Company Registration No. 12449261 (England and Wales)

TRILOGY UNDERWRITING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

LB GROUP
Number One
Vicarage Lane
Stratford
London
England
E15 4HF

TRILOGY UNDERWRITING LIMITED

COMPANY INFORMATION

Directors	Mr C G Harman Mr R C Hayes Mr P J Staddon Mr C J Blackwell
Secretary	N Watson
Company number	12449261
Registered office	1 Vicarage Lane Stratford London E15 4HF
Accountants	LB Group (Stratford) Number One Vicarage Lane Stratford London England E15 4HF
Business address	First Floor 153 Fenchurch Street London Greater London UK EC3M 6BB
Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD

TRILOGY UNDERWRITING LIMITED

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TRILOGY UNDERWRITING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities
The company operates as an Appointed Representative of Trilogy Managing General Agents Limited. The company is an underwriting agent, accepting insurance business on behalf of insurance companies.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C G Harman
Mr R C Hayes
Mr P J Staddon
Mr C J Blackwell

Results and dividends
The Directors' report a trading loss of £329,264 (2020: profit of £231,686) for the period to 31 December 2021. No dividend is proposed.

During the year the Company lost one of its Carriers and was unable to renew certain business during the second half of the year. This resulted in lower premium and commission. From 1 January 2022 the Company has new Carrier capacity in place and this is reflected in profitable outlooks for 2022 and 2023.

On 8 March 2021 the Directors approved a dividend for the B ordinary shares of £100 per share.

Financial instruments

Treasury operations and financial instruments
The company has various financial assets and liabilities, such as trade receivables and trade payables, arising directly from its operations. These assets and operating cash arising are actively managed to avoid unnecessary currency exposure. The company has not undertaken hedging activity but may do so if such arrangements appear to be a suitable solution to minimising any currency exposures, especially for earnings in currencies other than sterling.

Liquidity risk
The company manages its own cash and borrowings to maximise interest income and minimise interest expense, whilst ensuring that sufficient liquid resources are available to meet operating needs. The company does not hold client money while insurers' funds are held with approved banks in currencies appropriate to the settlement requirements of the business.

Interest rate risk
The company could become exposed to interest rate risk on bank deposits if interest rates recover.

Foreign currency risk
Current and anticipated insurance business is predominantly denominated in sterling.

Credit risk
The company acts as an agent for insurers; while suitable vetting arrangements are operated to verify the credit worthiness of insurance brokers from whom business predominantly comes, the risk of non-payment rests largely with others. Investment of cash surpluses are made with banks which are considered by the Board to have adequate credit ratings to achieve the prudential standards applicable in our business.

As an Appointed Representative of a firm which is Authorised and Regulated by the Financial Services Authority, Trilogy Underwriting Limited is exempt from direct regulation and regulatory compliance has been contracted to the Principal. However, the Company monitored compliance with regulatory requirements during the period, especially systems and controls, financial crime and its policy towards customers.

Auditor
PKF Littlejohn LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr C J Blackwell
Director

7 September 2022

TRILOGY UNDERWRITING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

TRILOGY UNDERWRITING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRILOGY UNDERWRITING LIMITED

Opinion

We have audited the financial statements of Trilogy Underwriting Limited (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 and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 *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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 where 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 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of 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.

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, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from FCA Rules, FRS102, Companies Act 2006 and relevant tax compliance regulations in the UK.
- 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 making enquiries of management, review of minutes and review of regulatory correspondence.
- 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 included the potential for management bias in relation to the impairment of debtors and we addressed this by challenging the assumptions and judgements made by management when auditing their assessment of the recoverability of debtors.
- 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.

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.

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:A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Neil Coulson (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP

7 September 2022

Chartered Accountants
Statutory Auditor

15 Westferry Circus
London
E14 4HD

TRILOGY UNDERWRITING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Turnover		603,136	949,479
Cost of sales		(4,238)	(7,278)
Gross profit		598,898	942,201
Administrative expenses		(926,812)	(710,515)
Operating (loss)/profit		(327,914)	231,686
Interest payable and similar expenses	5	(1,350)	-
(Loss)/profit before taxation		(329,264)	231,686
Tax on (loss)/profit		-	-
(Loss)/profit for the financial year		(329,264)	231,686

