Registered Number: 02600841 England

Carole Nash Insurance Consultants Limited

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

Contents

DIRECTORS:	C D Ball I J Donaldson
COMPANY SECRETARY:	Ardonagh Corporate Secretary Limited
REGISTERED OFFICE:	Trafalgar House 110 Manchester Road Altrincham Cheshire WA14 1NU
INDEPENDENT AUDITORS:	Deloitte LLP The Hanover Building Corporation Street Manchester M4 4AH
BANKERS:	The Royal Bank of Scotland PO Box 2027 Bolton BL6 4YU Bank Of Ireland St Stephens Green Dublin 2 Ireland D02 HF62
COMPANY NUMBER:	02600841 England

BACKGROUND

Carole Nash Insurance Consultants Limited (the "Company" or "Carole Nash") is an insurance intermediary. Its principal activity is the provision of insurance for motorcycles together with other general insurance business. The Company operates a multi-channel distribution model via the internet and a contact centre. Carole Nash is part of the Ardonagh Group ("The Group") and forms part of the Retail segment ("The Segment") of the Ardonagh business, known as "Atlanta".

The Company's immediate parent company is Atlanta Investment Holdings Limited and the ultimate parent is Tara Topco Limited following the satisfaction of closing conditions on 31 May 2022.

REVIEW OF PERFORMANCE

The financial statements for the year ended 31 December 2021, the Company has prepared in accordance with Financial Reporting Standard 101 ('FRS 101')

On 9th August 2022, the Company's Board approved for the Company to transfer its trade and associated assets to Atlanta Insurance Intermediaries Limited, a company under common control, in early 2023. It is the directors' intention to thereafter liquidate the Company and that this process will take approximately 18 to 24 months.

2021 saw Carole Nash deliver an Operating Profit of £3.8m which was £1.3m up versus prior year. Overall Income performance was resolute despite the challenges brought by the Covid-19 pandemic and associated market conditions, with 2021 income being broadly in line with prior year. Live policies were also broadly in line with prior year. Operating costs were down £0.8m year on year as a result of cost efficiency activities driving reductions in IT, telephony and bad debt costs. The Company's key financial and other performance indicators during the year were as follows:

	2021 **£'000**	**2020** **£'000**
Turnover	23,351	23,083
Operating profit	3,848	2,484
Profit for the financial year	4,686	2,825
Total shareholders' funds	36,328	31,639
Total number of trading branches and call centres**	1	1
Number of live policies**	245,173	194,164

** As at 31 December. The number of live policies refers to motorcycle, car and home policies

SECTION 172 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 and in doing so, have regard to; the likely consequences of any decision in the long-term, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the Company. The day to day Board level governance over the Carole Nash business business is undertaken by the Atlanta Investment Holdings 3 Limited Board ("Atlanta Board"). The directors of the Company are members of the Atlanta Board. The Atlanta Board considers the long-term consequences of its decisions and has identified the following as our key stakeholders and how the Atlanta Board engages with each stakeholder group as set out below.

Employees

Our employees are central to the success of the Ardonagh Group and the remuneration structures across Ardonagh are designed to reward good performance at the individual and business level and support our culture. In addition, our businesses focus on providing working conditions that are Covid-19 safe and 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 Ardonagh businesses. Each of our Segment Boards have undertaken a review of management succession, including focus on improving diversity over time. The Employee Group Plan is an equity scheme that recognises the wider contribution of employees; identifying key talent and future leaders within the Group. The plan extends to a wide cross-section of our people and has created a more diverse group both in terms of age and gender, that now hold equity.

Our Boards believe in the importance of communication and engagement with all employees and this has become increasingly important since many of our staff moved to homeworking or hybrid office and home working in 2020 and 2021. Good communication and engagement is also linked to and supports our actions taken to enhance staff well-being. Our Businesses all undertake regular communication and other engagement activities, including Group initiatives, such as Radio Ardonagh. Other Group initiatives include 'applause' where employees can give a 'shout out' to their colleagues who have gone above and beyond. There are also weekly all-staff communications, messages from the CEO and our annual Spotlight Awards. Our Segments undertake local initiatives in addition to Group-wide initiatives.

Our third Group-wide employee pulse survey was undertaken in Q4 2021, which achieved an excellent 81% response rate from over 6,000 employees. The Group achieved an overall positivity score of 73.08% (2020: 74.74%). Our Group and Segment Boards have considered the pulse survey scores and the actions to be taken as a result of the survey, which include a refresh of actions to be taken across each of our 5 people commitments; Attract and Retain, Onboard and Develop, Recognise and Reward, Empower and Enable and Respect and Support. Each of these 5 people commitments outline our ambition for a diverse and fair workforce and an inclusive culture. The Group and each of our Segments have established diversity & inclusion forums in which to hold frank, straightforward conversations on topics such as well-being, diversity and inclusion and this two-way dialogue with our people has been warmly received and is leading to tangible actions and progress. Management understand that diversity and inclusion is an ongoing process and our journey will continue to be an area of focus, with key executives having individual personal objectives that support diversity and inclusion. Actions taken to date include mandatory all-staff unconscious bias training, extensive communications to promote awareness, an engagement of a third party to assist in improving diversity in recruitment in our Specialty business and Group-wide education and allyship on an ongoing basis and not just centred around annual celebrations, including International Women's Day and Pride Month.

SECTION 172 STATEMENT (continued)

Customers
Seeking good customer outcomes is central to the success of the business. Management continues to improve how we track how our customers perceive our businesses. In addition, our products and services are periodically reviewed to ensure they continue to meet the needs of our customers. Treating customers fairly and looking after vulnerable customers have been industry-wide priorities, as the impact of lockdowns meant millions more customers were tipped into 'low financial resilience'. Poor numeracy skills are seen as a big driver for this and Atlanta Group, part of the Ardonagh Retail platform, was one of only two insurance companies in a cross-sector panel to put forward real-life examples of customer communications for Plain Numbers research with 5,000 consumers. The research, published in July 2021, found that Plain Number versions of the same customer insurance documents – such as explanations of excess or premium finance costs – on average doubled levels of understanding. Across five trials, customers seeing the Plain Numbers versions were nearly twice as likely to be able to answer 4 out of 5 comprehension questions correctly, thereby enabling them to make better decisions. Atlanta has now become one of the first insurance partners of Plain Numbers and colleagues will receive training to build a team of Plain Numbers Practitioners within Atlanta. The team will then go on to lead the organisation as it looks to support customer comprehension in key communications across our portfolio of brands. Our Segment Boards discharge oversight over performance against conduct risk frameworks and key customer related metrics to ensure the customer remains at the heart of our decision making. Our businesses have fully embraced the FCA requirements on general insurance pricing and value that came into force at the end of 2021.

