Registration number: 02461657

URIS Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

URIS Group Limited

Contents

URIS Group Limited

Company Information

Directors	D J Coles
	J Byrne
Company secretary	Ardonagh Corporate Secretary Limited
Registered office	Quay Point Lakeside Boulevard Doncaster South Yorkshire DN4 5PL United Kingdom
Auditor	Deloitte LLP Hanover Building Corporation Street Manchester M4 4AH United Kingdom

The directors present their strategic report for the year ended 31 December 2022 for URIS Group Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the performance of the Company during the financial 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 ("the Group").

Principal activities and business review

The principal activity of the Company is that of an insurance intermediary providing a suite of services across the entire distribution chain focused in the areas of home, protection and ancillary insurance.

The Company has moved into the Retail segment of the Ardonagh Group in the year which is governed by the Atlanta Retail Platform.

The results for the Company show revenue of £5.9m (2021: £6.2m) and loss before tax of £5.1m (2021: £2.6m) for the year. At 31 December 2022 the Company had net assets of £30.9m (2021: £33.8m). Key drivers of the performance are set out on page 5 under Key Performance Indicators. The going concern note (part of accounting policies, note 2) sets out the reasons why the directors continue to believe that the preparation of the financial statements on a going concern basis is appropriate.

During the year, the Company moved into the Retail segment of the Ardonagh Group which is governed by the Atlanta Retail Platform.

Section 172 (1) Statement

The Directors take seriously their obligations under s.172 (1) (a)-(f) of the Companies Act 2006 ("s.172 Duties") to act in a way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole consistent with s.172 Duties.

Board oversight and governance are discharged by the Atlanta Retail Group Platform and Segment Boards. The Platform Board considers and approves acquisitions and disposals, sets integration/synergy plans and recommends investments over a set limit to the Ardonagh Group Board for approval. The Atlanta Platform Board has constituted a Remuneration Committee and an Audit Committee. The Remuneration Committee approves matters delegated to them by the Group Remuneration Committee and recommends matters that require approval by the Group Remuneration & Nominations Committee. The Audit Committee ensure robust oversight over prudential and financial risk and Internal Audit plan delivery.

The performance and delivery of annual and integration plans of the underlying Broking and MGA businesses within the Atlanta Retail Group are subject to detailed oversight by our Insurance Broking and MGA Segment Boards. The Segment Boards also discharge rigorous oversight over the management of risk. Given the respective size of the businesses, the insurance broking Segment Board have constituted a risk committee that reports back to the Board.

All our Boards and Committees operate under written terms of reference and a delegated authority framework set by the Ardonagh Group. Our Boards and Committees are supplied with regular, comprehensive and timely information in a form and quality that enables them to discharge their duties effectively. Below is an explanation of how the Atlanta Platform and Segment Boards engage with our stakeholders and how their views inform Board decision making.

Section 172 (1) Statement (continued)

Shareholders
There are two shareholder representative directors on the Atlanta Platform Board who articulate their views during Board discussions.

Employees
Our employees are central to the success of the Atlanta Group and our remuneration structures are designed to reward good performance at the individual and business level and support our values. In addition, the Atlanta Group focusses on providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths and study support and, if appropriate, movement across different Atlanta businesses.

The Atlanta Group has adopted an Equality and Diversity Policy and the Board believes that equality, diversity and inclusion strengthen the Atlanta Group, contribute to long-term business performance, and attract key talent. The Atlanta Board have taken time to consider management actions and initiatives regarding diversity and inclusion, and they support and monitor management actions to increase the proportion of senior leadership roles held by women and other under-represented groups across Atlanta.

During the year, Management introduced several initiatives including an advance pay review of 2% and a one off £500 Cost of Living payment for lower paid colleagues, a Winter Warmer campaign providing free breakfast, lunches and a Community Cupboard to alleviate the cost-of-living related financial pressures for employees.

An annual Groupwide employee pulse survey has been conducted since 2019. 84% of Atlanta employees participated in the 2022 pulse survey, the highest response rate across the Ardonagh Group. Atlanta achieved an average score of 7.7 (out of 10) across all questions, higher than the 7.5 average score across the Ardonagh Group. The survey highlighted positive trends regarding creating a sense of belonging and purpose, fostering cultures of inclusion and respect, and building strong team and line manager relationships. The survey also highlighted that there is also work to do on recognition and inter-department/brand collaboration.

Customers
Seeking good customer outcomes is central to the success of the business. Management continues to seek customer views and improve how we track our customers' perceptions of our businesses and bring the voice of our customers into Board reporting. Our products and services are periodically reviewed to ensure they continue to meet the needs of our customers.

In response to the cost-of-living crisis, the Board has reviewed and enhanced how we support our vulnerable customers, including dedicated call lines staffed by colleagues who have received specific training and provided with tools and solutions to help our customers.

In preparation for the new UK Customer Duty launched by the FCA, the Atlanta segment board selected an independent-non-executive director to act as a Customer Champion who regularly meets with management to discuss and challenge performance against customer related metrics and helps facilitate the voice of the customer to be heard in the Boardroom.

