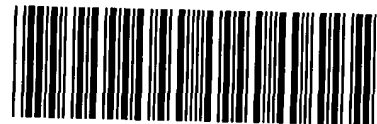


Colt House

Company Registration No. 02785540 (England and Wales)

BDML CONNECT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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BDML CONNECT LIMITED

COMPANY INFORMATION

Directors	K J Barber R L Barrington M R Brittain G Humphreys K R Spencer
Secretary	C J Payne
Company number	02785540
Registered office	45 Westerham Road Sevenoaks Kent TN13 2QB
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE

BDML CONNECT LIMITED

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BDML CONNECT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activities

The principal activity of the company during the year was that of insurance intermediaries and insurance agent for the transaction of insurance business.

Fair review of the business

As shown in the statement of comprehensive income on page 8, the company's turnover decreased from £8,358,006 in 2018 to £6,588,923 in 2019 and the operating result decreased from a profit of £903,612 in 2018 to a loss of £2,432,428 in 2019. The loss before taxation for the year was £2,432,371 (2018: £899,150 profit).

The statement of financial position on page 9 of the financial statements shows the company's financial position at the year end. Net assets decreased from £2,437,372 in 2018 to £5,001 in 2019.

On 30 September 2019 the company, as part of a group restructure, transferred the trade and assets to Insurance Factory Limited, a fellow subsidiary. Consequently, the Statement of Profit or Loss represents nine months of trade and is not directly comparable with the results for the year ended 31 December 2018.

Any intercompany balances outstanding have been waived and as a result, net assets have been reduced to £5,001 solely to meet solvency requirements. The amounts waived are shown as an exceptional item in the Statement of Profit or Loss to highlight and distinguish the atypical expense incurred in the year from trading activity.

Following the transfer of trade, the company is expected to remain dormant.

BDML CONNECT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

BDML Connect Limited has developed a framework for identifying the risks that the business sectors are exposed to and their impact on economic capital.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation and legal and ethical standards is a high priority for the company and the compliance team and finance department take on an important oversight role in this regard. The Board is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The principal risk to the company is a failure for pricing increases to keep pace. Changes to the distribution models in the UK also remain a risk. The internet has emerged as the most significant source of new business in recent years. Continually developing a strategy to capitalise on these emerging trends is essential. A wholesale shift in the UK intermediary market resulting in withdrawal of this distribution sector would impact the business model. The company's other risks are in respect of the management of its expenses.

The company utilises Zenith Insurance Plc to underwrite a significant proportion of business, but it is not reliant on this as there are a number of alternative underwriters in the market. The company does rely on other members of the group not to demand loan balances due but has received an undertaking from the parent company that it will continue to provide support. Further details are set out in the accounting policies note on going concern on page 12.

The company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from policies as they fall due.

a) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The group manages this risk through an established credit committee which reviews and authorises credit facilities to counterparties after appropriate credit analysis has been performed.

b) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Board maintains a significant proportion of its investments in liquid assets to enable any such calls to be met, subject to group support as set out on page 12.

Risk factors beyond the company's control that could cause actual results to differ materially from those estimated include, but are not limited to:

- UK domestic economic business conditions
- The impact of competition, distribution models, inflation and deflation

The directors discuss and consider the impact of these risks to ensure that the business responds appropriately and that the impact of these factors is minimised.

BDML CONNECT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators

The company's KPI's are Turnover, Expenses and Capital Adequacy. Expenses are monitored monthly against the budget by expense type. Variance reporting is a key feature of the process.

KPI	Year December 2019	to Year to 31 December 2018
	£	£
Turnover	6,588,923	8,358,006
Administrative expenses	3,246,896	5,003,422
Reported capital adequacy surplus	5,001	1,529,322

The trade and assets of the company were transferred to Insurance Factory Limited on 30 September 2019 and therefore the decrease in revenue, administrative expenses and reported capital adequacy is a result of this.

Future developments

Following the transfer of trade, the company is expected to remain dormant.

On behalf of the board



M R Brittain

Director

21 September 2020

BDML CONNECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K J Barber

R L Barrington

M R Brittain

C T Collings

(Resigned 22 April 2020)

G Humphreys

J D Jackson

(Resigned 22 April 2020)

K R Spencer

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M R Brittain

Director

Date: 21 September 2020

BDML CONNECT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

BDML CONNECT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BDML CONNECT LIMITED

Opinion

We have audited the financial statements of BDML Connect Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the 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 company's affairs as at 31 December 2019 and of its loss 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.

