

# Ageas Retail Limited

## Annual Report For the year ended 31 December 2020

Company Registration Number: 1324965

SATURDAY



\*AAAVB4KW\*

A04

14/08/2021

#7

COMPANIES HOUSE

# Ageas Retail Limited

Company registration number: 1324965

## Contents of Annual Report

	Page
<b>Directors and Advisers</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
<b>Statutory financial statements</b>	
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
<b>Statement of Directors' Responsibilities in respect of the Financial Statements</b>	<b>36</b>
<b>Independent auditors' report to the members of Ageas Retail Limited</b>	<b>37</b>

# Ageas Retail Limited

Company registration number: 1324965

## Directors and Advisers

### Directors

Andrew Watson	(resigned 17 June 2020)
Gregor Ball	
Antonio Cano	
Bart De Smet	(appointed 4 May 2021)
Hans De Cuyper	(appointed 4 May 2021)
Jeremy Haynes	
Malcolm McCaig	
Anthony Middle	
Lionel Perl	(resigned 19 May 2021)
Jonathan Price	
Tara Waite	
Mark Winlow	

### Secretary

Claire Marsh

### Head Office and Registered Address

Ageas House  
Hampshire Corporate Park  
Templars Way  
Eastleigh  
Hampshire  
SO53 3YA

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Savannah House  
3 Ocean Way  
Southampton  
SO14 3TJ

### Bankers

HSBC  
62-76 Park Street  
London  
SE1 9DZ

### Registered Number

1324965  
Registered in England and Wales

# Ageas Retail Limited

Company registration number: 1324965

## Strategic Report

### Business review

#### Principle Activities

Ageas Retail Limited ('the Company') is a broker of mainly home, motor and travel insurance and operates a variety of brands, including Ageas Direct and RIAS.

The directors anticipate that the business model of the Company will remain unchanged for the foreseeable future.

The Company is a 100% owned subsidiary of Ageas (UK) Limited, a company registered in England and Wales.

#### Performance during the year

Total revenue for 2020 was £76.0m (2019: £85.3m). The reduction in revenue is as a result of reduced volumes, which have been further impacted by Covid-19.

The Company made a profit after tax of £6.7m in the year (2019: £4.1m). The increase in the year has been as a result of a lower expense base which has more than offset the reduction in revenue.

#### Covid-19

Ageas invoked its business continuity plans in March 2020 as measures in the UK were announced by the Government. These included daily meetings of the UK Crisis Management team to ensure strong coordination and monitoring of the Company's response to the event, enabling key functions to work from home to ensure core activities were maintained and increased liquidity and credit risk monitoring. Increased oversight of third party suppliers was also implemented. The business has continued to operate remotely without disruption.

#### Key Performance Indicators

The Board considers that the key indicators that will communicate the financial performance and strength of the Company are:

- Revenue
- Profit before tax
- Expense ratio

	2020 £'000	2019 £'000	Change
Revenue	76,029	85,333	(11%)

Revenue is a key indicator to the underlying performance of the Company and its ability to generate profits in line with the desired strategic direction.

	2020 £'000	2019 £'000	Change
Profit before tax	7,923	6,124	29%

The Company aims to deliver profits through the delivery of superior customer service to its policyholders and intermediaries in line with the strategic aims of the Company.

	2020	2019	Change
Expense ratio	87.1%	90.6%	(4%)

The expense ratio is a measure of the Company's overall efficiency. It is calculated as total expenses (cost of sales and administrative expenses) expressed as a percentage of total revenue.

# Ageas Retail Limited

Company registration number: 1324965

## Strategic Report (continued)

### Key Performance Indicators (continued)

#### Year end position

#### Shareholders' equity

Shareholders' equity has increased by £6.7m to £33.7m (2019: increase of £4.1m) due to the profit after tax in the year.

#### Assets

Total assets have decreased by £1.3m to £147.5m (2019: increased by £15.6m). The main drivers of this decrease are a reduction in trade and other receivables of £13.5m driven by a reduction in amounts due from customers following reduced revenue in the year, a reduction of £1.6m in intangible assets due to amortisation charges, and a reduction of £0.8m in deferred tax assets following utilisation in the year. These have been partially offset by a £15.1m increase in cash and cash equivalents.

#### Liabilities

Total liabilities have decreased by £8.0m in the year to £113.8m (2019: increase of £11.5m) driven by a £7.4m reduction in trade and other payables following a reduction in amounts due to insurers, and a £1.0m reduction in other financial liabilities.

#### Section 172(1) statement

The Ageas UK directors have always been aware of and attentive to all of their duties and responsibilities, including those as set out under section 172 of the Companies Act 2006, when setting and embedding Ageas UK's culture and values in line with its purpose to 'make life easy for all customers by making insurance personal.' The Ageas UK Boards (including the Board of Ageas Retail Limited) recognise that the long term success of the Company is only possible through engagement with, and having regard to, the interests of key stakeholders, which for Ageas UK includes customers, employees, shareholders, suppliers, the community, environment and regulators.

The Ageas UK Boards' role is to perpetuate the long term, sustainable success of the Ageas UK business; providing strategic leadership within a framework of prudent and effective controls, setting the strategy, ensuring the direction and performance of the business is aligned to Ageas Group objectives, and that obligations to all stakeholders are understood and met. A range of mechanisms have been established to support directors in the discharge of their duties, and for each matter which comes before the Boards, stakeholders who may be affected and their interests are carefully considered as part of the decision-making process. Further detail has been incorporated within the Stakeholder Engagement statements set out in the Report of the Directors on pages 4 - 8.

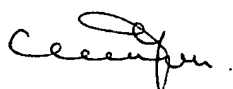
#### Strategic aims and objectives

The strategic aim of the Company is "to make life easier for all customers by making insurance personal". The Company's objective is to provide customers with home, motor and travel insurance policies underwritten by related and third parties, delivering superior customer service in compliance with the current regulatory framework.

#### Principal risks and uncertainties

The Company's principal risks and uncertainties and the way in which these are managed are detailed in note 3 to the financial statements.

This report was approved by the Board of Directors on 17 June 2021 and signed on its behalf by:



C Marsh  
Secretary

# Ageas Retail Limited

Company registration number: 1324965

## Directors' Report

The directors submit their report, together with the audited financial statements for the year ended 31 December 2020.

### Results

The results of the Company are contained in the financial statements on pages 9 to 35. The 2020 profit after tax was £6.7m for the year (2019: profit of £4.1m).

No dividend was paid during the year (2019: £nil). No dividends have been proposed or recommended by the Directors during the year.

### Business review

The business review, including the future developments of the Company, is set out in the Strategic Report on pages 2 and 3.

### Directors

The Members of the Board are shown on page 1. All directors served throughout the year and to the date of this report except as highlighted on page 1.

### Employees

The average number of persons seconded to the Company during the year was 678 (2019: 845). The full-time equivalent number of employees adjusted for part time staff was 630 (2019: 775). Their annual aggregate remuneration was £10.8m (2019: £11.6m). An analysis is shown in note 22.

