Registration number: 10623965

Geo Specialty Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Geo Specialty Limited

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Geo Specialty Limited

Company Information

Directors	A J Mintern J Swindle
Company secretary	Ardonagh Corporate Secretary Limited
Registered office	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom
Auditor	Deloitte LLP Four Brindleyplace Birmingham B1 2HZ United Kingdom

Geo Specialty Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022 for Geo Specialty 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.

Principal activities and business review

The principal activity of the Company was the provision of insurance intermediary services, specifically specialty rather than personal or commercial lines business.

The results for the Company show revenue of £0.1m (2021: £2.5m) and loss before tax of £1.4m (2021: £0.6m) for the year. At 31 December 2022 the Company had net liabilities of £6.5m (2021: £5.3m). The going concern note (part of accounting policies) on page 20 sets out the reasons why the directors believe that the preparation of the financial statements on a basis other than that of a going concern is appropriate.

Section 172 (1) Statement

The directors of the Company consider that they have responsibly and appropriately discharged their duties under the Companies Act 2006, ("S172 Duties") including their duty to act in a way they consider, in good faith, and would be the most likely to promote the success of the Company for the benefit of its members as a whole consistent with s.172 Duties.

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

The performance and delivery of annual and integration plans of the underlying Broking and MGA businesses within the Advisory Platform are subject to detailed oversight by our Insurance Broking and MGA Segment Boards together with robust conflicts of interest management. The Segment Boards also discharge rigorous oversight over the management of risk. Given the respective size of the businesses, the Insurance Broking Segment Board has constituted a Risk Committee that reports back to the Board.

The day to day Board level governance over the business of Geo Specialty Limited is undertaken by the Board of Ardonagh Advisory MGA Holdings Limited, of which 2 directors of the Company are members.

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

Section 172 (1) Statement (continued)

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

Employees
Our employees are central to the success of Ardonagh Advisory and our remuneration structures are designed to reward good performance at the individual and business level and support our values. In addition, the business focusses on providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths and study support and, if appropriate, movement across different Advisory businesses or businesses across the wider Ardonagh Group. During 2022 Ardonagh Advisory invested in its employees with 779,912 hours of non-mandatory training completed, the commencement of an Emerging Careers Apprenticeship Programme, 220 employees obtained their Chartered Insurance Institute qualifications and the business is partnering with a university to enable future leaders to study for an MBA Senior Leader Level 7 qualification via virtual workshops.

Advisory have adopted an Equality and Diversity Policy and our Boards believes that equality, diversity and inclusion strengthen the Advisory business, contribute to long-term performance, and attract key talent. The Advisory Insurance Broking Segment Board has taken time to consider management actions and initiatives regarding diversity and inclusion, and they support and monitor management actions to increase the proportion of senior leadership roles held by women and other under-represented groups across Advisory. During 2022 Ardonagh Advisory established LGBTQ+ and Disability employee forums, delivered 5 Diversity, Equity & Inclusion and wellbeing webinars with guest speakers. Advisory is working with Progress Together to drive socio-economic diversity at senior levels of the business.

An annual Groupwide employee pulse survey has been conducted since 2019. 74% of Advisory employees participated in the 2022 pulse survey. Advisory achieved an average score of 7.4 (out of 10) across all questions, in line with the 7.5 average score across the Ardonagh Group. The survey highlighted positive trends regarding creating a sense of belonging and purpose, fostering cultures of inclusion and respect, and building strong team and line manager relationships.

Customers
Seeking good customer outcomes is central to the success of the business. Management continue to seek customer views and improve how we track our customers' perceptions of our businesses and bring the voice of our customers into Board reporting. Our products and services are periodically reviewed to ensure they continue to meet the needs of our customers. The Company is proud to have retained the Gold Investors in Customers accreditation in 2022.

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

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

Section 172 (1) Statement (continued)

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

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

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

Community and Environment
Ardonagh contributes to the communities in which we operate through the Ardonagh Charitable Trust. Advisory staff undertook a range of charitable activities on Ardonagh's annual Give Back Day and throughout 2022 to support a variety of local causes. Further details on how we interact with communities are set out in the Sustainability Report available on the Ardonagh website at www.ardonagh.com.

