

Registered number: 04013396

Annual Report and Financial Statements 2023
Buddies Enterprises Limited

Buddies Enterprises Limited

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Buddies Enterprises Limited

Company Information

Directors M P Crane (appointed 7 November 2023 and resigned 30 April 2024)
K Misson
S Raffard (appointed 1 July 2023)
S Treloar (resigned 30 June 2023)
K P Wenzel (resigned 14 September 2023)
The following director was appointed after the year end:
H Topham (appointed 1 May 2024)

Company secretary C M Twemlow

Registered office 57 Ladymead
Guildford
Surrey
GU1 1DB

Registered number 04013396

Independent Auditors BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
London
W1U 7EU

Buddies Enterprises Limited

Strategic Report for the Year Ended 31 December 2023

The Directors present their Strategic Report for the year ended 31 December 2023.

Principal activities

Buddies Enterprises Limited ("BEL", the "Company"), which is authorised and regulated within the United Kingdom by the Financial Conduct Authority, is a wholly owned subsidiary within the Allianz Holdings plc ("AzH") Group of companies ("the Group") which is one of the largest general insurers in the United Kingdom. The principal activity of the Company is the introduction of consumers to businesses offering finance for the purchase of electric vehicles. The Company commenced this trade in 2022, having previously ceased its introducer activity with respect to Pet insurance policies during 2021 as part of a migration of Pet policies away from the Company's immediate parent, Fairmead Insurance Limited ("FIL") to another entity within the Group.

Key performance Indicators ("KPIs")

The 2023 results for the Company show a profit before tax of £248k (2022: £144k). The net asset value at 31 December 2023 was £736k (2022: £547k). In addition to the profit before tax and net asset position, other KPIs monitored by the Board of Directors are as follows:

	2023	2022
Electric Vehicle Orders	370	108
Revenue (£'000)	249	57

Principal risks and uncertainties

The primary risks to the business is the future of the electric vehicle market, as well as the political changes to bring the ban of non-electric vehicles forward to 2030.

Business review

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 11. The profit after tax for the year amounted to £189k (2022: £120k).

Future outlook

As part of our business strategy we anticipate further expanding our portfolio of partner schemes, with active discussions in flight to provide similar services to additional prospective new partners.

Going concern

The Directors, having undertaken an assessment are confident in the Company's ability to continue as a going concern. Liverpool Victoria General Insurance Group ("LVGIG"), an intermediate parent company has provided a letter of support to enable the financial statements for the Company to be presented on a going concern basis. The letter of support states that the intermediate parent company will continue to provide financial and other support to the Company at least for the next twelve months and thereafter for the foreseeable future to enable it to continue to trade.

Buddies Enterprises Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Section 172 (1) Companies Act 2006 Statement

Section 172 (1) of the Companies Act 2006 requires the Directors of a Company to act in a way that promotes the success of the Company for the benefit of its members as a whole. The Directors of the Company are committed to promoting a healthy corporate culture and understand that striving to achieve the Company's strategic aims will ultimately increase the value of the Company, its parent, the Group and the wider Allianz SE group.

This statement sets out how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties. The Directors consider, both individually and collectively, they have acted in a way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the year.

The Company is part of the wider Group and as such leverages the governance of the Group. As a result of the governance structure of the Group, of which the Company is a part, some strategic decisions are considered at a Group level by the Board of AzH ("AzH Board") or its committees to an appropriate extent for the Group as a whole. Certain Group stakeholders and their interests (such as employees, community and environment) which the Company's Directors are required to have regard to are considered by and actions concerning them determined at a AzH Board level.

As a wholly owned subsidiary of the Group and a subsidiary of FIL, which is a subsidiary of LVGIG, also within the wider Group, and in line with the duty to promote the success of the company for the benefit of its shareholder, the Company's Board must have regard to the overall strategy and direction of the Group and of LVGIG, which are complementary. This includes considering the impact on broader stakeholders of the Group when making decisions.

