

Registration number: 01992860

Countrywide Insurance Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Countrywide Insurance Management Limited

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Countrywide Insurance Management Limited

Company Information

Directors	S Lowe (appointed 1 September 2021) C Shortland (appointed 1 September 2021) D O'Connor (resigned 1 September 2021) S Drew (resigned 1 March 2021) I Clark (resigned 5 May 2020) A Alway (resigned 30 April 2020)
Company secretary	Callidus Secretaries D Clarke (appointed 30 September 2020) S Drew (resigned 30 September 2020)
Registered office	Hexagon House Grimbald Crag Close Knaresborough North Yorkshire HG5 8PJ
Auditor	Deloitte LLP 4 Brindleyplace Birmingham B1 2HZ

Countrywide Insurance Management Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their Strategic Report for the year ended 31 December 2020 for Countrywide Insurance Management 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 The Ardonagh Group Limited and together with its subsidiaries (the "Group").

Principal activities and business review

The principal activity of the Company was the provision of network services to independent insurance brokers, however on 26 March 2019, the directors took the decision to cease trading following the transfer of the last member contract to The Broker Network Limited (a fellow Group company). The provision of all Broker Network member services will now operate through The Broker Network Limited and as a result the directors intend to liquidate the Company, following the settlement of the remaining net assets, and therefore have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2 of these financial statements.

The results for the Company show turnover of £1k (2019: £444k) and loss before tax of £17k (2019 profit: £433k) for the year. At 31 December 2020 the Company had net assets of £478k (2019: £492k).

On 15 July 2020, The Ardonagh Group Limited acquired Nevada 4 Midco 1 Limited, ("Nevada 4"), and its associated subsidiaries. Prior to this acquisition, Nevada 4 was the ultimate parent company of Countrywide Insurance Management Limited.

Outlook

The directors do not expect there to be any changes in the nature of the business for the foreseeable future.

The unprecedented and rapidly evolving nature of the global Covid-19 pandemic (including the short-term and long-term effects thereof) creates unprecedented uncertainties for most businesses including Countrywide Insurance Management Limited. Consideration of the financial risk and future impact can be found in the "Financial risk" section of the Strategic Report, further considerations are also made in the "Going concern" disclosure in note 2.

Key performance indicators

The directors of Ardonagh manage the Group's operations on a segmental basis. For this reason, the Company's directors believe that a separate analysis for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Group which includes this Company is discussed in the Group's annual report.

Principal risks and uncertainties

The Company completed the transfer of its Member contracts to The Broker Network Limited during the previous financial year and no longer continues to trade, as the directors intend to liquidate the Company there are deemed to be no principal risks and uncertainties to the Company save from those that pose a risk to the Group as a whole which are discussed below.

Countrywide Insurance Management Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

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 Company and Group have considered the wider operational consequences and ramifications of the Covid-19 pandemic. Although Covid-19 developments remain fluid, financial stress testing demonstrates the Group's financial resilience and operating flexibility.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained impact of Covid-19, although this has not materialised to date with the income impacts predominantly limited to the second quarter of 2020 and substantially offset by additional cost savings. The Group had available liquidity of £405.1m at 30 June 2021 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.

Brexit

Global political tensions have increased, such as related to Brexit, the US's approach to international trade and protectionism, and China tensions. As the Group expands internationally, they will be factored into investment decisions.

Brexit affects the ability of businesses to passport from the UK into other EU states and likewise into the UK from the EU. The Group's plans always assumed a no deal, "hard" Brexit and as such the Group was prepared for Brexit. The direct impact on the Group's UK businesses is not significant because they conduct only limited business within the EU and, importantly, because the operating segments have implemented mitigation strategies (e.g. gaining direct authorisation in certain EU member states) to reduce the risk. However, the loss of passporting rights may affect the insurance markets in which the Group operates, possibly reducing insurance capacity, competition and choice.

Brexit could also extend the current Covid-19 induced general decline in economic conditions in the UK where the Group operates predominantly. The diversified business portfolio of the Group continues to mitigate the risk of a general decline in economic conditions and the Group's going concern stressed scenario modelling incorporates general economic declines, including from Brexit and Covid-19.

Approved by the Board on 24 September 2021 and signed on its behalf by:



C Shortland
Director

Countrywide Insurance Management Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Directors of the Company

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

S Lowe (appointed 1 September 2021)

C Shortland (appointed 1 September 2021)

D O'Connor (resigned 1 September 2021)

S Drew (resigned 1 March 2021)

I Clark (resigned 5 May 2020)

A Alway (resigned 30 April 2020)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the year ended 31 December 2020 (2019: £nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the "Financial risk" section on page 4.

Future developments

Details of future developments can be found in the Strategic Report within the "Outlook" section on page 3.

Political donations

The Company has not made any political donations during the year (2019: £nil).

Going concern

The Company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on page 3. The directors intend to liquidate the Company and as such these statements are not prepared on a going concern basis.

Directors' liabilities

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.