Climate-related risks and opportunities have grown in importance for us as an organisation. As a part of the Group with insurance intermediaries, understanding and managing risk (especially insurance transfer risk) is at the heart of what the Company does, and the Company recognises that climate change poses material long-term impacts for our clients, wider stakeholders and therefore ultimately, our business. The action that the Group is taking in respect to climate change is set out in the Ardonagh Group Sustainability Report that is available on the Ardonagh website at www.ardonagh.com.

Section 172 (1) Statement (continued)

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

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

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

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

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

Outlook

With effect from 31 January 2022 the directors of Geo Specialty Limited reached agreement with a third party that it would no longer continue to trade in its principal line of business and is now in run-off. It is the directors' intention to liquidate the Company and the run-off process is expected to take approximately 18 to 24 months.

Key performance indicators

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

	Unit	2022	2021
Gross written premium (GWP)	£m	1.2	18.5
Total income (commission and fees, and other income)	£m	.1	2.5
Administrative expenses (excluding depreciation)	£m	2.8	3.0
Total income/GWP ratio	%	8.3	13.5

With effect from 31 January 2022 the directors of Geo Specialty Limited reached agreement with a third party that it would no longer continue to trade in its principal line of business and this business is now in run-off. Accordingly, revenue outside the UK (see note 4) is significantly reduced. Compensation relating to loss of the team and a future non-competition clause of £1.3m has been booked to other income in the year.

During 2022, the company maintained its central management function incurring costs in line with 2021. Loss of the principal income generating business has had minimal impact on administration expenses and staffing levels.

Non-financial key performance indicators include staffing levels which have decreased by 9% to an average of 10 (2021: 11).

Principal risks and uncertainties

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

The principal risks and their mitigation are as follows:

Strategic and commercial risk

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

Financial risk

There is the risk of an adverse impact on business value or earnings capacity as well as the risk of inadequate cash flows to meet financial obligations. These risks are mitigated by proactive management of the business plan, by regular monitoring of cash flows against risk appetite and by a focus on debt collection.

The Group has demonstrated its resilience to economic uncertainties and demonstrated operational and financial resilience in response to a downturn in UK business and customer confidence.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date and the Group would respond to income declines by seeking cost savings. The Group had available liquidity of £995.1m at 30 June 2023 and closely monitors available liquidity on an ongoing basis.

Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. Ardonagh is highly diversified and not materially exposed to a single carrier, customer or market sector.

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

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

Foreign currency risk
The Company is exposed to foreign currency risk from its revenue from North America and the Group has forward contracts to hedge its US$ revenue and reduce the foreign currency risk.

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

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

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

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

Approved by the board on 28 September 2023 and signed on its behalf by:

Andrew Mintern

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A J Mintern
Director

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

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

D J Coles (resigned 8 June 2023)

S W Hough (resigned 27 January 2022)

J G Sutton (appointed 27 January 2022 and resigned 8 June 2023)

The following directors were appointed after the year end:

A J Mintern (appointed 8 June 2023)

J Swindle (appointed 8 June 2023)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2022 (2021: £Nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 6.

Future developments

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

Political donations

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

Employment of disabled persons

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

Employee involvement

Employees are key to the Company's success, so an appropriate remuneration package is offered which rewards an individual's performance and contribution to the organisation. The Company is also keen to encourage individual's personal development to ensure that they have the skills required to undertake their role. The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the Group as a whole. This is achieved by formal and informal meetings, circulation of the Group weekly communications email and Group news posted on the internal website.

Going concern

With effect from 31 January 2022 the directors of Geo Specialty Limited reached agreement with a third party that it would no longer continue to trade in its principal line of business and is now in run-off. It is the directors' intention to liquidate the Company and that this process will take approximately 18 to 24 months. As a consequence, the financial statements have been prepared on a basis other than that of a going concern.

Subsequent events
Details of subsequent events can be found in the notes to the financial statements within the 'Subsequent events' note (note 19).

Directors' indemnities
All directors of the Company and fellow Group companies benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, 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.

Approved by the board on 28 September 2023 and signed on its behalf by:

Andrew Mintern

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A J Mintern
Director

Geo Specialty Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101'Reduced Disclosure Framework'.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent Auditor's Report to the Members of Geo Specialty Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Geo Specialty Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

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.