### Stakeholder Engagement Statements

#### Ageas UK Shareholder, ageas SA/NV

Given ageas SA/NV's 100% ownership of the Company, the promotion of the long term success of Ageas UK, including the development of a clear UK purpose and strategy, is fully aligned to and supportive of ageas SA/NV's strategy, Connect 21. During 2020 ageas SA/NV was represented on the Ageas UK Boards by Ageas Group Executive and Non-Executive Directors.

### Customers and Suppliers

Customers are at the heart of how Ageas UK's business is conducted, supported by its purpose which is set by the Boards and articulated within the Ageas UK strategy. Customer interests have been a key consideration in a wide range of activities overseen by the Ageas UK Boards during 2020. In 2020 Ageas became a member of the Institute of Customer Service and is making great strides to achieving its 'Service Mark' Accreditation, having achieved a customer satisfaction score above the all sector average. To support oversight, customer experience reports and focus sessions have been provided to the Ageas UK Board by the Claims and Customer Operations Directors. During 2020 the Ageas UK Boards also considered the Ageas UK Customer Ambition ahead of its launch, the purpose of which is to articulate what Ageas want to achieve, what Ageas will deliver for customers and what customers can expect every time they transact with Ageas, as well as how Ageas will measure its success and ensure outstanding delivery of Ageas' goals.

Within Sales and Service Operations the customer journey has continued to be improved and simplified based on customer feedback and, despite the impact of Covid-19, digital solution development was progressed to enhance the customer end to end experience, including the integration of artificial intelligence into the claims process and the launch of virtual assistants (Chatbots) at the beginning of 2021. The 'voice of the customer' programme continued to provide immediate feedback with positive results and during 2020 Ageas' continued focus on customers was recognised through a number of industry awards including "Contact Centre of the Year" in the UK Customer Experience Awards and for the "Ageas Way" work undertaken by the European Contact Centre Awards. Ageas also "Claims Initiative of the Year and Best Technology Award" from the Insurance Post British Insurance Awards 2020, and "Customer Champion of the Year and Home Claims Team of the year" from the Insurance Times Awards 2020.

# Ageas Retail Limited

Company registration number: 1324965

## Directors' Report (continued)

### Customers and Suppliers (continued)

To support Ageas UK customers during a challenging year, the Ageas Care training programme was launched to assist our people to have the right conversations with those customers who are or may be vulnerable. Some examples of additional assistance provided to our customers during the pandemic included; extending policy cover for home workers and volunteers, offering customers the option to defer their instalment payments, offering customers the option to change cover for the period during which they are not driving their vehicle. Our people were also provided with the tools to create "Magic Moments" for customers by arranging gifts to be sent to customers identified as experiencing a difficult time during the pandemic.

Ageas UK maintains at all times a keen focus on treating customers fairly to ensure its products provide value for money. During 2020 a Customer Best Interest Framework, which seeks to deliver fair customer outcomes through pricing and value to customers via product development and governance, distribution oversight and service to our customers, delivered in line with our risk appetite, has also been a key consideration of the Ageas UK Boards.

Ageas UK uses a wide variety of suppliers. Like most large businesses it engages with suppliers to support the provision of core business activities (e.g. IT), the supply of commodities, maintenance service contracts or facilities management services, such as catering and cleaning providers. As an insurer it also engages with suppliers of goods and repair services when customers' property has been lost or damaged, and medical and assistance services when customers have suffered accident or injury. Ageas UK is committed to high standards of business conduct and has policies and procedures in place to define the way in which Ageas wants to do business and the standards of conduct required. During 2020 Ageas has worked closely with suppliers to ensure providers of repairs and other services were able to continue to do so. Where Ageas appoints a third party to undertake any business activities, Ageas expects them to be carried out in line with Ageas' standards and risk appetite.

### Employee engagement

Attracting, developing and engaging our people is key to our business, and this shaped the 'Winning Team' strategic priority progressed during 2020. This sought to: connect our people with our vision and values; develop capability and support potential; to create a supportive, inclusive and safe environment; and ensure our people feel informed, involved and listened to.

These ambitions were tested during 2020 as the business responded to the Covid-19 pandemic, with the health, safety and wellbeing of our employees being a key area of focus for the Ageas UK Boards and leadership team. Ageas UK's response to the pandemic and first UK lockdown was swift and decisive, the Crisis Management Team was mobilised to provide immediate action, IT infrastructure was quickly enhanced enabling the majority of staff to work from home and support networks were established. For those whose role could not be performed remotely, cleaning and social distancing regimes recommended by the Government and Public Health England were implemented throughout the Ageas UK offices. During the first lockdown in 2020 the decision was made not to furlough employees, instead focussing on enabling all employees to be able to work and continue to be paid. The Ageas UK Boards received regular updates regarding the implementation of the pandemic support plan along with feedback from employees via "Peakon" the digital employee engagement tool which enabled the business to monitor employee sentiment on a real time basis and respond accordingly. Employee engagement scores have been very positive throughout the pandemic and are continuing to improve to be above industry benchmarks. The business response to the pandemic, together with the feedback received by our people throughout 2020, supported the acceleration of a new way of working, specifically the embedding of remote and flexible ways of working as a more permanent feature of our employee proposition. The Ageas UK Boards were provided with a detailed overview of the proposition and have been kept apprised of developments.

# Ageas Retail Limited

Company registration number: 1324965

## Directors' Report (continued)

### Employee engagement (continued)

We have developed in collaboration with Mind, Samaritans and Time for Change, a framework to support the mental and financial wellbeing of our people, with programs including the launch of Mental Health first aiders who are available to all employees for one to one support. Providing our people with timely and regular communications was also critical during the pandemic, and in the initial phase of the first lockdown daily communications were issued via the digital tool "Workplace"; a dedicated digital working from home resources hub was launched, and the new learning and development platform "People Hub" was further developed to support remote working and ongoing learning. Employees have also been kept up to date regarding business as usual matters such as strategy and performance through a variety of virtual channels, including formal leadership events, employee briefings and the Employee Forum. Regular meetings with the Employee Forum have continued virtually on a quarterly basis, and are supported by the HR Director and members of the UK Executive team, facilitating the escalation and cascade of key messages from and to the Executive team and the Ageas UK Boards. As agreed by the Ageas UK Boards, the Chair of the Remuneration Committee, an INED, attends the Employee Forum on an annual basis and meets the Chair of the Forum biannually, without the Executive present, in order to enhance the engagement between the Employee Forum and the Ageas UK Boards.

Ageas UK has established and promotes a culture where employees have the confidence and ability to raise their concerns. Directors and managers have a responsibility to ensure that mechanisms are in place to encourage such concerns to be raised and any wrongdoing dealt with, and the Chair of the Audit Committee has responsibility for the maintenance of the independence, autonomy and effectiveness of Ageas UK whistleblowing policies and procedures. The Chair of the Audit Committee reported to the Ageas UK Audit Committee in 2020 stating his view that the systems and controls in place were satisfactory.