Section 172 (1) Statement (continued)

Regulatory relationships
The Board prioritises positive, open and transparent engagement with all our regulatory relationships. Our directors receive regular updates on regulatory interactions and new regulatory rules and guidance and how they impact our businesses. We participate in thematic reviews and believe that strong regulatory relationships are a source of competitive advantage.

Insurers
Our insurance partners are fundamental to the success of the business. Senior leaders regularly meet with key insurance partners, supported by increasingly sophisticated data, to discuss performance and ways in which we can continue to meet customers' needs and these developments are reported to our Boards.

Our Suppliers
Management aims to treat all our suppliers fairly and to pay them in accordance with contractual terms. Our key suppliers are defined by the Group Outsourcing and Procurement Policy which ensures that all key suppliers are identified and subject to appropriate monitoring and engagement. Management ensures appropriate due diligence is performed on key suppliers before they are engaged. We require that our suppliers have ESG and modern slavery policies that are at least as stringent as our own.

The businesses publish a Payment Practices Report, on a bi-annual basis in accordance with the statutory reporting duty which requires companies to report on their payment policies, practices and performance.

Community
Ardonagh contributes to the communities in which we operate through the Ardonagh Charitable Trust. Further details on how we interact with communities are set out in the Sustainability Report available on the Ardonagh website.

Case Study in considering stakeholders in decision making
Our Atlanta Platform Board considered the new UK Consumer Duty rules and how they will impact our businesses and our stakeholders, as outlined out below:

Our Boards
The Platform Board considered and approved management's implementation plans to ensure compliance with the new Consumer Duty rules by the regulatory deadline. The Board received training and the previously mentioned Consumer Duty champion on the Board received additional briefings and training to ensure they can effectively discharge oversight and challenge. The Atlanta Segment Board will receive annual reviews in order to evidence that products and services comply with the new Consumer Duty.

Colleagues
Our Boards received assurances that relevant staff will receive training on the new Consumer Duty rules and regular communications are sent out to staff to ensure awareness of the new rules and support the embedding of the Consumer Duty requirements. Our Boards regularly consider the culture within our businesses and ensure risk frameworks and remuneration policies help drive the right conduct and behaviours.

Section 172 (1) Statement (continued)

Customers
Our customers are at the heart of our decision making and our Boards considered how the business will ensure 'good customer outcomes' will be achieved and evidenced and how the business treats vulnerable customers. Our Boards have tasked management to build new metrics and reporting to enable compliance with the new rules to be measured and monitored. Management is also seeking ways to enhance customer communications in light of the new rules, and these enhancements will be subject to Board oversight and challenge.

Insurers
Our segment Boards considered how the business will work with our insurer partners in order to comply with the new Consumer Duty rules, in particular how 'fair value' assessments will be conducted.

Regulatory
Our segment Boards discharge oversight and challenge to ensure the business complies with regulatory deadlines set out in the new Consumer Duty rules. In addition, our Risk Committee consider interactions with the FCA to ensure our regulatory relationship is constructive, transparent and cooperative.

Shareholders
Our shareholder representative directors report back to the Group Board on progress and the impact of compliance with the new Consumer Duty rules on the business.

Outlook
The directors do not expect there to be any changes in the nature of the business in 2023.

Key performance indicators
The Company's key financial and other performance indicators during the period were as follows:

	Unit	2022	2021
Gross written premium (GWP) brokered	£m	70.0	74.5
Total income (commission and fees, and other income)	£m	5.9	6.2
Administrative expenses (salaries and associated costs, and other operating costs)	£m	8.2	8.7
Total income/GWP ratio	%	8.4	8.3
Administrative expenses/total income ratio	%	139.0	140.3

The total income/GWP ratio has remained consistent at 8.4% compared to 8.3% in 2021. The decrease in revenue is materially related to the business combination (see note 4). The business rationalisation is the main factor behind the decrease in administrative expenses from £8.7m in 2021 to £8.2m in 2022, this was primarily related to salaries and associated costs reduction.

Non-financial key performance indicators include staffing levels which have shown a decrease in the average number of persons employed by the Company from 135 in 2021 to 117 in 2022.

The Company actively encourages all employees to become involved in Company affairs and is also keen to encourage two-way communications on relevant business issues. This is achieved through regular employee meetings and by presentations by senior management, supported by a Group-wide communication plan.

Principal risks and uncertainties
The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide-ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Group Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Group Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

The principal risks and their mitigation are as follows:

Strategic and commercial risk
There are risks of changes to the competitive and economic environment. This is mitigated by a robust strategy and planning process, regular monitoring of the economic and competitive environment and by diversification of product lines and channels.

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.

Operational risk
There is the risk of losses arising from inadequate or failed internal processes or systems, from personnel and/or from external events. These risks are mitigated by having an Enterprise Risk Management Framework in place, which is owned by the Group Risk Officer. The framework requires all risks to have owners, and these owners have appropriate controls in place which are regularly monitored, and significant changes to a risk are escalated as required.

