REVISED

Registration number: 05734247

Ardonagh Specialty Limited

(formerly Price Forbes & Partners Limited)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Contents

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Company Information

Director	A Erotocritou
Company secretary	Ardonagh Corporate Secretary Limited
Registered office	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Strategic Report for the Year Ended 31 December 2022

The Director presents their strategic report for the year ended 31 December 2022 for Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited) ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the board manages 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. The Company is part of Ardonagh Group Holdings Limited ("the Group").

Principal activities and business review

The principal activity of the Company is that of an insurance broker in the Specialty insurance and reinsurance market.

The results for the Company show turnover of £130.9m (2021: £107.0m) and profit before tax of £34.8m (2021: £24.6m) for the year. At 31 December 2022 the Company had net assets of £94.9m (2021: £66.7m). The going concern note (part of accounting policies) on page 20 sets out the reasons why the Director continues to believe that the preparation of the financial statements on a going concern basis is appropriate. The increase in turnover is driven by organic business growth and the acquisition of Oneglobal's business and assets during the year.

During the year, the Company purchased the Casualty and Property business and assets (the 'acquiree') held by Oneglobal Broking Limited. The business purchase agreement ('BPA') was signed on 31 March 2022, and the transaction completed on the same date. The consideration was £9.6m, which comprised £6.1m cash paid on the completion date and deferred consideration with a fair value of £3.5m. On acquisition, Goodwill and Customer Relationships of £1.6m and £10.9m respectively (see note 13), were recognised in intangible assets and a deferred tax liability of £2.7m recorded.

Business strategy and objectives

The Company's business imperative is to maintain and build on its strong presence in the classes in which it operates, ensuring we remain a preferred choice of London based broker network. Continued investment in new specialism capabilities and strengthening of our production base provide a strong platform for growth in 2023.

Companies Act s.172 Duty
The Director takes seriously their obligations under s.172 (1) (a)-(f) of the Companies Act 2006 ("s.172 Duties") to act in a way they consider, in good faith, would be the most likely to promote the success of the Company for the benefit of its members as a whole consistent with s.172 Duties.

Board oversight and governance is discharged by the Ardonagh Specialty Holdings Limited Board ("Specialty Board"). The Specialty Board considers and approves acquisitions and disposals, set integration/synergy plans, risk appetite and recommends investments over a set limit to the Ardonagh Group Board for approval. The performance and delivery of annual and integration plans are also subject to detailed oversight by the Specialty Board.

The Specialty Board have constituted the following Committees:

Risk Committee - discharges rigorous oversight over the management of risk and receives regular reports from the Risk & Compliance function and deep-dives into specific risks, such as cyber risk.

Remuneration Committee - approves matters delegated to them by the Group Remuneration Committee and recommend matters that require approval by the Group Remuneration & Nominations Committee. These matters include senior hires, bonus and pay budgets and allocation thereof, and Balanced Scorecards used to measure performance.

Audit Committee - exercises robust oversight over prudential and financial risk and Internal Audit plan delivery.

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

Shareholders

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

Employees

Our employees are central to the success of Ardonagh Specialty, and our remuneration structures are designed to reward good performance and support our values. In addition, the business focusses on providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths.

Specialty have adopted an Equality and Diversity Policy and the Specialty Board believes that equality, diversity and inclusion strengthen the Specialty business, contribute to long-term performance, and attract key talent. The Specialty Board has taken time to consider management actions and initiatives regarding diversity and inclusion, and they support and monitor management actions to increase the proportion of senior leadership roles held by women and other under-represented groups.

An annual Groupwide employee pulse survey has been conducted since 2019. Specialty achieved an average score of 7.1 (out of 10) across all questions, slightly below the 7.5 average score across the Ardonagh Group. The survey highlighted positive trends regarding fostering cultures of inclusion and respect, however the survey also highlighted that there is also work to do and management are taking actions across the following three themes; belonging & inclusion, organisational direction and people-first culture.

Section 172(1) Statement

Customers

Seeking good customer outcomes is central to the success of the business. Management continues to seek customer views and improve how we track our customers' perceptions of our businesses. Our services are periodically reviewed to ensure they continue to meet the needs of our customers.

In preparation for the new UK Customer Duty launched by the FCA, the Specialty Board selected an independent non-executive director to act as a Consumer Duty Champion who helps facilitate the voice of the customer to be heard in the Boardroom.

Regulatory relationships

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

Insurers

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

Our Suppliers

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

Community

Ardonagh contributes to the communities in which we operate through the Ardonagh Charitable Trust. Further details on how we interact with communities are set out in the Non-Financial and Sustainability information statement in the Governance framework of Ardonagh Group Holdings Annual Reporting and Financial Statements for 2022 available on the Ardonagh Investor relations.

The Specialty Board considered the new UK Consumer Duty rules and how they will impact our businesses and our stakeholders, as outlined out below:

Our Boards

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

Section 172(1) Statement

Colleagues

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

Customers

Our customers are at the heart of our decision making and our Specialty Board considered how the business will ensure 'good customer outcomes' are achieved and evidenced. The Specialty Board has tasked management to build new metrics and reporting to enable compliance with the new rules to be measured and monitored.