Regulatory relationships
Our regulators across the world are key stakeholders and the Board prioritises positive, open and transparent engagement with all our regulatory relationships by ensuring the right 'tone from the top', which starts with how the Board and senior management engage with our regulators. The Group and Segment Boards also receive regular updates on regulatory interactions and new regulatory guidance and how they impact our businesses. We regularly participate in regulatory thematic reviews and believe that a strong relationship with our regulators is a source of competitive advantage

Insurers
Our insurance partners are fundamental to the success of the business. Senior leaders regularly meet with our key insurance partners to discuss performance and ways in which we can enhance cover for customers and feedback on insurer relationships are reported to our Segment Boards.

Our Suppliers
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, the level of which is dependent on the size and critical nature of the services supplied. We also have minimum due diligence standards to be performed on key suppliers before they are engaged, which includes a requirement that suppliers have ESG and modern slavery policies that are at least as stringent as our own.

Community
Ardonagh contributes to the communities in which we operate through the Ardonagh Charitable Trust ('ACT').

ACT continues to be one of the Group's proudest achievements and a driver of connection both between our own people and with the wider community. Through this registered charity, we harness the passion of Ardonagh employees to deliver tangible support to the communities they live and work in and the causes closest to their hearts. Thanks to the generosity of our own community and the amazing local efforts of our people, ACT has raised over £1.5 million since 2018 and has supported over 400 charities to date.

In 2021, ACT's funding has helped hundreds of small, local charities chosen by our own employees to make a difference to those in need. Over £52,000 was paid via the match funding programme which boosts colleagues' individual fundraising efforts. 35 community projects put forward by our colleagues received a share in over £153,000 via the quarterly grant programme. ACT donated £87,000 to our chosen charity partner Samaritans as part of our ongoing commitment to raising funds and awareness for mental health services.

In 2021, ACT launched the Bright Future Prize to give young people aged between 15-19 years old the chance to win £20,000 to bring an idea to life that would make a difference to a community. Last year one overall winner received £20,000 and three highly commended prizes were awarded in addition. For 2022, the programme is being relaunched with a total funding pot of £40,000 to be awarded across four areas; Your Planet, Your Community, Your Vision and Your Passion, (£10,000 for each winner per category). The age range for the award is also being extended to 13-19 years old

Throughout the year, we also encouraged colleagues to take their one-paid day a year of volunteering time and despite the ongoing restrictions imposed by Covid-19, over 460 hours were donated into local communities.

The Ardonagh Group ESG strategy is reported in the 2021 Ardonagh Group Annual Report.

RISK MANAGEMENT

All of the Company's employees are responsible for risk management, with ultimate responsibility resting with the Board. Responsibility and accountability for managing risk is shared across all business units within Atlanta (Autonet, Carole Nash and Swinton). The Atlanta Risk & Audit Committee and sub-committees of the Executive Committee provide oversight responsibilities.

A risk management framework is in place which sets out the structure for the governance and oversight of risk and summarises the principles for the management of risks within the Company. The framework is supplemented by a risk management policy which provides detailed guidance for the identification, measurement, monitoring and reporting of risks. Atlanta operates in line with risk management practises and governance requirements as set out by Ardonagh Group.

Atlanta faces a range of risks which have the potential to impact financial performance or the achievement of strategic business objectives. The Ardonagh Risk Management Framework which has been in place throughout the financial year and up to the date that these financial statements were approved. Monitoring of risk is carried out and assurance is gained through financial, operational, compliance and quality based auditing. The Risk Committee monitors remedial action as part of its wider remit to oversee the internal control environment.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of risks and uncertainties which are summarised in the table below:

Risk	***Description***
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 Company and the Group has demonstrated its resilience from an economic shock and demonstrated operational and financial resilience in response to the Covid-19 pandemic. The Company and 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 £683.4m at 30 June 2022 and closely monitors available liquidity on an ongoing basis. See note 2b for further detail on Going Concern. 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.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Insurance market volatility	Volatility or declines in premiums, as well as declines in commission rates, may seriously undermine our business and results of operations. We derive most of our revenue from commissions and fees for underwriting and broking services. Our commissions are generally based on insurance premiums, which are cyclical in nature and may vary widely based on market conditions. A significant reduction in commissions, along with general volatility or declines in premiums, could have a significant adverse effect on our business. On a longer time-horizon, the insurance markets might be disrupted by new technologies, "open finance" or new distribution structures, which may give rise to both risks and opportunities for the Group
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 and closely monitors changes to the regulatory environment.
Changes to regulatory environment	Our business is primarily regulated by the Financial Conduct Authority (FCA). The FCA rules have a conduct and customer focus but also impose minimum capital and liquidity requirements on the Group. In 2022, further changes to the UK regulation of general insurance are due or likely to be enacted, notably in relation to: pricing and value; consumer rights; operational resilience; and oversight of Appointed Representatives. Only regulatory interventions on pricing are anticipated to have a notable financial implication for the general insurance market, with this limited to certain lines of consumer business. As all consumer market participants will be impacted, including the Group's competitors, this is anticipated to give rise to both risks and opportunities for the Group and Company.
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.
Cyber-security and data protection	Our computer systems store information about our customers and employees, some of which is sensitive personal data. Although we have taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our databases and to ensure that our processing of personal data complies with the General Data Protection Regulations (GDPR), our technology may, on occasion, fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss. Our systems, and the wider public infrastructure they rely on, may also be subject to attack preventing use and disrupting business operations. The Group has robust policies, business standards and control frameworks in place for both cyber security and data protection. Following the appointment of the Group CISO at 2019 year-end, a 3-year group-wide Cyber Resilience Strategy was established, with all major areas of the Group developing related cyber remediation roadmaps (with a particular focus on related IT control environments) where required, to further review and enhance the maturity and capability of cyber and information security processes and controls across the Group. Appropriate mechanisms have also been embedded to help effectively track and manage related cyber risk across the Group. The Group continues to have a cyber insurance policy in place to mitigate financial risks associated with data breaches and cyber-attacks

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Relationships with key suppliers, including outsource partners and insurers / other insurance intermediaries	The Group constantly reviews its activities and engages with specialists to improve delivery to its clients and increase efficiencies. This can result in outsourcing certain functions and such transitions are managed by robust governance with senior management oversight. If third-party brokers and mortgage 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 with 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 each of the Group's businesses, as appropriate for their respective operations and needs
Technology – keeping pace with change	If we are unable to apply technology effectively in driving value for our clients or in gaining internal efficiencies and effective internal controls, our client relationships, growth strategy, compliance programmes and operating results could be adversely affected. Interruption or loss of our 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. All parts of the Group maintain effective business continuity plans and capabilities
Credit risk	Insurance contracts entered into by customers requiring credit are funded by a third-party premium credit provider. Under the terms of these arrangements, the premium credit provider will pay over to the Company the insurance premium due once a successful collection has been made from the customer. The credit risk remains with the Company. Procedures are in place to actively monitor outstanding amounts and minimise exposure. Under these arrangements the Company retains the right to set off any returned premium due from the insurer on cancellation of a policy.