TRILOGY UNDERWRITING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	**6**		84,800		51,000
Tangible assets	**7**		22,626		27,293
			107,426		78,293
Current assets					
Debtors	**8**	24,340		182,403	
Cash at bank and in hand		20,153		45,477	
		44,493		227,880	
Creditors: amounts falling due within one year	**9**	(367,386)		(74,269)	
Net current (liabilities)/assets			(322,893)		153,611
Net (liabilities)/assets			(215,467)		231,904
Capital and reserves					
Called up share capital	**10**		111		218
Profit and loss reserves			(215,578)		231,686
Total equity			(215,467)		231,904

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 7 September 2022 and are signed on its behalf by:

Mr C J Blackwell
Director

Company Registration No. 12449261

TRILOGY UNDERWRITING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 7 February 2020		-	-	-
Period ended 31 December 2020:				
Profit and total comprehensive income for the period		-	231,686	231,686
Issue of share capital	**10**	218	-	218
Balance at 31 December 2020		218	231,686	231,904
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(329,264)	(329,264)
Dividends		-	(118,000)	(118,000)
Redemption of shares	**10**	(1)	-	(1)
Reduction of shares	**10**	(106)	-	(106)
Balance at 31 December 2021		111	(215,578)	(215,467)

1 Accounting policies

Company information

Trilogy Underwriting Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Vicarage Lane, Stratford, London, E15 4HF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1 Accounting policies **(Continued)**

1.2 Going concern

The Company is a managing general agent underwriting insurance on behalf of major insurance companies and Lloyd's syndicates ("Carriers"). The business of insurance underwriting is conducted as an Appointed Representative ("AR") of Trilogy Managing General Agents Limited ("TMGA"), an FCA regulated entity and a Lloyd's coverholder.

The Company is a majority owned subsidiary of TMGA. Tentative agreement has been reached, subject to regulatory approval, for the TMGA to be sold to a third party. As part of this process, approval has been received from the FCA for the Company to become an AR of another RUHL group company and the majority ownership of the Company will be sold to RUHL.

The directors have considered the outlook for the Company, which they consider to be positive and the budgets prepared for the periods to 31 December 2023 have been prepared on a prudent basis and indicate that no further funding will be required from RUHL.

TMGA, is responsible to the UK Financial Conduct Authority ("FCA") for the conduct of it ARs and, as the regulated entity, is required to report its regulatory capital surplus or deficit to the FCA quarterly to confirm its solvency position. The Company has a capital deficit at the year-end and this position is monitored regularly through the review of monthly management accounts and the assessment of future profit and loss, and cash flow forecasts. The deficit is expected to have been converted to a surplus by year-end.

During the year the Company lost one of its Carriers and was unable to renew certain business during the second half of the year. This resulted in lower premium and commission. From 1 January 2022 the Company has new Carrier capacity in place and this is reflected in profitable outlooks for 2022 and 2023.

Covid-19 resulted in major disruptions throughout the United Kingdom and the whole world, generally affecting both people and the business world. As far as the UK is concerned, the market in which the Company operates, the disruption seems largely to be behind us and trade generally has picked up across most sectors of business. Throughout Covid, the Company continued to operate without interruption with employees working from home either full time or part time. All personnel have full access to the various software systems and lines of communication and are working effectively and efficiently and continuing to provide attentive service to their client base.
Throughout Covid and beyond the demand for quotes continued unabated, which says much for the efficient response times that the Company has offered and the fact that many insurance companies have been struggling to offer equivalent levels of service.

Based on the budgets, which have been prepared on a prudent basis, the Directors have considered the outlook for the Company and believe that the Company will be profitable during these periods. Accordingly, the financial statements of the Company as at 31 December 2021 have been prepared on a going concern basis. Additionally, the Company has received confirmation from its ultimate parent company RUHL that it will continue to support the Company's operations for the foreseeable future.

The directors are confident about the Company's prospects but, notwithstanding the prudent forecasts, they recognise that the success or otherwise of it being able to meet its forecasts is inevitably uncertain.

1 Accounting policies **(Continued)**

1.3 Turnover

The company generates revenue principally from commissions, profit commissions and fees associated with underwriting and administering insurance contracts.