Regulatory

The Specialty Board discharged oversight and challenge to ensure the business complies with regulatory deadlines set out in the new Consumer Duty rules. In addition, our Risk Committee consider interactions with the FCA to ensure our regulatory relationship is constructive, transparent and cooperative.

Shareholders

Our shareholder representatives report back to the Group Board on progress and the impact of compliance with the new Consumer Duty rules on the business.

Outlook

The rationalisation of our trading structure and continued investment in new specialism capabilities, provide a firm platform to deliver a strong environment for the insurance broking business and continue to drive growth on a cost-efficient basis.

Key Performance Indicators	**Unit**	**2022**	**2021**
Revenue	£m	130.9	107.0
Administrative expenses (salaries and associated costs, and other operating costs)	£m	88.0	84.8
Operating profit	£m	44.3	22.4
Profit before tax	£m	34.8	24.6
Net assets	£m	94.9	66.7

	Unit	**2022**	**2021**
Administrative expenses/Revenue ratio	%	67.2	79.3

The Company has benefited from positive trading conditions and the acquisition of Oneglobal Broking Limited's business and assets, resulting in a healthy increase in turnover of £23.9m and increase in operating profit and profit before tax of £21.9m and £10.2m respectively, after a £8.9m loss on financial instruments.

The Company actively encourages all employees to become involved in Company affairs and is also keen to encourage two-way communications on relevant business issues. This is achieved through regular employee meetings and by presentations by senior management, supported by a Group-wide communication plan. Further discussion of employee matters can be found in the Director's Report and in s172 statements in this strategic report.

Principal risks and uncertainties

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide-ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Specialty Board Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Risk Management Committee. The risks are managed and monitored in accordance with an established risk management framework and agreed risk appetite.

The principal risks and their mitigation are as follows:

Strategic and commercial risk

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

Financial risk

There is the risk of an adverse impact on business value or earnings capacity as well as the risk of inadequate cash flows to meet financial obligations. These risks are mitigated by proactive management of the business plan, by regular monitoring of cash flows against risk appetite and by a focus on debt collection. The Company finance and treasury teams undertake cash flow forecasting and closely monitor and manage the Specialty Platform and Company's cash balances.

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

The Company has demonstrated its operational and financial resilience to economic uncertainties and downturns in business and customer confidence. The Company has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date. The Company would respond to income declines by seeking cost savings.

Operational risk

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

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

Regulatory and legal risk
This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non-compliance with laws, regulations and applicable administrative provisions. If we fail to comply with regulatory requirements, we may not be able to conduct our business or may be subject to substantial fines or other sanctions that may have an adverse effect on our results of operations and financial condition. The Specialty Board and Company operates a robust risk and control framework, underpinned by the three line of defence governance model, and closely monitors changes to the regulatory environment.

Foreign currency risk
The Company's main exposure to foreign currency risk arises from the settlement in foreign currency, principally US Dollars, of brokerage and fees relating to insurance business originating overseas. Transactions denominated in US Dollars form approximately 67% of the Company's revenues. The Company manages this exposure through active treasury management processes, including hedging operations in conjunction with other companies within the Group where appropriate.

Climate Risk
The Company acknowledges that there are risks posed by climate change that could potentially have impacts on our products, client needs, revenues and costs and it intends to integrate further climate-related considerations into our financial planning processes from 2023 onwards. As an insurance intermediary, we recognise our operations will evolve as climate change influences manifest themselves through changing business patterns. We continue to seek to optimise our businesses and operations, which includes identifying and pro-actively managing climate-related opportunities and risks.

Liquidity risk
Fees and commissions are received and withdrawn from insurance trust accounts based on client money calculations performed in accordance with the Financial Conduct Authority's client money rules (CASS 5). Insurance and Corporate funds are monitored and maintained to enable the Company to meet cash settlement requirements as they fall due. The Company is cash generative and coordinates management of its liquidity requirements as part of the wider Ardonagh Group treasury function.

Interest rate risk
Global interest rates are rising, the Group and Company therefore continue to monitor the economic outlook and interest rate exposures.

Counter party credit risk
To minimise this risk the Company has a general policy of not funding payment of claims on behalf of insurers or premiums on behalf of its clients. The Company has established a strict authorisation policy whereby management may in certain circumstances authorise funding with careful monitoring of the resulting exposure to credit risk deriving from insurers and clients in this respect. The Directors appointed a Security Committee which monitors the financial condition of insurers and reinsurers through the use of professional rating agency reports on an ongoing basis. Counter party credit risk is monitored closely by senior management and the Directors.

Client money is spread over a number of approved banks with a minimum required credit rating to mitigate the bank counter party exposure.

