

Registered number: 11091555

ERGO TRAVEL INSURANCE SERVICES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



ERGO TRAVEL INSURANCE SERVICES LTD

COMPANY INFORMATION

Directors	Richard Gustav Bader Patricia Mack Karma Coogans Muhammed Ali Hassan Jaffery
Registered number	11091555
Registered office	10 Fenchurch Avenue London EC3M 5BN
Statutory auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD

ERGO TRAVEL INSURANCE SERVICES LTD

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ERGO TRAVEL INSURANCE SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Business review

The company was incorporated on 1 December 2017 as ERV Services Ltd and changed its name to ERGO Travel Insurance Services Ltd on 21 May 2019.

Principal activity

The principal activity of the company during the year was that of insurance intermediaries for travel insurance business. The company commenced trading in July 2019.

Going Concern

The Directors believe that adequate cash resources will be available to cover the Company's requirements for working capital for the next twelve months and for the foreseeable future and to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

After making enquiries and assessing the potential impact of the COVID-19 outbreak on the company's business activities, the Directors believe there will not be any significant disruption to the day to day operations and have therefore decided to continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

There are no post balance sheet events.

Directors

Richard Gustav Johann Bader
Patricia Mack
Christof Flosbach (resigned 18 March 2022)
Karma Coogans (appointed 6 June 2022)
Muhammed Ali Hassan Jaffery (appointed 20 April 2022)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

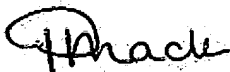
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

ERGO TRAVEL INSURANCE SERVICES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report was approved by the board and signed on its behalf:

A handwritten signature in black ink, appearing to read 'P. Mack', with a stylized flourish at the end.

Patricia Mack
Director

Date: 6 September 2022

ERGO TRAVEL INSURANCE SERVICES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ERGO TRAVEL INSURANCE SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERGO TRAVEL INSURANCE SERVICES LTD

Opinion

We have audited the financial statements of ERGO Travel Insurance Services Ltd (the 'Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

ERGO TRAVEL INSURANCE SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERGO TRAVEL INSURANCE SERVICES LTD (CONTINUED)

required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERGO TRAVEL INSURANCE SERVICES LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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 obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the relevant FCA Rules, Companies Act 2006 and UK tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - o Enquiries of Management to determine if there had been any instances of non-compliance.
 - o Review of Board Minutes to identify any instances of undisclosed non-compliance.
 - o Review of regulatory correspondence.
 - o Review of legal expenses incurred in the year.
 - o We held a meeting with the Company's Head of compliance to discuss compliance issues in the year and ascertain if there had been any breaches to regulatory laws and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that of material misstatement due to fraud related to revenue recognition.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and preliminary and final analytical review to identify any unusual or unexpected relationships or variances.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

ERGO TRAVEL INSURANCE SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ERGO TRAVEL INSURANCE SERVICES LTD (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Paul Goldwin (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditors

15 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 6th September 2022

ERGO TRAVEL INSURANCE SERVICES LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	3	2,994,351	2,817,892
Gross profit		<u>2,994,351</u>	<u>2,817,892</u>
Administrative expenses		(3,818,697)	(2,921,853)
Operating loss	4	<u>(824,346)</u>	<u>(103,961)</u>
Other income		165,000	20,246
Loss before tax		<u>(659,346)</u>	<u>(83,715)</u>
Tax on loss	8	135,097	17,875
Loss for the financial year		<u><u>(524,249)</u></u>	<u><u>(65,840)</u></u>

The notes on pages 12 to 22 form part of these financial statements.

ERGO TRAVEL INSURANCE SERVICES LTD
REGISTERED NUMBER: 11091555

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	35,136	33,154
		<u>35,136</u>	<u>33,154</u>
Current assets			
Debtors: amounts falling due within one year	10	5,804,811	2,910,395
Cash at bank and in hand	11	13,997,948	3,878,790
		<u>19,802,759</u>	<u>6,789,185</u>
Creditors: amounts falling due within one year	12	(18,609,972)	(6,077,112)
Net current assets		<u>1,192,787</u>	<u>712,073</u>
Total assets less current liabilities		<u>1,227,923</u>	<u>745,227</u>
Creditors: amounts falling due after more than one year	13	(769,806)	(300,000)
Net assets		<u><u>458,117</u></u>	<u><u>445,227</u></u>
Capital and reserves			
Called up share capital	14	800,000	300,000
Other reserves	17	37,139	-
Profit and loss account	17	(379,022)	145,227
		<u><u>458,117</u></u>	<u><u>445,227</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

6 September 2022



Patricia Mack
Director

The notes on pages 12 to 22 form part of these financial statements.

