

REGISTERED NUMBER: 01393740

# MASTERCOVER INSURANCE SERVICES LIMITED

UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**MASTEROVER INSURANCE SERVICES LIMITED**

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# MASTEROVER INSURANCE SERVICES LIMITED

## COMPANY INFORMATION

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### **Directors**

D Cougill  
D C Ross

### **Company Secretary**

Ardonagh Corporate Secretary Limited

### **Registered Office**

2 Minster Court  
Mincing Lane  
London  
EC3R 7PD  
United Kingdom

### **Registered Number**

01393740

# MASTERCOVER INSURANCE SERVICES LIMITED

## STRATEGIC REPORT

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The directors present their Strategic Report for the year ended 31 December 2022 for Mastercover Insurance Services Limited ("the Company"). The Strategic Report provides a review of the business for the year and describes how the directors manage risks. The report outlines the performance of the Company during the year and its position at the end of the year. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. The Company is part of Ardonagh Group Holdings Limited and together with its subsidiaries ("the Group").

### **Principal Activity and Business Review**

The Company's business is as an insurance intermediary.

The results of the Company show revenue of (£611) (2021: £4,156) and loss before tax of £48,629 (2021: £76,113). At 31 December 2022 the Company had net assets of £3,618,459 (2021: £3,657,849). The going concern note (part of accounting policies) on page 9, sets out why the directors believe that the preparation of the financial statements on a basis other than that of a going concern is appropriate.

On 20 December 2017 Mastercover Insurance Services Limited was acquired by Nevada Investment Holdings 7 Limited from GUK Broking Services Limited and became a member of The Group. As part of the wider group reorganisation strategy, on 18 May 2018 the Company disposed of its operations to Advisory Insurance Brokers Limited (formerly Towergate Underwriting Group Limited) and Four Counties Insurance Brokers Limited, two companies under common control. This transaction resulted in the Company being placed into run-off. It is the directors' intention to liquidate the Company once the run-off process has completed.

### **SECTION 172 (1) OF THE COMPANIES ACT 2006 (the "Act") STATEMENT**

This Statement is made pursuant to s. 414a of the Companies Act 2006.

The Company forms part of The Ardonagh Group of Companies, a global insurance distribution provider and its activities are aligned to the strategy and risk management and control frameworks of the Group.

The directors of the Company are committed to lead and direct the affairs of the Company in order to ensure an orderly run off of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm. The directors of the Company consider that, both individually and collectively, they have acted in a way, in good faith, that would most likely promote the success of the Company, for the benefit of its members (s. 172(1)), also having regard to the long-term consequences of any decisions taken (172(1)(a)). Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Sections 172(1)(b)-(e) do not apply to the Company in its capacity as a company in run-off for the Group, as it does not have employees, clients or suppliers.

The Group's Code of Conduct, applies to all directors of the Company and it embodies the Group's commitment to maintaining the highest ethical conduct and professional standards. These non-negotiable standards are outlined in the Code of Conduct and the Ardonagh Governance Framework, which emphasises the importance of building trust with colleagues, clients and the wider community.

### **Outlook**

The Company is in run-off and it is the directors' intention to liquidate the Company once the run-off process has completed.

Consideration of the financial risk and future impact can be found in the Strategic Report within the 'Principal risks and uncertainties' section but as the Company is in run-off, the impact is not expected to be material.

### **Key Performance Indicators**

The Company has been in run-off since 18 May 2018 and as a result, the directors consider the key performance indicator for the Company to be ensuring its liabilities are settled fairly and expeditiously.

# MASTERCOVER INSURANCE SERVICES LIMITED

## STRATEGIC REPORT

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### **Principal risks and uncertainties**

As noted in the Outlook section above, the Company's operations are in run-off and the Company is managed on a basis other than that of a going concern. The principal risks and their mitigation are as follows:

#### Financial risk

There is the risk of an adverse impact on business value or earnings capacity as well as the risk of inadequate cash flows to meet financial obligations. These risks are mitigated by proactive management of the business plan, by regular monitoring of cash flows against risk appetite and by a focus on debt collection.

The Group has demonstrated its resilience to economic uncertainties and demonstrated operational and financial resilience in response to a downturn in UK business and customer confidence.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date and the Group would respond to income declines by seeking cost savings. The Group had available liquidity of £995.1m at 30 June 2023 and closely monitors available liquidity on an ongoing basis.

Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. Ardonagh is highly diversified and not materially exposed to a single carrier, customer or market sector.

Approved by the board on 13 September 2023 and signed on its behalf by:



.....  
D Cougill - Director

# MASTERCOVER INSURANCE SERVICES LIMITED

## DIRECTORS' REPORT

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The directors of Mastercover Insurance Services Limited (registered number 01393740) present their annual report and the unaudited financial statements for the year ended 31 December 2022.