Brokerage, commission and fees not due until after the year end are recognised on the inception of the insurance contracts concerned, which is when the underwriting services have been substantially completed. Adjustments to commission and fees are recognised when they can be ascertained with reasonable certainty, which is normally when the amounts concerned are advised or confirmed by the relevant third parties.

Profit commissions are receivable based upon the underwriting performance of certain schemes. They are recognised when the Company can be certain that the commission will be paid and the amount can be reasonably accurately ascertained.

1.4 Innovation and development expenditure

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. No amortisation is charged until the asset is utilised within the business. The following bases have been used:

Computer software development costs	5 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Exceptional item

	2021	2020
	£	£
Expenditure		
Exceptional item - Admin costs (incl in Admin range)	67,138	-

During the year the Company ceased the on-going development of its reporting systems. As such it wrote-off all capitalised costs less depreciation on this project together with costs associated with exiting the contract with its supplier (see note 6).

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	8	8

5 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	1,350	-

6 Intangible fixed assets

	Other
	£
Cost	
At 1 January 2021	51,000
Additions	91,500
Disposals	(46,500)
At 31 December 2021	96,000
Amortisation and impairment	
At 1 January 2021	-
Amortisation charged for the year	15,313
Disposals	(4,113)
At 31 December 2021	11,200
Carrying amount	
At 31 December 2021	84,800
At 31 December 2020	51,000

7 Tangible fixed assets

	Computers
	£
Cost	
At 1 January 2021	32,602
Additions	1,902
At 31 December 2021	34,504
Depreciation and impairment	
At 1 January 2021	5,309
Depreciation charged in the year	6,569
At 31 December 2021	11,878
Carrying amount	
At 31 December 2021	22,626
At 31 December 2020	27,293

8 Debtors

	2021	2020
Amounts falling due within one year:	**£**	**£**
Amounts owed by group undertakings	-	171,172
Other debtors and prepayments	24,340	11,231
	24,340	182,403

9 Creditors: amounts falling due within one year

	2021	2020
	£	**£**
Trade creditors	1,325	1,020
Amounts owed to group undertakings	266,373	7,841
Taxation and social security	19,809	31,199
Accruals and deferred income	79,879	34,209
	367,386	74,269

10 Called up share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary A shares of 10p each	1,000	1,000	100	100
Ordinary B shares of 10p each	1,180	1,180	11	118
	2,180	2,180	111	218

During the period the following share issues and transactions were undertaken:

On 12 February 2021, the 1,180 Ordinary B Shares of £0.10 in issue where reduced by 1,062 shares. Following the reduction there were 118 Ordinary B shares of £0.10 in issue.

On 10 August 2021, 8 Ordinary B shares of £0.10 where repurchased by the company and cancelled. Following the redemption there were 110 Ordinary B shares of £0.10 in issue.

11 Events after the reporting date

Following the year-end it is the intention of the Company's immediate parent company, Trilogy Managing General Agents Limited, to sell its £70 shareholding in the Company to Resolution Underwriting Holdings Limited

12 Related party transactions

The company acts as an Appointed Representative of Trilogy Managing General Agents Limited, a managing general agent and who is Trilogy Underwriting Limited's parent company. During the year, the company earned commission of £603,135 (2020: £949,478) relating to this agreement with Trilogy Managing General Agents Limited. As at 31 December 2021, the Company owed £79,341 (2020: was owed £171,172) from Trilogy Managing General Agents Limited in respect of this agreement.

Mr C G Harman and Mr R C Hayes are also directors in Resolution Group Services Limited, Resolution Underwriting Partnership Limited and Resolution Underwriting Holdings Limited.

The company was charged £42,183 (2020: £43,486) for the rent of office space by Resolution Group Services Limited.

As at 31 December 2021, the Company owed £20,682 (2020: £7,841) to Resolution Group Services Limited. At 31 December 2021 the company owed £17,000 (2020: £Nil) to Resolution Underwriting Partnership Limited. At 31 December 2021 the company owed £149,350 (2020: £Nil) to Resolution Underwriting Holdings Limited and was charged interest of £1,350 (2020: £nil) by Resolution Underwriting Holdings Limited .

13 Parent company

A the year end the immediate parent company was Trilogy Managing General Agents Limited and the ultimate parent company changed to Resolution Underwriting Holdings Limited. Both companies are incorporated and domiciled in England. The address of the registered office of both companies is 1 Vicarage Lane, London E15 4HF.