

Registration number: 03016409

# Managing Agents Reference Assistance Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



# **Managing Agents Reference Assistance Services Limited**

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## **Managing Agents Reference Assistance Services Limited**

### **Company Information**

<b>Directors</b>	D C Ross D Cougill
<b>Company secretary</b>	D Clarke
<b>Registered office</b>	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom
<b>Auditor</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

## **Managing Agents Reference Assistance Services Limited**

### **Strategic Report for the Year Ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019 for Managing Agents Reference Assistance Services Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the performance of the Company during the financial year and its position at the end of the year. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. The Company is part of The Ardonagh Group Limited ("the Group").

#### **Principal activities and business review**

In January 2018, the Company sold its rights to renewal book and running off legacy book of business. It has been in run-off from that date. It is the directors' intention to wind up the Company once the run-off process has been completed.

The results for the Company show turnover of £Nil (2018: £-590) and loss before tax of £Nil (2018: £119,675). At 31 December 2019 the Company had net assets of £471,310 (2018: £535,596). The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors continue to believe that the preparation of the financial statements on a basis other than going concern is appropriate.

#### **Outlook**

From January 2018, following the disposal of its renewal business to URIS Group Limited ("URIS"), a fellow Group company under common control, the Company has been in run-off. Any remaining obligations will continue to be settled. It is the directors' intention to wind up the Company once the run-off process has completed.

#### **Principal risks and uncertainties**

##### **Risk management**

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

As noted in the Outlook section the Company's subsidiary operations are in run-off as of January 2018, and the Company is managed on a basis other than going concern from that date.

## **Managing Agents Reference Assistance Services Limited**

### **Strategic Report for the Year Ended 31 December 2019 (continued)**

#### **Financial risk**

There is the risk of adverse impact on business value as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows against risk appetite and a focus on debt collection.

#### **Impact of Covid-19**

The Company and Group have considered the consequences and ramifications of the Covid-19 pandemic. Business Continuity Plans are in place across each of the operating segments, with measures to manage employee absences, access to the wider network of all offices, the efficiency and stability of the Company's infrastructure and the ability for home working for a significant portion of our employee base. Leadership teams and working groups led by senior managers are in place to support operational resilience and taking common-sense precautions with a view to ensuring the wellbeing of colleagues. We continue to review this approach on a daily basis in line with latest global developments and government guidance. Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. As a Group, Ardonagh is highly diversified and not materially exposed to a single carrier, customer or market sector.

The Company and Group have sufficient liquidity to withstand a period of potential poor trading resulting from a sustained impact of Covid-19 and closely monitors available liquidity on an ongoing basis.

#### **General data protection regulation**

The Company's computer systems store information about its customers, some of which is sensitive personal data. Database privacy, identity theft and related computer and internet issues are matters of growing public concern and are subject to changes in rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or harm to our reputation. Although the Company has taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our database and to ensure that our processing of personal data complies with the relevant data protection regulations, our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss.

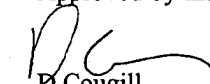
#### **Future impact of Brexit**

The Brexit decision may affect the ability of businesses to passport from the UK into other EU states and likewise into the UK from the EU. Following the 2019 general election, the Prime Minister has been clear that he is driven to deliver Brexit with a transition period ending on 31 December 2020.

We continue to believe that the direct impact on the Group will not be significant because it conducts only limited business within the EU and, importantly, because several additional mitigation strategies have been put in place during 2019 (i.e. gaining direct authorisation in certain EU member states) to reduce the risk. However, the loss of passporting rights may affect the insurance markets in which the Group operates, possibly reducing insurance capacity, competition and choice.

Brexit could also lead to a general decline in economic conditions in the UK where the Group operates predominantly. The diversified business portfolio of the Group continues to mitigate the risk of a general decline in economic conditions.

Approved by the board on **21<sup>st</sup> August, 2020** and signed on its behalf by:

  
D Cougill  
Director

## **Managing Agents Reference Assistance Services Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

#### **Directors of the Company**

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

D C Ross

A Erotocritou (resigned 1 August 2019)

D Cougill (appointed 1 August 2019)

#### **Dividends**

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2019 (2018: £Nil).

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

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 2.

#### **Future developments**

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 2.

#### **Political donations**

The Company has not made any political donations during the year (2018: £Nil).