### **Directors of the Company**

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

D Cougill  
D C Ross

### **Dividends**

The directors do not recommend a final dividend payment to be made in respect of the year ended 31 December 2022 (2021: £nil).

### **Financial risk management objectives and policies**

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 3.

### **Future developments**

Details of future developments can be found in the Strategic Report on page 3.

### **Political donations**

The Company has not made any political donations during the year ended 31 December 2022 (2021: £nil).

### **Going Concern**

The Company is in run-off and it is the directors' intention to liquidate the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a basis other than that of a going concern.

### **Directors' Indemnities**

All directors of the Company benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, which were in place during the year and at the date of this report.

### **Subsequent Events**

Details of subsequent events can be found in note 16.

This report was approved by the board on **13 September 2023** and signed on its behalf by:

*Diane Cougill*

.....  
D Cougill - Director

# **MASTEROVER INSURANCE SERVICES LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MASTERCOVER INSURANCE SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

	Note	2022 £	2021 £
Revenue	4	(611)	4,156
Administrative expenses		(48,027)	(4,302)
<b>Operating loss</b>	5	<b>(48,638)</b>	(146)
Finance income	6	9	-
Loss on disposal of ROU assets		-	(75,967)
<b>Loss before tax</b>		<b>(48,629)</b>	(76,113)
Income tax	9	9,239	11,914
<b>Loss for the year</b>		<b>(39,390)</b>	(64,199)

All recognised gains or losses are accounted for in the Statement of Comprehensive Income.

There are no items of other comprehensive income in the current or prior year.

All amounts are derived from discontinued operations.

The notes on pages 9 to 16 form an integral part of these financial statements.



# MASTEROVER INSURANCE SERVICES LIMITED

## STATEMENT OF FINANCIAL POSITION

	Note	2022 £	2021 £
<b>Current assets</b>			
Cash and cash equivalents	10	3,800	10,950
Trade and other receivables	11	3,753,016	3,782,881
Right-of-use assets	12	-	-
Deferred tax asset	9	5,496	5,496
		<b>3,762,312</b>	<b>3,799,327</b>
<b>Current liabilities</b>			
Trade and other payables	13	(143,853)	(117,571)
Tax liabilities		-	(23,907)
		<b>(143,853)</b>	<b>(141,478)</b>
<b>Net current assets</b>		<b>3,618,459</b>	<b>3,657,849</b>
<b>Total assets less current liabilities</b>		<b>3,618,459</b>	<b>3,657,849</b>
<b>Net assets</b>		<b>3,618,459</b>	<b>3,657,849</b>
<b>Capital and reserves</b>			
Share capital	14	131,000	131,000
Retained earnings		487,459	526,849
Merger reserve		3,000,000	3,000,000
<b>Total equity</b>		<b>3,618,459</b>	<b>3,657,849</b>

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved and authorised for issue by the board on **13 September 2023** and were signed on their behalf by:

*Diane Cougill*

.....  
D Cougill - Director

The notes on pages 9 to 16 form an integral part of these financial statements.

# **MASTERCOVER INSURANCE SERVICES LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

	Share capital £	Merger reserves £	Retained earnings £	Total £
<b>At 1 January 2022</b>	<b>131,000</b>	<b>3,000,000</b>	<b>526,849</b>	<b>3,657,849</b>
<b>Loss and comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(39,390)</b>	<b>(39,390)</b>
<b>At 31 December 2022</b>	<b>131,000</b>	<b>3,000,000</b>	<b>487,459</b>	<b>3,618,459</b>

	Share capital £	Merger reserves £	Retained earnings £	Total £
At 1 January 2021	131,000	3,000,000	591,048	3,722,048
Loss and comprehensive expense for the year	-	-	(64,199)	(64,199)
At 31 December 2021	131,000	3,000,000	526,849	3,657,849

On 18 May 2018, the Company transferred the future economic rights of the business only, for which £3.0m consideration was paid, leading to the recognition of a £3.0m merger reserve.

The notes on pages 9 to 16 form an integral part of these financial statements.

# MASTERCOVER INSURANCE SERVICES LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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### 1 General Information

Mastercover Insurance Services Limited ("the Company") is a limited company incorporated and registered in England, the United Kingdom (UK) under the Companies Act 2006. The address of its registered office is stated on page 1. The principal activity of the Company is disclosed in the strategic report on page 2.

These financial statements for the year ended 31 December 2022 were authorised by the Board on 13 September 2023 and the Statement of Financial Position was signed on the Board's behalf by D Cougill.

### 2 Accounting Policies

#### **Summary of Significant Accounting Policies and Key Accounting Estimates**

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

#### **Basis of Preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. All amounts in the financial statements and notes have been rounded to the nearest Sterling Pound, unless otherwise stated.

