

ASTON LARK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



COMPANY NUMBER: 02831010

ASTON LARK LIMITED
COMPANY INFORMATION

Directors

P W Blanc
C W Brown (resigned 1 January 2021)
M J Daines
W P Dickson (appointed 21 July 2021)
T M Holland (resigned 31 May 2022)
I T Jacob
B L Jones
R J Keene
S J S Lark
M R Millar (appointed 21 July 2022)
S P Rootham
L D Scott

Registered number

02831010

Registered office

One Creechurch Place
London
EC3A 5AF

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

ASTON LARK LIMITED
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ASTON LARK LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present the Strategic Report of the company for the year ended 31 December 2021.

Business review

The company's principal activity during the year continued to be the provision of insurance broking services. The company is a UK Chartered insurance broker providing Commercial, Specialist Schemes and Private Client solutions to its diversified client base and is the main UK trading entity for insurance broking services within the Aston Lark group of companies. The company is regulated by the Financial Conduct Authority ("FCA").

Acquisitions

On 18 January 2021, Aston Lark Group Limited acquired as a going concern the specialist boat insurance business and certain assets carried on by an insurer and then immediately transferred the business to the company. The company has re-branded the specialist boat insurance business as Haven Knox-Johnston, its previous trading name.

During the year, the company directly acquired books of business as part of the group's growth strategy.

On 27 July 2021, the company acquired a complementary book of business from Linkscover Ltd.

On 5 October 2021, the company acquired a complementary book of business from The Health Insurance Company.

On 16 December 2021, the company acquired a complementary book of business from Choice Benefits Ltd.

Subsequent to the respective The Health Insurance Company and Choice Benefits Ltd book purchases, the books of business were immediately distributed as a going concern to Aston Lark Employee Benefits Limited, a subsidiary undertaking of the company in exchange for one £1 ordinary share each.

Group re-organisations

During the year, group reorganisations were undertaken as part of the group's strategy of integrating acquired businesses into the company where clear benefits of integration exist.

These group reorganisations constitute a hive up and hive down restructure whereby an acquired entity's business and trading assets and liabilities, aside from the insurance broking balances held at that date and other excluded assets such as the minimum capital requirement, are distributed as a going concern to Aston Lark Group Limited and then immediately transferred to the company in exchange for one £1 ordinary share.

The following group reorganisations took place during the year: Dunsby Associates Insurance Brokers Limited on 1 March 2021, RiskAlliance Limited and RiskAlliance International Limited on 1 June 2021, Essex Insurance Brokers Limited on 18 October 2021, and Premier Insurance Consultants (Bolton) Limited on 22 October 2021.

On 1 May 2021, the company transferred a complementary book of business to Aston Lark Employee Benefits Limited, a subsidiary undertaking of the company.

On 1 July 2021, Incepta Risk Management Ltd, a fellow group subsidiary undertaking, transferred a complementary book of business to the company.

On 19 July 2021, Sennocke International Insurance Services Limited, a fellow group subsidiary undertaking, transferred a complementary book of business to the company.

These group reorganisations have no impact on the group as assets and liabilities are the same before and after the reorganisation.

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Financial performance and key performance indicators

Turnover for the year ended 31 December 2021 has increased 17% to £72,717,289 due to a combination of the impact of the 2020 business transfers contributing a full year of results, the 2021 book purchases and business transfers and organic growth. The company made an operating loss of £4,847,505 for the year, compared to an operating profit of £7,575,089 in 2020. The loss has arisen due to the recognition of an equity settled share-based payment transaction during the year (see Note 20), with the company recognising an expense of £12,305,297 as a result.

During the year, the company continued to make selective investment in the staff cost base to support future organic growth initiatives and strengthen its senior management team, central services and marketing functions to deliver its plans for growth opportunities and integration of group acquired businesses. Whilst a number of benefits arising from the integration of the businesses have been realised during the year, the directors consider that comparisons with the prior year including related margins are not relevant due to the impact and timing of the business transfers and the one off-costs related to the integration of the businesses.

As a result of the above and with the company being the main UK regulated trading entity within the group, the directors consider that a more relevant comparison would be at a group level for the year ended 31 December 2021 together with the 2020 comparatives on a full year basis. The directors consider that a more reliable performance measure than operating profit is Earnings Before Interest, Taxation, Depreciation and Amortisation or EBITDA. The highlights are:

- Revenue increased 72% to £157.6m in 2021
- Core organic commission and fee growth of 11%. A positive result against a backdrop of the economic environment during Covid-19 and a highly competitive market with hardening rates in certain sectors
- Underlying EBITDA growth of 83% on a Reported basis
- Underlying EBITDA up 9% when adjusted to include a full 12 months of acquisitions made along with their associated integration and compared to 2020 on the same basis.

Non-financial performance

The company maintained its awarded Chartered Insurance Broker status and continues to invest in, and develop, its people and infrastructure. The company has continued to make significant investment in upgrading its IT application systems and infrastructure, the benefit of which is expected to be realised in future years with increased efficiencies, resulting in improved financial performance.

The company will continue to make significant investment in the underlying systems, governance and infrastructure to support the company going forward. This includes ongoing investment in the resources and processes of the group's Risk and Compliance functions to ensure governance and oversight of the business remains proportionate.

Principal risks and uncertainties including Covid-19

The company and the group has shown strong resilience throughout 2021, following the outbreak of the Covid-19 pandemic across the globe, as demonstrated by the company's trading performance in these financial statements.

During the year, the company has not accessed any Government support measures such as the Coronavirus Job Retention Scheme and continues to operate effectively despite the outbreak of Covid-19, with limited impact on the company to date.

The directors have considered the risks faced by the business and the associated controls in place to address those risks including those arising from the Covid-19 outbreak. The principal categories of risk and an overview of the controls in place within the business to mitigate those risks are shown below.