### Diversity and inclusion

The Company is committed to a culture which is inclusive and supports diversity. Recruitment, promotion, career development, selection for training and all other aspects of people management are regularly reviewed and monitored to ensure they are free from discrimination, including on the grounds of gender, ethnicity, disability, age, sexual orientation, marital status and other protected characteristics. The Ageas UK Boards have set the policies and standards within which the Company will operate, and the Boards' approach to diversity and inclusion is monitored regularly. Individual Members of the UK Executive Team are sponsors for diversity topics on the Inclusion Plan, with ideas generated from employees, including becoming a champion of Stonewall, Members of the Global Disability Task Force and a Business Disability Forum. We are also a signatory of the Race at Work Charter, and during 2020 measured our ethnicity pay gap for the first time, with further action to be taken to tackle barriers associated with racial inequality, which will be an area of focus for the 2021 Inclusion Plan. The gender pay gap report is provided to the Ageas UK Boards at least annually, together with progress against the target established in the Women in Finance Charter to have 40% of senior positions held by women by the end of 2021.

In line with legislation relating to discrimination in employment, including the employment of people with disabilities, Ageas UK policies and standards include further detail of our requirements. Employees with disabilities are treated fairly and can compete on equal terms for career progression. Ageas UK is committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Ageas.

### Community and Environment

In terms of the wider society, we continue to support the important work of the Road Safety Foundation to measure, map and track the safety performance of Britain's main roads. We are also proudly taking an industry lead in key initiatives that have an important environmental and economic impact such as the "green parts" initiative to make the repair of vehicles more sustainable. This initiative is now award-winning and really came into its own during the national lockdown, when the impact of the global pandemic meant that it was harder for repair centres to source new parts and therefore the greater availability and use of refurbished parts overcame a supply chain challenge while also helping the planet.

# Ageas Retail Limited

Company registration number: 1324965

## Directors' Report (continued)

### Community and Environment (continued)

The Company supports local initiatives such as a "Charity of the Year" as nominated by the employees, which since 2020 has been Rays of Sunshine. As a home insurer, Ageas Insurance Limited has also supported another local charity, the 'Bobby Scheme', including donating to an appeal to purchase Carbon Monoxide detectors for installation in the homes of the elderly and the most vulnerable in the area. In response to the Covid-19 pandemic, the Ageas UK Boards also supported donations of up to £1 million to charitable and industry initiatives, comprising £750k to the ABI Industry Charitable Fund and £250k to an Ageas Group wide initiative to research institutions, funding potential treatments for Covid-19. This was paid by Ageas Insurance Limited.

The Board has allocated responsibility for managing Climate Change financial risks to its Chief Underwriting Officer, and in recognition that Ageas embraces Environmental Societal and Governance priorities a Climate Change Strategy was approved by the Ageas UK Boards that seeks to not only adapt to issues and regulatory requirements as they emerge, but to be pro-active in modifying our business and decision-making so that climate risk considerations are integral to the way that we work. The strategy will continue to be developed to support a transition to a low carbon economy and enable consideration to be given to the feasibility of being carbon neutral in the future. During 2020 the Investment Committee established investment guidelines that reflected a number of Environmental Social and Governance priorities.

Following the implementation of the Streamlined Energy and Carbon Reporting framework, the Company is required to disclose its energy and carbon emissions in the year. The following table shows the Company's energy use and associated greenhouse gas emissions:

	2020
Energy consumption used to calculate emissions - kWh	2,648,052
Total gross emissions in metric tonnes of Carbon Dioxide Equivalent ('tCO <sub>2</sub> e')	264
Intensity matrix	0.47

UK energy use covers the Company's consumption of electricity and gas across all office sites, together with energy consumed through reimbursed company mileage and pool cars. Total emissions have been calculated using the latest applicable UK Government emission conversion factors for greenhouse gas reporting.

All emissions are from the UK.

The Company is required to calculate and disclose an intensity matrix. The intensity matrix has been calculated as the tCO<sub>2</sub>e per employee.

### Regulation

The Company and the Ageas UK Boards maintain an open and constructive dialogue with the FCA alongside the provision of required reports and through regular supervisory meetings. Throughout 2020 we maintained regular contact with the FCA in relation to our response to coronavirus, keeping both regulators apprised of our operational resilience, scenario planning, business interruption exposure, solvency and liquidity, and how we could ensure a good level of customer response.

### Donations

No political donations were made during the year by the Company (2019: £nil).

The Company made no charitable donations in the year (2019: £nil).

# Ageas Retail Limited

Company registration number: 1324965

## Directors' Report (continued)

### Disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirm that, so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditors

During March 2021 the Audit Committee initiated an audit tender for external audit services, which at the time of signing these financial statements was not concluded.

This report was approved by the Board of Directors on 17 June 2021 and signed on behalf of the board by:



C Marsh  
Secretary

# Ageas Retail Limited

Company registration number: 1324965

## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	4	76,029	85,333
Cost of sales	5	(29,264)	(39,347)
<b>Gross profit</b>		<u>46,765</u>	<u>45,986</u>
Administrative expenses	5	(36,960)	(37,959)
<b>Operating profit</b>		<u>9,805</u>	<u>8,027</u>
Finance income	6	6	25
Finance costs	7	(1,888)	(1,928)
<b>Profit before tax</b>		<u>7,923</u>	<u>6,124</u>
Income tax	8	(1,221)	(1,982)
<b>Profit for the year</b>		<u>6,702</u>	<u>4,142</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>6,702</u>	<u>4,142</u>

The notes to the financial statements on pages 13 to 35 form an integral part of these financial statements.

# Ageas Retail Limited

Company registration number: 1324965

## Statement of financial position

As at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Assets</b>			
Investments	9	10	10
Property, plant and equipment	10	12,799	13,267
Intangible assets	11	758	2,321
Deferred tax asset	12	4,545	5,358
Trade and other receivables	13	97,521	111,047
Cash and cash equivalents	14	31,834	16,743
<b>Total assets</b>		<u>147,467</u>	<u>148,746</u>
<b>Shareholders' equity</b>			
Share capital	15	24,050	24,050
Retained earnings	15	9,660	2,958
<b>Total shareholders' equity</b>		<u>33,710</u>	<u>27,008</u>
<b>Liabilities</b>			
Financial liabilities			
- Loans and borrowings	16	75,000	75,000
- Other financial liabilities	17	9,734	10,771
Current tax liability	18	185	64
Provisions	19	1,049	703
Trade and other payables	21	27,789	35,200
<b>Total liabilities</b>		<u>113,757</u>	<u>121,738</u>
<b>Total equity and liabilities</b>		<u>147,467</u>	<u>148,746</u>

The notes to the financial statements on pages 13 to 35 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 17 June 2021 and were signed by its order:



A Middle  
Director

# Ageas Retail Limited

Company registration number: 1324965

## Statement of changes in equity

For the year ended 31 December 2020

	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance as at 1 January 2019</b>	24,050	(1,184)	22,866
Profit for the year	-	4,142	4,142
<b>Total comprehensive income</b>	-	4,142	4,142
<b>Balance as at 31 December 2019</b>	24,050	2,958	27,008
Profit for the year	-	6,702	6,702
<b>Total comprehensive income</b>	-	6,702	6,702
<b>Balance as at 31 December 2020</b>	24,050	9,660	33,710

The notes to the financial statements on pages 13 to 35 form an integral part of these financial statements.