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 our 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.

BDML CONNECT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BDML CONNECT LIMITED

Matters on which we are required to report by exception

In the 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 and the directors' report.

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

- adequate accounting records have not been kept, 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, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDML CONNECT LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BDML CONNECT LIMITED**

Use of our report

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

Alexander Bell FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

21 September 2020

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

BDML CONNECT LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Turnover	3	6,588,923	8,358,006
Cost of sales		(1,922,619)	(2,450,972)
Gross profit		4,666,304	5,907,034
Administrative expenses		(3,246,896)	(5,003,422)
Exceptional item	4	(3,851,836)	-
Operating (loss)/profit	5	(2,432,428)	903,612
Interest receivable and similar income	7	57	(2,493)
Interest payable and similar expenses	8	-	(1,969)
(Loss)/profit before taxation		(2,432,371)	899,150
Tax on (loss)/profit	9	-	(177,631)
(Loss)/profit for the financial year		<u>(2,432,371)</u>	<u>721,519</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BDML CONNECT LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	10		-		18,745
Current assets					
Debtors	11	5,001		21,660,108	
Cash at bank and in hand		-		53,924	
		5,001		21,714,032	
Creditors: amounts falling due within one year	13	-		(19,295,405)	
Net current assets			5,001		2,418,627
Total assets less current liabilities			5,001		2,437,372
Capital and reserves					
Called up share capital	16	1,000,000		1,000,000	
Profit and loss reserves		(994,999)		1,437,372	
Total equity			5,001		2,437,372

The financial statements were approved by the board of directors and authorised for issue on 21 September 2020 and are signed on its behalf by:



M R Brittain
Director

Company Registration No. 02785540

BDML CONNECT LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	1,000,000	715,853	1,715,853
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	721,519	721,519
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	1,000,000	1,437,372	2,437,372
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(2,432,371)	(2,432,371)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	<u>1,000,000</u>	<u>(994,999)</u>	<u>5,001</u>

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

BDML Connect Limited is a private company limited by shares incorporated in England and Wales. The registered office is 45 Westerham Road, Sevenoaks, Kent, TN13 2QB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Markerstudy Holdings Limited. These consolidated financial statements are available from its registered office, 246-248 Europort, Gibraltar.

1.2 Going concern

The trade and assets of the company have been transferred to a fellow subsidiary following a group restructure (see note 4 for further details) and going forward the company will be maintained as a dormant entity. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover arises from continuing operations and comprises commissions and other income arising principally from the sale of insurance policies in the United Kingdom, recognised at inception of the policy and once all obligations to the policyholder have been discharged, net of discounts and rebates.

Income from instalment funding services provided to policy holders is recognised using the effective interest method.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years straight line
Computers	3 - 5 years straight line

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Bank balances held in insurance broking accounts for the benefit of insurance broking creditors are described as 'fiduciary cash' as the amounts are not available for general corporate purposes.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Insurance receivables and payables

Insurance brokers usually act as agents in placing the insurance risks of their clients with insurers and, as such, are generally not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, cash receivables and payables arising from insurance broking transactions are shown in assets and liabilities in the financial statements of the company, in accordance with industry practice.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals and therefore the total of insurance broking receivables appearing in the balance sheet is not an indication of credit risk.

BDML CONNECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****2 Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management consider there are none which are critical to the financial statements of which have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

3 Turnover and other revenue

The turnover and profit before tax are attributable to the one principal activity of the company.

	2019 £	2018 £
Other significant revenue		
Interest income	57	(2,493)

	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	6,588,923	8,358,006

4 Exceptional item

	2019 £	2018 £
Intercompany loan written off	3,851,836	-

On 30 September 2019 the company, as part of a group restructure, transferred the trade and assets to Insurance Factory Limited, a fellow subsidiary. Consequently, the Statement of Profit or Loss represents nine months of trade and is not directly comparable with the results for the year ended 31 December 2018.

Any intercompany balances outstanding have been waived and as a result, net assets have been reduced to £5,001 solely to meet solvency requirements. The amounts waived are shown as an exceptional item in the Statement of Profit or Loss to highlight and distinguish the atypical expense incurred in the year from trading activity.

Following the transfer of trade, the company is expected to remain dormant.