The Company's business depends on the ability of employees to process transactions using secure information systems. The capacity to service customers depends on storing, retrieving, processing and managing information. Interruption or loss of information processing capabilities through loss of stored data, the failure of computer equipment or software systems, a telecommunications failure or other disruption, could have a material adverse effect on business, results of operations and financial condition. To mitigate these risks the Company has certain disaster recovery procedures in place and has insurance to protect against such contingencies.

Litigation
We are subject to various actual and potential claims, lawsuits and other proceedings relating principally to alleged errors, omissions or unfair provisions in connection with the placement of insurance or the provision of financial services advice in the ordinary course of business.

We maintain professional indemnity insurance for errors and omissions claims. The terms of this insurance vary by policy year and our ability to obtain professional indemnity insurance in the future may be adversely impacted by general developments in the market for such insurance, or by our own claims experience. If our insurance coverage proves inadequate or unavailable, there is an increase in liabilities for which we self-insure.

Relationships with key suppliers
The Company is an insurance intermediary and depends on insurance companies providing it with insurance underwriting capacity and products. If third-party brokers and other intermediaries do not provide customers with competitive levels of service, or if a significant number of them choose not to distribute our products, the level of written premiums we place for customers may decline. A withdrawal by insurance companies of underwriting capacity or products in circumstances where no replacement underwriting capacity or products can be procured, or an excessive increase in the rates charged by an insurance company, would impact our business performance.

Capacity, business performance and distribution are kept under proactive management by the Company, as appropriate for its operations and needs.

Retention and wellbeing of staff
The loss of several senior management or a significant number of our client-facing employees could have a material adverse effect on our business. The inability to attract and retain qualified personnel could also have a material adverse effect on our business. The Company maintains appropriate performance management, remuneration, succession planning and other HR policies that are proportionate for their respective businesses.

The business also had to respond to the changing nature of ways of working with the emergence of hybrid or remote working becoming more mainstream which has required us to focus on risk management around data, cyber, capability and wellbeing of employees.

Business Continuity Plans are in place across the Company's operating segment, which include policies to manage employee absences, to ensure access to the wider network of offices, to maintain the efficiency and stability of the infrastructure, and to facilitate home working for a significant portion of our employee base. Leadership teams and working groups led by senior managers are in place to support operational resilience and the taking of common-sense precautions with a view to ensuring the wellbeing of colleagues. We continue to review this approach in line with the latest developments and government guidance.

Breach of regulatory requirements
If we fail to comply with regulatory requirements, we may not be able to conduct our business or may be subject to substantial fines or other sanctions that may have an adverse effect on our results of operations and financial condition. The Group operates a robust risk and control framework (underpinned by the three lines of defence governance model set out on above) and closely monitors changes to the regulatory environment.

Approved by the Board on 26 September 2023 and signed on its behalf by:

....
J Byrne
Director

The directors present their annual report and the audited 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 J Coles

S W Hough (resigned 27 January 2022)

J G Sutton (appointed 27 January 2022 and resigned 1 November 2022)

J Byrne (appointed 1 November 2022)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial 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 5.

Future developments

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 5. .

Political donations

The Company has not made any political donations during the year (2021: £Nil).

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they have the appropriate skills and technical ability to perform. Once employed, a career plan is developed to ensure that suitable opportunities exist for each disabled person. Employees who become disabled during their working life will be retrained if necessary and wherever possible will be given help with any necessary rehabilitation and training. The Company is prepared to modify procedures or equipment, wherever practicable, so that full use can be made of an individual's abilities.

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 2. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details of this assessment can be found in note 2 to these financial statements.

Directors' indemnities

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

Subsequent events

Details of subsequent events can be found in note 23.

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

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

Approved by the Board on 26 September 2023 and signed on its behalf by:

....

J Byrne

Director

URIS Group Limited

Statement of Directors' Responsibilities

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 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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the members of URIS Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of URIS Group Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2022 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;
• the related notes 1 to 23.

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

Basis for opinion

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

We 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.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the members of URIS Group Limited (continued)

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.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the 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, including those that are specific to the company's business sector.

Independent Auditor's Report to the members of URIS Group Limited (continued)

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, FCA regulation, pensions legislation, tax legislation; 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. These included General Data Protection Regulation 2018, UK Bribery Act 2010 and Proceeds of Crime Act 2012.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Cut-off of Commission and Fee Revenue

Risk that revenue recognised from commission and fee income was not recognised in the correct accounting year through fraudulent manipulation.

To address the risk of fraud identified we have:
• Tested design and implementation of key controls in the cut-off process on commission and fee income recognition process.
• Performed post year-end testing of revenue recognised to determine which period the revenue related to and that it was recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements 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 internal 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 FCA.

Independent Auditor's Report to the members of URIS Group Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matter 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 any 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.

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.