Countrywide Insurance Management Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Disclosure of information to the auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Deloitte LLP, were appointed as auditors during the year to fill a casual vacancy and are deemed reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 24 September 2021 and signed on its behalf by:



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C Shortland
Director

Countrywide Insurance Management Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

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

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 apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 to 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.

Independent Auditor's Report to the Members of Countrywide Insurance Management Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Countrywide Insurance Management Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 14;

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

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

Independent Auditor's Report to the Members of Countrywide Insurance Management Limited (continued)

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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. This description forms part of our auditor's report.

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Independent Auditor's Report to the Members of Countrywide Insurance Management Limited (continued)

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with the Financial Conduct Authority.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of Countrywide Insurance Management Limited (continued)

Use of our report

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

DocuSigned by:

Stewart Cumberbatch

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Stewart Cumberbatch FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Birmingham, UK

24 September 2021

Countrywide Insurance Management Limited
Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Turnover	4	1	444
Administrative expenses	5	<u>(18)</u>	<u>(12)</u>
Operating (loss) / profit		(17)	432
Other interest receivable and similar income		<u>-</u>	<u>1</u>
(Loss) / profit before tax		(17)	433
Income tax	8	<u>3</u>	<u>(82)</u>
(Loss) / profit for the year		<u>(14)</u>	<u>351</u>

The notes on pages 15 to 20 form an integral part of these financial statements.

Countrywide Insurance Management Limited

(Registration number: 01992860)

Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Current assets			
Trade and other receivables	9	3,080	3,111
Cash and cash equivalents	10	170	147
		<u>3,250</u>	<u>3,258</u>
Current liabilities			
Current tax		68	82
Trade and other payables	11	2,704	2,684
		<u>2,772</u>	<u>2,766</u>
Net assets		<u>478</u>	<u>492</u>
Capital and reserves			
Share capital	12	351	351
Share premium		69	69
Retained earnings		58	72
Total shareholder funds		<u>478</u>	<u>492</u>

Approved by the Board on 24 September 2021 and signed on its behalf by:



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C Shortland
Director

The notes on pages 15 to 20 form an integral part of these financial statements.

Countrywide Insurance Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	351	69	72	492
Loss for the year	-	-	(14)	(14)
At 31 December 2020	351	69	58	478

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	351	69	(279)	141
Profit for the year	-	-	351	351
At 31 December 2019	351	69	72	492

The notes on pages 15 to 20 form an integral part of these financial statements.

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The Company is a private company limited by share capital, that is incorporated and registered in England and domiciled in the United Kingdom. The details of the Company's registered office address can be found on page 2. The principal activity of the Company is disclosed on page 3 within the "Strategic Report" section.

These financial statements for the year ended 31 December 2020 were authorised for issue by the Board on 24 September 2021 and the Statement of Financial Position was signed on the board's behalf by C Shortland.

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 throughout the periods presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101").

The Company is a wholly owned subsidiary of The Ardonagh Group Limited and so has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements. Its results are included in the consolidated financial statements of its ultimate parent.

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. 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.

No amendments to standards and interpretations that are mandatorily effective for annual periods beginning on 1 January 2020 have had a material effect on the Company's financial statements.

FRS 101 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 EU ("EU-adopted IFRS"), 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;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 10(f), 39(c) and 134 - 136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details 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;

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

FRS 101 disclosure exemptions (continued)

- 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 paragraph 10(d) and 111 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.

First time adoption of FRS 101

These financial statements for the year ended 31 December 2020 are the first the Company has prepared in accordance with FRS 101. For all periods up to and including the year ended 31 December 2019, the Company prepared its financial statements in accordance with International Financial Reporting Standards as endorsed by the EU (EU-IFRS). No adjustments arise on the transition to FRS 101 and no reconciliations of equity on the date of transition have been prepared.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However on 26 March 2019, the directors took the decision to cease trading following the transfer of the last member contract to The Broker Network Limited (a fellow Group company). Accordingly the directors have not prepared the financial statements on a going concern basis.

Prior to trade ceasing, the Company held a limited number of member contracts in its name and therefore recognised the revenue in accordance with these contracts. Associated costs are a recharge from a fellow subsidiary, The Broker Network Limited as the Company has no employees. Both revenue and costs ceased to be recognised from the date of cessation of trade, 26 March 2019.

The assets and liabilities recognised at the balance sheet date have been valued on a break-up basis, however due to their nature, this has had no impact on the valuation as they predominantly relate to intercompany trading balances with fellow Group companies which will be settled at carrying value. External liabilities relate to third party invoices and amounts owed to HMRC and have been valued based on amounts expected to be settled. The Company has no non-current assets or liabilities.

The Company's assets and liabilities will be settled prior to liquidation and any surplus will be transferred to a fellow Group company.

Interest expense recognition

Interest expense is recognised using the effective interest rate method by applying the effective interest rate to the net carrying amount of the financial liability.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the life of the financial asset or liability to that asset's or liability's net carrying amount.