Independent Auditor's Report to the Members of Geo Specialty Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:
• had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, FCA regulation and tax legislation; and
• do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. This included Data Protection Act 2018.

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

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

Risk of material misstatement relating to the accuracy of profit commission income recognition. Our procedures to address this included:

•Obtaining an understanding of the profit commission process and the flow of financial information into the general ledger; and
•Performing sample testing on the profit commission balance to identify any transactions which may have been erroneously recorded at the incorrect value.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
• reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
• performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
• enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
• reading minutes of meetings of those charged with governance and reviewing any correspondence with the FCA.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

S. Cumberbatch

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Stewart Cumberbatch, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

Date: 28 September 2023

Geo Specialty Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Revenue	4	142,227	2,525,165
Administrative expenses		(2,955,922)	(3,136,151)
Operating loss	5	(2,813,695)	(610,986)
Other income	6	1,340,805	-
Finance income	7	54,763	-
Finance costs	7		(6,210)
Loss before tax		(1,418,127)	(617,196)
Tax credit	10	143,240	125,290
Net loss for the year		(1,274,887)	(491,906)

All transactions derived from discontinued activities following the agreement with a third party to discontinue its trade in its principal line of business. There was no other comprehensive income in the current or prior year.

Geo Specialty Limited

(Registration number: 10623965)
Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Intangible assets	12	-	149,321
Current assets			
Property, plant and equipment	11	1,198	-
Intangible assets	12	22,448	-
Trade and other receivables	13	1,818,719	2,717,692
Cash and cash equivalents	14	3,767,409	4,076,766
Deferred tax assets	10	35	125,290
		5,609,809	6,919,748
Current liabilities			
Trade and other payables	15	(12,152,616)	(12,117,787)
Current tax liability		(816)	(220,018)
		(12,153,432)	(12,337,805)
Net current liabilities		(6,543,623)	(5,418,057)
Total assets less current liabilities		(6,543,623)	(5,268,736)
Net liabilities		(6,543,623)	(5,268,736)
Capital and reserves			
Share capital	16	200	200
Retained losses		(6,543,823)	(5,268,936)
Total equity		(6,543,623)	(5,268,736)

Approved by the board on 28 September 2023 and authorised for issue on its behalf by:

Andrew Mintern

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A J Mintern
Director

The notes on pages 18 to 34 form an integral part of these financial statements.

Geo Specialty Limited

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

	Share capital £	Retained losses £	Total £
At 1 January 2022	200	(5,268,936)	(5,268,736)
Loss for the year		(1,274,887)	(1,274,887)
At 31 December 2022	200	(6,543,823)	(6,543,623)

	Share capital £	Retained losses £	Total £
At 1 January 2021	200	(4,777,030)	(4,776,830)
Loss for the year		(491,906)	(491,906)
At 31 December 2021	200	(5,268,936)	(5,268,736)

The notes on pages 18 to 34 form an integral part of these financial statements.

Geo Specialty Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by share capital incorporated and registered in England, United Kingdom. The details of the Company's registered office address can be found on page 1. 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 2022 were authorised for issue by the board on 28 September 2023 and the Statement of Financial Position was signed on the board's behalf by A J Mintern.

2 Accounting policies

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

Basis of preparation

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

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

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

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

TAGL merged into an overseas company Tara Topco Ltd on 31 May 2022 and, as part of the post-merger structuring, a newly established UK-incorporated company AGHL obtained control of a newly established Jersey-incorporated company Ardonagh New Midco 3 Limited on 1 June 2022, the owner of Ardonagh Midco 1 Limited. Ardonagh Midco 1 Limited was the only direct subsidiary of TAGL (TAGL indirectly owned all the Ardonagh businesses) prior to TAGL's merger with Tara Topco Ltd and AGHL is now the parent of the businesses that were previously part of the Ardonagh Group that was headed by TAGL until 31 May 2022. The references below to the Group is to the group of companies headed by TAGL at a consolidated level prior to 31 May 2022 and also to the Group now headed by AGHL (following TAGL ceasing to exist).

There are no new standards, amendments or interpretations which are effective in 2022 or not yet effective and that are expected to materially impact the Company's financial statements.

