

Registration number: 10983743

Atlanta Investment Holdings A Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



Atlanta Investment Holdings A Limited

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Atlanta Investment Holdings A Limited

Company Information

Directors	C D Ball D Cougill I J Donaldson
Company secretary	Ardonagh Corporate Secretary Limited
Registered office	Autonet Insurance Nile Street Burslem ST6 2BA United Kingdom

Atlanta Investment Holdings A Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021 for Atlanta Investment Holdings A 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. Following significant new equity investment as disclosed in note 16, the Company is now part of a new holding company structure. Prior to this and as at 31 December 2021, the Company was part of The Ardonagh Group Limited ("the Group").

Principal activities and business review

The principal activity of the Company is that of a non-trading holding company, as such the Company does not generate any turnover.

The results for the Company show turnover of £Nil (2020: £Nil) and loss before tax of £9,320,000 (2020: £8,600,168) for the year. At 31 December 2021 the Company had net liabilities of £28,876,510 (2020: £19,757,541). The going concern note (part of accounting policies) on page 10 sets out the reasons why the directors continue to believe that the preparation of the financial statements on a going concern basis is appropriate. In reaching their view on the preparation of the Company's financial statements on a going concern basis, the directors have considered the letter of support provided by Ardonagh Midco 3 Plc.

Business strategy and objectives

The Company will continue to act as an intermediate holding company and support the strategic objectives of the group companies of internal growth and targeted acquisitions.

Section 172 (1) of the Companies Act 2006 (the "Act") Statement

This Statement is made pursuant to s. 414 of the Companies Act 2006.

The Company forms part of The Ardonagh Group of Companies, a global insurance distribution provider and its activities are aligned to the strategy and risk management and control frameworks of the Group.

The directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm. The directors of the Company consider that, both individually and collectively, they have acted in a way, in good faith, that would most likely promote the success of the Company, for the benefit of its members (s. 172(1)), also having regard to the long-term consequences of any decisions taken (172(1)(a)). Distributions to the Company's shareholder are only considered after a full assessment of capital adequacy and the Company's ability to continue as a going concern into the foreseeable future to ensure investment in the future growth of the Company, balanced with stable and sustainable returns to the shareholder. Sections 172(1)(b)-(e) do not apply to the Company in its capacity as a company in run-off for the Group, as it does not have employees, clients or suppliers.

The Group's Code of Conduct, applies to all directors of the Company and it embodies the Group's commitment to maintaining the highest ethical conduct and professional standards. These non-negotiable standards are outlined in the Code of Conduct and the Ardonagh Governance Framework, which emphasises the importance of building trust with colleagues, clients and the wider community.

Outlook

The directors do not expect there to be any changes in the nature of the business in 2022. In addition, financial support offered by the Group, as discussed in note 2 'Going concern' provides sufficient assurance as to the Company's ability to trade on a going concern basis for a period of at least twelve months from the date of approval of the financial statements.

Atlanta Investment Holdings A Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Key performance indicators

The directors of the Group manage operations on a segmental basis. For this reason, the Company's directors believe that a detailed analysis for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Group which includes this Company is discussed in the Group's annual report.

The key performance indicator for the Company is the carrying value of its subsidiary, as this is the main asset of the Company. The performance of the subsidiary will determine whether an impairment to the carrying value is required and this is tested on a regular basis.

There is no impairment charge in the current year (2020: £Nil).

Principal risks and uncertainties

The Company's performance and value, as a holding company of the Group, is integrated with its investment in the Company's subsidiary. As such from the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are managed separately. Accordingly, the principal risks and uncertainties are discussed in the Group's annual report.

Trading performance in the subsidiary could create the need for impairment leading to a reduction in net assets and distributable reserves of the Company. The subsidiary sets performance targets for the year ahead and performance is reviewed regularly against these targets. Reasons for under performance are monitored and mitigating actions are taken.

The principal risks and their mitigation are as follows:

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 from an economic shock and demonstrated operational and financial resilience in response to the Covid-19 pandemic.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date and the Group would respond to income declines by seeking cost savings. The Group had available liquidity of £683.3m at 30 June 2022 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.

Approved by the Board on 15/09/2022 and signed on its behalf by:



.....
C D Ball
Director

Atlanta Investment Holdings A Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2021.

Directors of the Company

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

C D Ball

D Cougill

I J Donaldson

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2021 (2020: £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 3.

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 (2020: £Nil).

Subsequent events

Details of subsequent events can be found in the Notes to the financial statements within the 'Subsequent events' section on page 20.