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Principal risks and uncertainties including Covid-19 (continued)

<u>Risk category</u>	<u>Mitigation</u>
Strategic	Experienced and qualified Executive Board and senior management allowing the business to pursue appropriate strategies.
Group Borrowings	Regular forecasting and monitoring of group cash flow position and covenants to meet obligations under group loan facility agreements. The risk of an increase in the cost of variable rate borrowings at group level is mitigated in part by group hedging instruments in place.
Acquisition	Due diligence procedures undertaken. Retention of key staff. Adequate protection measures incorporated into sale and purchase agreements.
Client	Diversified client base with no undue reliance on any one client or group of clients. Limited exposure to specific industry sectors where the effects of Covid-19 are existential.
Market	Diversified business across variety of classes provides resilience against soft market conditions in any one class and any fall in retention levels across sectors most impacted by Covid-19.
Financial	Regular forecasting and monitoring of the group's financial position. Appropriate insurance covers in place. Segregation of duties and authorisation controls in place.
Currency	Limited exposure restricted to AUD, CAD, EURO and USD commissions and fees as general insurance premiums are collected and settled in same currency.
Interest rate	The Bank of England increased the base rate of interest in the UK from 0.1% to 0.25% in December 2021. The base rate has steadily increased throughout 2022, reaching 1.75% in August 2022. Financial statements demonstrate that the company does not rely on interest income to meet its financial obligations.
Liquidity	Regular forecasting and monitoring of cash flows to ensure sufficient availability of funds for ongoing operations and future developments. Compliance with FCA capital requirements.
Counterparty	Cash at bank and money market deposits held with FCA regulated banks in the UK. Client credit risk exposure is spread over a large number of clients with individual client exposures subject to regular and heightened review processes during Covid-19.
Premises and IT	Transitioned to remote working for staff as a result of Covid-19 with increased deployment and upgrade in capability of IT. Disaster recovery plan in place.
Staff	Formal organisation structure with no undue reliance on any one individual. Structured staff communication and wellness programme implemented for staff whilst remote working.
Compliance	Formal compliance structure in place at a senior level. The Board recognises that the business is sensitive to regulatory changes implemented by the FCA which are to an extent outside of the company's direct control.

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Statement in respect of Section 172 of the Companies Act 2006

The directors have a duty to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in Section 172(1) of the Companies Act 2006.

Aston Lark is a leading UK Chartered insurance broker providing Commercial, Specialist Schemes and Private Client solutions to its diversified client base. The company aims to become the UK's most trusted Chartered Insurance Broker and seeks to place care at the heart of its activities whether that is reputation, acting in its clients best interests, looking after its employees, developing relationships with its suppliers, supporting communities or generating value for its ultimate parent company shareholders.

Governance and Board

The Board consists of experienced and qualified management, with many years in the insurance broking industry. This enables the Board to pursue appropriate strategies to deliver its objectives of promoting the Company's long term success and creating benefits for its stakeholders.

The Company is regulated by the FCA and must adhere by the FCA's principles of business which provide high level standards, including the management and control to organise and control its affairs, responsibly and effectively with adequate risk management systems.

The Company operates an organisational structure with clear allocation and appropriate segregation of responsibilities amongst the Board members which is documented in a responsibilities map and statements of responsibilities in line with the requirements of the FCA's Senior Managers and Certification Regime.

At the top Group level, certain company Directors are members of the Group Executive Team who sit on the Main Board, alongside the Non-Executive and Investor Directors, creating a balance to ensure appropriate performance of duties and governance for decision making across the Group entities as a whole, that includes the interests of stakeholders and the long term consequences.

The Group operates a Risk, Audit and Finance Committee ('RAF') and a Remuneration Committee that are run as a subset of the Main Board and chaired by a Non-Executive Director of the ultimate parent company.

The Directors are also represented on a Management Board that deals with the Company's significant operational matters, meeting monthly to discuss ongoing day to day matters, ranging from financial performance, trading, risk and compliance, marketing, IT and employee considerations.

The Company also operates various Committees where certain Directors are represented according to their areas of responsibility. These include a Risk, Compliance and Conduct Committee and a Health and Safety Committee amongst others who meet at least quarterly and report into the Management Board.

The Main Board, Management Board and the Company's senior management team meet regularly to discuss strategic, financial, budgetary, liquidity and operational matters. Peter Blanc, as Chief Executive Officer ('CEO') is responsible for delivering the plans, strategy and investment decisions agreed by the Board, with authority delegated to directors. The Company's culture is one of openness with a clear Governance structure for decision making. Decisions are documented in Board minutes that are subject to being made through Board papers and presentations from the Director with responsibility for the relevant area of the Company. The papers are reviewed and discussed at the appropriate Board and Committee meetings.

The Board, supported by RAF has created a robust, open risk culture where risks are identified, mitigated and monitored against a risk appetite according to probability and likelihood. The Board places emphasis on the appropriate conduct policies in place across the company and ensuring that these are applied, including Money Laundering, Sanctions Checks, Anti-Bribery, Modern Slavery, Whistleblowing and Corporate Social Responsibility.

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Long-term decision making

In 2021, following a successful period of ownership and growth, the Board in conjunction with the Group's majority shareholder at that time, Goldman Sachs Merchant Banking Division, reviewed the Company's and Group's long term strategy and undertook a process to seek a new investor for the Group. On 21 April 2022, following regulatory approval, Howden Group acquired a 100% stake in the Aston Lark business.

The business as a result is well positioned to progress over the coming years with a continued focus on its growth plans, via organic means and considering further selective strategic acquisitions, as well as capitalising on the vast opportunities and benefits of combining with A-Plan and Howden UK, two highly complementary businesses within Howden Group.

A 5 year business plan was developed during the process that formed the basis for the future strategic direction of the Group, including its financing requirements to enable it to pursue its strategy. The Board has consistently monitored its financial performance against the plan as revised for budgets and forecasts, for changes such as the Group's accelerated acquisition activity.

The Board meets regularly to discuss matters and continuously keeps the strategy under review as well as arranging dedicated strategic sessions focussing on the Company's trading divisions.

Relationships with Clients

The Board places significant emphasis on its clients with client care and best interests at the heart of the Aston Lark brand and culture. The company has a diverse client base with many long term relationships, reflecting the client centric approach of an advice led offering provided via high service levels and complemented by in-house claims teams, with an overarching focus on client care.

The robust governance framework in place ensures that there is strong oversight of client outcomes to support the company's objectives, through regular, meaningful and timely management information provided to the Boards and Committees, including Treating Customers Fairly, to ensure compliant and measurable client information is monitored.

Client satisfaction is measured by feedback forms on service and surveys to ensure the company is providing clients with high levels of service and making improvements where needed.

