



Parent Company Interim Accounts to 28 February 2022

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INTERIM PARENT COMPANY FINANCIAL STATEMENTS

Interim Parent Company Income Statement (unaudited)

	28 February 2023 £m	Year ended 31 December 2022 £m
Administrative expenses	(3.1)	(26.3)
Operating loss	(3.1)	(26.3)
Investment and interest income	150.8	320.1
Impairment expense	—	(37.0)
Interest payable	(2.0)	(12.0)
Profit before tax	145.7	244.8
Taxation credit	0.8	5.7
Profit after tax	146.5	250.5

Interim Parent Company Statement of Comprehensive Income (unaudited)

	28 February 2023 £m	Year ended 31 December 2022 £m
Profit for the period	146.5	250.5
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Movements in fair value reserve	1.0	(20.9)
Deferred tax charge on movement in investment valuation reserve	(0.3)	5.2
Other comprehensive income for the period, net of income tax	0.7	(15.7)
Total comprehensive income for the period	147.2	234.8

Interim Parent Company Statement of Financial Position (unaudited)

		As at	
		28 February 2023	31 December 2022
	Note	£m	£m
ASSETS			
Investments in group undertakings	2	421.6	421.6
Intangible assets		0.3	0.4
Financial investments	4	163.7	167.5
Corporation tax asset		5.4	4.6
Deferred tax asset		0.6	0.9
Trade and other receivables	4, 5	184.9	184.5
Cash and cash equivalents	4	3.5	3.5
Total assets		780.0	783.0
EQUITY			
Share capital	7	0.3	0.3
Share premium account		13.1	13.1
Fair value reserve		(0.9)	(1.6)
Retained earnings		243.2	96.7
Total equity		255.7	108.5
LIABILITIES			
Subordinated and other financial liabilities	4	220.8	224.4
Trade and other payables	4, 6	303.5	450.1
Total liabilities		524.3	674.5
Total equity and total liabilities		780.0	783.0

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 6 March 2023 and were signed on its behalf by:



Geraint Jones

Chief Financial Officer

Admiral Group plc

Company Number: 03849958

Interim Parent Company Statement of Changes in Equity (unaudited)

	Share capital £m	Share premium account £m	Fair value Reserve £m	Retained profit and loss £m	Total equity £m
At 1 January 2022	0.3	13.1	14.1	447.3	474.8
Profit for the period	—	—	—	250.5	250.5
Other comprehensive income					
Movement in fair value reserve	—	—	(20.9)	—	(20.9)
Deferred tax on movement fair value reserve	—	—	5.2	—	5.2
Total comprehensive income for the period	—	—	(15.7)	250.5	234.8
Transactions with equity holders					
Dividends	—	—	—	(658.3)	(658.3)
Issues of share capital	—	—	—	—	—
Share scheme credit	—	—	—	57.3	57.3
Deferred tax on share scheme credit	—	—	—	(0.1)	(0.1)
Total transactions with equity holders	—	—	—	(601.1)	(601.1)
As at 31 December 2022	0.3	13.1	(1.6)	96.7	108.5
At 1 January 2023	0.3	13.1	(1.6)	96.7	108.5
Profit for the period	—	—	—	146.5	146.5
Other comprehensive income					
Movement in fair value reserve	—	—	1.0	—	1.0
Deferred tax on movement in fair value reserve	—	—	(0.3)	—	(0.3)
Total comprehensive income for the period	—	—	0.7	146.5	147.2
Transactions with equity holders					
Dividends	—	—	—	—	—
Issues of share capital	—	—	—	—	—
Share scheme credit	—	—	—	—	—
Deferred tax on share scheme credit	—	—	—	—	—
Total transactions with equity holders	—	—	—	—	—
As at 28 February 2023	0.3	13.1	(0.9)	243.2	255.7

Notes to the Parent Company Financial Statements

For the period ended 28 February 2023.

1. Accounting policies

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements are prepared on the historical cost basis except for the revaluation of financial assets classified as fair value through the profit or loss.

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.

1.2 Changes to accounting policies

There were no significant changes to accounting policies in the period.

1.3 Disclosure exemptions applied under FRS 101

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- FRS 101.8 (d): the requirement of IFRS 7 *Financial Instruments: Disclosure* to make disclosures about financial instruments
- FRS 101.8 (f): the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - paragraph 118(3) of IAS 38 *Intangible Assets*
- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 *Presentation of Financial Statements* to produce a cash flow statement, a third balance sheet and to make an explicit and unreserved statement of compliance with IFRSs
- FRS 101.8 (h): the requirements of IAS 7 *Statements of Cash Flows* to produce a cash flow statement
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to include a list of new IFRSs that have been issued but that have yet to be applied
- FRS 101.8 (k): the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to transaction is wholly owned by such a member

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.4 Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Company's projections for the next twelve months and beyond, including cash flow forecasts and regulatory capital surpluses.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.5 Key source of estimation uncertainty

In applying the Group's accounting policies as described below, management consider there to be a key source of estimation uncertainty within the impairment testing of the Company's investment in group undertakings. Management has applied judgement in determining whether the carrying value of the investment, or asset may be supported by the recoverable amount calculation based on the 'value in use' of the asset (the net present value of future cash-flows arising from the asset).

