CBC UK Limited
Annual report and financial statements
For the year ended 31 December 2019

Registered number: 01973536

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Contents

Directors	R P Cottingham P D B Dalton J S Newman S R Padda L W Silver A S Wallas (Chairman)
Secretary	D J Field
Registered office	8-11 Crescent London EC3N 2LY
Company number	01973536
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

Chairman's Statement

I am pleased to present the Audited Financial Statements of CBC UK Ltd for the year ended 31st December 2019.

It has been another year of growth and expansion on several levels.

A number of quality people have joined the CBC family: Darren Ilderton, Jason Slater, Neil Roomes, Adrian Fox, Edward Cross, Faye Johnson, Paul Kelly, Alex Lloyd-Baker, Alice White, Kelly Broadbent, Zakk Martin, Stephanie-Jane Webb, Rob Pearman, Victoria Everson, Yilmaz Heleteli, Lisa Baudin, Jonathan Alexander, Vince Kelly, Erin Himpfen, Justin Palmer, Pete Dalton and Suzanne Evers.

At this time last year, I reported that the operating profit had increased from £731,000 to £946,000, an increase of circa 30% and that our preferred measurement, EBITDA, had grown from £793,000 to £1,105,000, an increase of circa 40%. Following on from that strong performance, I am delighted to report that in the year under consideration, the operating profit has increased from £946,000 to £1,241,977, an increase of circa 31% and that our preferred measurement, EBITDA, has grown from £1,105,000 to £1,442,908, an increase of more than 30%.

This strong financial performance is the outer reflection of our clearly articulated intention which is the DNA of our organisation

The intention of CBC UK Ltd is made up of four critical elements, each of which carries equal weight:

1. To employ quality people
2. To act with integrity, innovation and excellence
3. To have fun
4. To create financial value of £25 million.

Over the past 12 months, we have made valuable progress in each of these areas but I am choosing to focus on just two of these aspects in my current report.

This intention applies equally to existing team members and new employees. Everyone is encouraged to expand and grow their skill, talent, intellect, innovation and emotional awareness every year. We want to be a better version of ourselves this year than we were last year. This requires motivation and discipline. It also requires an environment and culture that values and appreciates the individual, while encouraging support for individual growth and fulfilment. Whilst we are far from perfect in this practice, we seek to cultivate this working environment every day.

In addition to improving ourselves year on year, we seek to attract new people of quality who will enhance our culture and help lift us all to the next level, whatever that might be. We want to attract like-minded people who share our passion for fulfilling our individual and collective potential. A critical part of achieving our intention in this respect is the explicit shared commitment to have fun; to enjoy coming to work.

In the year under review, the whole team participated in a bespoke day of fun improvisation exercises which produced some hilarious outcomes. Everyone embraced the opportunity to let go of their inhibitions and to bond with their colleagues over what turned out to be an inspirational day. The resulting positivity amongst the team was infectious and you can read what some of them said about the experience throughout this report.
Whilst having fun may not be an important criterion to our regulator, the Financial Conduct Authority (FCA) or our Auditors, it is important to stress that it is not juxtaposed with exemplary compliance and fiscal discipline. To set these factors up in opposition is a false dichotomy. Our experience (and an increasing level of research) indicates that happy people create superior compliance and increased financial returns. A recent study[1] by Oxford University's Saïd Business School into happiness and productivity, has found that workers are 13% more productive when happy. But it is not just about productivity and profit. Happier employees are healthier, communicate and collaborate more effectively, are more creative, and are better advocates for the company.

[1] Does Employee Happiness Have an Impact on Productivity? By Clement S. Bellet, Erasmus University Rotterdam, Jan-Emmanuel De Neve, University of Oxford, George Ward, Massachusetts Institute of Technology. February 8, 2020

Chairman's Statement

Over the past 12 months, our existing employees have raised their game to the next level, while new members of the CBC family have enhanced our overall quality. We are slowly and surely fulfilling more of our potential. There is more to do. Our budget for 2020 reflects an increase of more than 50% in EBITDA from the year under review. At the time of going to press, we are trading significantly ahead of budget despite challenging conditions throughout the country and wider community due to restrictions in movement.

This is a continued reflection of alignment to our intention and culture.

I would like to thank and congratulate Rob Cottingham and his experienced, dedicated team on another year of excellent results. I would particularly like to acknowledge the considerable support the company has received from Sam Hovey in relation to our finance function, and Tallis Kemp, in relation to operations, which has been invaluable. And finally, I would also like to reaffirm my appreciation for our two Non-Executive Directors, Suneeta Padda and Jon Newman, both of whom have delivered wisdom, guidance and support in equal measure. We are extremely fortunate to have two Non-executive Directors of such quality and experience.