# Ageas Retail Limited

Company registration number: 1324965

## Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Profit before tax		7,923	6,124
<i>Adjustments for:</i>			
Finance income	6	(6)	(25)
Finance costs	7	1,888	1,928
Depreciation of property, plant and equipment	10	2,144	2,445
Amortisation of intangible assets	11	1,161	1,676
Impairment of property, plant and equipment	10	70	2,088
Loss/(profit) on disposal of property, plant and equipment		215	(160)
Loss on disposal of intangible assets		374	-
Increase/(decrease) in provisions	19	346	(954)
<b>Operating profit before working capital changes</b>		<b>14,115</b>	<b>13,122</b>
Decrease/(increase) in trade and other receivables	13	13,526	(7,413)
Decrease in other financial liabilities	17	(1,037)	(3,343)
Decrease in trade and other payables	21	(7,411)	(24,511)
<b>Cash flows generated from/(used in) operations</b>		<b>19,193</b>	<b>(22,145)</b>
Interest received	6	6	25
Interest paid	7	(1,888)	(1,928)
Income tax paid		(288)	(638)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>17,023</b>	<b>(24,686)</b>
<b>Cash flows (used in)/from investing activities</b>			
Sale of property, plant and equipment and intangibles	10, 11	-	1,603
Purchase of property, plant and equipment and intangibles	10, 11	(1,932)	(1,006)
<b>Net cash (used in)/from investing activities</b>		<b>(1,932)</b>	<b>597</b>
<b>Cash flows generated from financing activities</b>			
Increase in loans and borrowings	16	-	26,427
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>26,427</b>
<b>Net increase in cash and cash equivalents</b>		<b>15,091</b>	<b>2,338</b>
Cash and cash equivalents at 1 January		16,743	14,405
<b>Cash and cash equivalents at 31 December</b>	14	<b>31,834</b>	<b>16,743</b>

The notes to the financial statements on pages 13 to 35 form an integral part of these financial statements.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 1 Accounting policies

Ageas Retail Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The address of its registered office is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA.

#### (a) Statement of compliance

The financial statements were approved for issue by the Board of Directors on 17 June 2021.

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('CA 2006').

In accordance with IFRS 8: Operating Segments, the Company is not required to present segmental information as the equity of the Company is not publicly traded.

#### (b) Basis of preparation

The Company has elected not to prepare consolidated financial statements. The financial statements as prepared are separate financial statements and the exemption from consolidation, in accordance with the CA 2006 s400, has been used. Consolidated financial statements including the results of the Company are prepared by the ultimate holding company; ageas SA/NV, a company incorporated in Belgium, and copies can be obtained from the Company Secretary, Ageas (UK) Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA.

The financial performance and position of the Company, its cash flows, liquidity position and borrowings are set out in the primary statements on pages 9 to 12, and in the subsequent notes on pages 13 to 35. Further analysis of the objectives and policies for mitigating risk can be found within note 3.

Having considered the position of the Company, its forecast for the next 12 months and reviewing the potential risks to the Company (including considering the potential impacts of Covid-19), the directors have concluded the Company has sufficient resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The Company presents its statement of financial position in order of liquidity in accordance with IAS 1: Presentation of Financial Statements. For each asset and liability line item in the statement of financial position that details amounts expected to be recovered or settled within twelve months, or more than twelve months after the statement of financial position date, a classification at the statement of financial position date is included within the notes. The disclosures in the notes for these classifications are distinguished as follows:

- amounts expected to be settled in less than one year are referred to as current; and
- amounts expected to be settled in more than one year are referred to as non-current.

The principal accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### (i) Basis of measurement

The financial statements have been prepared on the historical cost basis.

#### (ii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling, which is the Company's presentation currency.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### (b) Basis of preparation (continued)

##### (iii) Use of estimates and judgements

The preparation of financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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.

Judgements made by the directors in the application of international accounting standards that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the following year, are discussed in note 2.

##### (iv) New accounting standards

All new standards and interpretations released by the International Accounting Standards Board ('IASB') have been considered. The following new and amended standards that came into effect in the year have been adopted by the Company during the year as appropriate:

- Conceptual Framework: Amendments to References to the Conceptual Framework in IFRS Standards
- IAS 1 and IAS 8 amendments: Definition of material
- IFRS 3 amendments: Definition of a business
- IFRS 9, IAS 39 and IFRS 7 amendments: Interest rate benchmark reform

In addition, the following is a list of standards that are in issue but are not effective in 2020, together with the effective date of application to the Company:

- IAS 37 amendments: Cost of fulfilling a contract – January 2022
- Annual improvements to IFRS standards 2018-2020 – January 2022
- IAS 16 amendments: Proceeds before intended use – January 2022
- IFRS 3 amendments: Reference to the Conceptual Framework – January 2022
- IAS 1 amendments: Classification of liabilities as current or non-current – January 2023

The standards effective from 2022 and 2023 have been reviewed and are not expected to have a material impact on the Company. The implications of the remaining standards are under review.

#### (c) Revenue

The Company's revenue is primarily derived from the provision of insurance broking services which is undertaken within the United Kingdom. Revenue represents the Company's brokerage commission earned on insurance premiums written, instalment income from allowing customers to pay monthly, and other income.

Commission is recognised in full on the sales/renewal of the insurance policy, irrespective of the timing of monies being received from the customer for this policy. This reflects the date on which the related performance obligation has been met.

Instalment income is recognised over the period of time over which the customer loan is advanced for policies on monthly direct debit, i.e. as the performance obligation is satisfied. Instalment income represents interest charges for customers paying by instalment in the accounting period. The Company has utilised the practical expedient under IFRS 15: Revenue from Contracts with Customers that the Company need not adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the Company transfers the promised service to the customer and when the customer pays for that service will be one year or less.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### (c) Revenue (continued)

Other income represents share of profits from the Company's investment in Ageas Law LLP and income from the sale of renewal rights. Other income is recognised in full upon the fulfilment of the relevant performance obligation which in the case of the sale of the renewal rights was linked to the number of renewals as each month passes.

Expected credit losses have been recognised at an appropriate level to reflect future default events for policies in force at the year end.

All turnover is from UK based operations.

#### (d) Recognition and measurement of expenses

##### (i) Finance costs

Finance costs comprise interest payable on borrowings, which are expensed as incurred in the statement of profit or loss and other comprehensive income in the period to which they relate. No finance costs are capitalised.

##### (ii) Pension scheme contributions

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The pension scheme contributions recognised in the statement of profit or loss represent the costs recharged to the Company in relation to seconded employees' pension contributions.

##### (iii) Other operating/administration expenses

Other operating and administration expenses are expensed as incurred in the statement of profit or loss and other comprehensive income in the period to which they relate.

#### (e) Income tax

Income tax in the statement of profit or loss and other comprehensive income for the year comprises current and deferred tax, and is recognised except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of assets or liabilities that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is only recognised to the extent that it is probable that future profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 1 Accounting policies (continued)

#### (f) Investments

Investments are classified as non-current investments and are recorded in the statement of financial position at cost less any accumulated impairment. The carrying values of investments is reviewed at each reporting date. If an indication of impairment exists then the impairment policy (accounting policy (i)) becomes applicable.