2 Accounting policies (continued)

Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted 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 of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;

• the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant and equipment and intangible assets;

• the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;

• the requirements of paragraphs 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;

• the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;

• the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member; and

• 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. This information is included in the consolidated financial statements of Ardonagh Group Holdings Limited as at 31st December 2022 and details to obtain these financial statements can be found in note 18.

Judgements made by the directors, in the application of these accounting policies that have 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 policies and estimates disclosure on page 26.

2 Accounting policies (continued)

Going Concern

As shown in account note 18, the Company was a member of a group ("the Group") of which The Ardonagh Group Holdings Limited ("AGHL") was the ultimate parent company and the highest level at which results were consolidated for the year ended 31 December 2022.

The financial statements of the Company have been prepared on a basis other than that of a going concern. At 31 December 2022 the Company had net liabilities of £6.5m (2021: £5.3m) and net current liabilities of £6.5m (2021: £5.4m). The net current liabilities include amounts payable to related parties of £8.8m (2021: £7.8m), and amounts receivable from related parties of £0.4m (2021: £0.6m). The Company reported a loss before tax of £1.4m (2021: £0.6m). In reaching their view on the preparation of the Company's financial statements, the directors have considered the letter of support provided by Ardonagh Group Holdings Limited.

With effect from 31 January 2022 the directors of Geo Specialty Limited reached agreement with a third party that it would no longer continue to trade in its principal line of business and is now in run-off. It is the directors' intention to liquidate the Company and that this process will take approximately 18 to 24 months. Consequently, the financial statements have been prepared on a basis other than that of a going concern.

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

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Where assets under construction projects are incomplete, costs are capitalised as work in progress and included within property, plant and equipment assets. These costs are not subject to depreciation until completion of the project.

2 Accounting policies (continued)

Intangible assets

Computer software

Acquired computer software licences arise either through business combinations when they are separable or are purchased separately and are capitalised on the basis of the costs incurred to acquire them. Their fair value has been calculated by using the net book value acquired. These costs are amortised on a straight-line basis over their estimated useful lives of 4 years.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	Straight line over 4 years
Computer equipment	Straight line over 4 years

Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Comprehensive Income.

Derecognition

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

2 Accounting policies (continued)

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

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

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

Classification and subsequent measurement of financial assets
The Company classifies its financial assets in the following measurement categories:

• Amortised cost;
• Fair value through other comprehensive income ("FVTOCI"); and
• Fair value through profit and loss ("FVTPL").

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

Financial assets classified as amortised cost
Financial assets that meet the following conditions are subsequently measured at amortised cost:
the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

2 Accounting policies (continued)

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and, as such, are not liable as principals for amounts arising from such transactions. In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company. Other than the receivable for fees and commissions earned on a transaction, no recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client.

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

Impairment of financial assets
The Company assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date.

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

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

• information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

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

Classification and subsequent measurement of financial liabilities
All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

2 Accounting policies (continued)

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

Commission and fees
Revenue includes commission and fees receivable by the Company. Commission and fees relate mainly to placement or underwriting of policies on behalf of insurers or policyholders and are recognised at the later of policy inception date or when the policy placement has been completed and confirmed.

The Company retains a portion of the policy premiums as commission. Premiums are typically collected on an annual basis at or near contract inception (which could be up to 60 days from contract inception). In some cases, customers are offered to pay in instalments or are directed to a third-party premium credit provider. Some of the Company's contracts are rolling on a monthly basis, in which case payment is made on a monthly basis (see below).

The Company utilises the practical expedient in IFRS 15 not to adjust the amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between when the Company transfers a service to a customer and when the customer pays for that service will be one year or less.

Variable consideration
The Company is a party to the following material arrangements where the consideration receivable by the Company is variable:
• Profit share arrangements - these are trading deals with insurers which include incentives and penalties based on performance of the book of business. Revenue related to these arrangements is recognised on a best estimate basis, only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur (a constraint).

Under the profit share arrangements, an additional commission is earned from the insurer based on the profit from the underlying book of business or the volume of policies placed. The estimated profit share is recognised as a contract asset and is reclassified to trade and other receivables when the underlying results are determined. Some profit commissions may be provided in advance. Advanced profit share is recognised as a contract liability until the Company satisfies the underlying obligations.

Payment terms of profit share vary and depend on the specific agreement with the insurer. Because of the time required for policies to earn out and for claims to mature, final settlement may take up to 2-3 years from the point at which the Company places a policy (i.e. satisfies its performance obligation).