The company is in safe hands and is moving forward with a clearly articulated vision.

Andrew Wallas

Chairman

Chief Executive Officer's report

2019 was another exciting and important year in the company's evolution, in terms of financial growth, business diversification and infrastructure development.

The financial highlights and KPIs are concisely detailed within the Chairman's report and I would like to express my thanks to Andrew for his unparalleled mentorship and support, and to all of the CBC team who have contributed towards the end result.

In terms of how the business lines have been expanded, this is summarised below.

New International Team

The first five members of the new International professional lines division joined during the period and henceforth CBC began trading in North America, Africa and Asia. Up until that point and since its formation in 1985, the company had concentrated its efforts almost entirely in the UK.

The team, headed by Adrian Fox, has readily embraced the company's culture and despite restrictive covenants from previous employers, it began and ended the year exceeding expectations. We anticipate that this trend will continue into 2020 and beyond.

Corporate Risks

We also expanded the existing Corporate Risks division by recruiting Jason Slater and Darren Ilderton, who specialise in Professional Indemnity for financial adviser companies (IFAs). This is a very specialist and niche space within the PI sector and their arrival enables significantly enhanced capabilities and product offerings to new and existing clients.

Healthcare

Terms were agreed during the period with two separate healthcare market practitioners, which will give the company the ability to transact worldwide medical malpractice insurance.

Alex Lloyd-Baker joined in early 2020 and the second individual will join in the third quarter of 2020, once his notice period has expired.

MGA

We have restructured the underwriting team and consolidated the wholesale property business, which was previously transacted by way of binding authority arrangements within the Art and Private client team.

We have also appointed an experienced, ex Lloyd's of London underwriter who will offer additional commercial products under a new underwriting facility.

Rates in the insurance market continued to harden during 2019, particularly for Professional Liability and there is no suggestion that this trend will reverse any time soon. In fact, 2020 has to date seen further hardening and CBC is very well positioned to take advantage of an environment where there is a very real need for experience and expertise, both from a direct client and a wholesale client perspective.

In addition to generating new revenue, we are also continuously considering how we can improve and develop the supporting infrastructure and 2019 has also seen significant activity in this regard.

We have recruited a new head of claims, Robert Pearman, who has a broad spectrum of experience across several insurance classes and territories. His team will provide a solid claims function to all of the various trading divisions.

I am also delighted to report that Peter Dalton has recently joined the CBC family as COO and his wealth of experience and expertise has already had a positive impact across the business, including in the areas of governance, IT and HR.

Peter will be an invaluable member of the team going forward and his appointment will assist in ensuring that the systems and controls of the business are suitably robust to withstand the revenue and workforce growth.

Overall, this was another good year for CBC - we succeeded in meeting a challenging financial budget, we recruited quality people, we had fun along the way and continued to act with integrity, innovation and excellence.

Chief Executive Officer's report

Since the management buy-out in 2017, the company has embraced a radical business transformation process and many of its senior management team and employees are now signed up to the training programme. I firmly believe that this has been instrumental in the cultural and financial shift of the company, which had previously not excelled amongst its peers.

We go into 2020 in great shape and the intention is to continue in the same vein. We have several new opportunities and initiatives in play and an enviable group of people, committed to the continued growth and development of the company.

R P Cottingham

Chief Executive Officer

Strategic report

The directors present their strategic report for CBC UK Limited (the "Company") for the year ended 31 December 2019.

Principal activities and review of the business

The Company operates as a general insurance intermediary. It is based in London where it manages a diversified book of business.

The directors do not expect any significant changes in the principal activities during the coming year.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The performance measures are set out below:-

Turnover
Turnover for the year to 31 December 2019 has seen a very satisfactory increase of 16.5%, with some product lines performing better than others, in line with market conditions. Management expect to see further increased turnover in the coming year. During 2019 there were items of income that should be considered a 'one-off', as detailed in Note 3 to the Financial Statements.

Profit Margins
The internal profit measure used is EBITDA (Earnings before interest, tax, depreciation and amortisation). EBITDA was £1,442,908 (2018: £1,105,000), in line with management expectations. The Company has invested in new teams and expects to see growth in this metric in the coming year.

This excludes expenses considered non-recurring and non-trading.

Non-financial

Regulatory and compliance
Regulatory and compliance form a key part of the business in today's complex regulatory environment. Management has enhanced resources in these areas and continually reviews and updates procedures to ensure any potential breaches are identified and appropriate action is taken as necessary.