N Graham
....
Nick Graham, FCA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester , United Kingdom

Date: 26/09/2023

URIS Group Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	5	5,933	6,213
Administrative expenses		(8,150)	(8,694)
Operating loss	8	(2,217)	(2,481)
(Loss)/gain on disposal of assets		(54)	1
Loss on disposal of subsidiaries	14	(2,686)	-
Finance costs	9	(118)	(132)
Loss before tax		(5,075)	(2,612)
Income tax	10	604	1,759
Loss for the year		(4,471)	(853)

The above results arise from continuing operations. There are no items of other comprehensive income in the current or prior year.

The notes on pages 20 to 44 form an integral part of these financial statements.

URIS Group Limited

(Registration number: 02461657)
Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Intangible assets	11	1,716	3,113
Property, plant and equipment	12	620	701
Right-of-use assets	13	577	705
Investments in subsidiaries	14	-	2,186
Deferred tax assets	10	2,123	1,609
		5,036	8,314
Current assets			
Cash and cash equivalents	15	12,610	11,740
Trade and other receivables	16	29,571	34,028
		42,181	45,768
Current liabilities			
Trade and other payables	17	(14,943)	(17,989)
Lease liabilities	13	(215)	(230)
Tax liabilities		(258)	(935)
Provisions	19	-	(35)
		(15,416)	(19,189)
Net current assets		26,765	26,579
Total assets less current liabilities		31,801	34,893
Non-current liabilities			
Lease liabilities	13	(612)	(739)
Provisions	19	(313)	(356)
		(925)	(1,095)
Net assets		30,876	33,798
Capital and reserves			
Share capital	20	2,580	2,580
Merger reserves		11,474	9,929
Retained earnings		16,822	21,289
Total equity		30,876	33,798

The notes on pages 20 to 44 form an integral part of these financial statements.

URIS Group Limited

(Registration number: 02461657)
Statement of Financial Position as at 31 December 2022 (continued)

Approved by the Board on 26 September 2023 and signed on its behalf by:

....
J Byrne
Director

The notes on pages 20 to 44 form an integral part of these financial statements.

URIS Group Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Merger reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	2,580	9,929	21,289	33,798
Loss for the year	-	-	(4,471)	(4,471)
Merger reserves (Note 4)	-	1,545	-	1,545
Share-based payment	-	-	4	4
At 31 December 2022	2,580	11,474	16,822	30,876

	Share capital £ 000	Merger reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	2,580	9,929	22,122	34,631
Loss for the year	-	-	(853)	(853)
Share-based payment	-	-	20	20
At 31 December 2021	2,580	9,929	21,289	33,798

The notes on pages 20 to 44 form an integral part of these financial statements.

1 General information

The Company is a private company limited by share capital incorporated and domiciled in England, United Kingdom. The address of its registered office is Quay Point, Lakeside Boulevard, Doncaster, DN4 5PL. The principal business activities of the Company are described in the Strategic Report.

The financial statements for the year ended 31 December 2022 were authorised for issue by the Board on 26 September 2023 and the Statement of Financial Position was signed on the board's behalf by J Byrne.

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'.

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

These financial statements have been prepared under the historical cost convention, as modified to use a different measurement basis where necessary to comply with FRS 101.

As a wholly owned subsidiary of Ardonagh Group Holdings Limited ("AGHL") at 31 December 2022, the Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts, and its results are included in the consolidated accounts of its ultimate parent for the year ended 31 December 2022. The previous holding company of the Company was The Ardonagh Group Ltd ("TAGL").

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.

2 Accounting policies (continued)

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 ("Adopted IFRS"), but makes amendments where necessary in order to comply with the 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 of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant and equipment and intangible assets;
- 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;
- 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 18A of IAS 24 Related Party Disclosures and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- 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.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in the Critical accounting judgements and key sources of estimation uncertainty disclosure on page 29.

2 Accounting policies (continued)

Going concern

As shown in account note 22, the Company is a member of a group ("the Group") of which Tara Topco Limited is the ultimate parent company and Ardonagh Group Holdings Limited is the highest level at which results are consolidated.

The financial statements of the Company have been prepared on a going concern basis. At 31 December 2022 the Company had net assets of £30.9m (2021: £33.8m) and net current assets of £26.8m (2021: £26.6m). The net current assets include amounts receivable from related parties of £28.3m (2021: £32.4m). The Company reported a loss before tax of £5.1m (2021: £2.6m).

The directors consider the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the directors have taken into account the following:

- The Group's capital structure, operations and liquidity.
- Base case and stressed cash flow forecasts over the calendar years 2023 and 2024.
- The impact on the base case and stressed cashflow forecasts arising from subsequent material acquisitions.
- The principal risks facing the Group, and its systems of risk management and internal control.
- Actual trading and cashflows of the Company and Group, including those of the group of companies previously owned by TAGL.