Going concern

The Company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on page 2. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. As at 31 December 2021, the Company is reporting net liabilities of £28.9m (2020: £19.8m). In reaching their view on the preparation of the Company's financial statements on a going concern basis, the directors have also considered the letter of support provided by Ardonagh Midco 3 Plc. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details of this assessment can be found in note 2 to these financial statements.

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, which were in place during the financial year and at the date of this report.

Approved by the Board on 15/09/2022 and signed on its behalf by:



C D Ball
Director

Atlanta Investment Holdings A 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 year. In preparing these financial statements, the directors are required to:

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

Atlanta Investment Holdings A Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		-	(168)
Operating loss	4	-	(168)
Finance costs	5	(9,320,000)	(8,600,000)
Loss before tax		(9,320,000)	(8,600,168)
Tax credit	8	196,738	1,649,715
Loss for the year		<u>(9,123,262)</u>	<u>(6,950,453)</u>

The above results arise from continuing operations. There was no other comprehensive income in the current or prior year.

Atlanta Investment Holdings A Limited

(Registration number: 10983743)

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Non-current assets			
Investment in subsidiaries	9	70,810,005	70,805,712
Current assets			
Trade and other receivables	10	6,858,016	6,858,016
Current tax assets		2,187,414	2,050,533
Deferred tax	8	59,857	-
		<u>9,105,287</u>	<u>8,908,549</u>
Current liabilities			
Trade and other payables	11	(30,485,614)	(25,485,614)
Borrowings	12	<u>(78,306,188)</u>	<u>(73,986,188)</u>
		<u>(108,791,802)</u>	<u>(99,471,802)</u>
Net current liabilities		<u>(99,686,515)</u>	<u>(90,563,253)</u>
Total assets less current liabilities		<u>(28,876,510)</u>	<u>(19,757,541)</u>
Net liabilities		<u>(28,876,510)</u>	<u>(19,757,541)</u>
Capital and reserves			
Share capital	13	100	100
Retained losses		<u>(28,876,610)</u>	<u>(19,757,641)</u>
Total equity		<u>(28,876,510)</u>	<u>(19,757,541)</u>

For the financial year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 15/09/2022 and signed on its behalf by:



C D Ball
Director

Atlanta Investment Holdings A Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Retained losses £	Total £
At 1 January 2021	100	(19,757,641)	(19,757,541)
Share-based payment	-	4,293	4,293
Loss for the year	-	(9,123,262)	(9,123,262)
At 31 December 2021	<u>100</u>	<u>(28,876,610)</u>	<u>(28,876,510)</u>

	Share capital £	Retained losses £	Total £
At 1 January 2020	100	(12,814,709)	(12,814,609)
Share-based payment	-	7,521	7,521
Loss for the year	-	(6,950,453)	(6,950,453)
At 31 December 2020	<u>100</u>	<u>(19,757,641)</u>	<u>(19,757,541)</u>

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 General information

The Company is a private company limited by share capital, that is 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'.

These financial statements for the year ended 31 December 2021 were authorised for issue by the Board on ~~.....15/09/2022~~ and the Statement of Financial Position was signed on the board's behalf by C D Ball.

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. The financial statements have been prepared on a historical cost basis, as modified to use a different measurement basis where necessary to comply with FRS 101.

The Company is a wholly owned subsidiary of The Ardonagh Group Limited for the year ended 31 December 2021, and so has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements. Its results are included in the consolidated financial statements of its ultimate parent.

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

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 IFRS"), 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 paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment concerning details of the number and weighted average exercise price of share options and how the fair value of goods or services received was determined;
- 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;

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

- 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 13.

Going concern

The financial statements of the Company have been prepared on a going concern basis. At 31 December 2021 the Company had net liabilities of £28,876,510 (2020: £19,757,541) and net current liabilities of £99,686,515 (2020: £90,563,253). The net current liabilities include amounts receivable from related parties of £6,857,916 (2020: £6,857,916), amounts due to related parties of £30,485,614 (2020: £25,485,614) and amount borrowed from related parties of £78,306,188 (2020: £73,986,188). The Company reported a loss before tax of £9,320,000 (2020: £8,600,168). In reaching their view on the preparation of the Company's financial statements on a going concern basis, the directors have considered the letter of support provided by Ardonagh Midco 3 Plc.

The directors have assessed the Group's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the directors have taken into account the following:

- The Group's capital structure, operations and liquidity.
- Base case and stressed cash flow forecasts over the calendar years 2022 and 2023.
- The impact on the base case and stressed cashflow forecasts arising from subsequent material acquisitions.
- The principal risks facing the Group and its systems of risk management and internal control.
- Actual trading and cashflows of the Company and Group since the Company's incorporation, including those of the group of companies previously owned by TAGL.