Credit control and terms of trade
The Group closely monitors its insurance debtors, creditors and cash balances to ensure adherence with all regulatory considerations, including CASS 5 (client money), financial crime and sanctions checking. Additionally, every effort is made to ensure that premium is received in a timely fashion from client in order for it to be settled to underwriters in accordance with terms of trade.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

Strategic report (continued)

The principal risks and uncertainties facing the Company are as follows:

Business and regulatory risk
The Company operates in a dynamic and sometimes volatile environment that has also seen a number of business and regulatory reforms. We believe that the Company's strategy of product diversification helps mitigate the exposure to any one business sector and this coupled with its expertise, resources and financial strength should enable the Company to succeed in such a business environment. These and other business risks are identified, measured and monitored by senior management.

Liquidity risk
The Company manages its cash and borrowing requirements centrally to ensure that there are sufficient liquid resources to meet the operating needs of the business.

Interest rate risk
The Company manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Company has sufficient liquid resources to meet the operating needs of its business. The Company is exposed to interest rate risk on floating rate deposits and bank overdrafts.

Credit risk
All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary. The Company's working capital comprises principally of insurance debtors, creditors and cash. Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

Operating risk
The internal control environment is constantly reviewed by the Executive Committee to ensure that the appropriate controls are in place. Risks are identified, assessed and appropriate remedial action decided upon by the Committee through the use of a risk register software tool and a bespoke risk matrix relating to the Company's business. The Company maintains errors and omissions insurance.

Section 172 statement

The directors are fully aware of their responsibilities to promote the success of the Company in accordance with s172 of the Companies Act and have acted in accordance with these responsibilities during the year. The board has identified that its key stakeholders are the workforce, shareholders, clients and the regulator. In making decisions to achieve the overall strategic goal of the Company, which is to provide service to its clients over a variety of insurance classes, the Company considers the impact of these decisions on all of its stakeholders.

The Company has an established corporate governance framework to ensure that board decisions are made with the long-term success of the Company in mind, and that its key stakeholders remain at the forefront of the decision making process. To enable this, information provided to board meetings is sufficiently detailed to enable directors to consider the wider impact of decision making.

Approved on behalf of the board on 10 July 2020 and signed on its behalf by

R P Cottingham
Director

Directors' report

The Directors present their report and the financial statements for the Company for the year ended 31 December 2019.

The Company's principal activity in the year under review remains that of a London Market general insurance intermediary. The directors are not aware, at the date of this report, of any likely major changes in the Company's principal activities in the forthcoming year.

On 15th July 2019 the Company acquired 100% of the share capital in Paladin International Brokers Limited. For further details see note 12.

On 29 June 2018, the Company acquired 100% of the share capital of PBS Insurance Limited (now CBC Jersey Limited), a company registered in Jersey. For further details see note 12.

Business review

The directors continue to seek to extend the scope of the Company's activities, both by organic growth and hire of new teams, in existing and new product lines.

Dividends

A dividend of £850,000 was declared and paid during 2019 (2018: £800,000)

Competitive environment

There has been some strengthening of rates in the market and the Directors believe this will contribute towards improvement in the company's profitability.

Future developments

Appropriate advantage is being taken of any material development opportunities. We do not expect COVID-19 to have any material impact on the future development of the business.

Key performance indicators

	2019 £'000	2018 £'000	Change %
Turnover	6,629	5,692	16.46
EBITDA	1,443	1,105	30.59
Operating profit	1,242	946	31.29
Profit for the financial year	1,132	833	35.89
Capital and reserves	2,271	1,988	14.24

Directors' report

Directors

The Directors of the Company during the year, and to the date of this report, are as follows:

I Cooke (resigned 20 March 2019)
R P Cottingham
P D B Dalton (appointed 3 June 2020)
C S Kenyon (resigned 12 June 2019)
J S Newman (appointed 13 June 2019)
S R Padda
L W Silver (appointed 3 July 2019)
A S Wallas (Chairman)

Going concern

These financial statements have been prepared on a going concern basis. For further information refer to the notes to these financial statements.

The Directors have considered the appropriateness of preparing the financial statements on a going concern basis including the impact of the current COVID-19 pandemic situation. The Directors do not consider that the COVID-19 pandemic will have a significant impact on the ability of the business to continue its operations. The Directors have carefully considered these risks, including an assessment of uncertainty on future trading projections for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Principal risks and uncertainties

The Company's financial risk management objectives are to minimise the key financial risks through having a clearly defined terms of business with counterparties and stringent credit control over transactions with them and regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the Company maintains adequate working capital. The Company's principal foreign currency exposures arise from income denominated in foreign currencies.