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

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

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

Approved by the director on 19 May 2023 and signed on its behalf by:

A Erotocritou
Director

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Director's Report for the Year Ended 31 December 2022

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

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

A Erotocritou

J A Masterson (resigned 13 April 2023)

R L Peers (resigned 13 April 2023)

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

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

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

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

Subsequent events
Details of subsequent events can be found in the Notes to the financial statements within the 'Subsequent events' section on page 46.

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

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

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Director's Report for the Year Ended 31 December 2022 (continued)

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 Director has 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. 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.

Disclosure of information to the auditor
The director has taken steps that ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The director confirms that there is no relevant information that of and of which the auditor is unaware.

Streamlined Energy and Carbon Reporting (SECR)
As a subsidiary undertaking for the year ended 31 December 2022, the Company has not separately reported its energy and carbon information. Instead, this information has been reported at Group level. Further details can be found in the 2022 Annual Report and Financial Statements of Ardonagh Group Holding Limited, which is published on the Group website.

Reappointment of auditor
The auditor, Deloitte LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Approved by the director on 19 May 2023 and signed on its behalf by:

A Erotocritou
Director

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Statement of Directors' Responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless 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 director is required to:

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

The director is 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 to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent Auditor's Report to the members of Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited) (the 'Company'):

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

We have audited the financial statements, which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"(United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director 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 director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

• Manipulation of revenue submission : As EBITDA is the primary driver for the bonus decisions, there is a risk of manipulation around the submission of revenue based on budget vs actual performance. We pinpointed the risk to those divisions that deviated notably from budget throughout the year, or that performed notably differently from prior year. We have performed the following test:

o Sampled and tested transactions in the identified divisions processed/reversed in December 2022 and January 2023.

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

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

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the director's report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Kirstie Hanley

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Kirstie Hanley, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

19 May 2023

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	5	130,921	107,002
Administrative expenses		(87,985)	(84,757)
Other operating income	6	1,398	177
Operating profit		44,334	22,422
(Loss)/gain from financial instruments	11	(8,885)	3,042
Finance costs	8	(623)	(864)
Profit before tax		34,826	24,600
Income tax	12	(6,768)	(4,647)
Profit for the year		28,058	19,953

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

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
(Registration number: 05734247)
Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Intangible assets	13	16,822	5,404
Property, plant and equipment	14	3,339	2,825
Right-of-use assets	15	2,240	4,510
Trade and other receivables	17	230	859
Deferred tax assets	12	-	482
		22,631	14,080
Current assets			
Cash and cash equivalents	16	214,224	153,383
Trade and other receivables	17	160,935	113,149
		375,159	266,532
Current liabilities			
Trade and other payables	18	(296,794)	(196,948)
Lease liabilities	15	(1,688)	(2,172)
Tax liabilities	12	(93)	(10,033)
Provisions	20	(868)	(1,296)
		(299,443)	(210,449)
Net current assets		75,716	56,083
Total assets less current liabilities		98,347	70,163
Non-current liabilities			
Lease liabilities	15	(1,957)	(3,510)
Deferred tax liabilities	12	(1,496)	-
		(3,453)	(3,510)
Net assets		94,894	66,653
Capital and reserves			
Share capital	21	6,001	6,001
Retained earnings		87,766	59,708
Other reserves		1,127	944
Total equity		94,894	66,653

Approved by the director on 19 May 2023 and signed on its behalf by:

A Erotocritou
Director

The notes on pages 19 to 46 form an integral part of these financial statements.

Ardonagh Specialty Limited (formerly Price Forbes & Partners Limited)
Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	6,001	944	59,708	66,653
Net profit for the year	-	-	28,058	28,058
Share-based payment	-	183	-	183
At 31 December 2022	6,001	1,127	87,766	94,894

	Share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	6,001	881	39,755	46,637
Net profit for the year	-	-	19,953	19,953
Share-based payment	-	63	-	63
At 31 December 2021	6,001	944	59,708	66,653

The notes on pages 19 to 46 form an integral part of these financial statements.

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' section. The company changed its name from Price Forbes & Partners Limited on 16th December 2022 to Ardonagh Specialty Limited.

The financial statements for the year ended 31 December 2022 were authorised for issue by the Board on 19 May 2023 and the Statement of Financial Position was signed on the board's behalf by A Erotocritou.

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.

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

No amendments to standards and interpretations that are mandatorily effective for annual periods beginning on 1 January 2022 have had a material effect on 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 ("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 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64 (q)(ii), B66 and B67 of IFRS 3 Business Combinations, which includes among other exemptions the requirement to include a comparative period reconciliation for goodwill;
- the requirements of IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

2 Accounting policies (continued)

- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant and equipment and intangible assets;
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- the requirements of paragraphs 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures and the requirements in IAS 24 to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- 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 Director 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 34.

Going concern
The financial statements of the Company have been prepared on a going concern basis. At 31 December 2022 the Company had net assets of £94,894k (2021: £66,653k) and net current assets of £75,716k (2021: £56,082k). The net current assets include amounts receivable from Group companies of £107,160k (2021: £65,507k), and amounts due to Group companies of £56,661k (2021: £22,104k). The Company reported a profit before tax of £34,826k (2021: £24,600k).