In calculating the net present value of future cash-flows, Management has made assumptions over the timing and amount of underlying profit projections of the relevant undertakings, long term growth rates in those projections and the discount rate applied to these projections that is appropriate to reflect the market's view of the risk of the relevant investment.

1.6 Shares in Group undertakings

Shares in Group undertakings are valued at cost less any provision for impairment in value.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the company's investments in subsidiaries. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.7 Employee share schemes

The Company operates a number of share schemes for employees of the Group's subsidiaries. For equity settled schemes, the fair value of the employee services received in exchange for the grant of free shares under the schemes is recognised as an increase in equity in the Company. A corresponding intercompany charge is made to the subsidiaries whose employees receive the free shares. For further detail, see note 9 in the consolidated financial statements.

1.8 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.9 Financial assets and liabilities

Under IFRS 9, classification of and subsequent measurement of financial assets depend on:

- The Group's business model for managing the asset; and
- The cashflow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the three categories below:

- Amortised cost: assets held for collection of contractual cash flows where the cash flows represent solely payments of principal and interest, that are not designated as FVPL.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL.
- Fair value through profit or loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI.

In line with the above:

- Fixed term deposits are measured at amortised cost with interest income is recognised in the Income Statement.
- Gilts are measured at FVOCI. Unrealised changes in the fair value of these assets are recognised in Other Comprehensive Income (OCI).
- Investments measured at FVPL are primarily money market funds. Interest income is recognised in the Income statement.

Cash and cash equivalents include cash in hand and deposits held at call with banks. All cash and cash equivalents are measured at amortised cost.

The Company's financial liabilities comprise subordinated notes which are held at amortised cost using the effective interest method.

1.10 Intangible Assets

Purchased software licences are classified as an intangible asset and stated in the balance sheet at a cost less accumulates amortisation. Software is amortised from the point at which the asset is operational and is amortised over the licence period.

2. Investments in Group undertakings

	£m
Investments in subsidiary undertakings:	
At 1 January 2022	315.1
Additions	143.5
Disposal	—
Impairment	(37.0)
At 31 December 2022	421.6
Additions	—
Impairments	—
As at 28 February 2023	421.6

A full list of the Company's subsidiaries is disclosed in the Group's consolidated financial statements.

3. Intangible assets

	Domain name £m	Software £m	Total £m
Cost			
At 1 January 2023	—	0.4	0.4
Additions	—	—	—
Disposal	—	—	—
At 28 February 2023	—	0.4	0.4
Amortisation			
At 1 January 2023	—	—	—
Charge for the period	—	0.1	0.1
Disposal	—	—	—
At 28 February 2023	—	0.1	0.1
Net Book Value			
At 31 December 2022	—	0.4	0.4
At 28 February 2023	—	0.3	0.3

4. Financial assets and liabilities

The Company's financial instruments can be analysed as follows:

	28 February 2023 £m	31 December 2022 £m
Investments classified as FVOCI		
Gilts	145.3	143.6
	145.3	143.6
Investments classified at FVTPL		
Money market and other similar funds	18.4	23.9
	18.4	23.9
Total financial investments	163.7	167.5
Financial assets held at amortised cost		
Trade and other receivables (Note 5)	184.9	184.5
Cash and cash equivalents	3.5	3.5
Total financial assets	352.1	355.5
Financial liabilities		
Subordinated notes	200.8	204.4
Other borrowings	20.0	20.0
Trade and other payables (Note 6)	303.5	450.1
Total financial liabilities	524.3	674.5

The amortised cost carrying amount of deposits and receivables is a reasonable approximation of fair value.

5. Trade and other receivables

	28 February 2023 £m	31 December 2022 £m
Trade and other receivables	1.2	1.2
Amounts owed by subsidiary undertakings	183.7	183.3
Total trade and other receivables	184.9	184.5

6. Trade and other payables

	28 February 2023 £m	31 December 2022 £m
Trade and other payables	7.2	7.1
Amounts owed to subsidiary undertakings	296.3	443.0
Total trade and other payables	303.5	450.1

7. Share capital

	28 February 2023 £m	31 December 2022 £m
Authorised		
500,000,000 ordinary shares of 0.1 pence	0.5	0.5
Issued, called up and fully paid		
302,837,726 ordinary shares of 0.1 pence	0.3	0.3
	0.3	0.3

Dividends were declared and paid as follows:

	28 February 2023 £m	31 December 2022 £m
March 2022 (118.0 pence per share, approved April 2022 and paid June 2022)	—	348.1
August 2022 (105.0 pence per share, paid October 2022)	—	310.2
Total dividends	—	658.3

The dividend proposed in March 2022 represents the final dividend paid in respect of the 2021 financial year. The dividend declared in August 2022 is an interim distribution in respect of 2022.

A final dividend of 52.0 pence per share (£155.0 million) has been proposed in respect of the 2022 financial year.