Relationships with Employees

Aston Lark places great emphasis on its largest asset, its staff, who are a credit to the way they represent the Company. The Company prides itself on the service provided by, and the high calibre of, its staff as recognised within the industry via the awards the Company has won and been nominated for. This includes winners of the prestigious Insurance Broker of the Year, Commercial Lines Broker of the Year (SME/Mid Corporate) and Investing in the Profession/Training Award at the British Insurance Awards in 2021, and Best Overall Insurance Broker and Best Commercial Insurance Broker finalists in 2020.

On an individual basis, Peter Blanc was named in the Insurance Business Global 100 for 2021 as one of the outstanding industry professionals who are making a positive difference and helping drive change across the sector. Peter was also awarded Insurance Personality of the Year at the British Insurance Awards in 2021.

The Company embraces diversity with the aim to attract and retain talented staff with a wide range of skills and experiences to deliver long term success. The Company operates an open and engaging culture and recognises the value that diversity brings, including but not limited to differences of race, gender, age, nationality and social, professional and personal backgrounds. The Company is unreservedly opposed to any form of discrimination being practised against its employees or potential employees on the grounds of their race, sex, marital status, age, physical or mental disability, religious belief or sexual orientation.

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Relationships with Employees (continued)

The Company is committed to providing equal opportunities for all of its employees and potential employees with career development based on the ability to perform each role. The Company places great emphasis on the training and career development needs of its employees and empowers staff to shape their career path and reach their full potential that is reflected in the number of staff holding relevant Chartered Insurance Institute and other professional qualifications to support its Chartered Insurance Broker status.

The Learning and Development team within Human Resources provide support through on-line training and development modules, running aspiring leadership development programmes, training courses and ensure that each new employee has a corporate induction session including a presentation from a member of the Executive team. The Board at each meeting receives management information and statistics on employee matters and engagement with staff is via regular consultation, communication on the company's financial performance and staff engagement surveys with high participation levels and resultant action plans to reinforce the working environment operated in.

Specific Committees are in place to focus on staff related matters, including a Remuneration Committee that is independent of the Board and considers staff remuneration at all levels and gender pay gap with the objective to consistently work towards a more balanced approach that focusses on individual capability. Measures introduced include the aligning of job titles to review pay brackets across titles and locations and bonuses based on employee performance reviews for consistency.

Other Committees include; a Mental Health and Wellbeing Committee for communicating and overseeing those initiatives, a Charity Committee (see below), Pride in Aston Lark to ensure that LGBT+ staff feel supported and engaged and a Health and Safety Committee. In addition, a dedicated and confidential staff helpline is provided for any staff member to talk about their personal or business concerns or complaints.

Aston Lark is especially proud that a significant number of the Company's employees are shareholders in the Group, allowing them to participate in the Group's success and align to its longer term aims.

Relationships with Shareholders, Regulators and Other Stakeholders

The Group's shareholders are an important stakeholder in the interests of the Company. The Board places significant value on regular engagement with the Investors nominated directors via active participation at Board and Committee meetings where clear, timely financial and other information is provided, weekly and ad-hoc conference calls, strategic meetings and regular one on one contact.

The Group shareholder base is wide amongst the Company's staff and an Annual Shareholder Conference takes place to provide and present updates on the Group's financial performance, strategic and topical matters and Q&A sessions.

The FCA, as regulator, is an important stakeholder. The Company has a strong compliance culture and aims to have an open, transparent and constructive dialogue with the FCA in any communications it has, alongside provision of timely reporting information as required by the FCA for firms under its rules.

The Board aims to have an open and transparent relationship with HMRC and be a responsible tax payer. Tax position and activities are regularly reported to the Board.

Suppliers are also stakeholders in the Company and the Board manages, develops and maintains relationships with its key suppliers working closely at senior management level to foster strong and long term business relationships. This includes regular review meetings to monitor performance and service levels, the use of economies of scale, membership of Industry bodies and attending Industry events and ensuring suppliers are paid within credit terms.

The Company has developed fair and robust policies including anti-slavery, equality and diversity, and are committed to working with its suppliers who share the same values in providing safe and fair working environments.

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The Community and Environment

Aston Lark recognises the importance of serving the communities in which staff live and work and its responsibility to support community projects. Staff volunteer and participate in local community projects, support businesses, and look for opportunities to share their expertise and skills with others.


The Company has a charity committee to select chosen charities each year, currently the Alzheimer's Society and Alzheimer's Research UK. Each office also has a charity champion to support local and national charities of choice such as Macmillan nurses, The Not Forgotten Association and Hospices. The Company operates a policy to match fund staff fundraising events up to certain levels depending upon the nature of the event.

During the Covid-19 restrictions, the Company held a weekly quiz, undertook the London 2.6 Challenge and launched a You're on Mute campaign amongst other charity events.

The Company is also proud to partner with Smart Works, a charity that supports unemployed women in preparation for their upcoming job interviews with a dressing and coaching service.

The Board is committed to its responsibility to achieve good environmental practice. Key areas of focus include reducing print and paper, managing energy consumption and waste and increasing the use of technology to hold video and call conferencing to reduce travel. The Company undertakes participation in the Energy Saving Opportunity Scheme (ESOS), a mandatory assessment to measure total energy consumption, and carry out energy audits to identify cost effective energy savings opportunities. The Company operates within office and home environments and takes steps to implement appropriate measures across the areas that are within its direct control, and seeks to influence other parties over whom it has indirect control over, such as Property Landlords.

This report was approved by the Board and signed on its behalf.



S P Rootham
Director

30 September 2022

ASTON LARK LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

The directors have chosen, in accordance with s414c(11) of the Companies Act, to disclose the information relating to principal risks and uncertainties, review of the business and key performance indicators in the Strategic Report.

In the case of each of the persons who are directors at the time this report is approved, the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P W Blanc
C W Brown (resigned 1 January 2021)
M J Daines
W P Dickson (appointed 21 July 2021)
T M Holland (resigned 31 May 2022)
I T Jacob
B L Jones
R J Keene
S J S Lark

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DIRECTORS' REPORT
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Directors (continued)

M R Millar (appointed 21 July 2022)
S P Rootham
L D Scott

Directors' and officers liability insurance has been purchased and maintained throughout the year by the company.

Results and dividends

The loss for the year, after taxation, amounted to £4,214,935 (2020: profit of £7,858,718). No dividends were paid during the year (2020: £nil).

Future developments

Group restructuring

The company is committed to the group strategy of growth by organic means and acquisition of similar trading businesses.