The Director has assessed the Company's and Group's financial position and the Company's 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:

2 Accounting policies (continued)

Going concern (continued)

- The Company's and the Group's capital structure, operations and liquidity.
- Base case and stressed cash flow forecasts over the calendar years 2023 and 2024.
- The impact on the base case and stressed cashflow forecasts arising from subsequent material acquisitions.
- The principal risks facing the Company and its systems of risk management and internal control.
- The Company's financial position and Group entities' ability to meet intercompany obligations, noting that the Group's capital management, among other things, aims to ensure that the Group meets its financial covenants attached to its interest-bearing loans and borrowings.
- Actual trading and cashflows of the Company during the year and since the year end.

Key assumptions that the Director has reflected in the base case cash flow forecasts include that Client retention, renewal rates and new business remain robust and the market conditions continue to be favourable despite the current economic uncertainty, as the 2022 and 2023 to date trading performance continues to demonstrate resilience.

Key stress scenarios that the Director has considered in respect of the Company and the Group include cumulative stresses to the base plan as a result of:

- Shortfalls in base case projected income throughout 2023 and 2024.
- Deterioration in base case cash conversion rates over and above the shortfalls in income.
- An inflationary cost increase of 2% over the base case assumptions.
- Additional interest costs on the term and CAR debt facilities.
- Mitigating actions within management control including delayed capital expenditure, a reduction in discretionary spend and measured reductions in employee headcount and remuneration.

2 Accounting policies (continued)

The Director continues to consider the wider operational and financial consequences and ramifications of global political and economic tensions (including related to the Ukrainian conflict, foreign exchange rates, 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.
- Although economic developments remain fluid, the stress testing demonstrates the Company's and 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 Company 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.
- The Company continues to monitor the risk of cyberattacks and has not identified any significant cybersecurity risks during the period ended 31 December 2022.

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

Intangible assets
Goodwill
Goodwill is initially measured as the excess of the fair value of the consideration transferred and of the non-controlling interest over the fair value of the net of the identifiable assets acquired and liabilities assumed. If goodwill is negative (i.e. a shortfall instead of an excess), it is recognised in profit or loss.

Goodwill acquired in the period represents expected synergies from combining operations of the acquiree and the Group, and intangible assets that do not qualify for separate recognition.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purposes of impairment testing.

Customer relationships
Customer relationship intangible assets are recognised on a business combination because the acquirer is able to benefit from selling future new business through existing relationships. Their fair value is calculated as the sum of the present value of projected cash flows in excess of returns on contributory assets over the life of the relationship with the customers. These assets are amortised on a 12 month rolling basis, which is estimated by reference to the history of the relationships and levels of attrition.

2 Accounting policies (continued)

Computer software
Computer software is recognised when purchased separately, when acquired as part of a business combination, or when internally-generated. The fair value of computer software that is purchased separately is calculated by reference to the amount paid. The fair value of computer software that is acquired as part of a business combination is calculated using the depreciated replacement cost or relief from royalty approach. The fair value of internally-generated computer software is calculated as described below. Intangible assets relating to software are amortised over their estimated usable life, using the following amortisation rates:

• Computer software - 33.3% per annum straight line basis
• Computer software - Portals - 20.0% per annum straight line basis
• Computer software - Broking systems - 10.0% per annum straight line basis

Internally generated computer software and assets under construction
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the development of computer software (or from the development phase of an internal project) is recognised if, and only if, all the following conditions have been demonstrated:

• the technical feasibility of completing the asset so that it will be available for use or sale;
• the intention to complete the asset and to use or sell it;
• the ability to use or sell the asset;
• how the asset will generate future economic benefits;
• the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
• the ability to measure reliably the expenditure attributable to the asset during its development.

The amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above and is classified as an asset under construction. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the Statement of Comprehensive Income in the year in which it is incurred.

Internally-generated intangible assets are not amortised in the period subsequent to initial recognition but before they are ready for use. Amortisation commences when they are ready for use as intended by management. They are then reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful life of 4 years.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of comprehensive income when the asset is derecognised.

2 Accounting policies (continued)

Impairment of assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the 'cash generating unit' to which the asset belongs is determined, being the lowest level for which there are separately identifiable cash flows.

Any impairment charges arising from the review of the carrying value of goodwill and intangible assets are, where material, disclosed separately on the face of the statement of comprehensive income.