The Board is collectively responsible for the long-term success of the Company. The Board sets out the Company's purpose, strategy and standards and ensures that its obligations to stakeholders and others, as well as other matters set out under section 172 of the Companies Act 2006 are considered when taking decisions and in its discussions. The Board meets at least quarterly, with adhoc meetings held if required.

The Company's Board receives information from the business in the form of Board reports and presentations when making decisions and these reports include information about how stakeholder interests have been considered. Information is also presented, where relevant, regarding any impact on the Company or Group's reputation, impact on the environment or impact on the communities in which the Company or Group operate and other matters set out in section 172 of the Companies Act 2006.

Board decision-making

This part of the section 172 statement describes how the Board has had regard to the Company's stakeholders and other matters to be considered under section 172 (1) of the Act in some of the key decisions taken by the Board during the year. The Group Board continues to review its processes to ensure that a formal analysis is carried out of how material decisions that it is required to approve will impact the Group's and individual subsidiaries' key stakeholder groups.

The Board continued to implement the strategy adopted in 2022 being the introduction of consumers to businesses offering finance for the purchase of electric vehicles. In that respect the Board received quarterly updates on the Company's performance against the business plan, risk, compliance and conduct risk matters. The Board also received updates on the Consumer Duty Regulation implementation and monitoring; and how the Consumer Duty principles were being embedded into the culture of the business.

During the year the Directors took the following principal decisions:

To consolidate and build the 'Electrix' brand

Section 172 considerations: *interests of employees, fostering relationships with customers and suppliers, maintaining a reputation for high standards likely consequences of any decision in the long-term.*

Stakeholders: *Customers, shareholder, suppliers, regulators*

Buddies Enterprises Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Board decision-making (continued)

The Company continues to enhance its integrity as an introducer for consumers to businesses offering finance for the purchase of electric vehicles and connected products. In that regard the Board continued to build the business reputation as a single point of reference for the supply of electric vehicle leasing, smart home chargers and electric car insurance. In addition the Company has become a provider of such services to businesses both as a standalone supplier and as a provider of Employee Salary Sacrifice Schemes. The Board continues to liaise with regulators and maintain appropriate regulatory permissions. Furthermore good working relationships have been maintained with key suppliers to ensure quality products are procured for customers in a timely, efficient and cost effective manner. As it builds the brand the Board continues to consider the requirements of customers, suppliers, regulators, and the long term interest of its shareholder and the wider Group.

On behalf of the Board



H Topham
Director

3 September 2024

Buddies Enterprises Limited

Directors' Report for the Year Ended 31 December 2023

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

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results for the year;
- Principal activities of the Company;
- Business review and Future prospects;
- Principal risks and uncertainties and risk management.

Directors

The Directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

M P Crane (appointed 7 November 2023 and resigned 30 April 2024)

K Misson

S Raffard (appointed 1 July 2023)

S Treloar (resigned 30 June 2023)

K P Wenzel (resigned 14 September 2023)

The following director was appointed after the year end:

H Topham (appointed 1 May 2024)

Directors' liabilities

A qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

Results and dividends

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 10. A review of the Company's business activities and any likely future developments can be found in the Strategic Report on page 2.

No interim dividend was paid for the year ended 31 December 2023 (2022: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

Future outlook

The future outlook for the Company is outlined in the Strategic Report on page 2.

Going concern

The going concern assessment for the Company is outlined in the Strategic Report on page 2.

Independent Auditors

The Company has elected to dispense with the need to appoint auditors annually and BDO LLP will therefore continue in office.

By order of the Board



C M Twemlow
Company secretary

3 September 2024

Buddies Enterprises Limited

Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

The directors are responsible for the maintenance and integrity of the company's financial statements published on Allianz UK's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



H Topham
Director

3 September 2024

Buddies Enterprises Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUDDIES ENTERPRISES LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 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.

We have audited the financial statements of Buddies Enterprises Limited ("the Company") for the year ended 31 December 2023 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements 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.

Buddies Enterprises Limited

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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 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 Statement of Directors Responsibilities, 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.