#### **Going concern**

In January 2018, the Company sold its renewal business to URIS Group Limited, a fellow Group company under common control. The Company has been in run-off from this date and it is the directors' intention to liquidate the Company once run-off is complete. As a consequence, the financial statements of the Company have been prepared on a basis other than going concern. Further details of this assessment can be found in note 2 of these financial statements.

#### **Subsequent events**

Details of subsequent events can be found in the notes to the financial statements within the 'Subsequent events' note on page 23.

#### **Directors' liabilities**

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

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditor**

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

**Managing Agents Reference Assistance Services Limited**

**Directors' Report for the Year Ended 31 December 2019 (continued)**

Approved by the Board on **21<sup>st</sup> August, 2020** and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D Cougill', written over a horizontal line.

D Cougill  
Director

## **Managing Agents Reference Assistance Services Limited**

### **Statement of Directors' Responsibilities**

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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.



## **Managing Agents Reference Assistance Services Limited**

### **Independent Auditor's Report to the members of Managing Agents Reference Assistance Services Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Managing Agents Reference Assistance Services Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 17;

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 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.

## **Managing Agents Reference Assistance Services Limited**

### **Independent Auditor's Report to the members of Managing Agents Reference Assistance Services Limited (continued)**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

In the light of our 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 and the Directors' Report.

## **Managing Agents Reference Assistance Services Limited**

### **Independent Auditor's Report to the members of Managing Agents Reference Assistance Services Limited (continued)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you 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.



**Jamie Weisfeld (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**London**  
**United Kingdom**

**Date: 21<sup>st</sup> August, 2020**

# Managing Agents Reference Assistance Services Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	-	(590)
Administrative expenses		<u>-</u>	<u>(119,085)</u>
Operating loss	5	<u>-</u>	<u>(119,675)</u>
Loss before tax		-	(119,675)
Tax on profit/(loss)	8	<u>(64,286)</u>	<u>92,387</u>
Loss for the year		<u><u>(64,286)</u></u>	<u><u>(27,288)</u></u>

The above results were derived from discontinued operations.

The notes on pages 13 to 23 form an integral part of these financial statements.

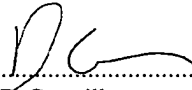
**Managing Agents Reference Assistance Services Limited**

**(Registration number: 03016409)**

**Statement of Financial Position as at 31 December 2019**

	Note	2019 £	2018 £
<b>Current assets</b>			
Deferred tax assets	8	-	64,286
Current tax assets	8	-	28,101
Trade and other receivables	11	983,993	956,662
Cash and cash equivalents	12	99,431	99,431
		<u>1,083,424</u>	<u>1,148,480</u>
<b>Current liabilities</b>			
Trade and other payables	13	<u>(612,114)</u>	<u>(612,884)</u>
<b>Net current assets</b>		<u>471,310</u>	<u>535,596</u>
<b>Net assets</b>		<u>471,310</u>	<u>535,596</u>
<b>Capital and reserves</b>			
Share capital	14	271,300	271,300
Merger reserves		1	1
Retained earnings		<u>200,009</u>	<u>264,295</u>
<b>Total equity</b>		<u>471,310</u>	<u>535,596</u>

Approved by the Board on **21<sup>st</sup> August, 2020** ... and signed on its behalf by:

  
 .....  
 D Cougill  
 Director

The notes on pages 13 to 23 form an integral part of these financial statements.

## Managing Agents Reference Assistance Services Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Merger reserves £	Retained earnings £	Total £
At 1 January 2019	271,300	1	264,295	535,596
Result for the year	-	-	-	-
Net loss for the year	-	-	(64,286)	(64,286)
At 31 December 2019	<u>271,300</u>	<u>1</u>	<u>200,009</u>	<u>471,310</u>

	Share capital £	Merger reserves £	Retained earnings £	Total £
At 1 January 2018	21,300	-	291,583	312,883
Result for the year	-	-	(27,288)	(27,288)
New share capital issued	250,000	-	-	250,000
On business combination	-	1	-	1
At 31 December 2018	<u>271,300</u>	<u>1</u>	<u>264,295</u>	<u>535,596</u>

In January 2018, the Company sold its trade to URIS Group Limited, a fellow Group company, as a common control transaction. Aggregated consideration payable to the Company was £1 which resulted in the creation of a £1 merger reserve in the financial year.