Statement of Directors' responsibilities

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

Directors' report

- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Brexit

The Directors have considered possible outcomes of Brexit, the primary concern being the impact on the brokerage revenue, and do not consider that there will be any material impact on the Company in relation to this concern. There is minimal income in Euros, or with European clients.

Post balance sheet events

On 11th March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. The situation has continued to evolve rapidly, and it is difficult to fully determine its future impact. This event is considered to be a non-adjusting event.

Liability Insurance

During the year, the Company maintained liability insurance for the Directors and other officers of the Company as permitted by Section 233 of the Companies Act 2006.

Statement as to disclosure of information to auditor

So far as each person who is a Director is aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Mazars LLP has expressed its willingness to continue in office and a resolution concerning reappointment will be put to the Directors at the board meeting approving these financial statements.

Approved on behalf of the board on 10 July 2020 and signed on its behalf by

R P Cottingham
Director

Independent auditor's report to the member of CBC UK Limited

Opinion

We have audited the financial statements of CBC UK Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and the Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 10, and the consideration in the going concern basis of preparation on page 20 and non-adjusting post balance sheet events on page 36.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

Independent auditor's report to the member of CBC UK Limited (continued)

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

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 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.

Independent auditor's report to the member of CBC UK Limited (continued)

Matters on which we are required to report by exception
In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement set out on pages 10 - 11, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

Independent auditor's report to the member of CBC UK Limited (continued)

Use of the audit report

This report is made solely to the Company's member 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 member 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 member as a body for our audit work, for this report, or for the opinions we have formed.

Sam Porritt (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

10 July 2020

Statement of comprehensive income

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	6,629,209	5,692,493
Administrative expenses		(5,387,232)	(4,746,802)
Operating profit	4	1,241,977	945,691
Dividend income		786	792
Interest receivable and similar income	8	22,334	27,422
Profit on ordinary activities before taxation		1,265,097	973,905
Taxation	9	(132,746)	(140,647)
Profit for the year		1,132,351	833,258

All amounts relate to continuing operations.

The notes on pages 19 to 36 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2019

	Note	2019	2018
		£	£
Fixed assets			
Intangible fixed assets	10	427,259	458,464
Tangible assets	11	161,156	154,958
Subsidiary undertakings	12	400,490	390,490
		988,905	1,003,912
Current assets			
Debtors	13	2,589,446	2,162,255
Investments		24,051	20,057
Cash at bank and in hand	14	710,630	225,350
		3,324,127	2,407,662
Creditors: amounts falling due within one year			
Trade and other creditors	15	(2,041,868)	(1,423,112)
Net current assets		1,282,259	984,550
Total assets less current liabilities		2,271,164	1,988,462
Net assets		2,271,164	1,988,462
Capital and reserves			
Called up share capital	17	750,000	750,000
Profit and loss account		1,521,164	1,238,462
Shareholder's funds		2,271,164	1,988,462

These financial statements were approved by the board of directors and authorised for issue on 10 July 2020.

R P Cottingham
Director

Registered company number: 01973536

The notes on pages 19 to 36 are an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2018	750,000	1,205,204	1,955,204
Profit for the year		833,258	833,258
Other comprehensive income		-	-
Total comprehensive income		833,258	833,258
Dividends payable		(800,000)	(800,000)
At 31 December 2018	750,000	1,238,462	1,988,462
Profit for the year		1,132,351	1,132,351
Other comprehensive income		-	-
Share based payments (see note 7)		351	351
Total comprehensive income		1,132,702	1,132,702
Dividends payable		(850,000)	(850,000)
At 31 December 2019	750,000	1,521,164	2,271,164

Reserves

Profit and loss account
The profit and loss account represents cumulative profits and losses of the Company.

The notes on pages 19 to 36 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1 Accounting policies

1.1 General information

CBC UK Limited ("the Company") is a private limited company incorporated in the United Kingdom. The address of its registered office is 8-11 Crescent, London, EC3N 2LY, and its principal place of business is Mansell Court, 69 Mansell Street, London, E1 8AN.

The financial statements present information about the Company as an individual undertaking. The Company has not prepared consolidated accounts as it is wholly owned by Paladin Holdings Limited which prepares consolidated accounts.

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

1.2 Basis of preparation

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

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

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

- from presenting a statement of cash flows, as permitted by Section 7 *Statement of Cash Flows*.

Exemption from preparing group accounts

The financial statements contain information about CBC UK Limited as an individual company and do not contain consolidated financial information as the parent of a Group. The Company has taken advantage of section 400 of the Companies Act 2006 and has not produced consolidated financial statements on the basis that it is a subsidiary of Paladin Holdings Limited, which prepares consolidated financial statements and is established under the laws of an EEA state.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1 Accounting policies (continued)

1.3 Going concern

These financial statements have been prepared on a going concern basis.