Property, plant and equipment
Assets are stated at their net book value (historical cost less accumulated depreciation). Depreciation is calculated to write off the cost of such assets on a straight-line basis over their estimated useful lives. At the reporting date, the Company's principal rates of depreciation were as follows:

Asset class	**Depreciation method and rate**
Leasehold improvements	Over the remaining life of the lease
Fixtures and fittings	15% per annum straight line
Computer equipment	25% per annum straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

Leases
The Company accounts for lease and non-lease components in a contract as a single lease component.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for certain remeasurements of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date of the lease less any lease incentives received, plus the estimated costs of restoring the underlying asset to the condition required by the terms of the lease. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2 Accounting policies (continued)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company, and payments of penalties for terminating a lease if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable, which is generally the case. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Leases of low value assets

The Company elects on a lease-by-lease basis whether to apply the lease of low-value assets exemption to leases of office equipment that are considered to be of low value (i.e. below £5,000). Lease payments on leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Subleases

The Company does not undertake arrangements as a lessor other than as a sublessor. When the Company is a sublessor, it classifies the sublease as a finance lease if the sublease transfers substantially all the risks and rewards incidental to ownership of the asset that is the subject of the sublease, namely the right-of-use asset arising from the head lease. The sublease is otherwise classified as an operating lease.

Business combinations

The Company uses the acquisition method of accounting to account for business combinations, where it acquires a business that is not incorporated as a legal entity. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred, and the equity interest issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs, except to issue debt or equity securities, are expenses as incurred.

Subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability are recognised in accordance with IFRS 9 'Financial Instruments' in the Statement of Comprehensive Income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 Accounting policies (continued)

Financial instruments

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Classification and subsequent measurement of financial assets
The Company classifies its financial assets in the following measurement categories:
• Amortised cost;
• Fair value through profit or loss (FVTPL)

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

2 Accounting policies (continued)

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

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

The Company's financial assets measured at amortised cost include trade and other receivables (except for certain other receivables measured at FVTPL, see below), advances to related parties, cash and cash equivalents and certain other financial assets.

The Company's trade receivables do not generally have a significant financing component, so and as such their transaction (invoiced) price is considered to be their amortised cost.

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

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the Statement of Financial Position as part of trade receivables.

Financial assets classified as FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.
Specifically:
• Investments in equity instruments are classified as at FVTPL.
• Debt instruments (including receivables) that do not meet the amortised cost criteria are classified as at FVTPL.

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss to the extent they are not part of a designated hedging relationship. Interest earned on assets mandatorily required to be measured at FVTPL is recognised using a contractual interest rate.

Other financial assets measured at FVTPL include receivables recognised on a business combination in relation to the Company's right to variable consideration on rolling contracts with customers for which the performance obligation was satisfied prior to the acquisition. These financial assets are not classified at amortised cost or fair value through other comprehensive income, because their cash flows do not represent solely payments of principal and interest.

2 *Accounting policies (continued)*

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year. For financial assets that are not part of a designated hedging relationship revaluation exchange differences are recognised in profit or loss in the other operating costs line item.

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

Impairment of financial assets

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

The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

All cash and cash equivalents are assessed to have low credit risk at each reporting date as they are held with reputable banks and financial institution counterparties with, wherever possible, a minimum single A credit rating from both Moody's and S&P. The Company measures the loss allowance for such assets at an amount equal to 12 months ECL.

ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available.

2 Accounting policies *(continued)*

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

• when there is a breach of financial covenants by the counterparty; or
• information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

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

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

• when there is a breach of financial covenants by the counterparty; or
• information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
• significant financial difficulty of the counterparty;
• a breach of contract, such as a default or past due event;
• the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession that the lender(s) would not otherwise consider;
• it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
• the disappearance of an active market for that financial asset because of the financial difficulties.

Write-off policy

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 12 months past due, whichever occurs earlier. A write-off constitutes a derecognition event. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Comprehensive Income.

2 Accounting policies (continued)

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

Financial liabilities are classified and measured at FVTPL when 1) the financial liability is deferred consideration, contingent consideration or a share buyout balance relating to a business combination to which IFRS 3 applies, or 2) it is a derivative.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are denominated in a foreign currency that are not part of a designated hedging relationship, the foreign exchange gains and losses are recognised in profit or loss. The Company's financial liabilities include borrowings, trade and other payables, derivatives, deferred consideration and contingent consideration.

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

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

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 Statement of Financial Position date. Borrowings are recognised initially at fair value, net of transactions costs incurred. They are subsequently measured at amortised cost using the effective interest rate method.

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

Derivative financial instruments
Ardonagh Specialty Limited holds FX forwards which are passed from a parent company at the beginning of the year at fair value and settled before the end of the year. The initial day 1 (loss)/gain from the fair value transferred is recorded as a (loss)/gain from financial instruments, with the resulting movement in the fair value and the settled position also being recorded as a (loss)/gain from financial instruments, resulting in a final net crystalised (loss)/gain for the year. Ardonagh Specialty Limited does not hold any FX forwards on its balance sheet.

2 Accounting policies (continued)

Provisions
A provision is recognised where there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

The amount recognised as a provision is management's best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Where appropriate the Company discounts provisions to their present value. The unwinding of the provision discounting is included as an interest charge within finance costs in the income statement.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Revenue

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

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

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

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

2 Accounting policies (continued)

Post-placement performance obligations

The Company may also have post-placement obligations in contracts with customers, which mainly consist of claims services associated with the claims life cycle - e.g. first notification, claims investigation, decision and settlement, supply chain management, fraud investigation, field/loss adjusting services and management information - but may also include other performance obligations such as the provision of mid-term adjustments.