The financial statements have been prepared on a historical cost basis, as modified to use a different measurement basis where necessary to comply with FRS 101.

There are no new standards, amendments or interpretations which are effective in 2022 and that are expected to materially impact the Company's financial statements.

#### **Going Concern**

It is the directors' intention to liquidate the Company once its liabilities have been settled. Consequently, the financial statements have been prepared on a basis other than that of a going concern.

The book values of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value due to their short-term nature. As such no adjustments to balances are required with the Company being reported on a basis other than that of a going concern.

#### **Summary of Disclosure Exemptions**

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("UK-Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101 where relevant:

- the requirements of IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 10(d) of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements of paragraphs 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- the requirements in paragraphs 17 and 18(a) of IAS 24 'Related Party Disclosures', regarding disclosure of information on key management personnel, and the IAS 24 disclosure on related party transactions entered into between two or more members of a Group, (provided that any subsidiary which is party to the transaction is wholly owned by such a member); and
- the requirements of paragraphs 130(f)(ii) - (iii), 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of valuation techniques, assumptions on which projections used in the impairment review are based and sensitivity analysis.

Equivalent disclosures are included in the Group's consolidated financial statements, as required by FRS 101 where exemptions have been applied.

# MASTERCOVER INSURANCE SERVICES LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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### 2 Accounting Policies (continued)

#### **Leases**

##### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for certain remeasurements of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received, plus the estimated costs of restoring the underlying asset to the condition required by the terms of the lease. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

##### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable, which is generally the case. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### **Revenue Recognition**

##### **Commission and Fees**

Revenue includes commission and fees receivable by the Company. Commission and fees relate mainly to placement or underwriting of policies on behalf of insurers or policyholders and are recognised at the later of policy inception date or when the policy placement has been completed and confirmed.

The Company retains a portion of the policy premiums as commission. Premiums are typically collected on an annual basis at or near contract inception (which could be up to 60 days from contract inception). In some cases, customers are offered to pay in instalments or are directed to a third-party premium credit provider. Some of the policies are rolling until the customer cancels the policy.

The Company utilises the practical expedient in IFRS 15 not to adjust the amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when the Company transfers a service to a customer and when the customer pays for that service will be one year or less.

#### **Finance income**

The Company's finance income comprises:

- Interest income

Interest income is recognised using the effective interest method for instruments classified as amortised cost.

#### **Financial Assets**

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include trade and other receivables.

Trade and other receivables are primarily amounts due from related parties. They are stated at amortised cost, adjusted for any loss allowances.

# MASTERCover INSURANCE SERVICES LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

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### 2 Accounting Policies (continued)

#### **Financial Assets (continued)**

##### *Impairment of Trade and Other Receivables*

The Company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date.

The Company recognises lifetime ECL for trade and other receivables when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

#### **Financial Liabilities**

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities are primarily amounts due to related parties. Trade and other payables represent amounts due to other Group companies and other payables. They are initially recognised at fair value and are subsequently measured at amortised cost.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Current Tax**

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

#### **Deferred Tax**

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, deferred tax is reversed. Deferred tax assets and deferred tax liabilities are only offset if there is a legally enforceable right to set off current tax assets against current tax liabilities. Deferred tax assets and the deferred tax liability can only be offset when they relate to income taxes levied by the same taxation authority. Where deferred tax is offset on different taxable entities this is allowed when it is intended either to settle current tax assets or liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

The tax expense for the period comprises current tax and deferred tax. Income tax is recognised in the Statement of Income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

#### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the Company's financial statements or key sources of estimation uncertainty at the statement of financial position date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# MASTEROVER INSURANCE SERVICES LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### 4 Revenue

The whole of the revenue is attributable to the provision of insurance broking services to driving instructors, small businesses and private individuals. All revenue arose within the United Kingdom.

	2022 £	2021 £
Commission and fees	-	3,215
Other regulated income	104	941
Reversal of other regulated income	(715)	-
	<b>(611)</b>	<b>4,156</b>

During the year, previously recognised income of £715 was refunded.

### 5 Operating Loss

The operating loss is stated after (charging)/crediting:

	2022 £	2021 £
Other write offs (non-IBA)	(41,172)	(30,681)
Loss on disposal of ROU assets	-	(75,967)
Reversal of impairment of financial assets	12,444	12,852

For the year ended 31 December 2022, the Company has taken the exemption under s479 of the Companies Act 2006 from the requirement to obtain an audit of their separate financial statements. The guarantee of the outstanding liabilities as at 31 December 2022 has been provided by Ardonagh Midco 2 plc, a fellow Group company. As a result, no audit fee has been incurred (2021: £Nil).

### 6 Finance Income

	2022 £	2021 £
Other interest	9	-

### 7 Staff Costs

The Company had no employees in the year (2021: £Nil). All administration is performed by employees of the Group, for which no recharge is made to the Company.