The Directors' have considered the appropriateness of preparing the financial statements on a going concern basis including the impact of the current COVID-19 pandemic situation. The Directors do not consider that the COVID-19 pandemic will have a significant impact on the ability of the business to continue its operations. The Directors have carefully considered these risks, including an assessment of uncertainty on future trading projections for a period of at least twelve months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the Directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations of external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the Directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt as to the Company's ability to continue as a going concern. Thus the Directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

1.4 Revenue recognition

Revenue from the provision of insurance intermediary services
The Company generates revenue from commission and fees associated with placing insurance contracts.

Revenue relating to insurance broking is recognised at the later of date of invoicing of the transaction and the inception date of the coverage. Where there is an expectation of future servicing requirements, an element of income relating to the policy is deferred to cover the associated contractual obligation.

All revenue arises from the provision of insurance intermediary services.

Other income
Other income represents fees and other income for services provided, and income recognised as a result of a review of the ledgers and the associated clearance of any items. Income for services provided is recognised over the period in which they are performed and when they can be measured with reasonable certainty. Income recognised as a result of a review of the ledgers is recognised when there is certainty that this can be cleared from the ledgers.

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

Dividend income
Dividend income is recognised when the right to receive the distributions has been established.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1 Accounting policies (continued)

1.5 Share based payments

Share options have been granted to staff who are considered key to the development of the Company. The exercise price of the option is equal to the estimated market price of the parent Group at the date of the grant based on recent share transactions by the Company. Options must be exercised at the latest 10 years after the date of grant.

The options are accounted for as equity settled share options and have been valued using the Black Scholes model.

1.6 Taxation

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

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.7 Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date.

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

Notes to the financial statements (continued)

For the year ended 31 December 2019

1 Accounting policies (continued)

1.8 Intangible assets

Intangible assets comprise of acquired software and goodwill.

Goodwill recognised represents the excess of the consideration and directly attributable costs of the purchase consideration over the fair value of the Company's interest in the identifiable assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to the cash-generating units that are expected to benefit from the combination.

Other intangible assets are initially recognised at cost, which is the purchase price plus any directly attributable costs. Subsequently intangible assets are measured at cost less any accumulated amortisation and impairment losses.

Amortisation is charged on a straight line basis to administrative expenses in profit or loss over the shorter of the useful life of the asset or the contractual or legal rights arising on acquisition. The useful life of acquired software and amortisation rates are amended prospectively to reflect new circumstances, where factors, such as technological advancement, indicate that residual value or useful life have changed. The useful lives are as follows:

Computer software	3 years
Goodwill	20 years

Intangible assets are tested for impairment where an indication of impairment exists at the reporting date.

1.9 Tangible assets

Tangible assets comprise of computer hardware, fixtures, fittings and office equipment, motor vehicles and leasehold improvements which are initially recognised at cost, being the purchase price plus any directly attributable costs, and are subsequently measured at cost less accumulated depreciation and any impairment losses.

Depreciation is charged on a straight line basis to administrative expenses in the statement of comprehensive income so as to allocate the asset's cost, less its estimated residual value, over its estimated useful life. The useful lives are as follows:

Computer hardware	-	3 years
Fixtures, fittings and office equipment	-	5 years
Motor vehicles	-	3 years
Leasehold improvements	-	over the remaining term of the lease

Tangible assets are tested for impairment where an indication of impairment exists at the reporting date.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1.10 Investments in subsidiary undertakings

The investments in subsidiary undertakings were recognised at cost less accumulated impairment losses in the Company financial statements. Investments are tested for impairment where an indication of impairment exists at the reporting date.

1.11 Financial instruments

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

Financial assets – classified as basic financial instruments

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held with banks.

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

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

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

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets.

Investments
Current asset investments are comprised of equity investments which are publicly traded. These are carried at fair value. Movements in fair value are recognised in profit or loss.

Trade and other creditors
Trade and other creditors are initially measured at the transaction price, including any transaction costs.

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

1.12 Equity share capital

A financial instrument is dealt with as an equity instrument where it evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Notes to the financial statements (continued)

For the year ended 31 December 2019

1.13 Insurance broking debtors and creditors

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Accordingly, receivables arising from insurance broking transactions are not included as assets of the Company. Other than the receivable for fees and commissions earned on the transaction which is recognised within trade receivables, no recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or client and recognised on the statement of financial position as insurance payables. It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. FRS 102 section 11 requires that offset of assets and liabilities should be recognised in the financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

Cash arising from insurance broking transactions is included within fiduciary funds. The fiduciary funds are held in a trust, attributable risks and rewards residing in parties other than the Company, with the Company administering the monies on behalf of counterparties. Accordingly, they have been de-recognised, with only the Company's own funds being dealt with in the Statement of financial position. The Company is entitled to retain the investment income on any cash flows arising from insurance related transactions.