#### (g) Property, plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy (i)). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

##### (ii) Leased assets

Leases under which the Company is a lessee are recognised as a right-of-use asset and measured at the amount equal to the present value of the minimum lease payments, adjusted by the amount of any prepaid or accrued lease payments relating to that lease, plus any dilapidation provision required. Low value and short-term leases are not recognised in the Company's statement of financial position.

##### (iii) Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives of assets are as follows:

Buildings	Fifty years
Office equipment	Five years
Right-of-use assets	Over the period of the related lease

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 recognised in the statement of profit or loss and other comprehensive income.

#### (h) Intangible assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance. Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (see accounting policy (i)). Cost is defined as its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each intangible asset.

The estimated useful lives are as follows:

Computer software	Five years
-------------------	------------

## Notes to the financial statements

### 1 Accounting policies (continued)

#### (i) Impairment

##### (i) Financial assets

The Company measures loss allowances on either of the following bases:

- 12-month expected credit losses ('ECLs'): these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. The Company determines that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset is determined to have low credit risk if:

- the financial asset has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

##### (ii) Non-financial assets

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating assets exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### (j) Financial instruments

Financial assets include cash and short term deposits, trade, insurance and other receivables, including amounts due from group undertakings. Financial assets are recognised in the statement of financial position on the date the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Company's financial assets are subsequently measured at amortised cost. Any interest income from these financial assets is included in the statement of profit or loss as finance income, using the effective interest rate method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss, and presents in other gains or losses.

The fair value changes on financial assets measured at fair value through profit or loss (FVTPL) are presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income ('OCI'); and
- The remaining amount of change in the fair value is presented in the statement of profit or loss.

The Company has not designated any financial liabilities as FVTPL.

Financial liabilities include payables to group undertakings, interest-bearing loans and borrowings, lease liabilities and other payables. Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing loans and borrowing are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Interest-bearing loans and borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

Management has determined that the carrying amounts of the Company's financial assets and financial liabilities reasonably approximates their fair values because they are mostly short term in nature or are repriced frequently.

#### (k) Provisions

A provision is recognised in the statement of financial position if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### 2 Use of estimates and judgements

The preparation of financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are no significant accounting estimates or judgements used in the preparation of these financial statements.

## Notes to the financial statements

### 3 Risk management

#### Objectives and policies for mitigating business risk

The Company's primary business is the provision of insurance marketing and broking services. As such it is exposed to a number of risks arising from its dealings with customers and suppliers as well as from its own internal operations. The Company has various procedures in place to manage these exposures. These include an overall risk management framework, a statement on the Company's risk appetite, and a set of clearly defined risk policies. The Company also maintains a comprehensive risk register which identifies the individual risks faced in each area of the business and the controls in place to mitigate these. The Company has identified the following risk areas: credit, liquidity, operational, Covid-19 and capital management.

The Ageas UK Board Risk Committee established by the Boards of the Company, Ageas (UK) Limited, Ageas Insurance Limited and Ageas Services (UK) Limited meets regularly to review both the risk policies and the risk register, to ensure they are up-to-date, reflect the risks currently facing the business, and that corresponding control issues and risk mitigation actions are being addressed in a timely manner. The findings of the Board Risk Committee are reported to the Boards.

#### (a) Credit risk

The Company is exposed to credit risk arising from the financial assets of the Company, which comprise cash and cash equivalents and other receivables (including related party balances). The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk is monitored by management to mitigate risk and the credit quality of customers is viewed and assessed by monthly reviews of the levels of default, and an expected credit loss is calculated based on possible default events for the policies in force.

The Company's liability to insurers is cancelled if a customer does not pay as the customer is given notice that the insurance policy will be cancelled on default of payment, therefore reducing the Company's credit risk exposure.

#### Trade and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

The loss allowance is calculated separately for each brand. For each aging bracket of the debt, a percentage is applied to arrive at the total loss allowance. These percentages are calculated based on the prior years' experience of debt that was written off and amounts retrieved through debt recovery agents. These percentages are adjusted for known future events.

On that basis, the loss allowance as at 31 December 2020 and 31 December 2019 was determined as follows for trade receivables:

	Instalments £'000	Overdue instalments £'000	Cancellation £'000	Specific provisions £'000	Trade £'000	Total £'000
As at 31 December 2019	645	467	200	-	130	1,442
Increase in loss allowance	1	311	-	1,579	153	2,044
Allowance utilised in the year	(162)	(189)	-	(552)	-	(903)
Allowance released in the year	-	-	(50)	-	(283)	(333)
As at 31 December 2020	484	589	150	1,027	-	2,250

For further details on the impairment policy for financial assets and non-financial assets, see accounting policy (i) in note 1. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 3 Risk management (continued)

#### (a) Credit risk (continued)

##### Amounts due from customers – period overdue:

	Note	2020 £'000	2020	2019 £'000	2019
Within terms		87,078	98.5%	98,981	98.6%
Up to 1 month overdue		715	0.8%	877	0.9%
Between 1 and 3 months overdue		110	0.1%	90	0.1%
Between 3 and 6 months overdue		65	0.1%	65	0.1%
Between 6 and 12 months overdue		406	0.5%	337	0.3%
Total	13	<u>88,374</u>	<u>100.0%</u>	<u>100,350</u>	<u>100.0%</u>

#### (b) Liquidity risk

The Company has limited exposure to liquidity risk. The main sources of obligations arise from insurance monies payable to insurers, return premiums, general suppliers and salaries. All these items can be forecast within a small tolerance and are not subject to large variances. The Company manages its liquidity risk by holding cash surpluses in its bank accounts such that its financial assets can be realised at short notice in the event that this is necessary. The Company may also make use of borrowing facilities if required.

##### Financial liabilities - Maturity profile

	Notes	2020 £'000	2020	2019 £'000	2019
Within 1 year		103,844	92.3%	36,237	30.0%
Between 1 and 5 years		5,566	4.9%	79,294	65.5%
Later than 5 years		3,113	2.8%	5,440	4.5%
Total	16, 21, 17	<u>112,523</u>	<u>100.0%</u>	<u>120,971</u>	<u>100.0%</u>

## Notes to the financial statements

### 3 Risk management (continued)

#### (c) Operational risk

Operational risk arises from inadequate or failed internal processes, people and systems, or from external events. It is diverse in nature and permeates all business activities but remains a distinct form of risk. Operational risk includes for example, information technology, people, strategy, business continuity, regulatory, legal and financial crime.

The Company has carried out a detailed review of its operational processes and activities and, based on this, it has identified the areas of key risk to the business. These include the areas of Marketing, Operations, IT, Finance and HR. Separate risk policies have been formulated for each of these areas and, where appropriate, standard procedures have been carefully documented. As well as risk identification, the approach also incorporates risk measurement, risk monitoring, risk reporting and risk management. In evaluating the risks faced by the business significant focus is placed on the controls in place and how well they are operating. Regular reviews of both the risks faced, and the controls, are carried out by the Board Risk Committee.

#### (d) Covid-19 risk

The Company monitors and reviews the impact of Covid-19 on operations and the Crisis Management team coordinate the Company's response. Business continuity plans can be invoked to enable key functions to home work to ensure core activities are maintained.