The Strategic Report was approved by Order of the Board

C D Ball
Director
4th October 2022

The directors submit their annual report and the audited financial statements of the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company's principal activities during the year continued to be operating as an insurance intermediary.

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

C D Ball
I J Donaldson

RESULTS AND DIVIDEND

The results for the year are set out in the statement of comprehensive income on page 14. The directors declared and paid dividends of £Nil in the year (2020: £Nil). The directors do not recommend any final dividend for 2021 (2020: £nil).

OUTLOOK AND FUTURE TRADING

The coming year will further enhance operational capacity and capability, continue to drive cost efficiencies and will see further investments for growth. All this will be done whilst maintaining vigilance on giving good customer outcomes, especially in light of the current cost of living crisis.

On 9th August 2022, the Company's Board approved for the Company to transfer its trade and associated assets to Atlanta Insurance Intermediaries Limited, a company under common control, in early 2023. It is the directors' intention to thereafter liquidate the Company and that this process will take approximately 18 to 24 months. . The book values of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value due to their short-term nature. As such no adjustments to balances are required with the Company being reported on a basis other than that of a going concern.

GOING CONCERN

On 9th August 2022, the Company's Board approved for the Company to transfer its trade and associated assets to Atlanta Insurance Intermediaries Limited, a company under common control, in early 2023 and will operate in run off. It is the directors' intention to thereafter liquidate the Company and that this process will take approximately 18 to 24 months. As a consequence, the financial statements have been prepared on a basis other than going concern

FINANCIAL RISK MANAGEMENT

Details of financial risk management can be found in the Strategic Report on page 6.

EQUAL OPPORTUNITIES

The Company is committed to providing an environment in which everyone is treated equally and where individual success depends solely on personal ability and contribution. Promoting and supporting diversity in the workplace is important as we value everyone in the organisation as an individual. The Company operates a fair and consistent recruitment policy and process, which gives full consideration to applicants that are disabled. Training, development, and promotion are, as far as reasonably practicable, identical for all employees according to their abilities and skills. 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.

EMPLOYEE INVOLVEMENT

Employee involvement is discussed in detail in the Strategic Report.

CHARITABLE DONATIONS

The Company made £0.002m (2020: £nil) to charities during the year.

POLITICAL CONTRIBUTIONS

The Group made no political contributions during the year (2020: £nil).

RESEARCH AND DEVELOPMENT

The Company continues to build on its information technology systems to enhance performance and functionality and ensure that employees have access to the most innovative and effective trading platforms and management reporting tools.

ENERGY AND CARBON REPORTING

The Company has not separately reported its energy and carbon information. Instead, this information has been reported at group level and details can be found in the 2021 annual report and financial statements of Ardonagh Midco 2 plc, published on its website.

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Insurance has been purchased by the Ardonagh Group to indemnify the Company's directors against liability in respect of proceedings brought by third parties, against them in their capacity as a director, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in place during the financial year and remained in force as at the date of approving the report of the directors.

POST BALANCE SHEET EVENTS

Details of subsequent events can be found in the Notes to the financial statements within the 'Subsequent events section in note 26.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Group's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, Deloitte LLP, have indicated their willingness to continue in office, and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Directors' Report was approved by Order of the Board

C D Ball
Director
4th October 2022

Independent auditor's report to the members of Carole Nash Insurance Consultants Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Carole Nash Insurance Consultants Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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 26

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.

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 report of the directors, 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.

We obtained an understanding of the legal and regulatory framework[s] 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 2006, Corporation Tax Act 2010 and Financial Conduct Authority (FCA) regulations; 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.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- in the recognition of commission income earned on policies sold. Policy level income is recorded at the transaction date instead of the policy inception date as dictated by the underwriter agreements, as such we have identified a significant cut-off risk. In response to this, we have performed cut-off testing by reviewing debit entries made to the revenue within the first two months of 2022 and assessing similar entries made in December 2021.

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 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, reviewing correspondence with HMRC and FCA.

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 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.

David Heaton

David Heaton (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
4th October 2022

	Note	2021 £'000	2020 £'000
TURNOVER	4	23,351	23,083
Administrative expenses		(18,500)	(19,341)
Depreciation, amortisation and impairment of non-financial assets		(1,003)	(1 ,258)
OPERATING PROFIT	5	3,848	2,484
Income from Participating Interest		1,080	1,417
Finance Income	7	1	4
Finance costs	8	(76)	(46)
PROFIT BEFORE TAXATION		4,853	3,859
Tax on profit	9	(167)	(1,034)
PROFIT FOR THE FINANCIAL YEAR		4,686	2,825

All results relate to continuing operations. There was no other comprehensive income in the year.

Carole Nash Insurance Consultants Limited
Statement of Financial Position
As at 31 December 2021

Registration number: 02600841

	Note	2021 £'000	2020 £'000
NON CURRENT ASSETS			
Intangible assets	10	346	721
Property, plant and equipment	11	314	650
Right of use assets	12	733	180
Investments	13	8,300	8,754
Other Receivables	15	1051	1,243
Deferred tax assets	9	905	
		11,649	11,548
CURRENT ASSETS			
Cash at bank and in hand	14	4,666	4,797
Trade and other receivables	15	39,456	27,000
		44,122	31,797
CURRENT LIABILITIES			
Trade and other payables	16	(16,340)	(10,103)
Lease liabilities	12	(286)	(71)
Corporation tax	9	(2,208)	(1,210)
Provisions	17	(171)	(228)
TOTAL CURRENT LIABILITIES		(19,005)	(11,612)
NET CURRENT ASSETS		25,117	20,185
TOTAL ASSETS LESS CURRENT LIABILITIES		36,766	31,733
NON CURRENT LIABILITIES			
Lease liabilities	12	(438)	(94)
TOTAL NON CURRENT LIABILITIES		(438)	(94)
NET ASSETS		36,328	31,639
CAPITAL AND RESERVES			
Called up share capital	18	19	19
Merger reserve	19	4,763	4,763
Capital contribution reserve	19	175	175
Retained earnings		31,356	26,670
Share based payment reserve	19	15	12
TOTAL EQUITY		36,328	31,639

The notes on pages 18 to 45 are an integral part of these financial statements. The financial statements on pages 15 to 45 were approved by the Board of directors on 4th October and signed on their behalf by:

C D Ball
Director
4th October 2022

	Called up share capital	Capital Contribution Reserve	Other Reserves (see Note 19)	Share Based Payment Reserve	Merger Reserve	Retained Earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balances as at 1 January 2020	19	42	133	4	4,763	23,845	28,806
Profit for the financial year	-	-	-	-	-	2,825	2,825
Share Based Payments	-	-	-	8	-	-	8
Balance as at 31 December 2020	19	42	133	12	4,763	26,670	31,639

	Called up share capital	Capital Contribution Reserve	Other Reserves (see Note 19)	Share Based Payment Reserve	Merger Reserve	Retained Earnings	Total equity
Balances as at 1 January 2021	19	42	133	12	4,763	26,670	31,639
Profit for the financial year	-	-	-	-	-	4,686	4,686
Share based payments	-	-	-	3	-		3
Balance as at 31 December 2021	19	42	133	15	4,763	31,356	36,328

Employees of the Company participate in share-based payment schemes operated by The Ardonagh Group Limited.

1) GENERAL INFORMATION

Carole Nash Insurance Consultants Limited is an insurance intermediary that offers a range of insurance products from a panel of UK insurers covering car, bike, home and commercial vehicle insurance plus services such as breakdown and home emergency cover.

The Company is a private company limited by shares and is incorporated in the United Kingdom under the companies act 2006, registered in England. The address of its registered office is Trafalgar House, 110 Manchester Road, Altrincham, Cheshire, WA14 1NU.

2) STATEMENT OF ACCOUNTING POLICIES

A summary of the principal accounting policies, which have been applied consistently throughout the year, is set out below:

a) Basis of Preparation

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

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

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.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity 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 available in FRS 101, where relevant:

- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-Based Payments' because the arrangement concerns equity instruments of the Group;
- *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;
- 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.
- 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;

STATEMENT OF ACCOUNTING POLICIES (continued)

a) Basis of Preparation (continued)

- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;

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 32.

As noted in the Subsequent events note 25, TAGL merged into a Cayman company Tara Topco Ltd on 31 May 2022 and, as part of the post-merger structuring, a newly established UK-incorporated company being re-named the Ardonagh Group Holdings Limited ("AGHL") obtained control of a newly established Jersey-incorporated company New Midco 3 Limited on 1 June 2022, the owner of Ardonagh Midco 1 Limited. Ardonagh Midco 1 Limited was the only direct subsidiary of TAGL (TAGL indirectly owned all the Ardonagh businesses) prior to TAGL's merger with Tara Topco Ltd and AGHL is now the parent of the businesses that were previously part of the Ardonagh Group that was headed by TAGL until 31 May 2022.

There are no new standards, amendments or interpretations which are effective in 2021 or not yet effective and that are expected to materially impact the Company's financial statements.

As a wholly owned subsidiary of The Ardonagh Group Limited ("TAGL") at 31 December 2021, 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 2021.

b) Going concern

As shown in account note 25, the Company was a member of a group ("the Group") of which The Ardonagh Group Limited ("TAGL") was the ultimate parent company and the highest level at which results were consolidated for the year ended 31 December 2021.

The financial statements of the Company set out on pages 15 to 45 have been prepared on a basis of other than going concern. At 31 December 2021, the Company had net assets of £36.3m (31 December 2020: £31.7m) and net current assets of £25.1m (31 December 2020: £20.2m). The Company reported a profit after tax of £4.7m for the year ended 31 December 2021 (31 December 2020: £2.8m).

On 9th August 2022, the Company's Board approved for the Company to transfer its trade and associated assets to Atlanta Insurance Intermediaries Limited, a company under common control, in early 2023 and will operate in run off. It is the directors' intention to thereafter liquidate the Company and that this process will take approximately 18 to 24 months. As a consequence, the financial statements have been prepared on a basis other than going concern

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

2) STATEMENT OF ACCOUNTING POLICIES (continued)

c) Revenue recognition

Commission income is recognised at the point that the Company has fulfilled its obligations to the insurer through the arrangement of an underlying insurance policy, being at the date the underlying policy takes effect. In cases where customers are directed to a third-party premium credit provider, the Company is entitled to additional commission that is recognised at policy inception.
Other fee income, is recognised at the point of sale when the Company has fulfilled its obligations to customers through the arrangement of the underlying insurance policy.

Some contracts with customers include cancellation rights, whereby the consideration receivable by the Company is subject to a clawback. If no claims are made under the policy, then cancellations usually entitle the policyholder to a proportional refund of the consideration. When the effect is material, the Company adjusts the estimated consideration for the expected clawback based on historical experience of average cancellations and recognises revenue only on the amount that is not expected to be refunded. The Company reassesses at the end of the reporting period whether the estimated clawback needs to be revisited. Amounts that are expected to be refunded for consideration that has been received or invoiced are recognised in trade and other payables.

Other income streams are recognised in the period to which they relate.

d) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans. The Company operates a defined contribution scheme, which is a stakeholder scheme, covering the majority of its employees. The funds are administered independently of the Company's finances. Once the contributions have been paid, the Company has no further obligations. The charge to the statement of comprehensive income comprises the total contributions payable to the scheme in the financial year.

e) Taxation

The charge for current tax is based on the results for the period after making allowance for non-assessable or disallowable items. It is calculated using rates of tax that have been enacted at the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

f) Business combinations and goodwill

The Company uses the acquisition method of accounting to account for business combinations, where it acquires a business that is not incorporated as a legal entity. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred, and the equity interest issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, except to issue debt or equity securities, are expenses as incurred.

Subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability are recognised in accordance with IFRS 9 'Financial Instruments' in the Statement of Comprehensive Income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

g) 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.

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 lives of between 3 and 4 years.

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

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

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 when it is incurred.

Amortisation commences when they are ready for use as intended by management and is calculated using the straight-line method over their estimated useful lives of between 2 and 5 years.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

h) Intangible Assets (continued)

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.

i) Investments

Investments are valued at cost less any provision for impairment.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

j) Tangible Assets

i) Cost or valuation

Assets are included at cost, which includes the original purchase price of the asset and any costs attributable to bringing the asset to its working condition for its intended use, or deemed cost as at the point of transition to FRS101.

ii) Depreciation

Freehold and long leasehold properties, are maintained to a high standard. As a result, the directors are of the opinion that the residual values, estimated at the date of acquisition or subsequent valuation, are such that depreciation is not significant. Accordingly, freehold and long leasehold properties are not depreciated. Annual impairment reviews are performed on these assets.

The costs of maintenance and repair of freehold and long leasehold property are charged through the statement of comprehensive income as they arise. Improvements to these properties are capitalised and written off over their estimated useful life.