As part of the group reorganisation strategy referred to in the Strategic Report, the following group reorganisations took place after the year end, whereby Phoenix Healthcare (UK) Limited on 28 January 2022, K.L. Plester Insurance Services Limited and K.L. Plester Personal Insurance Services Limited on 21 February 2022, Venture Insurance Brokers Limited on 7 March 2022, S. Johnson & Company Ltd on 21 March 2022, Absolute Products Limited on 29 March 2022, and Bainbridge Collins Limited on 23 May 2022, transferred their business and trading assets and liabilities to the company, aside from the insurance broking balances held at that date and other excluded assets such as the minimum capital requirement.

Subsequent to the Phoenix Healthcare (UK) Limited reorganisation, the associated trade and assets were immediately distributed as a going concern to Aston Lark Employee Benefits Limited, a subsidiary undertaking of the company, in exchange for one £1 ordinary share.

These group reorganisations have no impact on the group as assets and liabilities are the same before and after the reorganisation.

On 21 April 2022, following regulatory approval, the company's former ultimate parent company, Hammersmith Topco Limited, was acquired by Lagonda Holdco Limited, whose ultimate parent is Howden Group Holdings Limited.

War in Ukraine and sanctions on Russia

Subsequent to the balance sheet date, Russia invaded Ukraine causing widespread disruption to financial markets and the international community. The company continues to be responsive to the global sanctions and would like to place on record its sympathy for those affected by the conflict.

There has been minimal impact on the company or its operations from either the conflict or international sanctions to date. All of the company's financial instruments are basic and derived from its operating activities, therefore these assets are not exposed to risks posed by the conflict itself. The directors have considered that the company is not directly exposed to significant risks arising from the conflict or international sanctions and do not anticipate a material impact on the company in future periods.

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Employee involvement

The company is committed to providing equal opportunity for all of its employees or potential employees. The company is unreservedly opposed to any form of discrimination being practised against its employees or potential employees on the grounds of their race, sex, marital status, age, physical or mental disability, religious belief or sexual orientation. The company ensures that the principles of the policy, including training and personal career development are communicated and implemented accordingly.

The company is committed to ensuring that its employees are provided with information on matters of concern to them as employees, including regular communication of the company's financial performance.

The directors have approved a charity policy for the coming year that continues to support specific charities chosen by the company's employees. A charity committee has been formed to co-ordinate the company's fundraising in relation to its chosen charities.

The company has an established Wellness Committee as it recognises its duty of care to ensure the mental and physical wellbeing of its employees. Further information on relationships with employees is referred to in the Strategic Report.


Energy and Carbon Usage

The company has taken advantage of the exemption to disclose energy and carbon usage for the year ended 31 December 2021, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and the implementation of the UK government's Streamlined Energy and Carbon Reporting ("SECR") Policy, as the information has been disclosed in the consolidated financial statements of its intermediate parent company, Hammersmith Midco Limited.

Auditor

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



S P Rootham
Director

30 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON LARK LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aston Lark Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON LARK LIMITED

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 8, 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Extent to which the audit was 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASTON LARK LIMITED

Extent to which the audit was capable of detecting irregularities, including fraud (continued)


- Obtaining an understanding of the legal and regulatory framework applicable to the Company's operations and the control environment in monitoring compliance with laws and regulations;
- Inspecting correspondence with the Financial Conduct Authority (FCA);
- Enquiring of Directors and management as to whether they have knowledge of any actual, suspected or alleged fraud;
- Our response to significant audit risks over management override of controls were intended to sufficiently address the risk of fraudulent manipulation. In particular, we have reviewed accounting estimates for any potential management bias to check the methods utilised are appropriate;
- Enquiring of the Directors and other management of instances of non-compliance with laws and regulations;
- Inspecting board meeting minutes throughout the year; and
- Identifying any unusual journal entries based on characteristics of journal posting date and description.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

DocuSigned by:

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Thomas Reed (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

30 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ASTON LARK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	72,717,289	62,025,992
Administrative expenses		(77,696,224)	(54,536,896)
Other operating income		131,430	85,993
Operating (loss) / profit	5	(4,847,505)	7,575,089
Interest receivable and similar income	8	1,985,825	1,396,717
Interest payable and expenses	9	(1,698,465)	(1,025,084)
(Loss) / profit before tax		(4,560,145)	7,946,722
Tax credit / (charge) on (loss) / profit	10	345,210	(88,004)
(Loss) / profit for the financial year		(4,214,935)	7,858,718

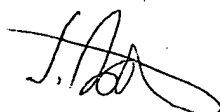
There was no other comprehensive income for the year ended 31 December 2021 (2020: £nil).

The notes on pages 17 to 31 form part of these financial statements.

ASTON LARK LIMITED
REGISTERED NUMBER: 02831010
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	4,124,630	2,095,117
Tangible assets	12	5,586,589	4,779,362
Investments in subsidiary undertakings	13	<u>17,025,195</u>	<u>1,745,195</u>
		26,736,414	8,619,674
Current assets			
Debtors: amounts falling due . . . within one year	14	103,084,822	87,132,056
Investments	15	13,342	13,204
Cash at bank and in hand		<u>13,760,491</u>	<u>8,604,380</u>
		116,858,655	95,749,640
Creditors: amounts falling due within one year	16	<u>(82,912,885)</u>	<u>(54,547,289)</u>
Net current assets		33,945,770	41,202,351
Total assets less current liabilities		<u>60,682,184</u>	<u>49,822,025</u>
Provisions for liabilities	18	<u>(2,374,929)</u>	<u>(1,075,508)</u>
Net assets		<u>58,307,255</u>	<u>48,746,517</u>
Capital and reserves			
Called up share capital	19	1,000,018	1,000,011
Share premium	19	26,193,086	24,722,717
Capital contribution	19	12,330,497	25,200
Profit and loss account		18,783,654	22,998,589
Shareholders funds		<u>58,307,255</u>	<u>48,746,517</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S P Rootham
Director

30 September 2022

The notes on pages 17 to 31 form part of these financial statements.