#### (e) Capital management

##### (i) Definitions of capital management (and supporting terms)

Capital management is the collection of processes and activities undertaken to ensure that sufficient capital is maintained to ensure the organisation's ability to meet its liabilities and ultimately ensure its survival, particularly in case of losses arising from adverse events.

Capital management includes the assessment of capital required to support the Company's plans and objectives, the structure of its shareholders' funds, arrangements to secure capital, and the on-going monitoring of capital against business requirements, as well as the assessments required by the Financial Conduct Authority ('FCA').

##### (ii) Aims of capital management policy

The Company has established standards for the efficient management of capital, to meet the needs of the business and return on capital requirements of shareholders. This includes the capital required to support the risk appetite identified in the Company's Risk Policies together with a margin for safety, in full compliance with the requirements of the FCA. The FCA requires the Company to hold capital of the higher of £5,000 or 2.5% of annual income. Shareholders' equity, which is the capital under management, is far in excess of this requirement.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 3 Risk management (continued)

#### (e) Capital management (continued)

##### (iii) Approach to capital management

The Company provides input into the Ageas UK Business Plan which is reviewed and revised each year and then formally approved by the Board.

A factor in the formulation of the Business Plan is the assessment of the capital required to support the business objectives (i.e. growth and profit targets) and the appropriateness of the supporting capital structure.

Overall capital requirements and structure are assessed taking account of the following:

- Capital required to support the planned growth in the business;
- The expected dividend; and
- FCA capital requirements.

#### (f) Sensitivity to key business drivers

##### Effective interest rates increase by 1.0%

The Company will be exposed to the impact of interest rate changes on its financial assets and liabilities. If interest rates were to increase, there would be an increase in the finance costs in relation to the financing facility. The impact of this can be seen in the table below.

	2020	2019
	£'000	£'000
Decrease in profit before tax	(961)	(899)
Decrease in net assets	(778)	(728)

##### Expenses increase by 10.0%

If administrative expenses were to increase by 10.0% there would be an impact on profit from the additional costs. The impact of this can be seen in the table below.

	2020	2019
	£'000	£'000
Decrease in profit before tax	(3,696)	(3,796)
Decrease in net assets	(2,994)	(3,074)

The impact of the changes in key business drivers is each assumed to be a discrete change. All other factors will be unchanged.

Some of these changes cannot be guaranteed to have a linear effect and as a range of other factors will impact the results they cannot be guaranteed to predict the result detailed. In addition the risk management that the Company operates will ensure that corrective action is implemented to mitigate or reverse the changes.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 4 Revenue

	2020 £'000	2019 £'000
Commissions and fees	52,699	60,551
Instalment income	19,192	18,183
Other	4,138	6,599
<b>Total</b>	<b>76,029</b>	<b>85,333</b>

### 5 Operating expenses

Operating expenses comprise cost of sales and administrative expenses.

	2020 £'000	2019 £'000
Advertising	11,622	14,152
Depreciation:		
- Right-of-use buildings	1,159	1,463
- Leasehold buildings	83	120
- Office equipment	902	862
Amortisation:		
- Computer software	1,161	1,676
Impairment of property, plant and equipment	70	2,088
Hire of other assets	-	206
Personnel expenses:		
- Amounts in relation to seconded employees:		
Wages and salaries	9,497	10,158
Compulsory social security contributions	743	845
Contributions to pension plans	572	638
- Residual personnel recharges from a fellow group subsidiary:		
Wages and salaries	16,098	17,474
Compulsory social security contributions	1,926	1,853
Contributions to pension plans	1,086	1,040
Other costs	21,305	24,731
<b>Total operating expense</b>	<b>66,224</b>	<b>77,306</b>

Operating expenses are analysed as:

Cost of sales	29,264	39,347
Administrative costs	36,960	37,959
	<b>66,224</b>	<b>77,306</b>

The personnel expenses are recharged by Ageas Insurance Limited and disclosed as related party transactions with fellow subsidiaries in note 23. Those relating to seconded staff have been separated, and are disclosed in note 22. These individuals' contracts of service are held by Ageas Insurance Limited.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 5 Operating expenses (continued)

#### Auditors' remuneration

	2020 £'000	2019 £'000
Fees payable to the Company's auditors for the audit of the Company's Annual report	<u>85</u>	<u>85</u>

The auditors' remuneration was borne by a fellow group undertaking, Ageas Insurance Limited.

### 6 Finance income

	2020 £'000	2019 £'000
Bank and other interest receivable	<u>6</u>	<u>25</u>

### 7 Finance costs

	2020 £'000	2019 £'000
Interest expense relating to lease liabilities	303	371
Interest expense from fellow group subsidiary	<u>1,585</u>	<u>1,557</u>
<b>Total</b>	<u>1,888</u>	<u>1,928</u>

### 8 Income tax

#### (a) Amounts recognised in profit or loss

	Note	2020 £'000	2019 £'000
<b>Current tax expense</b>			
UK corporation tax on profits for the year		(387)	(379)
Prior year (under)/over provision in respect of current tax		<u>(21)</u>	<u>240</u>
		<u>(408)</u>	<u>(139)</u>
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences		(1,204)	(1,100)
Effect of variable tax rates		457	(423)
Prior year under provision in respect of deferred tax		<u>(66)</u>	<u>(320)</u>
	12	<u>(813)</u>	<u>(1,843)</u>
<b>Total income tax expense</b>		<u>(1,221)</u>	<u>(1,982)</u>

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 8 Income tax (continued)

#### (b) Reconciliation of effective tax rate

The tax assessed on the year is lower (2019: higher) than the standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before tax	7,923	6,124
Standard rate of corporation tax in year	19.00%	19.00%
Expected tax charge based on the standard rate of corporation tax in the UK	(1,505)	(1,164)
Expenses not deductible for tax purposes	(86)	(315)
Effect of variable tax rates	457	(423)
	(1,134)	(1,902)
Prior year (under)/over provision in respect of current tax	(21)	240
Prior year under provision in respect of deferred tax	(66)	(320)
	(1,221)	(1,982)

### 9 Investments

	2020 £'000	2019 £'000
Quote Searcher Limited	10	10

Investment	Country of registration	Type of holding	% owned	Nature of business
Ageas Law LLP	England	Partnership	50.0	Partnership
Quote Searcher Limited	England	Ordinary shares	9.9	Intermediary

The registered address of Quote Searcher Limited is 8 Waldegrave Road, Teddington, Middlesex, TW11 8GT.