Key assumptions that the directors have made in preparing the base case cash flow forecasts are that:

- The Group will continue to benefit from a £191.5m Revolving Credit Facility that is not drawn at the date of this report.
- Client retention and renewal rates remain robust, despite the current economic uncertainty, as the 2023 trading performance continues to demonstrate resilience across the Group, including that of the group of companies previously owned by TAGL.
- Interest costs are modelled using current forward interest and FX rates (other than where interest rates on debt have been fixed through interest rate swaps.

Key stress scenarios that the directors have considered include cumulative stresses to the base plan as a result of:

- Shortfalls in base case projected income throughout 2023 and 2024.
- Deterioration in base case cash conversion rates over and above the shortfalls in income.
- An inflationary cost increase of 2% over the base case assumptions.
- Mitigating actions within management control including delayed capital expenditure, a reduction in discretionary spend and measured reductions in employee headcount and remuneration.

The directors have also modelled reverse stress scenarios, including assessing those that result in a default on the Group's term debt facilities that would require a technical repayment obligation and those that would exhaust available liquidity. The stresses needed for these outcomes to happen significantly exceed the key stress scenarios above and the directors consider such conditions to be a remote possibility. Other mitigations which may be possible in the stress scenarios but have not been included in the analysis include seeking shareholder support, securitising premium receivables and further incremental and more prolonged cost reductions.

The directors continue to consider the wider operational and financial consequences and ramifications of global political and economic tensions (including related to the Ukrainian conflict, foreign exchange rates, inflation and increasing interest rates). In particular:

2 Accounting policies (continued)

- Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. The Group is highly diversified and not unduly exposed to a single carrier, customer or market sector.
- Although economic developments remain fluid, the stress testing demonstrates the Group's financial resilience and operating flexibility.
- As a result of Russia invading Ukraine, we have seen significant new sanctions legislation from a range of legislators (including the US, EU and UK), with newly sanctioned entities and individuals, and new (or wider in scope) sectoral sanctions targeting Russia (and Belarus). The Ardonagh Group has no appetite for potential breaches of applicable sanctions regimes and applies appropriate controls including automated screening of clients against relevant sanctions lists. We continue to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.
- The Group continues to monitor the risk of cyberattacks, but the Group has not identified any significant cybersecurity risks during the period ended 31 December 2022.

Following the assessment of the Company and Group's financial position and its ability to meet its obligations as and when they fall due, including the further potential financial implications of economic uncertainty included in stress tests, the directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Intangible assets

Customer relationships
Customer relationship intangible assets are recognised on a business combination because the acquirer is able to benefit from selling future new business through existing relationships. Their fair value is calculated as the sum of the present value of projected cash flows in excess of returns on contributory assets over the life of the relationship with the customers. These assets are amortised on a straight-line basis over their estimated useful lives of between 5 and 10 years, which is estimated by reference to the history of the relationships and levels of attrition.

2 Accounting policies (continued)

Internally generated computer software and assets under construction
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the development of computer software (or from the development phase of an internal project) is recognised if, and only if, all the following conditions have been demonstrated:

• the technical feasibility of completing the asset so that it will be available for use or sale;
• the intention to complete the asset and to use or sell it;
• the ability to use or sell the asset;
• how the asset will generate future economic benefits;
• the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
• the ability to measure reliably the expenditure attributable to the asset during its development.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above and is classified as an asset under construction. Where no internally generated intangible asset can be recognised. development expenditure is recognised in the Statement of Comprehensive Income in the year in which it is incurred.

The fair value of internally-generated computer software acquired on a business combination is calculated by reference to the current cost to recreate the software.

Internally-generated intangible assets are not amortised in the period subsequent to initial recognition but before they are ready for use. Amortisation commences when they are ready for use as intended by management. They are then reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful life of between 4 years.

Computer software
Acquired computer software licences are recognised when they are purchased separately or are recognised on a business combination. Their fair value is calculated by reference to the net book value acquired. These costs are amortised on a straight-line basis over their estimated useful life of 4 years.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Comprehensive Income when the asset is derecognised.

Impairment of assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment at each Statement of Financial Position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the 'cash generating unit' to which the asset belongs is determined, being the lowest level for which there are separately identifiable cash flows.

Any impairment charges arising from the review of the carrying value of goodwill and intangible assets are, where material, presented separately on the face of the Statement of Comprehensive Income.

2 Accounting policies (continued)

Property, plant and equipment

Assets are stated at their net book value (historical cost less accumulated depreciation). Depreciation is calculated to write off the cost of such assets on a straight-line basis over their estimated useful lives. At the reporting date,

Asset class	Depreciation method and rate
Fixtures and fittings	6.67 years
Motor vehicles	3 years
Computer equipment	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Leases

The Company accounts for lease and non-lease components in a contract as a single lease component.

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, 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.

Leases of low value assets

The Company elects on a lease-by-lease basis whether to apply the lease of low-value assets exemption to leases of office equipment that are considered to be of low value (i.e. below £5,000). Lease payments on leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2 Accounting policies (continued)

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted for at cost less, where appropriate, impairment.

Investment in subsidiaries are stated at cost less any provision for impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses of £Nil (2021: £Nil) are recognised in the Statement of Comprehensive Income.