Buddies Enterprises Limited

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be Companies Act 2006, Financial Reporting Standards 101 Reduced Disclosure Framework and Financial Conduct Authority ("FCA") regulations.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be FCA regulations and Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of expenditure accounts for any indication of legal expenditure and to understand the nature of expenditure incurred;
- Enquiring of the Directors and other management for any instances of non-compliance;
- Enquiring of internal legal counsel for any instances of non-compliance and/or legal proceedings against the company; and
- Review of the Company's "Complaints Register" for any instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue.

Our procedures in respect of the above included:

Buddies Enterprises Limited

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Testing revenue journals and breakdowns provided by management to supporting documentation and back to the underlying agreements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

Alexander Barnes

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Alexander Barnes (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
03 September 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Buddies Enterprises Limited

Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue		246	342
Cost of sales	3	-	(301)
Administrative expenses	4	<u>2</u>	<u>103</u>
Profit before tax		<u>248</u>	<u>144</u>
Income tax expense	5.1	<u>(59)</u>	<u>(24)</u>
Profit for the year wholly attributable to the equity holder		<u><u>189</u></u>	<u><u>120</u></u>

There has been no other comprehensive income in the year ended 31 December 2023 (2022: £nil).

The accounting policies and notes on pages 14 to 21 are an integral part of these financial statements.

Buddies Enterprises Limited

Statement of Changes in Equity For the Year Ended 31 December 2023

	Share capital £'000	Share premium £'000	Capital reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2022	6	611	103	(293)	427
Profit for the year	-	-	-	120	120
At 31 December 2022	6	611	103	(173)	547
	Share capital £'000	Share premium £'000	Capital reserves £'000	Retained earnings £'000	Total £'000
At 1 January 2023	6	611	103	(173)	547
Profit for the year	-	-	-	189	189
At 31 December 2023	6	611	103	16	736

The accounting policies and notes on pages 14 to 21 are an integral part of these financial statements.

Buddies Enterprises Limited

Statement of Financial Position As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Deferred tax assets	5.3	10	12
Trade and other receivables	8	307	77
Cash and cash equivalents	9	594	571
Total assets		911	660
Equity and liabilities			
Equity			
Share capital	12	(6)	(6)
Share premium		(611)	(611)
Capital reserves		(103)	(103)
Retained earnings		(16)	173
Total equity		(736)	(547)
Liabilities			
Trade and other payables	10	(175)	(113)
Total liabilities		(175)	(113)
Total equity and liabilities		(911)	(660)

These financial statements on pages 11 to 21 were approved by the Board of Directors on 3 September 2024 and signed on its behalf by:



H Topham
Director

Registered Number: 04013396

The accounting policies and notes on pages 14 to 21 are an integral part of these financial statements.

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

1 ACCOUNTING POLICIES

1.1 Summary of significant accounting policies

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

1.2 Basis of preparation

These financial statements have been prepared in accordance with Financial reporting standards 101 "Reduced Disclosure Framework" ("FRS101") and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted International accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- The Company has taken advantage of the exemption under paragraph 8 (h) of FRS 101 from the requirements of IAS 7 Statement of Cash flows, and hence has not presented a cash flow statement.
- IFRS 7, 'Financial Statements: Disclosures'

The Company has taken advantage of the exemption under paragraph 8 (j) and (k) of FRS 101 from certain requirements under IAS 24 Related party disclosures. These include the requirement to disclose transactions entered into by the Company with other wholly owned members of Allianz SE, and the requirement to present disclosures on compensation arrangements for key management personnel. See note 6 for disclosures relating to Directors' remuneration.

Historic cost convention

These financial statements have been prepared under the historic cost convention.

Items included in the financial statements are measured using the currency of the primary economic environment (the "functional currency") which is sterling. Unless otherwise noted, the financial statements are presented in sterling (the "presentation currency"). All amounts in the financial statements and notes have been rounded to the nearest thousand, unless otherwise stated.

The preparation of the financial statements in conformity with FRS 101 requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies

Going concern

The financial statements have been prepared on a going concern basis. For more information on the going concern assessment please refer to Going Concern within the Strategic Report on page 2.

New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2023. The accounting policies have been consistently applied unless a new policy has been implemented.