Depreciation is provided so as to write off the cost of all other tangible fixed assets over their expected useful economic lives, which are estimated to be:

- Short leasehold property — 5-10 years
- Equipment, furniture and vehicles — 3-10 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.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

k) Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

k) Leases (continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within the tangible fixed assets line in the balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the administrative expenses line item.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

l) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire fixed assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are presented as a credit in the profit and loss account within 'other operating income'.

m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held with banks, and bank overdrafts. Bank overdrafts are shown within bank loans and overdrafts in current liabilities. Certain monies are held in separate Trust accounts on behalf of insurers and customers.

n) Contract costs - costs to obtain

Incremental fees paid to distributors (usually aggregator websites) for obtaining new business are amortised, on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates, over the average life of the relationship with the customer.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

o) Provisions and contingencies

i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring.

The Company provides for future costs associated with properties which it has ceased to use and is unlikely to re-occupy. This provision encompasses all net rent and other outgoings based on an estimate of the length of time properties will continue to be vacant.

The Company provides for expected dilapidation costs for occupied leasehold properties. The provision encompasses estimated costs to remedy dilapidation in line with the lease agreements. Dilapidation costs related to wear and tear are recognised as an expense. The provision also encompasses an initial estimate of the costs of dismantling and removing leasehold improvements. This is recognised as an expense over the life of the lease term.

ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

p) 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 that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Comprehensive Income.

Derecognition
Financial assets
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.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

p) Financial instruments (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Comprehensive Income. On derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the Statement of Comprehensive Income but is transferred to retained earnings.

Financial liabilities
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement of financial assets
Financial assets are classified into one of the following three categories:
• Amortised cost;
• Fair value through other comprehensive income ("FVTOCI"); or
• Fair value through the profit or loss ("FVTPL").

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on their classification.

Financial assets classified as amortised cost
Financial assets that meet both of the following conditions are classified and subsequently measured at amortised cost:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The Company's financial assets measured at amortised cost include trade and other receivables, cash and cash equivalents and other financial assets.

The Company's trade receivables do not generally have a significant financing component, so and as such their transaction (invoiced) price is considered to be their amortised cost.

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and, as such, are not usually liable as principals for amounts arising from such transactions.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

p) Financial instruments (continued)

In recognition of this relationship, debtors from insurance broking transactions are not, in general, included as an asset of the Company. Other than the receivable for fees and commissions earned on a transaction, no recognition of the insurance transaction does not, in general, occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client.

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the Statement of Financial Position as part of trade receivables.

Financial assets classified as FVTOCI
Financial assets are classified and subsequently measured at FVTOCI if they meet the criteria to be classified at amortised cost except that the business model is to sell financial assets as well as to hold financial assets to collect contractual cash flows.

The Company may also irrevocably elect to classify and subsequently measure equity investments at FVTOCI. Gains and losses on these equity instruments are never recycled to profit or loss. Dividend income from equity instruments measured at FVTOCI is recognised in profit or loss as part of investment income when the right to payment has been established (provided that it is probable that the economic benefits will flow to the Company and that the amount of income can be measured reliably), except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case such gains are recorded in other comprehensive income. The right to payment is established on the ex-dividend date for listed equity securities, and usually on the date when shareholders approve the dividend for unlisted equity securities. Equity instruments at FVTOCI are not subject to an impairment assessment.

The Company has designated all of its unlisted equity investments as at FVTOCI, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

Financial assets classified as FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

• Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment as at FVTOCI on initial recognition.
• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL.

Financial assets at FVTPL are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in profit and loss to the extent they are not part of a designated hedging relationship. Interest earned on assets mandatorily required to be measured at FVTPL is recognised using a contractual interest rate. Dividend income from equity instruments measured at FVTPL is recognised in profit or loss as part of investment income when the right to payment has been established (provided that it is probable that the economic benefits will flow to the Company and that the amount of income can be measured reliably). This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.

Other financial assets measured at FVTPL include receivables recognised on a business combination in relation to the Company's right to variable consideration on rolling contracts with customers for which the performance obligation was satisfied prior to the acquisition. These financial assets are not classified at amortised cost or FVTOCI because their cash flows do not represent solely payments of principal and interest.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

p) Financial instruments (continued)

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition. They would only be reclassified if the Company were to change its business model for managing its financial assets, in which case the affected financial assets would be reclassified in the year following that change.

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 and FVTOCI. The Company recognises a loss allowance for such losses at each reporting date.

The Company recognises lifetime ECL 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. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if; i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Cash and cash equivalents represent cash and deposits held with bank and financial institution counterparties. 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. The Company measures the loss allowance for such assets at an amount equal to 12 months ECL.

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.

Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a longer or shorter default criterion is more appropriate.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

p) Financial instruments (continued)

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
  the disappearance of an active market for that financial asset because of the financial difficulties.

Write-off policy
The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Comprehensive Income.

Classification and subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at fair value through the profit or loss
Financial liabilities are classified and measured at FVTPL when:

- the financial liability is contingent consideration relating to a business combination to which IFRS 3 applies; or
- it is a derivative.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in the Statement of Comprehensive Income to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the Statement of Comprehensive Income incorporates any interest paid on the financial liabilities.

For financial liabilities that are denominated in a foreign currency that are not part of a designated hedging relationship, the foreign exchange gains or losses are recognised in the Statement of Comprehensive Income.

The Company's financial liabilities include borrowings, and trade and other payables.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowings are recognised initially at fair value, net of transactions costs incurred. They are subsequently measured at amortised cost using the effective interest rate method.

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

q) Share capital

Ordinary shares are included in equity. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the statement of comprehensive income in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2) STATEMENT OF ACCOUNTING POLICIES (continued)

r) Share based payments

The Group operates 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 by the Company, measured based on the grant date fair value of the shares and recognised on a straight-line basis over the vesting period.

The shares issued under the schemes do not generally have dividend or voting rights, and they cannot be sold. They are 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) of the Group and a winding-up. The Company has the option to repurchase the shares if an employee leaves the Group prior to the occurrence of a crystallisation event.

s) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

t) Accounting for business combinations under common control

Business combinations under common control are outside the scope of IFRS 3. The consideration for a transfer of business and net assets is determined by calculating the fair market value of the business and net assets, so as to ensure that the transfer does not constitute a distribution. The transferee derecognises the existing assets and liabilities. The transferor recognises the existing assets and liabilities at the 'predecessor' carrying amounts at which they were recognised by the transferor immediately prior to the transfer. The transferee and the transferor recognise the difference between the consideration paid and sum of the carrying amounts of the assets and liabilities in a merger reserve (no goodwill is recognised).

u) Finance income and costs policy

The Company's finance income and finance costs include:

- interest income
- unwind of discount on provisions
- unwind of discount on financial assets or liabilities, including lease liabilities and lease receivables

Interest income and expense are recognised using the effective interest method for debt instruments classified as amortised cost and as FVTOCI.
Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate.

v) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

w) Group Financial Statements

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

3) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

The Company considers there to be no critical judgement the application of its accounting policies.

b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Contract costs - costs to obtain

Management review the average life of the relationship with the customer over which the transfer of the goods or services relates, to determine over what period the costs to obtain are recognised. This is currently a 36 month period.