Calculation of recoverable amount

An impairment test of an asset is performed by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use, where its value in use is the present value of its future cash flows. An impairment test requires the application of significant judgement because it relies on key assumptions, including forecast cash flows, a discount rate, a terminal growth rate and an EBITDA multiple.

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and they are measured initially at fair value. Transaction costs arising on the issue of a financial asset or financial liability are accounted for as follows:

• Transaction costs are added to or deducted from the fair value of the financial asset or financial liability if they are directly attributable to the acquisition of the financial asset or financial liability, respectively, and if the financial asset is measured at fair value through other comprehensive income or if the financial asset or financial liability, respectively, is measured at amortised cost.

• Transaction costs are recognised immediately in profit or loss if they are directly attributable to the issue of a financial asset or financial liability at fair value through profit or loss, or if they are not directly attributable to the issue of a financial asset or financial liability.

The Company's financial assets include trade and other receivables and cash & cash equivalents. The Company's financial liabilities include trade and other payables.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2 Accounting policies (continued)

Impairment of financial assets
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. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected versus current conditions and the Company's view of economic conditions over the expected lives of the receivables, including the time value of money where appropriate. Scalar factors are typically based on GDP and unemployment rate forecasts.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

All cash and cash equivalents are assessed to have low credit risk at each reporting date as they are held with reputable banks and financial institution counterparties with, wherever possible, a minimum single A credit rating from both Moody's and S&P.

ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available.

Provisions
A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

The amount recognised as a provision is management's best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation.

Where appropriate the Company discounts provisions to their present value. The unwinding of the provision discounting is included as an interest charge within finance costs in the Statement of Comprehensive Income.

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.

2 Accounting policies (continued)

Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer (net of refunds) and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a service to a customer.

Commission and fees
Revenue includes commission and fees receivable by the Company. Commission and fees relate mainly to administration services provided in the collection of premiums on behalf of insurers or policyholders and are recognised at the point of the administration service being completed.

Employee benefits

Pension costs
The Company operates a number of defined contribution pension schemes. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity.

The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The costs of the Company's defined contribution pension schemes are charged to the income statement in the period in which they fall due.

Shared-based payments
The Company operates equity-settled share-based payment schemes. For equity-settled share-based payment schemes, the fair value of the services received in exchange for the grant of the shares is recognised as an expense, measured based on the grant date fair value of the shares and recognised on a straight-line basis over the vesting period, which generally depends on service and performance conditions being met.

The shares issued under the schemes generally have no dividend or voting rights and cannot be sold. The shares of an equity-settled share-based payment scheme are normally convertible to ordinary shares of the Group on the occurrence of a crystallisation event, being the earlier of a liquidity event, an Initial Public Offering (IPO) and a winding-up. The Company has the option to repurchase the shares if an employee leaves the Company prior to the occurrence of a crystallisation event.

2 Accounting policies (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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.

Current tax

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.

Deferred tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Finance costs policy

The Company's finance costs include unwind of discount on lease liabilities.

Interest expenses are recognised using the effective interest method for debt instruments classified as amortised cost.

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.

4 Business combinations

As part of the Group's strategy to align the legal entity structure with its operating segments, the Company has disposed of one operation via business and asset transfer transactions under common control. Being common control transactions these are accounted for using the acquisition method. No goodwill is recognised on such transfers and instead, any consideration in excess of the carrying value of transferring assets and liabilities is taken to merger reserves.

The Company has been the transferor in disposing of the PIUA business to Geo Underwriting Services Limited on 1 May 2022. As a result of this disposal, the Company recognised the following :

	Geo Underwriting Services Limited £ 000
Right-of-use assets	3
Intangible assets	55
Trade and other receivables	1,520
Cash and cash equivalents	408
Trade and other payables	(1,657)
Provisions	(13)
Net assets	316
Consideration	(1,861)
Merger Reserves	(1,545)

5 Revenue

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

	2022 £ 000	2021 £ 000
Commission and fees	5,862	5,863
Trading deals	71	350
	5,933	6,213

Revenue consists entirely of sales made in the United Kingdom.

6 Staff costs

The aggregate staff costs (including directors' remuneration) were as follows:

6 Staff costs (continued)

	2022 £ 000	2021 £ 000
Wages and salaries	3,495	3,938
Social security costs	353	411
Pension costs, defined contribution scheme	194	171
Redundancy costs	-	81
Share-based payment	5	20
	4,047	4,621

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration	95	117
Sales	20	16
Management	2	2
	117	135

7 Directors' remuneration

The emoluments of all directors for current year are paid by other Group companies, which make no recharge to the Company. These directors are directors of other fellow 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 director emoluments that relate to this entity.