### 8 Directors' Remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of other Group subsidiaries. Their total emoluments are included in the consolidated financial statements of Ardonagh Group Holdings Limited for the year ended 31 December 2022. It is impracticable to determine the proportion of directors emoluments that relate to this entity.

# **MASTEROVER INSURANCE SERVICES LIMITED**

## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

### **9 Income Tax**

The Company's tax charge is the sum of the total current and deferred tax expense.

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	<b>(9,239)</b>	(14,461)
Adjustments in respect of prior periods	-	8,043
<b>Total current taxation</b>	<b>(9,239)</b>	(6,418)
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	-	(5,496)
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balance	-	-
<b>Total deferred taxation</b>	<b>-</b>	(5,496)
<b>Tax credit in the Statement of Comprehensive Income</b>	<b>(9,239)</b>	(11,914)

The following table reconciles the tax charge calculated at the UK statutory rate on the Company's profit before tax with the actual tax charge for the year.

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Loss before tax</b>	<b>(48,629)</b>	(76,113)
Corporation tax at standard rate of 19% (2021: 19%)	<b>(9,240)</b>	(14,461)
Adjustments to tax charge in respect of previous periods - current tax	-	8,043
Remeasurement of deferred tax for changes in tax rates	-	(1,319)
Movement in deferred tax not recognised	<b>1</b>	(4,177)
<b>Tax credit</b>	<b>(9,239)</b>	(11,914)

### **Deferred tax**

The UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023. UK deferred tax balances as at 31 December 2022 are measured at the rate that the respective assets and liabilities will reverse.

Deferred tax assets and liabilities are recognised on the balance sheet as follows:

<b>2022</b>	<b>Asset</b>
	<b>£</b>
Accelerated tax depreciation	5,496
	<b>5,496</b>
<b>2021</b>	<b>Asset</b>
	<b>£</b>
Accelerated tax depreciation	5,496
	<b>5,496</b>

# **MASTERCOVER INSURANCE SERVICES LIMITED**

## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

### **9 Income Tax (continued)**

	At 1 January 2022 £	Recognised in income £	At 31 December 2022 £
Accelerated tax depreciation	<b>5,496</b>	-	<b>5,496</b>
	<b>5,496</b>	-	<b>5,496</b>
	At 1 January 2021 £	Recognised in income £	At 31 December 2021 £
Accelerated tax depreciation	-	5,496	5,496
	-	5,496	5,496

### **10 Cash and cash equivalents**

	2022 £	2021 £
Non statutory trust cash at bank	-	3,356
Other cash at bank	<b>3,800</b>	7,594
	<b>3,800</b>	10,950

The non-statutory trust account contains funds paid by clients due to insurers. This cash is regulated by the FCA and is protected for client benefit only.

### **11 Trade and other receivables**

	2022 £	2021 £
<b>Current assets</b>		
Trade receivables	-	5,461
Less expected credit loss allowance	-	-
Net trade receivables	-	5,461
Amounts owed by Group undertakings	<b>3,753,016</b>	3,742,046
Other receivables	-	35,374
	<b>3,753,016</b>	3,782,881

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.



# MASTERCOVER INSURANCE SERVICES LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### 12 Leases

#### Right-of-use assets

The table below provides a schedule of the movements in the carrying amount of the right-of-use assets and lease liabilities held on the statement of financial position during the year ended 31 December 2021.

	Property £	ROU asset total £	Lease liabilities £
As at 1 January 2021	75,970	75,970	-
Disposals	(75,970)	(75,970)	-
As at 31 December 2021	-	-	-

During the year, the total cash outflows for leases was £nil (2021: £Nil).

### 13 Trade and Other Payables

	2022 £	2021 £
<b>Current liabilities</b>		
Trade payables in relation to insurance transactions	-	1,136
Amounts owed to Group undertakings	128,739	116,435
Accruals	15,114	-
	<b>143,853</b>	<b>117,571</b>

Amounts due to other Group companies are unsecured, interest free and payable on demand.

### 14 Share Capital

	2022 £	2021 £
131,000 ordinary shares of £1 each	<b>131,000</b>	131,000

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

### 15 Related Party Transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

# **MASTERCOVER INSURANCE SERVICES LIMITED**

## **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

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### **16 Ultimate Parent Undertaking and Controlling Party**

The immediate parent company is Ardonagh Services Limited and the ultimate parent company is Tara Topco Limited.

The Group's majority shareholder and ultimate controlling party at 31 December 2022 is Madison Dearborn Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Group Holdings Limited (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). The parent company of the smallest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). Financial statements for Ardonagh Group Holdings Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court  
Mincing Lane  
London  
EC3R 7PD

### **17 Subsequent Events**

The Company performed a review of events after the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.