Contract costs (Other assets)
Contract costs are assets recognised in accordance with IFRS 15 which consist of:

Costs to fulfil - salary and other costs of customer-facing employees who undertake activities necessary to satisfy contracts with the customer. The Company estimates the proportion of costs that are eligible to be capitalised based on the time spent by customer-facing employees on relevant inception/renewal activities. Capitalised costs are released to profit or loss on inception or renewal of the contract with the customer, which normally takes place within 1-3 months of the reporting period.

2 Accounting policies (continued)

Share capital

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

Employee benefits

Pension costs

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

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

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

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.

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 period comprises current tax and deferred tax. Income tax is recognised in Statement of Comprehensive Income, except that a charge 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.

Finance income policy

The Company's finance income includes interest income. Interest income is recognised using the effective interest method for instruments classified as amortised cost.

3 Critical accounting judgements and key sources of estimation uncertainty

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

There are no critical accounting judgements that would have a significant effect on the amounts recognised in the Company's financial statements.

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

Key sources of estimation uncertainty

Revenue recognition
The Company is a party to profit sharing and loss corridor arrangements. These arrangements adjust the consideration that the Company is entitled to for satisfying its performance obligations and the amount and timing of revenue subject to profit sharing or loss corridor arrangements is inherently uncertain.

The Company applies judgement in estimating the related variable consideration which is measured on a best estimate basis, using either the 'expected value' method or the 'most likely amount' method, to the extent that a significant reversal will not occur (a constraint).

In making the estimate, the Company uses historical, current and forecast information that is reasonably available to it. When the results underlying these arrangements are highly susceptible to factors outside the Company's influence and the Company's experience has limited predictive value, then a higher constraint is applied (in some cases - fully constrained).

Estimates of the variable consideration are assessed at the end of each reporting period to determine whether they need to be revised. The underwriting results are being reviewed by the Company and the insurer on a regular basis and information provided by the insurer is used to refine the estimated amount of consideration. As the underwriting results become more certain, the constraint is relaxed.

The profit commission has been calculated reflecting a fully formed claims loss ratio, so is not deemed to be sensitive to deterioration in value.

4 Revenue

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

	2022	2021
	£	£
Commission and fees	(34,368)	1,345,185
Profit commission arrangements	176,595	1,179,980
	142,227	2,525,165

The analysis of the Company's revenue for the year by geographical location is as follows:

	2022	2021
	£	£
United Kingdom	98,726	36,175
Rest of Europe	-	48,684
North America	39,717	1,802,816
Australia	3,784	188,834
Other	-	448,656
	142,227	2,525,165

5 Operating loss

The following items have been charged/(credited) in arriving at operating loss:

	2022	2021
	£	£
Auditor's remuneration: audit of these financial statements	45,650	15,000
Depreciation expense	141	-
Amortisation expense	119,944	119,364
Realised FX gain	(118,226)	(8,931)
Unrealised FX loss/(gain)	180,167	(136,404)
Intra divisional recharges - staff	278,643	303,270

During the current and prior year there have been no amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements.

6 Other income

Compensation relating to loss of the team and a future non-competition clause of £1.3m has been booked to other income in the year.

7 Finance income and finance cost

	2022 £	2021 £
Finance income		
Interest income on bank deposits	54,763	
Finance costs		
Interest payable	-	(6,210)
Net finance income/(cost)	54,763	(6,210)

8 Staff costs

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

	2022 £	2021 £
Wages and salaries	1,550,869	1,857,537
Social security costs	216,576	225,608
Pension costs, defined contribution scheme	48,735	32,046
	1,816,180	2,115,191

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

	2022 No.	2021 No.
Administration	4	2
Sales	2	2
Management	4	7
	10	11

9 Directors' remuneration

The emoluments of all directors for current year are paid by other Group companies, which make no recharge to the Company. These directors are directors of other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of Ardonagh Group Holdings Limited for the year ended 31 December 2022. It is impracticable to determine the proportion of director emoluments that relate to this entity.