The Company has a holding in Ageas Law LLP of £1 (2019: £1). Ageas Law LLP is a limited liability partnership registered in England and Wales and whose registered address is Belmont House, Churchill Way, Cardiff, South Glamorgan, CF10 2HE.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 10 Property, plant and equipment

	Right-of-use		Own Use		
	Land and buildings £'000	Investment property £'000	Land and buildings £'000	Office equipment £'000	Total £'000
<b>Cost</b>					
Balance at 1 January 2019	14,461	900	4,690	16,690	36,741
Acquisitions	194	-	-	341	535
Disposals	(2,877)	(900)	(9)	(113)	(3,899)
<b>Balance as at 31 December 2019</b>	<b>11,778</b>	<b>-</b>	<b>4,681</b>	<b>16,918</b>	<b>33,377</b>
Acquisitions	-	-	-	1,960	1,960
Disposals	-	-	(4,681)	(13,874)	(18,555)
<b>Balance as at 31 December 2020</b>	<b>11,778</b>	<b>-</b>	<b>-</b>	<b>5,004</b>	<b>16,782</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as at 1 January 2019	-	-	4,336	13,698	18,034
Depreciation charge for the year	1,463	-	120	862	2,445
Disposals	(2,359)	-	(9)	(89)	(2,457)
Provisions for impairment	2,054	-	-	34	2,088
<b>Balance as at 31 December 2019</b>	<b>1,158</b>	<b>-</b>	<b>4,447</b>	<b>14,505</b>	<b>20,110</b>
Depreciation charge for the year	1,159	-	83	902	2,144
Disposals	-	-	(4,530)	(13,811)	(18,341)
Provisions for impairment	-	-	-	70	70
<b>Balance as at 31 December 2020</b>	<b>2,317</b>	<b>-</b>	<b>-</b>	<b>1,666</b>	<b>3,983</b>
<b>Carrying amounts</b>					
Balance as at 31 December 2019	10,620	-	234	2,413	13,267
Balance as at 31 December 2020	9,461	-	-	3,338	12,799

Following a review in the year, a number of obsolete assets were written off in 2020.

On 23 January 2019, the Company impaired its property, plant and equipment by £2.1m following the announcement of plans to close its operations at Prospect House, Stoke, by June 2020.

On 5 July 2019, the Company reassigned the lease of Prospect House, Stoke, to a third party.

On 27 June 2019, the Company sold its leasehold land and buildings of Prospect House, Stoke.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 11 Intangible assets

	Computer software £'000
<b>Cost</b>	
Balance as at 1 January 2019	16,882
Acquisitions	471
Balance as at 31 December 2019	17,353
Other	(28)
Disposals	(15,507)
Balance as at 31 December 2020	1,818
<b>Accumulated amortisation and impairment losses</b>	
Balance as at 1 January 2019	13,356
Amortisation charge for the year	1,676
Balance as at 31 December 2019	15,032
Amortisation charge for the year	1,161
Disposals	(15,133)
Balance as at 31 December 2020	1,060
<b>Carrying amounts</b>	
Balance as at 31 December 2019	2,321
Balance as at 31 December 2020	758

The intangible assets recognised by the Company are purchased items of software with a remaining useful life up to 4 years.

Following a review in the year, a number of obsolete assets were written off in 2020.

### 12 Deferred tax asset

#### (a) Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2020 £'000	2019 £'000
Fixed assets	4,545	4,572
Losses	-	698
Other temporary differences	-	88
Deferred tax asset	4,545	5,358

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. This resulted in the rate remaining at 19% rather than reducing to 17% from 1 April 2020 as previously enacted. The deferred tax asset recognised as at 31 December 2020 has been calculated at 19%.

An increase to the main rate of corporation tax to 25% from 1 April 2023 was announced in the Budget on 3 March 2021. This rate was substantively enacted on 24 May 2021 and does not materially impact the deferred tax asset.

The balance is all non-current (2019: all non-current).

There is no unrecognised deferred tax (2019: £nil).

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 12 Deferred tax asset (continued)

#### (b) Movement in temporary differences during the year

	1 Jan 2020 £'000	Recognised in profit or loss £'000	31 Dec 2020 £'000
Fixed assets	4,572	(27)	4,545
Losses	698	(698)	-
Other temporary differences	88	(88)	-
Tax assets	<u>5,358</u>	<u>(813)</u>	<u>4,545</u>

	1 Jan 2019 £'000	Recognised in profit or loss £'000	31 Dec 2019 £'000
Fixed assets	4,784	(212)	4,572
Losses	1,795	(1,097)	698
Other temporary differences	622	(534)	88
Tax assets	<u>7,201</u>	<u>(1,843)</u>	<u>5,358</u>

### 13 Trade and other receivables

	2020 £'000	2019 £'000
Due from customers	88,374	100,350
Other receivables and prepayments	2,503	3,452
Other accrued income	362	272
Due from group undertakings	<u>6,282</u>	<u>6,973</u>
<b>Total trade and other receivables</b>	<u>97,521</u>	<u>111,047</u>

Trade and other receivables are stated at their cost less any impairment losses. All amounts are deemed current (2019: current).

### 14 Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank	<u>31,834</u>	<u>16,743</u>

Cash and cash equivalents comprise cash balances and call deposits.

The effective interest rate at 31 December 2020 on short term bank deposits was 0.16% (2019: 0.61%), with an average maturity of one day.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 15 Capital and reserves

#### (a) Share capital

	Ordinary shares	
	2020	2019
	£'000	£'000
In issue at 1 January and 31 December	<u>24,050</u>	<u>24,050</u>

At 31 December 2020, the authorised and issued share capital is 24,050,000 ordinary shares (2019: 24,050,000), which have a par value of £1 per ordinary share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends payable on ordinary shares are recognised when they are declared.

#### (b) Dividends

No dividend has been paid in the year (2019: £nil).

#### (c) Retained earnings

Retained earnings represents the accumulated comprehensive income for the current and prior financial years.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 16 Loans and borrowings

	2020 £'000	2019 £'000
Due to fellow group subsidiary	<u>75,000</u>	<u>75,000</u>

The loan with Ageas Insurance Limited has a maximum capacity of £100.0m, including a covenant to maintain at all times sufficient capital to comply with the rules of the Financial Conduct Authority. The loan bears interest at 1.6% above LIBOR per annum, with interest payable at the end of each quarter. There is also a non-utilisation charge at 0.56% per annum of the undrawn portion of the maximum capacity. On 11 June 2021 the Company amended and restated its loan with Ageas Insurance Limited to extend the maturity date to 7 September 2023 and to amend the interest rate to 1.75% above the Bank of England base rate. The non-utilisation charge remains unchanged.

### 17 Other financial liabilities

	2020 £'000	2019 £'000
Other	<u>9,734</u>	<u>10,771</u>

Future lease payments are due as follows:

	Minimum lease payments £'000	Interest £'000	Present value £'000
<b>Current liabilities</b>			
No later than one year	1,327	(272)	1,055
<b>Non-current liabilities</b>			
Between one and five years	6,439	(873)	5,566
Later than five years	<u>3,219</u>	<u>(106)</u>	<u>3,113</u>
	<u>10,985</u>	<u>(1,251)</u>	<u>9,734</u>

During the year, £0.3m (2019: £0.3m) was recognised as interest expense in the statement of profit or loss and other comprehensive income in respect of leases.

The future lease payments relate to the Company's lease for Deansleigh House, Bournemouth, which expires in 2029.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 18 Current tax liability

	2020 £'000	2019 £'000
Current tax liability	<u>185</u>	<u>64</u>

The current tax liability in the current and prior year represents the residual amount of income taxes payable in respect of the current year under the quarterly payment regime plus any adjustment in respect of prior years.

### 19 Provisions

	2020 £'000	2019 £'000
Balance at 1 January	703	1,420
Transferred from accrued expenses	-	300
Provisions made during the year	975	2,146
Provisions utilised during the year	(274)	(439)
Provisions released during the year	<u>(355)</u>	<u>(2,724)</u>
Balance at 31 December	<u>1,049</u>	<u>703</u>

Included in the amounts above are provisions for potential customer redress of £0.9m (2019: £0.3m) and onerous contract costs of £0.2m (2019: £0.4m).