Key assumptions that the directors have made in preparing the base case cash flow forecasts are that:

- The Group will continue to benefit from a £191.5m Revolving Credit Facility that is not drawn at the date of this report.
- Client retention and renewal rates remain robust, despite the current economic uncertainty, as the 2022 trading performance continues to demonstrate resilience across the Group, including that of the group of companies previously owned by TAGL.

Key stress scenarios that the directors have considered include cumulative stresses to the base plan as a result of:

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

- Shortfalls in base case projected income throughout 2022 and 2023.
- Deterioration in base case cash conversion rates over and above the shortfalls in income.
- Mitigating actions within management control including delayed capital expenditure, a reduction in discretionary spend and measured reductions in employee headcount and remuneration.
- The impact of increasing interest rates.

The directors have also modelled reverse stress scenarios, including assessing those that result in a default on the Group's term debt facilities that would require a technical repayment obligation and those that would exhaust available liquidity. The stresses needed for these outcomes to happen significantly exceed the key stress scenarios above and the directors consider such conditions to be a remote possibility. Other mitigations which may be possible in the stress scenarios but have not been included in the analysis include seeking shareholder support, securitising premium receivables and further incremental and more prolonged cost reductions.

The directors continue to consider the wider operational and financial consequences and ramifications of global political and economic tensions (including related to the Ukrainian conflict, inflation and increasing interest rates). In particular:

- Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. The Group is highly diversified and not unduly exposed to a single carrier, customer or market sector.
- Although economic developments remain fluid, the stress testing demonstrates the Group's financial resilience and operating flexibility.
- As a result of Russia invading Ukraine, we have seen significant new sanctions legislation from a range of legislators (including the US, EU and UK), with newly sanctioned entities and individuals, and new (or wider in scope) sectoral sanctions targeting Russia (and Belarus). The Ardonagh Group has no appetite for potential breaches of applicable sanctions regimes and applies appropriate controls including automated screening of clients against relevant sanctions lists. We continue to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.

Following the assessment of the Company and Group's financial position and its ability to meet its obligations as and when they fall due, including the further potential financial implications of economic uncertainty included in stress tests, the directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted for at cost less, where appropriate, impairment.

Impairment of investment

The carrying amount of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

Calculation of recoverable amount

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Financial instruments

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 other receivables and amounts due from related parties. They are recognised initially at fair value and subsequently at amortised cost, less any expected credit loss allowance.

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

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

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Finance costs

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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.

Share-based payments

The Company operates equity-settled share-based payment schemes. For equity-settled share-based payment schemes, the fair value of the services received in exchange for the grant of the shares is recognised as an expense, measured based on the grant date fair value of the shares and recognised on a straight-line basis over the vesting period, which generally depends on service and performance conditions being met.

The shares issued under the schemes generally have no dividend or voting rights and cannot be sold. The shares of an equity-settled share-based payment scheme are normally convertible to ordinary shares of the Group on the occurrence of a crystallisation event, being the earlier of a liquidity event, an Initial Public Offering (IPO) and a winding-up. The Company has the option to repurchase the shares if an employee leaves the Company prior to the occurrence of a crystallisation event.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period.

There were no key sources of estimation uncertainty made in the preparation of these financial statements and no critical adjustments that have a significant effect on the carrying amounts of assets and liabilities.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

4 Operating loss

For the year ended 31 December 2021, the Company has taken the exemption under s479 of the Companies Act 2006 from the requirement to obtain an audit of their separate financial statements. The guarantee of the outstanding liabilities as at 31 December 2021 has been provided by Ardonagh Midco 2 plc, a fellow Group company. As a result, no audit fee has been incurred (2020: £Nil).

5 Finance costs

	2021 £	2020 £
Finance costs		
Interest on loans from related parties	<u>9,320,000</u>	<u>8,600,000</u>

First loan of £50.0m accruing interest at a rate of 10% and second loan of £21.6m (2020: £18.0m) accruing interest at a rate of 20%. Both loans are from another Group company.

6 Staff costs

The Company had no employees in the current or preceding year. All administration is performed by employees of the Group, for which no recharge is made to the Company.