10 Income tax

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

	2022 £	2021 £
Current tax		
UK corporation tax	(268,495)	-
Adjustments in respect of prior periods		
Total current tax	(268,495)	-
Deferred tax		
Origination and reversal of temporary differences	125,255	(125,290)
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	125,255	(125,290)
Tax credit in the statement of comprehensive income	(143,240)	(125,290)

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

	2022 £	2021 £
Loss before tax	(1,418,127)	(617,196)
Corporation tax at standard rate of 19% (2021: 19%)	(269,444)	(117,267)
Expenses not deductible for tax purposes	923	2,939
Movement in deferred tax not recognised	125,290	153,971
Remeasurement of deferred tax for changes in tax rates	(9)	(164,933)
Tax credit	(143,240)	(125,290)

10 Income tax (continued)

Deferred tax

The UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023. UK deferred tax balances as at 31 December 2022 are measured at the rate that the respective assets and liabilities will reverse.

Deferred tax assets and liabilities are recognised on the balance sheet as follows:

2022	Asset
	£
Accelerated tax depreciation	35
Losses	-
	35

2021	Asset
	£
Accelerated tax depreciation	-
Losses	125,290
	125,290

	At 1 January 2022	Recognised in income	At 31 December 2022
	£	£	£
Accelerated tax depreciation	-	35	35
Losses	125,290	(125,290)	-
	125,290	(125,255)	35

10 Income tax (continued)

	At 1 January 2021	Recognised in income	At 31 December 2021
	£	£	£
Accelerated tax depreciation	-	-	-
Losses	-	125,290	125,290
	-	125,290	125,290

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

	2022	2021
	£	£
Losses	687,222	561,932
Unrecognised deferred tax assets	687,222	561,932

11 Property, plant and equipment

	Computer hardware	Total
	£	£
Cost or valuation		
At 1 January 2022	-	-
Additions	1,339	1,339
At 31 December 2022	1,339	1,339
Depreciation		
At 1 January 2022	-	-
Charge for the year	141	141
At 31 December 2022	141	141
Carrying amount		
At 31 December 2022	1,198	1,198
At 31 December 2021	-	-

12 Intangible assets

	Computer software £	Total £
Cost or valuation		
At 1 January 2022	481,887	481,887
Disposals	(13,320)	(13,320)
At 31 December 2022	468,567	468,567
Amortisation		
At 1 January 2022	332,566	332,566
Amortisation charge	119,944	119,944
Disposals	(6,391)	(6,391)
At 31 December 2022	446,119	446,119
Carrying amount		
At 31 December 2022	22,448	22,448
At 31 December 2021	149,321	149,321

13 Trade and other receivables

	2022 £	2021 £
Trade receivables in relation to insurance transactions	38,528	325,579
Expected credit loss allowance	(36,184)	(177,439)
Net trade receivables	2,344	148,140
Receivables from other Group companies	362,421	631,766
Prepayments	31,365	52,776
Contract assets	1,422,589	1,885,010
Total current trade and other receivables	1,818,719	2,717,692

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

14 Cash and cash equivalents

	2022 £	2021 £
Fiduciary funds	3,767,409	4,076,766

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

15 Trade and other payables

	2022 £	2021 £
Current trade and other payables		
Trade payables in relation to insurance transactions	3,253,751	3,879,066
Accrued expenses	140,936	417,443
Amounts due to other Group companies	8,757,929	7,821,278
	12,152,616	12,117,787

The balances due to other Group companies are unsecured, interest free and repayable on demand.

16 Share capital

Allotted, authorised, called up and fully paid shares

	2022 No.	2022 £	2021 No.	2021 £
Ordinary shares of £1 each	100	100	100	100
G2 shares of £0.01 each	10,000	100	10,000	100
	10,100	200	10,100	200

Ordinary shares have full rights in the Company with respect to voting, dividends and distributions. G2 shares do not have voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

17 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 advantage of the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

18 Parent and ultimate parent undertaking

The Company's immediate parent company is Geo Underwriting Services Limited and the ultimate parent company is Tara Topco Limited.

The Group's majority shareholder and ultimate controlling party at 31 December 2022 is Madison Dearborn Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Group Holdings Limited (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). The parent company of the smallest group that prepares group financial statements at 31 December 2022 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD).

Financial statements for Ardonagh Group Holdings Limited and Ardonagh Midco 2 plc are available on request from:
2 Minster Court
Mincing Lane
London EC3R 7PD

19 Subsequent events

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.