4) TURNOVER

Turnover represents insurance commissions and fees receivable from the sale of insurance policies in the UK, credit income and claims income.

	2021 **£'000**	**2020** **£'000**
Insurance commission and fees	17,668	17,607
Credit related income	1,774	2,018
Claims income	2,842	2,306
Management Fees Receivable	573	838
Other	494	314
	23,351	23,803

5) OPERATING PROFIT

	Note	2021 £'000	2020 £'000
Operating profit is stated after charging:			
Staff costs	6	7,638	8,854
Marketing Costs		5,360	5,181
IT Costs		1,153	1,355
Amortisation of Intangible Fixed Assets	10	381	532
Depreciation of Tangible Fixed Assets	11	355	383
Depreciation of ROU Assets	12	255	349
Management Charges		276	250
Auditors' remuneration		72	72
Restructuring		197	587
Covid-19 Related Costs		14	76

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 Company's ultimate parent, The Ardonagh Group Limited.

During the year, the Company continued with its strategic investment plan, of which the main programmes included:

- Restructuring costs of £197k include the restructure of the back office resulting in redundancy related costs of £10k and;
- Operational Process transformation costs of £187k (covering contractor costs, internal change management resource and other third-party costs)

Costs relating to Covid-19 throughout the year amounted to £14k and related to the costs of opening offices during Covid-19 lockdown.

6) DIRECTORS AND EMPLOYEE INFORMATION

	2021 £'000	2020 £'000
Directors' remuneration:		
Aggregate emoluments	-	-
Company contributions paid to pension schemes	-	-
	-	-

	2021 Number	2020 Number
Members of money purchase pension schemes	-	-

The amounts in respect of the highest paid director are as follows:	2021 £'000	2020 £'000
Emoluments	-	-
Company contribution paid to pension schemes	-	-
Total	-	-

6) DIRECTORS AND EMPLOYEE INFORMATION (continued)

The directors were paid by a fellow group Company during 2021, and a proportion of those costs were recharged to the Company. It is impractical to determine the proportion of the emoluments for this company and their emoluments are disclosed in the financial statements of Atlanta 1 Insurance Services Limited.

	2021	**2020**
	£'000	**£'000**
Staff costs comprise:		
Wages and salaries	6,659	7,695
Social security costs	634	801
Other pension costs	286	358
Other staff costs	59	
	7,638	8,854

The Company claimed £0.08m (2020: £0.5m) under the government furlough scheme in 2021.The *amounts claimed have been offset against employee costs in the financial statements.*

	2021	**2020**
	Number	**Number**
The average monthly number of full time equivalent employees during the year was:		
Operations	174	229
Support	67	85
Management	3	1
	244	315

7) FINANCE INCOME

	2021	**2020**
	£'000	**£'000**
Bank interest receivable	1	4
	1	4

8) FINANCE COSTS

	2021	**2020**
	£'000	**£'000**
Interest on lease liabilities	71	46
Bank Interest Payable	5	
	76	46

9) TAX ON PROFIT

(a) Tax charge included in profit

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax at 19% (2020: 19%)	1,041	947
Adjustment in respect of prior years	31	(89)
Total current tax	1,072	858
Deferred tax:		
Origination and reversal of temporary timing differences	(929)	162
Adjustments in respect of prior years		30
Effect of tax rate change on opening balance	24	(16)
Total deferred tax (see note 9(d))	(905)	176
Tax on profit	167	1,034

(b) Reconciliation of tax charge for the year:

The Differences are reconciled below.

	2021 £'000	2020 £'000
Profit before taxation	4,853	3,859
Profit multiplied by standard tax rate in the UK of 19% (2020: 19%)	922	734
Expenses not deductible for tax purposes	6	1
Income not taxable	(40)	-
Adjustments to tax charge in respect of previous periods – current tax	31	(88)
Adjustments to tax charge in respect of previous periods – deferred tax	-	30
Tax expense relating to changes in tax rates or laws	(221)	(45)
Deferred tax not recognised	(531)	397
Fixed asset differences	-	5
Total tax charge for the year (see note 9(a))	167	1,034

9) TAX ON PROFIT (continued)

Factors affecting current and future tax charges

UK deferred tax balances as at 31 December 2021 are measured at the substantively enacted rate at which the respective assets and liabilities are expected to reverse.

In the March 2021 Budget, it was announced that the UK corporation tax rate would rise from its current rate of 19% to 25% with effect from April 2023. In September 2022, it was announced that this rate change would no longer take place and that the rate would remain at 19%. However, only the former announcement was substantively enacted at the Balance Sheet date, and so deferred tax is measured in these financial statements in line with the March 2021 announcement.

(d) Deferred tax

2021	**Asset £'000**
Accelerated tax depreciation	905
	905

2020	**2020 £'000**
Accelerated tax depreciation	-
	-

	Recognised Asset at 1 January 2021	**Recognised in income**	**Recognised in equity**	**Recognised Asset at 31 December 2021**
	£'000	**£'000**	**£'000**	**£'000**
Deferred taxation represents:				
Accelerated tax depreciation	-	905	-	905
	-	905	-	905

	Recognised Asset at 1 January 2020	**Recognised in income**	**Recognised in equity**	**Recognised Asset at 31 December 2020**
	£'000	**£'000**	**£'000**	**£'000**
Deferred taxation represents:				
Accelerated tax depreciation	146	(146)	-	-
Short term timing differences	25	(25)	-	-
First time adoption IFRS 16	5	(5)	-	-
	176	(176)	-	-

9) TAX ON PROFIT (continued)

The Company did not recognise deferred tax assets as follows:

	2021 £'000	2020 £'000
Accelerated tax depreciation		572
Provisions	108	67
First time adoption IFRS16	5	5
Unrecognised deferred tax assets	113	644

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.