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 other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited for the year ended 31 December 2021.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

8 Income tax

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

	2021 £	2020 £
Current taxation		
UK corporation tax	(1,770,800)	(1,634,032)
Adjustments in respect of prior periods	<u>1,633,919</u>	<u>(536,368)</u>
Total current taxation	<u>(136,881)</u>	<u>(2,170,400)</u>
Deferred taxation		
Origination and reversal of temporary differences	(59,857)	45,492
Adjustments in respect of prior periods	-	479,982
Effect of tax rate change on opening balances	<u>-</u>	<u>(4,789)</u>
Total deferred taxation	<u>(59,857)</u>	<u>520,685</u>
Tax credit in the income statement	<u>(196,738)</u>	<u>(1,649,715)</u>

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

	2021 £	2020 £
Loss before tax	<u>(9,320,000)</u>	<u>(8,600,168)</u>
Corporation tax at standard rate of 19% (2020: 19%)	(1,770,800)	(1,634,032)
Adjustments to tax charge in respect of previous periods - current tax	1,633,919	(536,368)
Adjustments to tax charge in respect of previous periods - deferred tax	-	479,982
Deferred tax not recognised	485,294	45,492
Remeasurement of deferred tax for changes in tax rates	<u>(545,151)</u>	<u>(4,789)</u>
Total tax credit	<u>(196,738)</u>	<u>(1,649,715)</u>

Deferred tax

In the March 2021 Budget, it was announced that 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 2021 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:

2021	Asset £
Tax losses carry-forwards	<u>59,857</u>

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

8 Income tax (continued)

2020	Asset/(Liability) £
Tax losses carry-forwards	-

Deferred tax movement during the year:

	At 1 January 2021 £	Recognised in income £	At 31 December 2021 £
Tax losses carry-forwards	-	59,857	59,857

Deferred tax movement during the prior year:

	At 1 January 2020 £	Recognised in income £	At 31 December 2020 £
Tax losses carry-forwards	520,685	(520,685)	-

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.

	2021 £	2020 £
Provisions	2,211,605	-
Losses	-	45,492
Unrecognised deferred tax assets	2,211,605	45,492

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

9 Investments in subsidiaries

	£
Cost or valuation	
At 1 January 2021	70,805,712
Additions	<u>4,293</u>
At 31 December 2021	<u>70,810,005</u>
Provision for impairment	
At 1 January 2021	<u>-</u>
At 31 December 2021	<u>-</u>
Carrying amount	
At 31 December 2021	<u>70,810,005</u>
At 31 December 2020	<u>70,805,712</u>

Details of the subsidiaries as at 31 December 2021 are as follows.

Name of subsidiary	Principal activity	Country of incorporation and Principal place of business	Company interest in ordinary share capital and voting rights held	
			2021	2020
Carole Nash Insurance Consultants Limited *	Insurance broker	Trafalgar House 110 Manchester Road Altrincham Cheshire WA14 1NU United Kingdom	100%	100%
Carole Nash Insurance Consultants (Ireland) DAC	Insurance broker	Ulysses House 22/24 Foley St Mountjoy Dublin	100%	100%
Carole Nash Legal Services LLP	Provision of legal services	Helmont House Churchill Way Cardiff CF10 2HE United Kingdom	50%	50%

* indicates direct investment of the company

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

10 Trade and other receivables

	2021 £	2020 £
Current trade and other receivables		
Receivables from other Group companies	6,857,916	6,857,916
Unpaid share capital	<u>100</u>	<u>100</u>
	<u>6,858,016</u>	<u>6,858,016</u>

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

11 Trade and other payables

	2021 £	2020 £
Current trade and other payables		
Amounts due to other Group companies	<u>30,485,614</u>	<u>25,485,614</u>

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

12 Borrowings

	2021 £	2020 £
Current loans and borrowings		
Interest on loan from related parties	6,706,188	5,986,188
Loans from related parties	<u>71,600,000</u>	<u>68,000,000</u>
	<u>78,306,188</u>	<u>73,986,188</u>

The loans from related parties represents two amounts payable to Ardonagh Midco 3 Plc; a loan of £50.0m accruing interest at 10% per annum and a loan of £21.6m (includes £9.1m of rolled over interest) which accrues interest at 20% per annum.

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

13 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

14 Related party transactions

During the period 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.

15 Parent and ultimate parent undertaking

The immediate parent company of the Company is Atlanta Investment Holdings 2 Limited and the ultimate parent company is Tara Topco Limited, (see note 16).

The Group's majority shareholder and ultimate controlling party at 31 December 2021 is HPS Investment Partners LLC. The ultimate parent company and parent company of the largest group that prepares group financial statements at 31 December 2021 that consolidate the Company is The Ardonagh Group Limited (incorporated in Jersey, registered office address 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG). The parent company of the smallest group that prepares group financial statements at 31 December 2021 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, London, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court
Mincing Lane
London
EC3R 7PD

Atlanta Investment Holdings A Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021 (continued)

16 Subsequent events

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