ASTON LARK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 January 2020	1,000,007	23,278,365	25,200	15,139,871	39,443,443
Profit for the year	-	-	-	7,858,718	7,858,718
Shares issued in year	4	1,444,352	-	-	1,444,356
At 1 January 2021	1,000,011	24,722,717	25,200	22,998,589	48,746,517
Loss for the year	-	-	-	(4,214,935)	(4,214,935)
Shares issued in year	7	1,470,369	-	-	1,470,376
Share based payment transaction	-	-	12,305,297	-	12,305,297
At 31 December 2021	1,000,018	26,193,086	12,330,497	18,783,654	58,307,255

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company, limited by shares, incorporated and registered in England and Wales under the company number 02831010. The registered office is One Creechurch Place, London, EC3A 5AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Pounds Sterling which is the functional currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hammersmith Midco Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 Going Concern

As referred to in the Directors' Report, the company has shown resilience during the Covid-19 pandemic and despite the current economic outlook arising is well placed to manage its business risks. The company has not accessed any Government support measures such as the Coronavirus Job Retention Scheme during the year and the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover consists of brokerage, commission and fees for the arrangement of insurance and fees for consultancy services.

Commission and fees arising from insurance broking activities are recognised upon the later of the effective date that the insurance policy commences and the debit date. An appropriate proportion of turnover is deferred to recognise post placement contractual obligations.

Fees for consultancy arrangements are recognised on an accruals basis over the life of the consultancy agreement.

Other income from insurance broking activities is recognised when it can be measured with reasonable certainty.

2.5 Intangible assets

Intangible fixed assets are recognised as the fair value of consideration for businesses purchased less the fair value of the net assets acquired and are written off evenly up to a period of 10 years depending upon the business purchased.

Intangible fixed assets will be subject to an impairment review at any date if there is an indication of impairment.

2.6 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The depreciation rates of the principal categories are:

Leasehold improvements	Over the remaining term of the lease
Office furniture, fixtures and equipment	4 years straight line
Motor vehicles	4 years straight line
Computer equipment	4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Insurance broking assets and liabilities

The company, in the course of carrying on insurance broking activities, handles client money in accordance with the Financial Conduct Authority Client Asset Sourcebook rules. Under these rules, the company co-mingles monies defined as belonging to clients and monies defined as belonging to insurers (known as risk transfer monies) in segregated bank accounts that are subject to either a non-statutory trust or statutory trust. The company also handles risk transfer monies solely belonging to insurers in a segregated bank account that is subject to a non-statutory trust.

The company's terms of business with its clients and insurers state that the company is entitled to retain the investment income earned on any cash flows arising from insurance broking transactions.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Insurance broking assets and liabilities (continued)

In addition to economic benefit derived from the retention of investment income, the company also has control over the operation of the bank accounts in relation to the settlement of accounts with other intermediaries, clients, insurers and market settlement bureaux.

Given the nature of the trust arrangements under which monies are held and the control that the company exerts over the operation of the segregated bank accounts, the directors consider it appropriate to disclose only the net balance of insurance broking assets and liabilities as an asset of the company itself, representing income due and payable to the company for its own bank account to be transferred from the segregated bank accounts at the appropriate time in accordance with FCA Client Asset Sourcebook rules.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in subsidiaries will be subject to an impairment review if there is an indication of impairment.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the year end date. All differences are taken to the Statement of Comprehensive Income.

2.11 Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the cost over the lease term on a straight line basis.

2.12 Pensions and employee benefits

The company operates a defined contribution pension scheme for its employees. The company also makes contributions to money purchase pension schemes for certain directors. The assets of the schemes are held separately from the company in independently administered funds for individual members of staff who have elected to participate in the schemes. The pension charge represents contributions payable by the company for the year. The company's liability is limited to the amount of the contributions.

Short term employee benefits are recognised as an expense in the period in which they are incurred.

2.13 Investment income and interest

Investment income and interest on deposits are credited on the accruals basis. Interest is calculated using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are either charged as an expense to the Statement of Comprehensive Income or capitalised in the Statement of Financial Position within intangible assets as a cost of acquisition, in the period that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences arising from the different bases of determining results for accounting and taxation purposes at the reporting date. Timing differences are taxable items, allowances or reliefs which have an effect in taxation periods different from those in which they have effect in the financial statements. Deferred tax is calculated using the tax rates enacted by the reporting date that are expected to apply to the reversal of timing differences. Deferred tax assets and liabilities are not discounted.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.16 Share based payments

The ultimate parent company of the Group, Hammersmith Topco Limited, has operated a cash settled share-based payment scheme in the year, with awards granted to selected senior employees on 8 October 2021. Certain beneficiaries of the scheme are employed by Aston Lark Limited and as a result some of the group charge is borne by the company. As the liability to settle the award does not sit with Aston Lark Limited, the scheme has been accounted for as an equity settled share-based payment scheme within these financial statements. The cost of the employees' services rendered to the company in exchange for the grant of rights under share incentive schemes is measured at the fair value of the equity scheme granted at the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

As referred to under the Directors' Responsibilities Statement, the directors are responsible for preparing the financial statements and are required to make judgements and estimates that are reasonable and prudent. In preparing these financial statements, the directors have considered the assumptions used in making the following significant estimates and judgements in applying the company's accounting policies:

Determination as to whether there are indicators of impairment of intangible assets and consideration of their useful lives. Factors taken into consideration include the expected future financial performance of the asset.

Determination of the amount of accrued income included within debtors as a reasonable estimate of the amount that the company expects to receive in the future.

Determination of the amount of the deferred consideration included within provisions as a reasonable estimate of the amounts that the group intends to pay to vendors in the future. The calculation of deferred consideration is dependent on future income of the acquired businesses and therefore there is inherent estimation in these future forecasts.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

All of the company's turnover and profit before taxation is derived from activities in the United Kingdom.

5. Operating profit

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

	2021	2020
	£	£
Auditors remuneration - audit	98,840	75,000
- taxation compliance and advice	10,050	9,200
- client money	25,100	17,500
Depreciation of owned fixed assets	2,108,004	1,819,796
Amortisation of intangible assets	1,234,310	760,023
Foreign exchange loss	(298,332)	88,921
(Profit) / loss arising from the sale of fixed assets	(2,000)	2,628
Operating lease rentals - land & buildings	1,300,463	1,408,224
Operating lease rentals recharged to group companies - land & buildings	(64,947)	(91,861)
Operating lease rentals recharged under sub-letting land & buildings	(131,430)	(85,993)
Operating lease rentals - other	<u>106,496</u>	<u>83,638</u>

Auditors remuneration comprising of audit fees of £107,388 (2020: £73,000), taxation fees of £98,950 (2020: £55,865) and client money fees of £2,000 (2020: £2,000) have been incurred by the company on behalf of fellow group companies.

6. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	2,145,701	1,695,815
Company contributions to defined contribution pension schemes	62,290	61,549
Compensation for loss of office	-	60,000
	<u>2,207,991</u>	<u>1,817,364</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of money purchase pension schemes. Retirement benefits were accruing to 6 directors (2020: 5) under the company defined contribution pension scheme.

The highest paid director received remuneration of £404,875 (2020: £277,882).

The value of the company's contributions paid to money purchase schemes in respect of the highest paid director amounted to £nil (2020: £nil).

There are no key management personnel other than the directors.

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	37,783,242	31,345,124
Social security costs	4,065,082	3,273,644
Company contributions to defined contribution pension schemes	1,925,270	1,696,665
	<u>43,773,594</u>	<u>36,315,433</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021	2020
	No.	No.
Insurance Broking	645	591
Administration	166	125
	<u>811</u>	<u>716</u>

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Interest receivable and similar income

	2021	2020
	£	£
Interest receivable from group undertakings	1,977,363	1,317,632
Bank interest receivable	8,462	79,085
	<u>1,985,825</u>	<u>1,396,717</u>

9. Interest payable and similar charges

	2021	2020
	£	£
Interest payable to group undertakings	1,698,463	1,025,083
Bank interest payable	2	1
	<u>1,698,465</u>	<u>1,025,084</u>

10. Taxation

	2021	2020
	£	£
Corporation tax		
Adjustments in respect of previous periods	-	(2,620)
Total current tax charge / (credit)	<u>-</u>	<u>(2,620)</u>
Deferred tax		
Credit for the year	(250,800)	(80,854)
Adjustments in respect of previous periods	(94,410)	171,478
Total deferred tax (credit) / charge	<u>(345,210)</u>	<u>90,624</u>
Taxation (credit) / charge on (loss) / profit on ordinary activities	<u>(345,210)</u>	<u>88,004</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the applicable rate of corporation tax in the UK of 19%. The differences are explained below:

	2021	2020
	£	£
(Loss) / profit on ordinary activities before tax	<u>(4,560,145)</u>	<u>7,946,722</u>
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(866,428)	1,509,877
Effects of:		
Expenses not deductible for tax purposes	3,660	10,698
Amortisation of intangibles not deductible for tax purposes	142,411	43,594
Adjustment to deferred tax charge in respect of previous periods	(94,410)	171,478
Adjustment to tax charge in respect of previous periods	-	(2,620)
Group relief	469,557	(1,645,023)
Total tax (credit) / charge for the year	<u>(345,210)</u>	<u>88,004</u>

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Intangible assets

	Goodwill £	Client Renewal Rights £	Total £
Cost			
At 1 January 2021	3,533,200	3,602,693	7,135,893
Additions	-	3,263,823	3,263,823
At 31 December 2021	<u>3,533,200</u>	<u>6,866,516</u>	<u>10,399,716</u>
Amortisation			
At 1 January 2021	3,337,633	1,703,143	5,040,776
Charge for the year	195,567	1,038,743	1,234,310
At 31 December 2021	<u>3,533,200</u>	<u>2,741,886</u>	<u>6,275,086</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>4,124,630</u>	<u>4,124,630</u>
At 31 December 2020	<u>195,567</u>	<u>1,899,550</u>	<u>2,095,117</u>

Included in amortisation as at 1 January 2021 and 31 December 2021 is £242,023 relating to impairment of goodwill.

On 18 January 2021, Aston Lark Group Limited, the company's immediate parent undertaking, acquired as a going concern the specialist boat insurance business and certain assets carried on by an insurer and then immediately transferred the business to the company. Included in additions is £1,277,677 of deferred consideration in respect of this purchase, which is due over two years from the date of acquisition.

On 27 July 2021, the company acquired a complementary book of business from Linkscover Ltd.

On 5 October 2021, the company acquired a complementary book of business from The Health Insurance Company.

On 16 December 2021, the company acquired a complementary book of business from Choice Benefits Ltd.

Subsequent to the respective The Health Insurance Company and Choice Benefits Ltd book purchases, the books of business were immediately distributed as a going concern to Aston Lark Employee Benefits Limited, a subsidiary undertaking of the company in exchange for one £1 ordinary share each.

Included within the cost of intangible fixed assets is £1,670,296 (2020: £589,495) of deferred consideration, of which £1,670,296 (2020: £385,832) is based on estimates of future amounts payable at 31 December 2021. Accordingly, the cost of intangible assets may change when the deferred consideration is paid.

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tangible fixed assets

	Leasehold improvements and fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	2,207,603	-	7,136,088	9,343,691
Additions	320,618	-	2,510,376	2,830,994
Transfers from group companies (note 25)	39,437	1,721	43,079	84,237
At 31 December 2021	<u>2,567,658</u>	<u>1,721</u>	<u>9,689,543</u>	<u>12,258,922</u>
Depreciation				
At 1 January 2021	1,187,425	-	3,376,904	4,564,329
Charge for the year	310,507	-	1,797,497	2,108,004
At 31 December 2021	<u>1,497,932</u>	<u>-</u>	<u>5,174,401</u>	<u>6,672,333</u>
Net book value				
At 31 December 2021	<u>1,069,726</u>	<u>1,721</u>	<u>4,515,142</u>	<u>5,586,589</u>
At 31 December 2020	<u>1,020,178</u>	<u>-</u>	<u>3,759,184</u>	<u>4,779,362</u>

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Fixed asset investments

	Investments in subsidiary undertakings £
Cost or valuation	
At 1 January 2021	1,745,195
Additions	15,280,000
At 31 December 2021	<u>17,025,195</u>

Subsidiary undertakings

The following is a direct subsidiary undertaking of the company as at 31 December 2021:

Name	Class of share	Holding	Principal activity
Aston Lark Employee Benefits Limited	Ordinary	100%	Employee Benefits

14. Debtors

	2021 £	2020 £
Surplus insurance assets	6,618,773	5,721,515
Amounts owed by group undertakings	18,315,383	28,576,623
Amounts owed by immediate parent undertaking	71,252,676	46,605,335
Corporation tax	-	689,600
Deferred taxation (note 17)	125,520	-
Other debtors	279,982	440,836
Prepayments and accrued income	6,492,488	5,098,147
	<u>103,084,822</u>	<u>87,132,056</u>

At 31 December 2021 the company held the following gross amounts in respect of insurance broking assets and liabilities:

	2021 £	2020 £
Insurance broking trade debtors	30,157,093	25,551,595
Segregated bank accounts relating to insurance broking	26,733,457	22,724,780
Insurance broking trade creditors	(50,271,777)	(42,554,860)
	<u>6,618,773</u>	<u>5,721,515</u>

The surplus insurance assets held at 31 December 2021 represent income that is due and payable to the company for its own bank accounts to be transferred from the segregated bank accounts at the appropriate time in accordance with the FCA Client Asset Sourcebook rules. Of the £6,618,773 (2020: £5,721,515), an amount of £226,659 (2020: £418,582) (which includes £78,843 (2020: £74,327) of sterling equivalent amounts) was transferred to the company's own bank accounts following the FCA client money calculations undertaken in the first week of January 2022 and the remaining £6,392,114 (2020: £5,302,933) is held as client or insurer money until it becomes due to the company for its own bank accounts in accordance with the FCA Client Asset Sourcebook rules.

