwriting Solutions Ltd, an associate of Broker Direct Plc:

- Fees paid to associate - £Nil (2022: £43,537), nil outstanding at year-end (2022: £Nil).
- Commission and fees receivable from associate - £9,961,777 of which £307,108 remained outstanding at the year-end (2022: £9,248,087, £353,750 outstanding).

27 Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to the shareholders of the parent company as the numerator.

The share option exercise prices are higher than the value at which the Company shares have traded during both 2023 and 2022 and therefore have no dilutive effect on the earnings per share.

The weighted average number of shares for the purposes of both basic and diluted earnings per share is as follows:

	2023	2022
Weighted average number of shares used in basic and diluted earnings per share	4,025,934	4,025,934

28 Prior Period adjustment

Historically, income received for handling claims was recognised in full in the statement of comprehensive income in the month the fee became payable. Technical reserves were maintained to meet the costs of handling the claims to their closure, with the reserves being included in amounts to be recognised after more than one year. The directors have reviewed the recognition policy and determined that under FRS 102, this revenue should be recognised over time with reference to the stage of completion of the services provided. This results in deferral of a portion of the income, with the deferred elements being analysed between those due within one year and those due after more than one year. In preparing the financial statements for the year ended 31 December 2023, the directors identified £801,877 (group and company) of technical reserves that should have been recognised as deferred income, of which £672,280 (group and company) was due within one year and the remaining £129,597 (group and company) was due after more than one year. The remaining claims handling technical reserve of £48,270 (group and company) has been reclassified from “Creditors: amounts falling due after more than one year” to “Provisions for liabilities”. A prior period adjustment has been processed to correct the presentation of these items in the comparative period. No restatement has been made to turnover or expenditure as the directors have assessed the impact of the revised application of the accounting policy to not be material to the previously reported income and expenditure.

Changes to the statement of financial position - group

Group

	As previously reported	Adjustment	As restated at 31 December 2022
	£	£	£
Creditors: Amounts falling due within one year	22,652,861	672,280	23,325,141
Accruals and deferred income	1,771,946	672,280	2,444,226
Net current assets	3,581,370	(672,280)	2,909,090
Total assets less current liabilities	3,857,907	(672,280)	3,185,627
Creditors: Amounts falling due after more than one year	1,133,794	(711,135)	422,659
Technical reserves creditor	1,133,794	(840,732)	293,062
Deferred income	–	129,597	129,597
Provisions for liabilities			
Claims handling provision	–	38,855	38,855
Net assets	2,580,141	–	2,580,141
Capital and reserves			
Shareholders' funds	2,580,141	–	2,580,141

Notes to the financial statements continued

Company

	As previously reported £	Adjustment £	As restated at 31 December 2022 £
Creditors: Amounts falling due within one year	21,639,042	672,280	22,311,322
Accruals and deferred income	1,381,161	672,280	2,053,441
Net current assets	2,955,072	672,280	2,282,792
Total assets less current liabilities	3,196,730	(672,280)	2,524,450
Creditors: Amounts falling due after more than one year	1,133,794	(711,135)	422,659
Technical reserves creditor	1,133,794	(840,732)	293,062
Deferred income	–	129,597	129,597
Provisions for liabilities			
Claims handling provision	–	38,855	38,855
Net assets	1,918,964	–	1,918,964
Capital and reserves			
Shareholders' funds	1,918,964	–	1,918,964

29 Controlling party

The directors do not consider that there is a controlling party of the entity.

30 Subsidiary company audit exemption

BDElite Limited (company number 07636844) is entitled to and has taken advantage of the exemption from statutory audit conferred under Section 479A of the Companies Act 2006.

Proficient Insurance Administration Limited (company number 12311851) is entitled to and has taken advantage of the exemption from statutory audit conferred under Section 479A of the Companies Act 2006.

31 Dormant subsidiary account preparation and filing exemption

Proficient Insurance Administration Limited (company number 12311851) is entitled to and has taken advantage of the exemption from preparation and filing of individual accounts conferred under Sections 394A and 448A of the Companies Act 2006.



We are
Proficient



Broker Direct Plc
Deakins Park
Deakins Mill Way
Egerton
Bolton
BL7 9RW

Tel: 01204 600 200

Broker Direct Plc is registered in England
No. 02958427.

Registered Office:
Deakins Park
Deakins Mill Way
Egerton
Bolton
BL7 9RW

Authorised and regulated
by the Financial Conduct Authority, firm
reference number 307607.