1.14 Employee benefits

Short-term benefits
Short-term benefits, including holiday pay and other similar benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

Post-employment benefits
The Company operates defined contribution pension plans for its employees.
Contributions to the defined contribution pension plans are charged to profit or loss in the year to which the contributions relate.

1.15 Lease arrangements

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease arrangements are classified as operating leases.

Payments made under operating lease arrangements are charged to profit or loss on a straight-line basis over the lease term.

1.16 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the obligation will be required to be settled, 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 reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Notes to the financial statements (continued)

For the year ended 31 December 2019

2 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are periodically reviewed. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

2.1 Critical judgement in applying the Company's accounting policies

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

Computation of deferred brokerage
Management estimation of projected ultimate claims servicing and accounting costs and costs of policy production for business placed up to the balance sheet date is required in order to determine the appropriate deferral of brokerage. The model employed assumes, where there is no specific intelligence to the contrary, that historic patterns, and relative significances, of incurring of such expenses will hold good over future financial reporting periods.

Estimated impairment of goodwill

In accordance with the accounting policy stated in note 1.8, the Company tests annually whether goodwill has suffered any impairment. These calculations require the use of estimates. The carrying value of goodwill is £424,449 (2018: £458,464).

Estimated impairment of investment in subsidiary undertakings

In accordance with the accounting policy stated in note 1.10, the Company tests annually whether investment in subsidiary undertakings has suffered any impairment. These calculations require the use of estimates. The carrying value of investment in subsidiary undertakings is £400,490 (2018: £390,490).

2.2 Key sources of estimation uncertainty

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

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

Notes to the financial statements (continued)

For the year ended 31 December 2019

3 Turnover

An analysis of the Company's turnover by category is as follows:-

	2019	2018
	£	£
Brokerage and commissions	5,944,008	5,240,165
Other income	685,201	452,333
	6,629,209	5,692,498

Other income includes £594,320 (2018: £383,691) of credit write backs relating to the clearance of old ledger items and £90,971 (2018: £68,642) relating to the return of call on closed years relating to E&O insurance.

Turnover is substantially attributable to the United Kingdom.

4 Operating profit

This is stated after charging/ (crediting):

	2019	2018
	£	£
Amortisation of intangible assets	35,096	37,095
Revaluation of fixed asset investments	(3,993)	3,813
Depreciation of tangible assets	41,212	29,746
Foreign exchange losses	12,396	2,327
Operating lease expenses – land and buildings	395,228	395,228
Operating lease expenses – other	5,139	1,605
Auditor's remuneration	41,200	39,400
An analysis of the auditor's remuneration is as follows:		
Fees payable to the Company's auditors and their associates for the audit of the Company's annual accounts	29,900	28,750
Taxation compliance services	4,250	3,900
Other services pursuant to legislation	7,050	6,750
	41,200	39,400

Notes to the financial statements (continued)

For the year ended 31 December 2019

5 Employee benefits

The average monthly number of employees (including directors) was:	2019	2018
Broker and technical support staff (including claims)	40	37
Directors	2	2
	42	39

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	2,396,732	2,341,258
Share based payments	351	-
Social security costs	268,807	250,623
Pension costs (note 16)	179,919	155,002
	2,845,809	2,746,883

6 Directors' emoluments

The key management personnel of the Company are considered to be the executive directors. Their aggregate remuneration comprised:

	2019	2018
	£	£
Remuneration:		
For management services	331,958	312,747
Compensation to Directors or past Directors in respect of loss of office	-	49,050
Pension contributions to defined contribution schemes	22,377	17,435
	354,335	379,232

There were three executive directors (2018: four) to whom benefits accrued under defined contribution pension schemes.

	2019	2018
	£	£
Remuneration of the highest paid director:		
Remuneration for management services	271,728	228,682
Pension contributions to defined contribution schemes	19,040	15,600
	290,768	244,282

Notes to the financial statements (continued)

For the year ended 31 December 2019

7 Share based payments

The Group operates an equity settled share based payment scheme ('EMI Scheme'). The exercise price of the options is the market value at the date of the grant. The options are over shares in Paladin Holdings Limited.

During 2019, £351 was charged to the statement of comprehensive income in respect of share based payments.