5 Operating (loss)/profit

	2019 £	2018 £
Operating (loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	45,000	54,171
Depreciation of owned tangible fixed assets	18,192	75,806
Operating lease charges	78,750	135,000

BDML CONNECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

2019 Number	2018 Number
nil	nil

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,662,001	2,567,512
Social security costs	139,163	188,714
Pension costs	63,021	88,599
	<u>1,864,185</u>	<u>2,844,825</u>

Employees of Ultimate Insurance Solutions Ltd, Ultimate Pet Partners Limited and BDML Connect Limited, all related companies, are under Ultimate Insurance Solutions Limited contracts of employment. The wages and salaries based on employees performing duties for the other aforementioned companies are recharged accordingly.

Ultimate Pet Partners Limited, BDML Connect Limited and Ultimate Insurance Solutions Ltd are related by virtue of having the same parent company. All are registered in England and Wales.

The directors are remunerated by the parent company.

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	57	282
Other interest income	-	(2,775)
	<u>57</u>	<u>(2,493)</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>57</u>	<u>282</u>
--	-----------	------------

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	<u>-</u>	<u>1,969</u>

BDML CONNECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****9 Taxation**

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	-	24,263
Deferred tax		
Origination and reversal of timing differences	-	153,368
Total tax charge	-	177,631

The UK corporation tax rate decreased from 20% to 19% with effect from 1 April 2017, and is expected to reduce to 17% with effect from 1 April 2020.

The company has tax losses of approximately £140k (2018: £1.3m) available to carry forward and offset against future profits of the same trade.

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(2,432,371)	899,150
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(462,150)	170,839
Tax effect of expenses that are not deductible in determining taxable profit	731,849	942
Effect of change in corporation tax rate	-	(18,043)
Other non-reversing timing differences	(274,666)	(316)
Other permanent differences	4,967	24,209
Taxation charge for the year	-	177,631

As has been the case in prior years, group losses are expected to be available to offset against taxable profits made in the year to December 2019 and thus no provision relating to the current trading period has been made.

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2019	19,092	707,316	726,408
Disposals	(19,092)	(707,316)	(726,408)
At 31 December 2019	-	-	-
Depreciation and impairment			
At 1 January 2019	19,085	688,578	707,663
Depreciation charged in the year	-	18,192	18,192
Eliminated in respect of disposals	(19,085)	(706,770)	(725,855)
At 31 December 2019	-	-	-
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2018	7	18,738	18,745

11 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	-	13,932,970
Amounts owed by group undertakings	5,001	6,894,222
Prepayments and accrued income	-	193,300
	5,001	21,020,492
Amounts falling due after more than one year:		
Deferred tax asset (note 14)	-	639,616
Total debtors	5,001	21,660,108

BDML CONNECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****12 Cash at bank and in hand**

	2019	2018
	£	£
Cash at bank	-	25,001
Fiduciary cash (see below)	-	28,923
	<u>-</u>	<u>53,924</u>

The group holds monies in insurance broking accounts for the benefit of insurance broking creditors which are not available for general corporate purposes.

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	-	18,023
Fiduciary cash (overdrawn)	-	(758)
Trade creditors	-	8,620
Insurance creditors	-	14,631,306
Amounts owed to group undertakings	-	3,324,663
Corporation tax	-	24,263
Other creditors	-	37,530
Accruals and deferred income	-	1,251,758
	<u>-</u>	<u>19,295,405</u>

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets	Assets
	2019	2018
	£	£
Balances:		
Accelerated capital allowances	-	418,271
Tax losses	-	221,345
	<u>-</u>	<u>639,616</u>

BDML CONNECT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****14 Deferred taxation****(Continued)**

	2019
Movements in the year:	£
Asset at 1 January 2019	(639,616)
Transfer on disposal	639,616
	<u> </u>
Liability at 31 December 2019	<u> </u>

15 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	63,021	88,599
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>

17 Related party transactions**Transactions with related parties**

During the year the company entered into the following transactions with related parties:

	Services received	
	2019	2018
	£	£
Other related parties	-	11,258

The transactions and balances disclosed above are related parties by virtue of being under common control.

The company has taken advantage of the exemptions available under FRS 102 (section 33) from the requirement to make disclosures concerning transactions with fellow group companies.

BDML CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Ultimate controlling party

The immediate and ultimate parent undertaking is Markerstudy Holdings Limited, a company registered in Gibraltar. Copies of the parent company's consolidated financial statements may be obtained from 846-848 Europort, Gibraltar. Markerstudy Holdings Limited is controlled by K Spencer.

The smallest and largest group to include the company in its consolidated financial statements is that headed by Markerstudy Holdings Limited.