To the extent that commission and fees received (or receivable) relate to both placement and post-placement performance obligations, a suitable proportion of income related to post-placement obligations is deferred based on the estimated standalone selling prices of the performance obligations in the contract and presented as a contract liability. Revenue for post-placement obligations is recognised over the period of providing the services.

Contract costs

Contract costs are assets recognised in accordance with IFRS 15. The Company capitalises costs to fulfil contracts with customers which are salary and other costs of customer-facing employees who undertake activities necessary to satisfy contracts with the customer. The Company estimates the proportion of costs that are eligible to be capitalised based on the time spent by customer-facing employees on relevant inception/renewal activities. Capitalised costs are released to profit or loss on inception or renewal of the contract with the customer, which normally takes place within 1-3 months of the reporting period. Contract costs are presented within 'other assets' when recognised in the statement of financial position.

Employee benefits

Pension costs

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

The Company has no legal or constructive obligations to pay further contributions.

The costs of the Company's defined contribution pension schemes are charged to the Statement of Comprehensive Income in the year in which they fall due.

Share-based payments

The Company operates equity-settled and cash-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. For cash-settled share-based payment schemes, the Company recognises an expense and a corresponding liability over the vesting period based on the fair value of the shares at the reporting date.

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 Company 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.

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
Current tax is recognised for the amount of tax payable/receivable in respect of the taxable profit/loss for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax
Deferred tax is recognised in respect of taxable temporary differences at the reporting date (except in relation to goodwill or a transaction which is not a business combination and does not affect profit nor taxable profit). Deferred tax assets are only recognised to the extent that it is probable they will be recovered against the reversal of deferred tax liabilities or against future taxable profits. Deferred tax assets and deferred tax liabilities are only offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and if they relate to income taxes levied by the same taxation authority on the same taxable entity or on different taxable entities which intend to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously.

The tax expense for the period comprises current and deferred tax. Income 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. Similarly, income tax is recognised directly to equity if it relates to items that are recognised directly to equity.

Accounting for business combinations under common control
Business combinations under common control are outside the scope of IFRS 3. The consideration for a transfer of business and net assets is determined by calculating the fair market value of the business and net assets, so as to ensure that the transfer does not constitute a distribution. The transferee derecognises the existing assets and liabilities. The transferor recognises the existing assets and liabilities at the 'predecessor' carrying amounts at which they were recognised by the transferor immediately prior to the transfer. The transferee and the transferor recognise the difference between the consideration paid and sum of the carrying amounts of the assets and liabilities in a merger reserve (no goodwill is recognised).

Finance income and costs policy
The Company's finance income and finance costs include:
• interest income
• unwind of discount on provisions
• unwind of discount on financial assets or liabilities, including lease liabilities and lease receivables

Interest income and expense are recognised using the effective interest method for debt instruments classified as amortised cost and as FVTOCI.

Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate.

3 Critical accounting judgements and key sources of estimation uncertainty

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

The Directors consider that there are no significant judgements or significant sources of estimation uncertainty in preperation of the financial statements.

4 Business combinations

The Company has purchased the Casualty and Property business and assets (the 'acquiree') held by Oneglobal Broking Limited. The business purchase agreement ('BPA') was signed on 31 March 2022, and the transaction completed on the same date. The consideration was £9,640k, which comprised £6,140k cash paid on the completion date and deferred consideration with a fair value of £3,500k. On acquisition, Goodwill and Customer Relationships of £1,615k and £10,700k respectively (see note 13), were recognised in intangible assets and a deferred tax liability of £2,675k.

5 Revenue

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

	2022 £ 000	2021 £ 000
Commission and fees	130,921	107,002
	130,921	107,002

The analysis of the Company's turnover for the year by market is as follows:

	2022 £ 000	2021 £ 000
UK	8,422	8,278
Europe	2,306	1,007
North America	82,187	63,553
Australia	3,500	2,526
Other	34,506	31,638
	130,921	107,002

6 Other Operating Income

	2022 £ 000	2021 £ 000
Interest from related parties	160	160
Bank interest receivable	1,238	17
	1,398	177

Income earned on monies held as an integral part of the operations of the Company is disclosed within Operating income.

7 Operating profit

Arrived at after charging:

	2022 £ 000	2021 £ 000
Auditor's remuneration: audit of these financial statements	224	128
Auditors' remuneration: audit of client money	71	42
Depreciation expense	2,042	1,892
Amortisation and other amounts written off intangibles	2,338	697
Management charges paid to parent	2,355	1,738

Management fees of £2,355k (2021: £1,738k) relate to central recharges. Centralised IT, staff, property and other costs are recharged between the UK Group entities.

The audit fee of £128k in the prior year for the audit of the Company was paid by other group entities and was recharged to the Company.