8 Operating loss

Arrived at after charging/(crediting):

	2022 £ 000	2021 £ 000
Auditors remuneration: audit of these financial statements	90	95
Depreciation expense	153	173
Depreciation on right-of-use assets	125	134
Amortisation and other amounts written off intangibles	1,462	1,948
Disposal of tangible assets	56	(1)
Management charges paid to parent	136	59
Impairment of intangible assets	129	-

Management fees of £0.1m (2021: £0.1m) relate to central recharges. Centralised IT, staff, property and other costs are recharged across cost centres within the rest of the Group.

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of The Ardonagh Group Limited for the year ended 31 December 2022.

9 Finance costs

	2022 £ 000	2021 £ 000
Finance costs		
Other finance costs	(118)	(132)

Other finance costs represents the unwinding of discount on lease liabilities (note 13).

10 Income tax

The company's tax credit is the sum of the total current and deferred tax expense.

	2022 £ 000	2021 £ 000
Current tax		
UK corporation tax	(90)	(174)
Adjustments in respect of prior periods	-	23
Total current tax	(90)	(151)
Deferred tax		
Origination and reversal of temporary differences	(456)	(1,662)
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balances	(58)	54
Total deferred tax	(514)	(1,608)
Income tax credit in the Statement of Comprehensive Income	(604)	(1,759)

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

	2022 £ 000	2021 £ 000
Loss before tax	(5,075)	(2,612)
Corporation tax at standard rate of 19% (2021: 19%)	(964)	(496)
Adjustments to tax charge in respect of previous periods - current tax	-	23
Expenses not deductible for tax purposes	512	7
Other differences	25	-
Fixed asset differences	129	138
Income not taxable for tax purposes	(1)	(23)
Movement in deferred tax not recognised	(180)	(1,002)
Remeasurement of deferred tax for changes in tax rates	(125)	(406)
Total tax credit	(604)	(1,759)

10 Income tax (continued)

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:

2022	**Asset £ 000**
Accelerated tax depreciation	2,078
Provisions	6
First time adoption of IFRS 16	5
Losses	34
	2,123

2021	**Asset £ 000**
Accelerated tax depreciation	1,556
Provisions	-
First time adoption of IFRS 16	-
Losses	53
	1,609

Deferred tax movement during the year:

	At 1 January 2022 £ 000	**Recognised in income £ 000**	**At 31 December 2022 £ 000**
Accelerated tax depreciation	1,556	522	2,078
Provisions	-	6	6
First time adoption of IFRS 16	-	5	5
Losses	53	(19)	34
Net tax assets	1,609	514	2,123

10 Income tax (continued)

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	-	1,556	1,556
Provisions	-	-	-
First time adoption of IFRS 16	-	-	-
Losses	-	53	53
Net tax assets	-	1,609	1,609

The company did not recognise deferred tax assets as follows. These deferred tax assets have not been recognised in these accounts as it is not expected that the Group's future profitability will be sufficient to utilise them.

	2022 £ 000	2021 £ 000
Accelerated tax depreciation	-	193
First-time adoption of IFRS 16	-	6
Losses	87	68
Unrecognised deferred tax assets	**87**	**267**

11 Intangible assets

	Contractual customer relationships £ 000	Internally generated software development costs £ 000	Computer software £ 000	Total £ 000
Cost or valuation				
At 1 January 2022	3,752	2,939	5,996	12,687
Additions	-	234	144	378
Disposals	(451)	(1,180)	-	(1,631)
At 31 December 2022	3,301	1,993	6,140	11,434
Amortisation				
At 1 January 2022	(2,668)	(2,494)	(4,412)	(9,574)
Amortisation charge for the year	(551)	(284)	(627)	(1,462)
Impairment charge for the year	(129)	-	-	(129)
Eliminated on disposals	322	1,125	-	1,447
At 31 December 2022	(3,026)	(1,653)	(5,039)	(9,718)
Carrying amount				
At 31 December 2022	275	340	1,101	1,716
At 31 December 2021	1,084	445	1,584	3,113

12 Property, plant and equipment

	Fixtures and fittings £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2022	2,314	7	2,654	4,975
Additions	18	-	110	128
Disposals	(101)	(7)	-	(108)
At 31 December 2022	2,231	-	2,764	4,995
Depreciation				
At 1 January 2022	(1,635)	(7)	(2,632)	(4,274)
Charge for the year	(141)	-	(12)	(153)
Disposals	45	7	-	52
At 31 December 2022	(1,731)	-	(2,644)	(4,375)
Carrying amount				
At 31 December 2022	500	-	120	620
At 31 December 2021	679	-	22	701

13 Leases

Right-of-use assets
The table below provides a schedule of the movements in the carrying amount of the right-of-use assets held on the Statement of Financial Position during the year ended 31 December 2022.

	Property £ 000	Non-property £ 000	Total £ 000	Lease liabilities £ 000
At 1 January 2022	703	2	705	(969)
Disposals	(3)	-	(3)	13
Depreciation charged for the year	(125)	-	(125)	-
Interest expense	-	-	-	(118)
Lease payments	-	-	-	247
At 31 December 2022	575	2	577	(827)

	Lease liabilities £ 000
Current lease liabilities	(215)
Non-current lease liabilities	(612)
	(827)

Right-of-use assets
The table below provides a schedule of the movements in the carrying amount of the right-of-use assets held on the Statement of Financial Position during the year ended 31 December 2021.