The EMI scheme is a long-term incentive plan available to certain employees. The aim of the plan is to align the interest of those employees to the creation of shareholder value. Options were granted at market value and are exercisable up to 10 years after the date of grant, subject to vesting conditions.

	2019 Number of shares	2019 Weighted average exercise price £	2018 Number of shares	2018 Weighted average exercise price £
Outstanding at 1 January	62,500	0.01	85,500	0.01
Granted	18,750	1.79	-	-
Lapsed	(3,500)	0.01	(23,000)	0.01
Outstanding at 31 December	77,750	0.44	62,500	0.01

8 Interest receivable and similar income

	2019 £	2018 £
Interest receivable on cash at bank and in hand	22,334	27,422
	22,334	27,422

Notes to the financial statements (continued)

For the year ended 31 December 2019

9 Taxation

The tax charge recognised in the Statement of Comprehensive Income comprises:

	2019	2018
	£	£
Current tax		
UK corporation tax	129,296	133,350
Adjustments in respect of prior years	(3,244)	5,432
Total current tax	126,052	138,782
Deferred tax		
Origination and reversal of timing differences	6,694	1,865
Total deferred tax	6,694	1,865
Total tax on profit	132,746	140,647

Tax on profit on ordinary activities for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19%). The differences are reconciled below:

	2019	2018
	£	£
Profit on ordinary activities before taxation	1,265,097	973,905
Income tax calculated at 19.00% (2018: 19%)	240,368	185,042
Expenses not deductible for tax purposes	32,245	21,326
Non taxable income	(149)	-
Group relief received	(131,695)	(61,661)
Timing differences	6,694	1,865
Depreciation in excess of capital allowances	(11,473)	(11,358)
Adjustments to tax charge in respect of previous periods	(3,244)	5,432
Tax expense for the year	132,746	140,647

Notes to the financial statements (continued)

For the year ended 31 December 2019

10 Intangible assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2019	680,294	-	680,294
Additions	-	3,891	3,891
At 31 December 2019	680,294	3,891	684,185
Amortisation and impairment			
At 1 January 2019	221,830	-	221,830
Amortisation for the year	34,015	1,081	35,096
At 31 December 2019	255,845	1,081	256,926
Carrying value			
At 31 December 2019	424,449	2,810	427,259
At 31 December 2018	458,464	-	458,464

Notes to the financial statements (continued)

For the year ended 31 December 2019

11 Tangible assets

	Computer equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Leasehold Improvements £	Total £
Cost					
At 1 January 2019	106,712	9,228	35,234	129,565	280,739
Additions	24,472	11,938	-	11,000	47,410
At 31 December 2019	131,184	21,166	35,234	140,565	328,149
Depreciation					
At 1 January 2019	97,254	3,835	7,849	16,843	125,781
Depreciation charge	9,428	2,145	11,745	17,894	41,212
At 31 December 2019	106,682	5,980	19,594	34,737	166,993
Carrying value					
At 31 December 2019	24,502	15,186	15,640	105,828	161,156
At 31 December 2018	9,458	5,393	27,385	112,722	154,958

The net carrying amount of assets held under finance lease included in tangible assets was £nil (2018: £nil).

Notes to the financial statements (continued)

For the year ended 31 December 2019

12 Investments in subsidiary undertakings

	2019	2018
	£	£
Cost		
At 1 January	390,490	-
Additions	10,000	390,490
At 31 December	400,490	390,490
Carrying value		
At 1 January	390,490	-
At 31 December	400,490	390,490

On 29 June 2018, the Company acquired 100% of the share capital of PBS Insurance Limited (now CBC Jersey Limited), a company registered in Jersey.

In 2019 the company effectively acquired, by way of a put option, 100% of the share capital of Paladin International Brokers Limited. The initial cash consideration was £1, increased to £10,000 as at 21st November 2019. There is no deferred consideration at the end of this financial year. Nil revenue and a loss after tax of £343,906 arose in the period from acquisition to 31 December 2019 relating to Paladin International Brokers Limited.

The Company had the following investment in subsidiary undertakings:

Name	Country of incorporation	Nature of business	Proportion of capital held
Bell Risk Limited	United Kingdom	Dormant	100%
CBC Jersey Limited	Jersey	Insurance Broking	100%
Paladin Insurance Brokers Limited	United Kingdom	Insurance Broking	100%*

*Includes shares under put and call option

Notes to the financial statements (continued)

For the year ended 31 December 2019

13 Debtors

	2019	2018
	£	£
Amounts due within one year:		
Insurance debtors		
Net fiduciary assets (note 14)	1,565,795	1,684,312
Other debtors	134,435	105,340
Intercompany debtors	441,753	17,285
Prepayments and accrued income	447,463	355,318
	2,589,446	2,162,255

Insurance debtors of £6,020,147 (2018: £5,407,141) have been de-recognised, a net fiduciary asset being dealt with within the balance sheet.