Included in the current year audit fee for the audit of these financial statements is £43.1k in respect of additional fees agreed for the prior year audits.

8 Finance income and finance costs

	2022 £ 000	2021 £ 000
Finance income		
Interest income on bank deposits	1,238	17
Interest from related parties	160	160
	1,398	177
Finance costs		
Effective interest on lease liabilities	623	864
Net finance income/(cost)	775	(687)

9 Staff costs

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

	2022 £ 000	2021 £ 000
Wages and salaries	51,640	48,398
Social security costs	6,469	4,614
Pension costs, defined contribution scheme	5,083	5,053
Redundancy costs	269	835
Share-based payment	184	313
	63,645	59,213

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

	2022 No.	2021 No.
Administration	42	35
Sales	347	337
Management	7	6
	396	378

10 Director remuneration

The Directors' remuneration for the year was as follows:

	2022 £ 000	2021 £ 000
Aggregate emoluments	1,795	1,570
Company contributions to money purchase pension scheme	40	-
	1,835	1,570

The aggregate emoluments of the highest paid director were £672k (2021: £608k) and company pension contributions of £Nil (2021: £Nil) were made to a money purchase scheme on their behalf.

11 Reconciliation of loss on derivatives instruments

	2022 £ 000	2021 £ 000
Fair value transferred 1 January	(1,932)	2,802
Fair value movement during year	(6,953)	240
Crystallised (losses) / gain	(8,885)	3,042

12 Income tax

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

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	7,465	5,129
Adjustments in respect of prior periods	-	-
Total current taxation	7,465	5,129
Deferred taxation		
Origination and reversal of temporary differences	(681)	(490)
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balance	(16)	8
Total deferred taxation	(697)	(482)
Tax charge in the Statement of Comprehensive Income	6,768	4,647

12 Income tax (continued)

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.

	2022 £ 000	2021 £ 000
Profit before tax	34,826	24,600
Corporation tax at standard rate of 19% (2021: 19%)	6,617	4,674
Expenses not deductible for tax purposes	370	175
Deferred tax credit relating to changes in tax rates or laws	(154)	(151)
Fixed asset differences	43	28
Deferred tax credit from unrecognised tax loss or credit	(108)	(79)
Total tax charge	6,768	4,647

Deferred tax

The UK Government has enacted an increase in the UK corporation tax rate to from 19% to 25% to take effect from 1 April 2023. This rate has been used in the calculation of the UK's deferred tax assets and liabilities which are measured at the rate that the respective assets and liabilities will reverse.

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

2022	Liability £ 000
Accelerated tax depreciation	(1,496)

2021	Asset £ 000
Accelerated tax depreciation	482

Deferred tax movement during the year:

	At 1 January 2022 £ 000	Recognised in income £ 000	Transferred in £ 000	At 31 December 2022 £ 000
Accelerated tax depreciation	482	697	(2,675)	(1,496)

12 Income tax (continued)

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Accelerated tax depreciation	-	482	482

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

	2022 £ 000	2021 £ 000
Provisions	90	198
Unrecognised deferred tax assets	90	198

13 Intangible assets

	Goodwill £ 000	Contractual customer relationships £ 000	Computer software £ 000	Software under construction £	Internally generated software development costs £ 000	Total £ 000
Cost or valuation						
At 1 January 2022	1,424	2,474	5,042	2,916	-	11,856
Additions	1,615	10,895	616	337	292	13,755
Transfer between categories	-	-	-	(3,253)	3,253	-
At 31 December 2022	3,039	13,369	5,658	-	3,545	25,611
Amortisation						
At 1 January 2022	1,424	2,443	2,585	-	-	6,452
Charge for the year	-	1,028	466	-	843	2,337
At 31 December 2022	1,424	3,471	3,051	-	843	8,789
Carrying amount						
At 31 December 2022	1,615	9,898	2,607	-	2,702	16,822
At 31 December 2021	-	31	2,457	2,916	-	5,404

14 Property, plant and equipment

	Leasehold improvements £ 000	Fixtures and fittings £ 000	Computer equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2022	3,975	1,255	611	5,841
Additions	736	214	207	1,157
At 31 December 2022	4,711	1,469	818	6,998
Depreciation				
At 1 January 2022	1,999	607	410	3,016
Charge for the year	441	128	74	643
At 31 December 2022	2,440	735	484	3,659
Carrying amount				
At 31 December 2022	2,271	734	334	3,339
At 31 December 2021	1,976	648	201	2,825

15 Leases

Right-of-use assets
The table below provides a schedule of the movements in the carrying amount of the right-of-use assets held on the Statement of Financial Position during the year ended 31 December 2022.

	Property £ 000	Non-property £ 000	Total £ 000	Lease Liabilities £ 000
At 1 January 2022	4,325	185	4,510	(5,682)
Remeasurements	(871)	-	(871)	871
Depreciation charged for the year	(1,306)	(93)	(1,399)	-
Interest expense	-	-	-	(622)
Lease payments	-	-	-	1,788
At 31 December 2022	2,148	92	2,240	(3,645)

As at 31 December 2022, £1,688k (2021: £2,172k) lease liabilities are considered current and £1,957k (2021: £3,510k) are non-current.