Taxation

The tax expense for the year comprises current tax. Income tax is recognised in the income statement, 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Revenue recognition

Revenue continues to be earned either at the date of inception of an insurance policy or evenly over the period of a contract.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognised revenue when it transferred control over a product or service to a customer.

IFRS 15 requires disaggregation of revenue, the Company has not segregated revenue per geographical location as all sales are conducted in the United Kingdom or by type of customer because the majority of clients will be commercial.

The Company has segregated revenue as follows:

Revenue type	Member Fees
Overview of service	Insurance Brokers joined the network and become a 'Member' to gain access to a variety of services offered by the Network.
Goods and services transferred	Access to insurer markets and additional business services such as client money, marketing, compliance, HR and other auxiliary services.
Consideration	Membership Fee – the fee was earned over the term of the membership contract.

Revenue type	Insurer Commissions
Overview of service	The Network has agreed preferential rates with Insurers for Members who offer insurance risk placement service direct with Insurers. Revenue was generated from Insurers for Members placing insurance risk with insurers.
Goods and services transferred	Access to insurers for Member to place insurance risk.
Consideration	Insurer Commissions – are estimated at the inception of a policy and trued up when the amount of commission receivable is confirmed.

Cash and cash equivalents

Cash and cash equivalents, other than client and insurer monies, comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with a maturity of three months or less and are subject to an insignificant risk of changes in value.

Financial assets

The Company's financial assets include trade and other receivables. They are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortised cost. A provision for the impairment of trade receivables is established 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.

Financial liabilities

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

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Insurance transactions

The Company did not engage in any direct insurance transactions itself. All insurance was transacted by its members on their own account.

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.

Share premium

Share premium is the amount by which the fair value of the consideration received exceeds the nominal value of shares issued. Expenses and commissions paid on the issue of shares are written off against the share premium of the same issue.

3 Critical accounting judgments and key sources of estimation uncertainty

Estimates and judgments 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.

Management do not consider the Company requires any significant judgments or estimates.

4 Turnover

The analysis of the Company's revenue for the year from discontinued operations is as follows:

	2020 £ 000	2019 £ 000
Member income	-	12
Insurance income	1	432
	<u>1</u>	<u>444</u>

Member income represents commission and fee income derived directly from Members themselves. Insurance income represents commission and fee income and profit related commissions' receivable from insurers. Revenue consists entirely of sales made in the United Kingdom.

5 Administrative expenses

	2020 £ 000	2019 £ 000
Other administration costs	8	2
Auditor's remuneration (audit of these financial statements)	10	-
Auditor's remuneration (prior year auditors – KPMG)	-	10
	<u>18</u>	<u>12</u>

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

6 Staff costs

The Company had no employees in the current year (2019: nil). All administration is performed by employees of the Group, for which no recharge is made to the Company.

7 Directors' remuneration

For the directors serving throughout the year to 31 December 2020, their emoluments are not apportioned between their roles as directors of various entities within the Group and are therefore disclosed in the financial statements of Bravo Investment Holdings Limited and The Broker Network Limited.

The Company has taken advantage of Schedule 5 Part 2 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 not to disclose the aggregated emoluments for the highest paid director.

8 Income tax

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax credit / (charge)	3	(82)
Adjustments in respect of prior periods	-	-
	<u>3</u>	<u>(82)</u>
Deferred taxation		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Tax credit / (charge)	<u>3</u>	<u>(82)</u>
Reconciliation of the tax credit / (charge):		
Loss before tax	(17)	433
Corporation tax at standard rate of 19%	3	(82)
Total tax credit / (charge)	<u>3</u>	<u>(82)</u>

In the March 2021 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023.

9 Trade and other receivables

	2020 £ 000	2019 £ 000
Current trade and other receivables		
Receivables from related parties	3,080	3,089
Prepayments	-	22
	<u>3,080</u>	<u>3,111</u>

Countrywide Insurance Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank	170	147
	<u>170</u>	<u>147</u>

Cash at bank includes £131k (2019: £131k) in office accounts which are considered restricted and not available to pay the general debts of the Company.

11 Trade and other payables

	2020 £ 000	2019 £ 000
Current trade and other payables		
Amounts due to other Group companies	2,690	2,667
Accrued liabilities	14	16
Other payables	-	1
	<u>2,704</u>	<u>2,684</u>

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

12 Share capital

	2020		2019	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	351,125	351	351,128	351

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

13 Parent and ultimate parent undertaking

The Group's majority shareholder and ultimate controlling party at 31 December 2020 is HPS Investment Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2020 that consolidate the Company is The Ardonagh Group Limited (incorporated in Jersey, registered office address 3rd Floor, 44 Esplanade, St Helier, Jersey JE4 9WG). The parent company of the smallest group that prepares group financial statements at 31 December 2020 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, London, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court
Mincing Lane
London
EC3R 7PD

14 Subsequent events

There are no significant events to report.