10) INTANGIBLE ASSETS

	Customer Relationships £'000	Computer Software £'000	Total £'000
Cost			
At 1 January 2021	495	5,118	5,613
Additions	-	16	16
Disposals	(495)	(1,579)	(2,074)
At 31 December 2021	-	3,555	3,555
Accumulated amortisation			
At 1 January 2021	495	4,397	4,892
Charge for the year		381	381
Disposals	(495)	(1,569)	(2,064)
At 31 December 2021	0	3,209	3,209
Net book value			
At 31 December 2021	-	346	346
At 31 December 2020	-	721	721

11) TANGIBLE ASSETS

	Computer Equipment £'000	Motor Vehicles £'000	Office Equipment £'000	Fixtures & Fittings £'000	Total £'000
Cost or valuation					
At 1 January 2021	1,545	28	519	1,295	3,387
Additions	2	-	1	16	19
Disposals	(447)	-	-	(110)	(487)
At 31 December 2021	1,100	28	520	1,201	2,919
Accumulated depreciation					
At 1 January 2021	1,168	21	519	1,029	2,737
Charge for the year	189	2	-	164	355
Disposals	(447)	-	-	(110)	(487)
At 31 December 2021	910	23	519	1,083	2,605
Net book value					
At 31 December 2021	190	5	1	118	314
At 31 December 2020	377	7	-	266	650

12) LEASES

The Company's leases are for properties in the UK and these leases typically run for a period of 5-10 years. Rent is normally fixed but may be subject to a review every few years. Many of the Group's long-term contracts have an option to terminate the lease prior to its end date, but in most cases termination options are not reasonably certain to be exercised so that the lease liability reflects all lease payments through to the ultimate end date of the lease. Service charges and other contractual payments to the lessor are excluded from the measurement of the lease liability. VAT (including when it is irrecoverable) and business rates are also excluded from the measurement of the lease liability as they do not constitute a lease payment under IFRS 16. The table below provides a schedule of the movements in the carrying amount of the right-of-use assets and lease liabilities (when the Company acts as a lessee) that are held on the statement of financial position during the year ended 31 December 2021.

	RoU Leasehold property £000	RoU Fixtures and Fittings £000	Total £000	ROU lease liability £000
Opening Balance	176	4	180	(165)
Additions	809	-	809	(809)
Terminations/modifications	-	-	-	-
Depreciation	(252)	(4)	(256)	-
Remeasurements	5	-	5	(1)
Interest Expense	-	-	-	(71)
Lease Payments	-	-	-	322
At end of year	738	-	738	(724)
Current				(286)
Non-Current				(438)
Total				(724)

In addition to the above, the Company recognised the following in profit or loss for the period in relation to leases:

	2021 £000	2020 £000
Variable lease payments expensed (presented within other operating expenses and mainly relates to service charges)	87	161
Expense relating to irrecoverable VAT on rent payments and business rates (presented within other operating costs)	123	172
	210	333

12) LEASES (continued)

During the year ended 31 December 2021, the estimated total cash outflows for leases, constituting rent payments (excluding VAT, whether recoverable or not) and variable lease payments (that do not form part of the lease liability - mainly service charges), was £409k (2020: £529k).

Maturity analysis

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

	2021 £000	2020 £000
Within one year	279	68
One to 5 years	268	186
Over 5 years	-	-
Total Undiscounted Value	547	254

In August 2022 the company exited the lease for Trafalgar House, due to expire in March 2026, for a final settlement of £800,000 inclusive of dilapidation costs

13) INVESTMENTS

	Participating Interest £'000	Subsidiary £'000	Total £'000
At 1 January 2021	3,635	5,119	8,754
Additions	-	-	-
Share of post-acquisition profits	1,080	-	1,080
Dividend received	(1,534)	-	(1,534)
Impairments	-	-	-
At 31 December 2021	3,181	5,119	8,300

The participating interest reflects the joint venture with NewLaw Legal Limited (registered Office: Helmont House, Churchill Way, Cardiff) in Carole Nash Legal Services LLP, a legal practice. The Company's participating interest value is £1 (2020: £1). Carole Nash Insurance Consultants Limited owns 50% of the equity in Carole Nash Legal Services LLP. At 31 December 2021 the net assets of Carole Nash Legal Services LLP were £3,971,729 (2020: £4,587,964) and the Company's share of the profit for the year was £1,079,920 (2019: £1,416,902). At 31 December 2021 the amount owing to Carole Nash Insurance Consultants Limited by Carole Nash Legal Services LLP in respect of profit share was £3,181,585 (2020: £3,634,929).

The investment in subsidiary reflects the investment in Carole Nash Insurance Consultants (Ireland) DAC (Registered Office: Ulysses House, 22/24 Foley Street, Mountjoy, Dublin, Ireland). Carole Nash Insurance Consultants Limited owns 100% of the ordinary shares in Carole Nash Insurance Consultants (Ireland) DAC. The Assets of Carole Nash Insurance Consultants (Ireland) DAC at 31 December 2021 were €2,682,141 (2020: €900,563) and its profit for the period was €2,039,046 (2020: €685,854)

14) CASH AT BANK AND IN HAND

	2021 £'000	2020 £'000
Own funds	3,991	3,540
Fiduciary funds	675	1,257
	4,666	4,797

Fiduciary funds represent money received from customers used to pay premiums to underwriters and to defray commission and other income. Fiduciary funds are not available for general corporate purposes.

15) TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Amounts falling due in less than one year		
Insurance debtors	951	928
Amounts owed by group undertakings	16,685	5,662
Amount Owed by Participating interest	1,405	-
Amount Owed By Subsidiary	-	-
Amounts owed by immediate parent company	17,525	17,525
Accrued income	215	73
Prepayments	107	392
Other assets	2,568	2,420
	39,456	27,000
Amounts falling due in more than one year		
Other receivables	1,051	1,243
	1,051	1,243
Total trade and other receivables	40,507	28,243

Amounts owed by group undertakings, the immediate parent undertaking and participating interest are unsecured, have no fixed date of repayment and are repayable on demand. Interest is not charged on the amounts owed by the immediate parent company. The amounts owed by group undertakings are interest free. The directors believe that the intercompany balances are recoverable.

Other assets reflect costs to obtain relating to incremental fees paid to distributors (usually aggregator websites) for obtaining new business and are amortised on a systematic basis that is consistent with the provision of goods or services to which the assets relate, over the average life of the relationship with the customer. During the year ended 31 December 2021, amortisation recognised in the Statement of Comprehensive Income in relation to these assets was £3,158,766 (2020: £1,195,472).

16) TRADE AND OTHER PAYABLES

	2020 £'000	2019 £'000
Trade creditors	29	41
Insurance creditors	1,375	1,636
Amounts owed to group undertaking	11,121	5,255
Amounts owed to fellow subsidiary undertaking	1,314	28
Other taxation and social security	62	162
Pension contributions payable	-	34
Other creditors	769	727
Accruals	670	1,220
Contract liabilities	1,000	1,000
	16,340	10,103

Amounts owed to group undertakings and the fellow subsidiary undertaking are unsecured, have no fixed date of repayment and are repayable on demand. No interest is charged on the amounts owed to the fellow subsidiary company. The amounts owed to group undertakings are interest free.