15. Current asset investments

	2021 £	2020 £
Unlisted investments:		
As at 1 January & as at 31 December	<u>13,342</u>	<u>13,204</u>

ASTON LARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	768,089	1,702,943
Amounts owed to subsidiary undertaking	21,116,719	3,010,217
Amounts owed to group undertakings	51,591,213	42,663,517
Other taxation and social security	1,163,682	976,868
Other creditors	356,786	393,506
Accruals and deferred income	8,413,422	5,596,575
Corporation tax	(497,026)	-
Deferred consideration	-	203,663
	<u>82,912,885</u>	<u>54,547,289</u>

Included within Other creditors is an amount of £nil (2020: £97,634) relating to Furlough claims that have subsequently been voluntarily repaid.

Deferred consideration included within Creditors due within one year are based on known amounts payable as cash or non-cash consideration.

17. Deferred taxation

	2021	2020
	£	£
As at 1 January	(219,691)	(124,477)
Credit for the year	250,801	80,854
Adjustment in respect of previous periods	94,410	(171,478)
Transferred from group companies	-	(4,590)
As at 31 December	<u>125,520</u>	<u>(219,691)</u>

The deferred tax asset / (provision) is made up as follows:

	2021	2020
	£	£
Short term and other timing differences	201,052	135,711
Capital allowances in excess of depreciation	(75,532)	(355,402)
	<u>125,520</u>	<u>(219,691)</u>

The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from the reversal of timing differences.

18. Provisions for liabilities

	Deferred Consideration	Professional Indemnity & Other Claims	Dilapidations	Deferred tax	Total
	£	£	£	£	£
As at 1 January 2021	385,832	345,843	124,142	219,691	1,075,508
Provided / (credit) in year	1,670,297	469,744	20,016	(250,800)	1,909,257
Provisions paid in	(385,832)	(244,037)	(11,075)	-	(640,944)
Adjustment in respect of previous periods	-	-	-	(94,410)	(94,410)
Transferred to debtors	-	-	-	125,519	125,519
As at 31 December 2021	<u>1,670,297</u>	<u>571,550</u>	<u>133,083</u>	<u>-</u>	<u>2,374,929</u>

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18. Provisions for liabilities (continued)

Deferred consideration is based on estimates of future amounts payable as cash consideration to the respective vendors of acquired businesses. The estimates are dependent upon the future income performance of each respective acquisition and therefore can increase or decrease during the earn out periods. Accordingly, the deferred consideration amount may change when final agreement of amounts payable is reached.

One potential claim has been notified by a client which is covered under the company's professional indemnity insurance policy and provided for in the year. The directors consider, in accordance with FRS102, that a contingent liability is not required to be provided for in these financial statements in respect of notified claims under the company's professional indemnity insurance policy, aside from the company's own responsibility for the excess of £50,000 for each claim after the deduction of any legal costs incurred.

Other potential claims notified to the company that fall under the £50,000 excess or the company chose to settle directly and amount to £63,660 have been provided for under other claims.

The company has made a provision for dilapidations in respect of its potential future obligation under its property leases.

19. Share capital and reserves

	2021	2020
	£	£
Shares classified as equity		
£1 Ordinary Shares - allotted, called up and fully paid		
As at 1 January	1,000,011	1,000,007
Issue of shares in the year	7	4
As at 31 December	<u><u>1,000,018</u></u>	<u><u>1,000,011</u></u>
Share Premium		

Consideration received for shares issued above their nominal value net of transaction costs.

Capital contribution

The capital contribution reserve records the transactions in equity for equity settled share based payment arrangements.

20. Share based payments

The ultimate parent company of the Group, Hammersmith Topco Limited, has operated a cash settled share-based payment scheme, with awards granted to selected senior employees on 8 October 2021. Certain beneficiaries of the scheme are employed by Aston Lark Limited and as a result some of the group charge is borne by the company. As the liability to settle the award does not sit with Aston Lark Limited, the scheme has been accounted for as an equity settled share-based payment scheme within these financial statements and the amount of the charge calculated using the value at the date the awards were granted. The terms of the scheme are disclosed in the Group accounts.

The scheme was subsequently settled on 21 April 2022. As the settlement date was shortly after the grant date, the measurement of the expense at 31 December 2021 has been deemed to be equal to the final settled amount, with the company recognising an expense of £12,305,297 in the year with a corresponding share-based payment reserve established.

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21. Commitments under operating leases

The company as lessee:

At 31 December 2021, the company had future minimum lease payments under non-cancellable operating leases as follows:

	Other 2021	Other 2020 (As restated)	Land and buildings 2021	Land and buildings 2020
Amounts due:				
Within one year	10,149	20,047	1,569,914	2,082,567
Between one and five years	6,179	14,516	2,699,881	3,720,548
After five years	-	-	630,420	735,847
	<u>16,328</u>	<u>34,563</u>	<u>4,900,216</u>	<u>6,538,962</u>

On 13 May 2021, the company surrendered an existing lease with a remaining 4 year term at an annual rent of £313,596 and entered a new lease on the same terms for a period of 1 year with a mutual break on or after 1 January 2022.

On 5 January 2022, the company entered a new property lease for a 10 year term at an annual rent of £217,536 with a mutual break clause after 5 years.

The company as lessor:

At 31 December 2021, the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	Land and buildings 2021	Land and buildings 2020
Amounts due:		
Within one year	7,500	100,775
Between one and five years	21	-
	<u>7,521</u>	<u>100,775</u>

The operating lease represents the sublet of one floor of a property to a third party. In the prior year, the operating leases represented the sublet of two floors of two properties to third parties. The first lease was subject to a break date of August 2021 and the second lease was subject to a break date of September 2021, both of which were exercised during the year.

22. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 and has not disclosed related party transactions with wholly-owned subsidiary undertakings within the group.

The company arranged certain insurance products to Everglades Investments Ltd and Sedona Investments Ltd, related parties by virtue of common directorship. As a result of this, the company earned commission of £4,064 (2020: £2,529).

During the year, the company received supplies of services from Blanc Creation of £nil (2020: £13,620), a related party by virtue of control by a family member of a director.

23. Transactions with directors

The company arranged certain insurance products for the directors who served during the year. As a result of this, the company earned commission of £2,454 (2020: £1,761).

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23. Transactions with directors (continued)

The company arranged certain insurance products for the family members of the directors who served during the year. As a result of this, the company earned commission of £1,705 (2020: £920).

24. Charges and guarantees

The company and certain of its fellow subsidiary undertakings have acceded to a Senior Facilities Agreement originally dated 13 August 2019 between Hammersmith Bidco Limited and various parties as Arrangers, Agent and Security Agent, as amended and restated from time to time, and provided a guarantee and charged their assets by way of fixed and floating charges as security for the obligations under the Senior Facilities Agreement. The outstanding amount of the loans under the Senior Facilities Agreement as at 31 December 2021 was £351,951,212 (2020: £211,302,890). On 21 April 2022 the loans were fully repaid and the charge satisfied.

On 20 December 2017, the ultimate parent company Howden Group Holdings Limited along with fellow subsidiaries HIG Finance 2 Limited and Hyperion Refinance S.a.r.l., entered into an amended and restated credit agreement with the Group's lenders in respect of the Group's main lending facilities. On 1 July 2022, the company acceded to the amended and restated credit agreement. As part of the agreement the company is a guarantor in respect of obligations undertaken by Howden Group Holdings Limited, HIG Finance 2 Limited and Hyperion Refinance S.a.r.l.

25. Intragroup business transfers

As referred to in the Strategic Report, there have been a number of group reorganisations made during the year. These group reorganisations constitute a hive up and hive down restructure whereby an acquired entity's business and trading assets and liabilities, aside from the insurance broking balances held at that date and other excluded assets such as the minimum capital requirement, are distributed as a going concern to the company's immediate parent undertaking, Aston Lark Group Limited and then immediately transferred to the company in exchange for one £1 ordinary share.

The following group reorganisations took place during the year: Dunsby Associates Insurance Brokers Limited on 1 March 2021, RiskAlliance International Limited and RiskAlliance Limited on 1 June 2021, Essex Insurance Brokers Limited on 18 October 2021, and Premier Insurance Consultants (Bolton) Limited on 25 October 2021.

These group reorganisations have no impact on the group as assets and liabilities are the same before and after the reorganisation.

There were no differences between the book value of assets and liabilities and the consideration paid in respect of the transfers. The net assets and liabilities transferred were:

	Dunsby Associates Insurance Brokers Limited £	RiskAlliance Limited £	RiskAlliance International Limited £	Essex Insurance Brokers Limited £	Premier Insurance Consultants (Bolton) Limited £
Tangible assets	4,557	51,951	3,432	11,666	12,630
Intangible assets	-	20,741	-	-	-
Debtors	72,985	6,411	10,461	5,724	751
Creditors	-	-	-	-	(12,768)
Net assets	77,542	79,103	13,893	17,390	613
Satisfied by:					
Issue of shares	77,542	79,103	13,893	-	613
Intercompany loan	-	-	-	17,390	-
	77,542	79,103	13,893	17,390	613

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26. Post balance sheet events

Group restructuring

As part of the group reorganisation strategy referred to in the Strategic Report, the following group reorganisations took place after the year end, whereby Phoenix Healthcare (UK) Limited on 28 January 2022, K.L. Plester Insurance Services Limited and K.L. Plester Personal Insurance Services Limited on 21 February 2022, Venture Insurance Brokers Limited on 7 March 2022, S. Johnson & Company Ltd on 21 March 2022, Absolute Products Limited on 29 March 2022, and Bainbridge Collins Limited on 23 May 2022, transferred their business and trading assets and liabilities to the company, aside from the insurance broking balances held at that date and other excluded assets such as the minimum capital requirement.

Subsequent to the Phoenix Healthcare (UK) Limited reorganisation, the associated trade and assets were immediately distributed as a going concern to Aston Lark Employee Benefits Limited, a subsidiary undertaking of the company, in exchange for one £1 ordinary share.

On 21 April 2022, following regulatory approval, the company's former ultimate parent company, Hammersmith Topco Limited, was acquired by Lagonda Holdco Limited, whose ultimate parent is Howden Group Holdings Limited.

War in Ukraine and sanctions on Russia

Subsequent to the balance sheet date, Russia invaded Ukraine causing widespread disruption to financial markets and the international community. The company continues to be responsive to the global sanctions and would like to place on record its sympathy for those affected by the conflict.

There has been minimal impact on the company or its operations from either the conflict or international sanctions to date. All of the company's financial instruments are basic and derived from its operating activities, therefore these assets are not exposed to risks posed by the conflict itself. The directors have considered that the company is not directly exposed to significant risks arising from the conflict or international sanctions and do not anticipate a material impact on the company in future periods.

27. Controlling party

The immediate parent undertaking of the company is Aston Lark Group Limited, a company registered in England and Wales.

Up until 21 April 2022, the ultimate parent undertaking was Hammersmith Topco Limited, a company registered in Jersey and controlled by West Street Capital VII Special Investments B No 2 S.a.r.l., which was the ultimate controlling party of the group.

On 21 April 2022, Hammersmith Topco Limited was acquired by Lagonda Holdco Limited, a company registered in England and Wales. From 21 April 2022, the ultimate parent company and ultimate controlling entity is Howden Group Holdings Limited.

During the year ended 31 December 2021, Hammersmith Midco Limited headed the smallest group for which consolidated accounts were drawn up and of which the company was a member. These accounts are available from One Creechurch Place, London, EC3A 5AF, its registered office.

Hammersmith Topco Limited, whose registered office is 22 Grenville Street, St Helier, Jersey JE4 8PX, headed the largest group for which consolidated accounts were drawn up and of which the company was a member during the year.