During 2019, £0.3m was reclassified from accrued expenses to other provisions in respect of potential customer redress.

The balance is all current (2019: £0.2m current and £0.5m non-current).

There is some uncertainty around the timing of outflows in relation to the potential customer redress as it is dependent on future events. The onerous contract provisions are expected to be fully utilised by 2021.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 20 Pension scheme

2020	2019
£'000	£'000

Payments to defined contribution plan	<u>1,657</u>	<u>1,678</u>
---------------------------------------	--------------	--------------

The disclosed pension costs represent the costs recharged to the Company in relation to seconded employees' pension contributions.

### 21 Trade and other payables

2020	2019
£'000	£'000

Due to insurers	8,092	12,337
Trade payables	117	1,229
Amounts due to group undertakings	10,464	11,155
Other payables and accrued expenses	3,554	4,298
Deferred income	5,562	6,155
VAT and other taxes payable	-	26
Total trade and other payables	<u>27,789</u>	<u>35,200</u>

The Company acts as an agent in broking the insurable risks of its customers and is not liable as a principal for premiums due to insurance companies or for claims payable to customers.

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 22 Staff numbers and costs

The amounts disclosed below relate to staff employed by Ageas Insurance Limited who are seconded to the Company. These amounts are included within note 5, along with the additional recharge for other staff of Ageas Insurance Limited who provided services to the Company during the year.

The total number of seconded employees at the year end, analysed by category, was as follows:

	2020 No.	2019 No.
Corporate, administration and support	182	201
Marketing and sales	424	573
	<u>606</u>	<u>774</u>

The full time equivalent number of seconded employees was as follows:

	2020 No.	2019 No.
Corporate, administration and support	156	172
Marketing and sales	403	542
	<u>559</u>	<u>714</u>

The average number of seconded employees during the year was as follows:

	2020 No.	2019 No.
Total number of employees	678	845
Full time equivalent number of employees	<u>630</u>	<u>775</u>

The aggregate recharged costs in respect of these persons were as follows:

	2020 £'000	2019 £'000
Wages and salaries	9,497	10,158
Social security costs	743	845
Other pension costs	572	638
	<u>10,812</u>	<u>11,641</u>

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 23 Related party transactions

The Company has a related party relationship with the directors and other key management personnel of the Company.

#### Transactions with directors and other key management personnel

In addition to their salaries, the Company also provides non-cash benefits to the directors and other key management personnel.

The remuneration of the directors consists of:

	2020 £'000	2019 £'000
Short-term employee benefits	654	698
Post-employment benefits	16	1
Share-based payments	17	103
	<u>687</u>	<u>802</u>

The remuneration of key management personnel consists of:

	2020 £'000	2019 £'000
Short-term employee benefits	772	761
Post-employment benefits	15	17
Share-based payments	48	24
Termination benefits	-	71
	<u>835</u>	<u>873</u>

In respect of the highest paid director:

	2020 £'000	2019 £'000
Short-term employee benefits	187	267
Post-employment benefits	15	-
Share-based payments	17	94
	<u>219</u>	<u>361</u>

One of the Company's directors is not included in the disclosure above as no recharge is received for their services.

Under the defined benefit scheme, the highest paid director's accrued pension at the year end was £nil (2019: £nil).

# Ageas Retail Limited

Company registration number: 1324965

## Notes to the financial statements

### 23 Related party transactions (continued)

In the ordinary course of business the Company carries out transactions with related parties as defined in IAS 24: Related Party Disclosures. Material transactions are set out below.

	2020 Comp. income £'000	2020 Financial Position £'000	2019 Comp. income £'000	2019 Financial Position £'000
	Income/ (expense)	Asset/ (liability)	Income/ (expense)	Asset/ (liability)
Immediate parent and intermediate holding company	-	-	-	(16)
Fellow subsidiary company transactions and balances	3,302	(79,182)	9,085	(79,167)
	<u>3,302</u>	<u>(79,182)</u>	<u>9,085</u>	<u>(79,183)</u>

Fellow subsidiary company transactions and assets relate to commission received on insurance policies written by Ageas Insurance Limited, the provision of administration and management services by Ageas Insurance Limited and profit share received from Ageas Law LLP. All related party transactions are settled on a net basis.

The Company also has an outstanding loan of £75.0m (2019: £75.0m) with Ageas Insurance Limited. The loan has a maximum capacity of £100.0m, including a covenant to maintain at all times sufficient capital to comply with the rules of the Financial Conduct Authority. The loan bears interest at 1.6% above LIBOR per annum, with interest payable at the end of each quarter. There is also a non-utilisation charge at 0.56% per annum of the undrawn portion of the maximum capacity. On 11 June 2021 the Company amended and restated its loan with Ageas Insurance Limited to extend the maturity date to 7 September 2023 and to amend the interest rate to 1.75% above the Bank of England base rate. The non-utilisation charge remains unchanged.

### 24 Parent company

The Company's immediate parent is Ageas (UK) Limited, a company registered in England and Wales whose registered address is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

The Company's results are consolidated into the financial statements of the ultimate holding company ageas SA/NV, a company incorporated in Belgium whose registered address is Markiesstraat 1 Box 7, 1000 Brussels.

Copies of the above financial statements can be obtained from the Company Secretary, Ageas (UK) Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

# Ageas Retail Limited

Company registration number: 1324965

## 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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.

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.

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

# Ageas Retail Limited

Company registration number: 1324965

## Independent auditors' report to the members of Ageas Retail Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion, Ageas Retail Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2020; the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining a copy of management's going concern assessment to assess the identification and assessment of the risks relevant to going concern.
- Assessing the reasonableness of the assumptions used in the profitability and cash flow forecasts included in management's going concern assessment
- Considering the Company's adherence to regulatory capital requirements.
- Assessing projected cash flows for the Company to consider management's assessment on available liquidity.

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

# Ageas Retail Limited

Company registration number: 1324965

## Independent auditors' report to the members of Ageas Retail Limited (continued)

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' Report*

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 year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

# Ageas Retail Limited

Company registration number: 1324965

## Independent auditors' report to the members of Ageas Retail Limited (continued)

### Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Financial Conduct Authority ("FCA")'s regulations, the Prudential Regulation Authority ("PRA")'s regulations and UK Tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in the determination of accounting estimates and the posting of inappropriate journal entries to increase revenue or to manipulate reported profit before tax, to smooth profits between periods. Audit procedures performed by the engagement team included:

- Discussions with management, risk, compliance and internal audit staff, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluation of management's controls designed to prevent and detect irregularities.
- Reviewing correspondence with regulators in relation to compliance with laws and regulations.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting revenue or expenses, posted by senior management or posted late in the year end close process.
- Reviewing Board minutes and attending Audit Committee meetings during the year.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# Ageas Retail Limited

Company registration number: 1324965

## Independent auditors' report to the members of Ageas Retail Limited (continued)

### Other required reporting

#### *Companies Act 2006 exception reporting*

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Joanne Leeson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton  
18 June 2021