Contract liabilities include £1.0m (2020: £1.0m) received in advance from the third-party premium provider.

17) PROVISIONS FOR LIABILITIES

	E&O Provision £'000	LTIP Provision £'000	Property Provisions £'000	Total Provisions £'000
At 1 January 2021	8	166	54	228
Charge/(credited) to statement of comprehensive income	56	-	65	114
Utilised during the year	-	(166)	(12)	(178)
At 31 December 2021	64	-	107	171
Analysed as:				
Current	64	-	107	171
Non-current	-	-	-	-
Total provisions	64	-	107	171

E&O provision - In the normal course of business, the Company may receive claims in respect of alleged errors and omissions and other matters. Provisions are made in respect of such litigation matters, representing the best estimate of the liability based on legal advice where appropriate. The outcome of the currently pending and future proceedings, in relation to errors and omissions and other matters, cannot be predicted with certainty. Thus, an adverse decision in a current or future lawsuit could result in additional costs that are not covered, either wholly or partially, under insurance policies and that are in excess of the presently established provisions.

17) PROVISIONS FOR LIABILITIES (continued)

Long-term incentive provision (LTIP) - The Group has a number of long-term incentive schemes. The amounts that will ultimately vest are dependent on achievement against various performance measures (including Group EBITDA and individual contribution targets) and/or service conditions. The incentives are paid to participants at the end of the relevant performance and/or service period.

Property provisions - This provision provides for the estimated amounts payable for dilapidations on property at the end of the lease term.

18) CALLED UP SHARE CAPITAL

	2021 £'000	2021 Number	2020 £'000	2020 Number
Allotted, and fully paid				
A Ordinary shares of 1p each	15	1,482,000	15	1,482,000
B Ordinary shares of 1p each	1	141,613	1	141,613
C ordinary Shares of £60 each	2	28	2	28
Deferred shares of 1p each	1	95,053	1	95,053
	19	1,718,694	19	1,718,694

The shares rank equally except that the voting rights of A Ordinary shares are 79% plus 5% for the deferred shares, B Ordinary shares are 15% and C Ordinary shares are 1 % in aggregate. In addition, on return of capital, A Ordinary shareholders receive the excess after the nominal value of A and B Ordinary shares have been returned and C Ordinary shareholders have received £1 aggregate. Dividends may be paid on all shares, on a class of shares or on any share in the same class.

19) OTHER RESERVES

	Capital contribution reserve £'000	Merger reserve £'000	Share based payment reserve £'000	Other Reserves £'000	Total other reserves £'000
At 1 January 2021	42	4,763	12	133	4,950
Share based payment	-	-	3	-	-
At 31 December 2021	42	4,763	15	133	4,953

Other Reserves include £133k (2020: £133k) created on a capital reduction and the Merger reserve £4,763k (2020: £4,763k) created on incorporation of the Irish Branch.

20) CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
At the reporting date, the Company had capital expenditure commitments as follows:		
Contracted for but not provided in the financial statements	-	-

21) DETAILS OF SUBSIDIARY AND JOINT VENTURE COMPANIES

Details of principal subsidiary and joint venture undertakings, which are registered either in England and Wales or the Republic of Ireland are:

Name	Principal Activity	Company interest in ordinary share capital %
Carole Nash Insurance Consultants (DAC)	Insurance Intermediary (Ireland)	100
Carole Nash Legal Services LLP	Legal Services	50

22) RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions with other group companies that are wholly owned within the Ardonagh Group. There are no other related party transactions to disclose.

23) DIVIDENDS

	2021 £'000	2020 £'000
Equity dividends paid on ordinary shares of £1 each:		
Dividend of £Nil (2020: £Nil) per share	-	-

24) CONTINGENT LIABILITIES

In 2020, the Company was a guarantor for both the £1.575 billion Senior Facilities Agreement and the $500m Senior Unsecured Notes.

As of 19 August 2021, the list of group company guarantors was reduced to Ardonagh Finco Plc and Ardonagh Services Limited as guarantors under both the £1.575 billion Senior Facilities Agreement and the $500m Senior Unsecured Notes, with Ardonagh Midco 3 Plc being the Issuer of the private debt and a guarantor of the public notes. The Group has also provided limited recourse share charges in favour of the lenders in respect of the following group companies:

Arachas Corporate Brokers Limited
Ardonagh Advisory Holdings Limited
Ardonagh Specialty Holdings Limited
Paymentshield Limited
Price Forbes & Partners Limited
Atlanta Insurance Intermediaries Limited (formerly Swinton Group Limited)
Advisory Insurance Brokers Limited (formerly Towergate Underwriting Group Limited)
Atlanta Investment Holdings 3 Limited
Nevada 5 Topco Limited

25) POST BALANCE SHEET EVENTS

In August 2022 the company exited the lease for Trafalgar House, due to expire in March 2026, for a final settlement of £800,000 inclusive of dilapidation costs

Following the satisfaction of closing conditions on 31 May 2022, Ardonagh has obtained a significant new equity investment into the Group led by existing long-term shareholders MDP and HPS, alongside new co-investors through accounts managed by MDP and HPS, including a wholly owned subsidiary of the Abu Dhabi Investment Authority ('ADIA'), and several other large global institutions. Under the terms of the transaction, funds affiliated with MDP have increased their shareholding in the Group, and HPS has reinvested in the Group. Co-investors, including a wholly owned subsidiary of ADIA and several other large global institutions, have also acquired more than USD1 billion equity through accounts managed by MDP and HPS as part of the transaction, which gives an enterprise valuation for Ardonagh of USD7.5 billion. The new equity investment has resulted in The Ardonagh Group Ltd merging into a newly created company Tara Topco Limited ('Tara') on 31 May 2022 following which the Ardonagh Group activities became overseen by a newly created subsidiary of Tara from 1 June 2022 that is being re-named Ardonagh Group Holdings Limited.

On 9th August 2022, the Company's Board approved for the Company to transfer its trade and associated assets to Atlanta Insurance Intermediaries Limited, a company under common control, in early 2023 and will operate in run off. It is the directors' intention to thereafter liquidate the Company and that this process will take approximately 18 to 24 months. As a consequence, the financial statements have been prepared on a basis other than going concern

26) ULTIMATE PARENT COMPANY & CONTROLLING PARTY

The Company's immediate parent company is Atlanta Investment Holdings A Limited. and the ultimate parent is Tara Topco Limited.

The Group's majority shareholder and ultimate controlling party at 31 December 2021 is HPS Investment Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2021 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 2021 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