## **Managing Agents Reference Assistance Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The Company is a private company limited by share capital incorporated and registered in England and domiciled in the United Kingdom. The address of the Company's registered office is 2 Minster Court, Mincing Lane, London, EC3R 7PD. The principal activity of the Company is disclosed on page 2 within the 'Strategic Report' section.

These financial statements for the year ended 31 December 2019 were authorised for issue by the Board on **21<sup>st</sup> August, 2020** and the Statement of Financial Position was signed on the board's behalf by D Cougill.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Basis of preparation**

These financial statements were prepared in accordance with FRS 101.

These financial statements have been prepared on a break up basis and under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value.

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. Amounts shown are rounded to the nearest pound, unless stated otherwise.

The directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (Covid-19) and have treated this as a non-adjusting subsequent event in these financial statements, see note 17.

##### **Application of new and revised International Financial Reporting Standards ("IFRS")**

IFRS16 and other new accounting standards are applicable for financial reporting periods starting on 1 January 2019 or later. These new standards did not have a material impact on the Company.

## **Managing Agents Reference Assistance Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

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

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

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

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

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in the Critical accounting judgements and key sources of estimation uncertainty disclosure on page 16.

##### **Going Concern**

The Company disposed of its trade and assets in January 2018. It is the directors' intention to wind up the Company once its liabilities have been settled. Consequently, the financial statements of the Company have been prepared on a basis other than going concern.

There have been no adjustments as a result of the use of a basis other than going concern.

##### **Taxation**

###### *Current tax*

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



## **Managing Agents Reference Assistance Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### *Deferred tax*

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

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

##### **Property, plant and equipment**

###### *Derecognition of tangible assets*

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 Statement of Comprehensive Income when the asset is derecognised.

##### **Intangible assets**

###### *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.

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

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

##### **Share capital**

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

##### **Financial assets**

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

Trade and other receivables represent amounts due from related parties. They are recognised initially at fair value and subsequently at amortised cost, less provision for impairment.

## Managing Agents Reference Assistance Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### Financial liabilities

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

Trade and other payables represent amounts due to related parties and third parties. They are initially recognised at fair value and are subsequently measured at amortised cost.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

##### Critical judgements in applying accounting policies

##### Deferred tax assets

Significant judgement is required in determining the asset recognised in respect of deferred tax. A deferred tax asset is recognised for temporary timing differences, and management's best estimate is used to determine the extent that it is probable that taxable profit will be available in the future, against which the temporary differences can be utilised, and the amount of this taxable profit. Deferred tax assets are measured at the tax rates in accordance with the tax laws that have been enacted or substantively enacted by the end of the reporting year. The deferred tax asset as at 31 December 2019 is £nil (2018: £64,286), see note 8.

#### 4 Turnover

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

	2019	2018
	£	£
Commission and fees	-	(58)
Tenant referencing income	-	(532)
	<u>-</u>	<u>(590)</u>

## Managing Agents Reference Assistance Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 5 Operating loss

Arrived at after charging

	2019	2018
	£	£
Depreciation expense	-	200
Amortisation and other amounts written off intangibles	-	1,282
Loss on disposal of property, plant and equipment	-	40
	<u>-</u>	<u>40</u>

The audit fee of £11,346 (2018: £11,016 ) for the audit of the Company was paid for by other Group entities for which no recharge was made.

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.

#### 6 Staff costs

The aggregate payroll costs were as follows:

	2019	2018
	£	£
Wages and salaries	-	15,920
Social security costs	-	1,653
	<u>-</u>	<u>17,573</u>

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

	2019	2018
	No.	No.
Administration	<u>-</u>	<u>1</u>

#### 7 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited.

All directors benefit from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

# **Managing Agents Reference Assistance Services Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

### **8 Income tax**

Tax (charged)/credited in the Statement of Comprehensive Income

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	-	28,101
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>(64,286)</u>	<u>64,286</u>
Tax (charge)/credit in the Statement of Comprehensive Income	<u><u>(64,286)</u></u>	<u><u>92,387</u></u>

The differences are reconciled below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loss before tax	<u>-</u>	<u>(119,675)</u>
Corporation tax at standard rate of 19% (2018: 19%)	-	22,738
Fixed asset differences	(732)	(9,373)
Tax expense relating to changes in tax rates or laws	77	1,551
Deferred tax (expense)/credit from unrecognised tax loss or credit	<u>(63,631)</u>	<u>77,471</u>
Total tax (charge)/credit	<u><u>(64,286)</u></u>	<u><u>92,387</u></u>

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax rate will be held at 19%.