14 Cash at bank and in hand

	2019	2018
	£	£
Own funds	710,630	225,350
Fiduciary funds	11,716,862	12,653,836
	12,427,492	12,879,186
De-recognition of fiduciary funds	(11,716,862)	(12,653,836)
	710,630	225,350

In accordance with the regulations of the Financial Conduct Authority, all insurance funds are held in Non-Statutory Trust accounts ("NST"). As at 31 December 2019, the funds held in the NST accounts totalled £11,716,862 (2018: £12,653,836). Of this balance, £1,283 (2018: £5,292) related to contracts falling within the scope of section 5.3 of the Marine Act 1906.

The fiduciary funds are held in a trust, attributable risks and rewards residing in parties other than the Company. The Company administers the monies on behalf of counterparties. Accordingly, they have been de-recognised, only the Company's own funds being dealt with in the balance sheet. A net fiduciary asset has been dealt with within the balance sheet (see note 13).

Notes to the financial statements (continued)

For the year ended 31 December 2019

15 Trade and other creditors

	2019	2018
	£	£
Amounts due within one year:		
Other creditors	338,684	213,953
Tax and social security	159,031	98,001
Corporation tax	141,472	133,385
Accruals and deferred income	555,895	496,982
Inter-company Creditors	846,786	480,791
	2,041,868	1,423,112

Insurance creditors of £16,171,215 (2018: £16,376,665) have been de-recognised. A net fiduciary asset has been dealt with within the balance sheet (see note 13).

16 Post-employment benefits

The Company operates two defined contribution schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amounts charged to Company profit and loss account in the year totalled £179,919 (2018: £155,002). As at the reporting sheet date, contributions amounting to £26,143 (2018: £14,897) had not been paid over to the fund and are included in other creditors.

17 Called up share capital

	2019	2018	2019	2018
	Number	Number	£	£
Ordinary Shares of £1 each:				
Allotted, called up and fully paid	750,000	750,000	750,000	750,000

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

Notes to the financial statements (continued)

For the year ended 31 December 2019

18 Operating leases

The Company had outstanding commitments for future minimum lease payments under operating leases as at the reporting date as follows:

	Land and buildings 2019 £	Other 2019 £	Land and buildings 2018 £	Other 2018 £
Not later than one year	415,261	5,139	415,261	5,139
Later than one year not later than five years	1,972,489	3,534	1,661,043	8,673
Later than five years	-	-	726,706	-
Total	2,387,750	8,673	2,803,010	13,812

19 Contingent liabilities and other commitments

As at 31 December 2019, the value of capital commitments contracted for but not recognised was £nil (2018: Nil).

20 Off balance sheet arrangements

The Company has not entered into any off balance sheet arrangements at the reporting date (2018: £nil).

21 Related party transactions

During the year the Company paid expenses to BP Marsh and Partners plc, which is a 38.24% (2018: 44.32%) shareholder of Paladin Holdings Limited, of £361,412 (2018: £606,742). During the year the Company also paid consulting fees to the following companies, which are controlled by the active directors of CBC UK Limited: Business Alchemy £194,000 (2018: £160,000); and Padda Consulting Limited £30,050 (2018: £4,100).

At year end the Company had outstanding balances of £85,662 (2018: £81,623) due to BP Marsh and £50,000 (2018: £50,000) due to Business Alchemy.

As at 31 December 2019 CBC UK Limited owed £846,786 (2018: £480,791), included within creditors to the parent Company (note 15).

As at 31 December 2019 CBC UK Limited was owed £93,110 (2018: £17,285), included within debtors, from CBC Jersey Limited (subsidiary) (note 13).

As at 31 December 2019 CBC UK was owed £348,644 (2018 £Nil), included within debtors, from Paladin International Brokers Limited (note 13).

Notes to the financial statements (continued)

For the year ended 31 December 2019

22 Events after the Reporting Period

On 11th March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. The situation has continued to evolve rapidly, and it is difficult to fully determine its future impact. This event is a non-adjusting event.

23 Guarantees and other financial commitments

The Company has given security in the form of an unlimited guarantee and unlimited debenture dated 17 February 2017 to BP Marsh & Company Limited as security for certain loans.

24 Ultimate controlling party

The ultimate controlling party as at 31 December 2019 was Paladin Holdings Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Paladin Holdings Limited. Copies of the group financial statements are available on request from 8-11 Crescent, London, EC3N 2LY.