ERGO TRAVEL INSURANCE SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	300,000	-	211,067	511,067
Comprehensive income for the year				
Loss for the year	-	-	(65,840)	(65,840)
At 1 January 2021	300,000	-	145,227	445,227
Comprehensive income for the year				
Loss for the year	-	-	(524,249)	(524,249)
Capital contribution	-	37,139	-	37,139
Shares issued during the year	500,000	-	-	500,000
At 31 December 2021	800,000	37,139	(379,022)	458,117

The notes on pages 12 to 22 form part of these financial statements.

ERGO TRAVEL INSURANCE SERVICES LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(524,249)	(65,840)
Adjustments for:		
Depreciation of tangible assets	38,620	22,498
Taxation charge	(135,097)	(17,875)
(Increase)/decrease in debtors	(2,785,236)	474,485
Increase in creditors	12,502,666	799,289
Corporation tax received/(paid)	25,917	(119,730)
Movements in other reserves	37,139	-
Net cash generated from operating activities	9,159,760	1,092,827
Cash flows from investing activities		
Purchase of tangible fixed assets	(40,602)	(18,987)
Net cash from investing activities	(40,602)	(18,987)
Cash flows from financing activities		
Issue of ordinary shares	500,000	-
Proceeds from issue of intercompany borrowings	500,000	-
Net cash used in financing activities	1,000,000	-
Net increase in cash and cash equivalents	10,119,158	1,073,840
Cash and cash equivalents at beginning of year	3,878,790	2,804,950
Cash and cash equivalents at the end of year	13,997,948	3,878,790
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,997,948	3,878,790
	13,997,948	3,878,790

The notes on pages 12 to 22 form part of these financial statements.

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

ERGO Travel Insurance Services Ltd is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 10 Fenchurch Avenue, London, United Kingdom, EC3M 5BN. The financial statements are presented in pounds sterling which is the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The Directors believe that adequate cash resources are available to cover the Company's requirements for working capital for the next twelve months and for the foreseeable future and to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

After making enquiries and assessing the impact of the COVID-19 outbreak on the company's business activities, the Directors believe there will not be any significant disruption to the day to day operations and have therefore decided to continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Turnover consists principally of commission associated with the underwriting of insurance contracts.

The Company recognises commission on a paid to insurer basis. The Company, hence calculates accrued commission as commission received but not earned in addition to any commission forecast on bordereaux not received for the remaining months for the year.

The Company defers commission on the basis of earned exposure of the premiums written. Deferred commission is calculated as a percentage (unearned premium/gross written premium) of the total written commission.

The Company recognises flat claim case fee for claim management services based on the number of claims handled in the period.

2.4 Other income

Other income comprises of the expenses recharged to the UK branch.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.6 Operating leases

Rentals paid under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Computer equipment	-	33%
Leasehold improvements	-	7 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Creditors

Short term creditors are measured at the transaction price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.11 Insurance assets and liabilities

The Company acts as a Managing General Agency placing the insurable risks of its clients with insurers and as such is not liable as principal for the amounts arising from such transactions. In recognition of this relationship, debtors from insurance transactions are not included as assets of the Company.

Other than amounts receivable for the fees and commissions earned on a transaction, the Company does not recognise any part of the insurance transaction until cash is received in respect of premiums or claims. At that time a corresponding liability is established in favour of the insurer or client.

2.12 Provisions and contingencies

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Accrued Income

The company estimated the accrued commission on the bordereaux not received for the remaining months of the year. The estimates reflect historical experience, current trend and management's best estimate.

At 31 December 2021, the commission accrued by the Company was £1,559,435 (2020: £161,714) of which £213,341 (2020: £95,175) was estimated based on forecasts; this amount is included within Accrued Income on the Balance Sheet.

(ii) Deferred Income

The Company defers commission on the basis of earned exposure of the premiums written. Deferred commission is calculated as a percentage (unearned premium/gross written premium) of the total written commission.

As at 31 December 2021, the company deferred 19% (2020: 13%) of total commission (earned & accrued) amounting to £1,539,078 (2020: £561,677).

2.14 Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from those of the Company in independently administered funds.

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Commissions	2,869,276	2,755,656
Other income	125,075	62,236
	<u>2,994,351</u>	<u>2,817,892</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	2,994,351	2,817,892
	<u>2,994,351</u>	<u>2,817,892</u>

4. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	1,755	6,788
Other operating lease rentals	47,624	47,624
	<u>47,624</u>	<u>47,624</u>

5. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	28,500	24,750
	<u>28,500</u>	<u>24,750</u>

Fees payable to the Company's auditor and its associates in respect of:

Non-audit services	3,763	588
	<u>3,763</u>	<u>588</u>

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Employees

	2021 £	2020 £
Wages and salaries	1,732,363	1,578,825
Social security costs	358,010	317,530
Cost of defined contribution scheme	237,254	176,231
	<u>2,327,627</u>	<u>2,072,586</u>

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

	2021 No.	2020 No.
Employees	<u>36</u>	<u>33</u>

7. Directors remuneration

The company paid Directors remuneration of £217,406 (2020 - £223,112) during the year including benefits.