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

1 ACCOUNTING POLICIES (CONTINUED)

1.2 Basis of preparation (continued)

New standards and interpretations not yet adopted by the Company

New standards and interpretations which are not mandatorily effective have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early; instead it will apply the standards from the effective date as determined by the date of UK Endorsement Board ("UKEB").

1.3 Summary of significant accounting policies

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

(a) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost.

Intangible assets with a finite life are amortised on a straight line basis over their expected useful lives, as follows:

Asset class	Useful life
Computer Software	10 years

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Costs associated with the development of software for internal use are capitalised only if the software is technically feasible for sale or use on completion and the Company has both the intent and sufficient resources to complete the development. Subsequent expenditure is capitalised only if the asset can be reliably measured, will generate future economic benefits and there is an ability to use or sell the asset.

(b) Income taxes

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income tax credit/(expense). Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, together with adjustments to tax payable in respect of prior years.

Deferred tax is provided in full using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the Statement of Financial Position date. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the Statement of Financial Position date.

Deferred income tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred income tax assets are reviewed at each Statement of Financial Position 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 deferred income tax asset to be utilised.

Group tax losses are utilised when available. Consideration paid for group relief is accounted for in the financial statements as though the payment has been made to the relevant tax authorities.

(c) Trade and other receivables

Trade and other receivables are initially recognised and subsequently re-measured at amortised cost after taking into account any impairment losses. Trade and other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

1 ACCOUNTING POLICIES (CONTINUED)

1.3 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(e) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

(f) Revenue

Revenue is stated excluding recoverable value added tax and represents introducer fees receivable. Introducer fees are receivable in respect of the Company's introduction of customers to a third party which acts as a credit broker to businesses offering finance for the purchase of electric vehicles. The contractual arrangement between the Company and the credit broker is based on the companies sharing in equal parts the flat rate fees received by the credit broker from the lease finance providers for each converted leases agreement, with volume related bonus payments also being received. As the performance obligation is completed at the date the customer enters into the lease agreement, the whole of the flat fee is recognised immediately at that point. The flat fees are paid to the Company monthly, one month after the credit broker receives the payment from the lease finance companies. The volume related bonuses are recognised at the point that the Company has been provided with data to reliably measure the bonuses and it is probable that the Company will receive that bonus.

An allowance is also made for income received which is expected to be returned ultimately to the finance providers as a result of lease cancellations. This is held within accruals and other payables on the Statement of Financial Position.

2 AUDITORS' REMUNERATION

The total remuneration payable by the company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. Other services supplied pursuant to legislation were £nil (2022: £nil).

	2023 £'000	2022 £'000
Fees payable to the Company's auditors and its associates	<u>28</u>	<u>26</u>

3 COST OF SALES

	2023 £'000	2022 £'000
Cost of Sales	<u>-</u>	<u>301</u>

Cost of sales in the year have decreased due to all costs being borne by LVGIG.

4 ADMINISTRATIVE EXPENSES

	2023 £'000	2022 £'000
Administrative expenses	<u>2</u>	<u>103</u>

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

4 ADMINISTRATIVE EXPENSES (CONTINUED)

Administrative expenses are shown as a credit in the current and prior year due to a reversal of an expense accrual.

5 INCOME TAX

5.1 Income tax recognised in profit and loss

Tax charged/(credited) in profit and loss

	2023 £'000	2022 £'000
Current taxation		
In respect of current year	57	24
In respect of the prior year	-	(1)
	<u>57</u>	<u>23</u>
Deferred taxation		
Deferred tax charge	<u>2</u>	<u>1</u>
Tax expense in profit and loss	<u><u>59</u></u>	<u><u>24</u></u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2023 £'000	2022 £'000
Profit before tax	<u><u>248</u></u>	<u><u>144</u></u>
Income tax at standard rate	59	27
Decrease in current tax from adjustment for prior periods	-	(1)
Decrease from transfer pricing adjustments	-	(2)
Total Income tax charge recognised in profit and loss	<u><u>59</u></u>	<u><u>24</u></u>