15 Leases (continued)

	Property £ 000	Non-property £ 000	Total £ 000	Lease Liabilities £ 000
At 1 January 2021	5,662	278	5,940	(7,177)
Depreciation charged for the year	(1,337)	(93)	(1,430)	-
Interest expense	-	-	-	(848)
Lease payments	-	-	-	2,343
At 31 December 2021	4,325	185	4,510	(5,682)

During the year ended 31 December 2022, the total cash outflows for leases were £1,788k (2021: £2,343k).

Maturity analysis
The total future values of undiscounted lease liabilities are as follow:

	2022 £ 000	2021 £ 000
Within one year	1,788	2,343
In two to five years	2,221	4,564
In over five years	-	-
Total undiscounted value	4,009	6,907

16 Cash at bank and in hand

	2022 £ 000	2021 £ 000
Own funds	16,002	11,747
Own funds - restricted	3,525	3,582
Fiduciary funds	194,697	138,054
	214,224	153,383

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

Restricted own funds comprise:

	2022 £ 000	2021 £ 000
Deposit account	3,525	3,582

17 Trade and other receivables

	2022 £ 000	2021 £ 000
Non-current trade and other receivables		
Trade receivables	-	542
Contract assets	230	317
	230	859

	2022 £ 000	2021 £ 000
Current trade and other receivables		
Trade receivables	47,301	40,997
Less: expected credit loss allowance	(3,084)	(3,581)
Net trade receivables	44,217	37,416
Receivables from other Group companies	107,160	65,507
Prepayments	3,246	3,347
Other receivables	2,993	3,914
Costs to fulfil	3,319	2,965
	160,935	113,149

Cost to fulfil contracts with customers of £3,319k (2021: £2,965k) are presented within and included in trade and other receivables in the Statement of Financial Position.
This includes salary and other costs of customer-facing employees who undertake activities necessary to satisfy anticipated contracts with the customer.

The Director believes that the amounts receivables from Group companies are recoverable and repayable on demand.

18 Trade and other payables

	2022 £ 000	2021 £ 000
Current trade and other payables		
Trade payables in relation to insurance transactions	206,702	149,839
Accrued expenses	23,593	20,092
Amounts due to other Group companies	56,661	22,104
Social security and other taxes	1,600	1,683
Outstanding defined contribution pension costs	361	374
Other payables	5,974	1,230
Contract liabilities	1,903	1,626
	296,794	196,948

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

Contract liabilities represent the Company's obligation to transfer services to customers for which the Company has received the consideration from the customer. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

19 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The total cost charged to the Statement of Comprehensive Income of £5,083,178 (2021: £5,312,254) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2022, contributions of £361,255 (2021: £374,337) due in respect of the current reporting year had not been paid over to the schemes and are included in other payables.

20 Provisions

	Dilapidations £ 000	Holiday provision £ 000	Total £ 000
At 1 January 2022	418	878	1,296
Utilised for the year	-	(10)	(10)
Unused provision reversed	(418)	-	(418)
At 31 December 2022	-	868	868
Current liabilities	-	868	868

20 Provisions (continued)

Dilapidations provision
The Company recognises a provision for the estimated cost for dilapidations that may become payable under the terms of current leasehold property contracts at the end of the lease. The costs are accrued over the life of the lease being reassessed each year.

Holiday provision
The Company recognises a provision for the estimated cost of holiday entitlement carried forward into the next financial year.

21 Share capital

Allotted, called up and fully paid shares

	2022 No. 000	2022 £ 000	2021 No. 000	2021 £ 000
Ordinary Shares of £0.10 each	60,000	6,000.00	60,000	6,000.00
G1 Shares of £0.01 each	12	0.12	12	0.12
G2 Shares of £0.01 each	10	0.10	10	0.10
G3 Shares of £0.01 each	14	0.14	14	0.14
G4 Shares of £0.01 each	8	0.08	10	0.10
G5 Shares of £0.01 each	10	0.10	10	0.10
G6 Shares of £0.01 each	10	0.10	10	0.10
G7 Shares of £0.01 each	10	0.10	10	0.10
G8 Shares of £0.01 each	10	0.10	10	0.10
	60,084	6,001	60,086	6,001

During the year 2,500 G4 shares with a nominal value of £25 were cancelled.

Ordinary shares have full rights in the Company with respect to voting, dividends and distributions. G1, G2, G3, G4, G5, G6, G7 and G8 shares do not have voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

22 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

23 Parent and ultimate parent undertaking

The immediate parent company is Ardonagh Specialty Holdings Limited and the ultimate parent company is Tara Topco Limited.

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

2 Minster Court
Mincing Lane
London
EC3R 7PD

24 Subsequent events

There are no known subsequent events at the point of signing.