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(117,348)	(17,875)
Adjustments in respect of previous periods	(17,749)	-
Total current tax	(135,097)	(17,875)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(659,346)	(83,715)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(125,276)	(15,906)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(9,821)	(1,969)
Total tax credit for the year	(135,097)	(17,875)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Tangible fixed assets

	Computer equipment £	Leasehold Improvements £	Total £
Cost or valuation			
At 1 January 2021	71,955	-	71,955
Additions	9,810	30,792	40,602
At 31 December 2021	81,765	30,792	112,557
Depreciation			
At 1 January 2021	38,801	-	38,801
Charge for the year on owned assets	25,423	13,197	38,620
At 31 December 2021	64,224	13,197	77,421
Net book value			
At 31 December 2021	17,541	17,595	35,136
At 31 December 2020	33,154	-	33,154

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Debtors

	2021 £	2020 £
Trade debtors	333,416	24,845
Amounts owed by group undertakings	7,029	-
Other debtors	3,669,156	2,604,944
Prepayments and accrued income	1,625,191	219,767
Corporation tax receivable	170,019	60,839
	<u>5,804,811</u>	<u>2,910,395</u>

Included within Other debtors are Claims deposits of £2,502,920 (2020: £1,762,871).

11. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	13,997,948	3,878,790
	<u>13,997,948</u>	<u>3,878,790</u>

Included within Cash at bank and in hand are amounts due to insurers of £12,783,115 (2020: £2,637,711), also included in other creditors, which are not available for working capital purposes.

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	69,056	64,912
Other creditors	16,740,084	5,244,176
Accruals and deferred income	1,800,832	768,024
	<u>18,609,972</u>	<u>6,077,112</u>

ERGO TRAVEL INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	769,806	300,000
	<u>769,806</u>	<u>300,000</u>

Amounts owed to group undertakings comprises £300,000 repayable in full on 18 August 2022. There is also a loan of £500,000 repayable in full on 10 May 2024. The present value of this loan is £462,861 and £37,139 has been recorded as capital contribution in other reserves. Both loans carry variable rate interest at a rate equal to Bank of England base lending rate plus 0.5%.

During the year, the Company paid interest of £4,564 (2020: £1,254) on the amounts owed to group undertakings; this amount is included within administrative expenses in the Profit and Loss Account.

14. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
800,000 (2020 - 300,000) Ordinary shares of £1.00 each	800,000	300,000
	<u>800,000</u>	<u>300,000</u>

On 12 May 2021, the Company issued 500,000 Ordinary shares of £1 each. Total consideration of the share allotment equalled £500,000.

15. Pension Commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund and the contributions in the year amounted to £237,254 (2020: £176,231). There were no amounts outstanding at year end (2020 £nil).

16. Related party transactions

During the year, £206,490 (2020: £404,913) of expenses were recharged by the company to ERGO Reiseversicherung AG (ERV AG), UK branch, a connected company. At the balance sheet date £Nil (2020 £Nil) was outstanding.

During the year, £Nil (2020: £20,246) of expenses were recharged by the company to ERV AG, a connected company. At the balance sheet date £Nil (2020: £Nil) was outstanding.

During the year, £9,026 (2020: £27,906) of expenses were recharged by the company to ERGO Seguros de Viaje, a connected company. At the balance sheet date £Nil (2020: £Nil) was outstanding.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Reserves

Other reserves

Other reserves comprises a capital contribution that was made by way of a capitalised loan.

Profit and loss account

This reserve records retained earnings and accumulated losses.

18. Contingent liabilities

The Company recognises a contingent liability of £147,412 pertaining to general insurance distribution fees. The Company reasonably expects the matter to be finalised by the end of 2022. Should these amounts crystallise, they would become a chargeable expense to the profit and loss account.

19. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	47,624	47,624
Later than 1 year and not later than 5 years	146,074	193,767
	<u>193,698</u>	<u>241,391</u>

During the year, the Company made lease payments totalling £47,624, recognised within Administrative expenses in the Profit and Loss Account.

20. Post balance sheet events

There are no post balance sheet events to disclose.

21. Controlling party

The immediate parent undertaking is ERGO Reiseversicherung AG.

The ultimate controlling party is Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, a company registered and incorporated in Germany. The registered office is at Königinstr 107, Munich, Germany, 80802.