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

5 INCOME TAX (CONTINUED)

5.2 Tax paid for cash flow purposes

	2023	2022
	£'000	£'000
Current tax liability/(asset) at 1 January	22	(16)
Amounts charged to profit and loss	59	24
Movements in deferred tax asset in profit and loss	(2)	(1)
Tax (paid)/received during the year	(24)	15
Current tax liability at 31 December	<u>55</u>	<u>22</u>

5.3 Deferred tax balances

Deferred tax assets

	2023	2022
	£'000	£'000
The balance comprises temporary differences attributable to:		
Capital allowances	10	12
Movements		
Balance at 1 January	12	13
Charged to Statement of Profit and Loss and Other Comprehensive Income	(2)	(1)
Balance at 31 December	<u>10</u>	<u>12</u>

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

5 INCOME TAX (CONTINUED)

The Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Allianz SE group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK, the jurisdiction in which the Company is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Allianz SE group has no related current tax exposure. The Allianz SE group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Allianz SE group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules ("GloBE") effective tax rate per jurisdiction and the 15% minimum rate. The Allianz SE group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot yet be reliably estimated. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Allianz SE group is currently engaged with tax specialists to assist it with applying the legislation.

6 DIRECTORS' EMOLUMENTS

The remuneration of K Misson, M P Crane and S Treloar was paid by LVGIG. The Company is an indirect subsidiary of LVGIG which acts as a services Company within the Group. LVGIG made recharge of £nil to the Company in 2023 (2022: £nil) in respect of these costs. The remuneration of K P Wenzel and S Raffard was paid by Allianz Management Services Limited ("AMS"). AMS is a Group services company and made recharge of £nil to the Company in 2023 (2022: £nil) in respect of these costs. The individuals provide services to the wider Group and a number of subsidiaries, including the Company, and an accurate apportionment of an individuals' remuneration in respect of their roles as Directors of the Company cannot be made. Accordingly, no remuneration is being disclosed for such individuals.

7 INTANGIBLE ASSETS

	Total £'000
Cost	
At 1 January 2022	10
Disposals	(10)
At 31 December 2022	-
At 31 December 2023	-
Accumulated amortisation	
At 1 January 2022	(10)
Eliminated on disposal	10
At 31 December 2022	-
At 31 December 2023	-
Carrying amount	
At 31 December 2022	-
At 31 December 2023	-

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

8 TRADE AND OTHER RECEIVABLES

	2023	2022
	£'000	£'000
Trade receivables	307	56
Amounts due from related parties	-	21
	<u>307</u>	<u>77</u>

9 CASH AND CASH EQUIVALENTS

	2023	2022
	£'000	£'000
Cash and cash equivalents	<u>594</u>	<u>571</u>

Included within the cash and cash equivalents are amounts held on behalf of insurers of £35k (2022: £45k).

10 TRADE AND OTHER PAYABLES

	2023	2022
	£'000	£'000
Accruals and deferred income	37	80
Amounts due to related parties	24	11
Corporation tax and other taxes	114	22
Total trade and other payables	<u>175</u>	<u>113</u>

Buddies Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

11 PROVISIONS

	Onerous contracts £'000
At 1 January 2022	350
Utilised in the year	(105)
Released during the year	(245)
At 31 December 2022	<u>-</u>
At 31 December 2023	<u><u>-</u></u>

12 EQUITY

Share capital - allotted, called up and fully paid

	2023		2022	
	No. of shares	£	No. of shares	£
Ordinary shares of £0.25 each	<u>24,000</u>	<u>6,000</u>	<u>24,000</u>	<u>6,000</u>

13 PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Fairmead Insurance Limited, a company registered in England and Wales.

The ultimate parent Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany, and is the parent of the largest and smallest group of undertakings for which Allianz SE group financial statements are drawn up and of which the Company is a member.

The most senior parent entity producing publicly available financial statements is Allianz SE. These financial statements are available upon request from their registered office address of Allianz SE, Königinstrasse 28, 80802 München, Germany.

14 SUBSEQUENT EVENTS

There have been no subsequent events after the Statement of Financial Position date.