	Property £ 000	Non-property £ 000	Total £ 000	Lease liabilities £ 000
At 1 January 2021	820	8	828	(1,082)
Remeasurement	16	-	16	-
Disposals	-	(5)	(5)	(13)
Depreciation charged for the year	(133)	(1)	(134)	-
Interest expense	-	-	-	(132)
Lease payments	-	-	-	258
At 31 December 2021	703	2	705	(969)

13 Leases (continued)

	Lease liabilities £ 000
Current lease liabilities	(230)
Non-current lease liabilities	(739)
Lease liabilities	(969)

In addition to the above, the Company recognised the following in the Statement of Comprehensive Income for the year:

	2022 £ 000	2021 £ 000
Expense relating to variable lease payments not included in the measurement of the lease liability (recognised within other operating expenses)		
Service charges	(17)	(17)
Insurance rent	-	(3)
Irrecoverable VAT and other levies expensed (recognised within other operating expenses)	(45)	(41)
	(62)	(61)

During the year ended 31 December 2022, the total cash outflows for leases was £0.2m (2021: £0.3m).

13 Leases (continued)

Maturity analysis
The total future values of undiscounted lease liabilities are as follow:

	2022 £ 000	2021 £ 000
Within one year	209	236
In one to five years	816	1,167
In over five years	-	-
Total undiscounted value	1,025	1,403

14 Investments in subsidiaries

	£ 000
Cost or valuation	
At 1 January 2022	2,186
Additions	500
Disposals	(2,686)
At 31 December 2022	-
Provision for impairment	
At 1 January 2022	-
At 31 December 2022	-
Carrying amount	
At 31 December 2022	-
At 31 December 2021	2,186

During the year. the Company disposed all its subsidiaries resulting in a loss of £2,686k.

14 Investments in subsidiaries (continued)

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2022	2021
Millennium Insurance Brokers Limited	Insurance Services	England	Direct	0%	100%
Lutine Assurance Services Limited	Insurance Services	England	Direct	0%	100%
Cassidy Davis Underwriting Agency Limited	Dormant	England	Direct	0%	100%
Geo Service Solutions Limited	Insurance Services	England	Indirect	0%	100%
RDG Midas Holdings (NI) Limited	Intermediate Holding Company	England	Direct	0%	100%

15 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Own funds	598	396
Fiduciary funds	12,012	11,344
	12,610	11,740

Fiduciary funds represent client money used to pay premiums to underwriters, to settle claims to policyholders and to defray commission and other income. Fiduciary funds are not available for general corporate purposes.

16 Trade and other receivables

	2022 £ 000	2021 £ 000
Current trade and other receivables		
Trade receivables	59	666
Receivables from other Group companies	28,289	32,442
Prepayments	300	319
Accrued income	140	303
Contract assets	62	96
Other receivables	720	201
Other assets	1	1
	29,571	34,028

Other assets include costs to fulfil contracts with customers of £1k (2021: £1k), which are presented within trade and other receivables in the Statement of Financial Position.

Contract assets of £62k (2021: £96k) are amounts of revenue recognised by the Company that are subject to variability. Gross debtor £62k (2021: £1,405k) with a provision of £Nil (2021: £1,309k).

The directors believe that the intercompany receivables are recoverable. The balances are unsecured, interest free and repayable on demand.

17 Trade and other payables

	2022 £ 000	2021 £ 000
Current trade and other payables		
Trade payables in relation to insurance transactions	11,510	10,293
Accrued expenses	631	598
Amounts due to other Group companies	2,279	6,699
Social security and other taxes	90	-
Outstanding defined contribution pension costs	26	-
Other payables	407	301
Contract liabilities	-	98
	14,943	17,989

Contract liabilities represent the Company's obligation to transfer services to customers for which the Company has received the consideration (or the amount is due) from the customer.

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

18 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The total cost charged to the Statement of Comprehensive Income of £194k (2021: £171k) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2022, contributions of £26k (2021: £Nil) due in respect of the current reporting year had not been paid over to the schemes and are included in other payables.

19 Provisions

	Dilapidations £ 000	Total £ 000
At 1 January 2022	391	391
Utilised during the year	(78)	(78)
At 31 December 2022	313	313
Current liabilities	-	-
Non-current liabilities	313	313

Dilapidations
Estimated amounts payable for dilapidations on property at the end of the lease term.

20 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	25,803	2,580	25,803	2,580

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.

21 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.

22 Parent and ultimate parent undertaking

The Company's immediate parent company is Atlanta MGA Holdings 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

23 Subsequent events

URIS Group Limited was transferred to Atlanta MGA Holdings Limited on 1 November 2022. On 4 January 2023 legal ownership was transferred following HMRC confirmation of stamp duty relief.

The Company performed a review of events subsequent to 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.