### **Deferred tax**

	<b>Asset</b>
	<b>£</b>
<b>2019</b>	
Accelerated tax depreciation	<u><u>                    </u></u>
<b>2018</b>	
Accelerated tax depreciation	<u><u>64,286</u></u>

## Managing Agents Reference Assistance Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 8 Income tax (continued)

Deferred tax movement during the year:

	At 1 January 2019 £	Recognised in income £	At 31 December 2019 £
Accelerated tax depreciation	<u>64,286</u>	<u>(64,286)</u>	<u>-</u>

Deferred tax movement during the prior year:

	At 1 January 2018 £	Recognised in income £	At 31 December 2018 £
Accelerated tax depreciation	<u>-</u>	<u>64,286</u>	<u>64,286</u>

In addition to the amount disclosed above, the Company has potential deferred tax assets at 31 December 2019 of £63,631 (2018: £Nil) in relation to capital expenditure not yet claimed totalling £374,301 (2018: £Nil). This deferred tax asset has not been recognised in these accounts as it is not expected that the Company's future profitability will be sufficient to utilise it.

# Managing Agents Reference Assistance Services Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 9 Intangible assets

	Computer software £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	351,389	351,389
At 31 December 2019	351,389	351,389
<b>Amortisation</b>		
At 1 January 2019	351,389	351,389
At 31 December 2019	351,389	351,389
<b>Carrying amount</b>		
At 31 December 2019	-	-
At 31 December 2018	-	-

### 10 Tangible assets

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	4,681	4,681
At 31 December 2019	4,681	4,681
<b>Depreciation</b>		
At 1 January 2019	4,681	4,681
At 31 December 2019	4,681	4,681
<b>Carrying amount</b>		
At 31 December 2019	-	-
At 31 December 2018	-	-

# Managing Agents Reference Assistance Services Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

### 11 Trade and other receivables

	2019 £	2018 £
Receivables from other Group companies	<u>983,993</u>	<u>956,662</u>

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

### 12 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>99,431</u>	<u>99,431</u>

Cash at bank includes £99,431 (2018: £99,431) in office accounts which are considered restricted and not available to pay the general debts of the Company.

### 13 Trade and other payables

	2019 £	2018 £
<b>Current trade and other payables</b>		
Trade payables in relation to insurance transactions	456	456
Amounts due to other Group companies	<u>611,658</u>	<u>612,428</u>
	<u>612,114</u>	<u>612,884</u>

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

## Managing Agents Reference Assistance Services Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 14 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>271,300</u>	<u>271,300</u>	<u>271,300</u>	<u>271,300</u>

#### 15 Related party transactions

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

#### 16 Parent and ultimate parent undertaking

The Group's majority shareholder and ultimate controlling party at 31 December 2019 is HPS Investment Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2019 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 2019 that consolidate the Company is Ardonagh Midco 3 plc (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

2 Minster Court  
Mincing Lane  
London  
EC3R 7PD



## **Managing Agents Reference Assistance Services Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **17 Subsequent events**

On 14 July 2020, the Group issued new borrowings, which it used to repay its existing borrowings and to fund acquisitions. The existing borrowings included the existing senior secured notes and the revolving credit facility, the repayment of which released the Group from the associated security. The new borrowings include \$500m senior unsecured notes, a senior secured term loan facility of £1,575m comprising £1,412.8m denominated in pound sterling and €180m denominated in euro, and a £191.5m revolving credit facility that is not drawn at the date of this report. The Group completed the purchase of the entire issued share capital of Nevada 5 Topco Limited (an indirect parent of Arachas Topco Limited) on 14 July 2020, for a consideration of €135,781,781.51 cash. The Group also completed the purchase of the entire issued share capital of Nevada 4 Midco 1 Limited (the parent of Bravo Investment Holdings Limited) on 14 July 2020, for a consideration of £39,794,109.14 cash. The new borrowings will also be used to fund the acquisition of Bennetts Motorcycling Services Limited.

The Directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (Covid-19) and have treated this as a non-adjusting subsequent event in these financial statements (see note 2 Basis of preparation).