

CARDINUS RISK MANAGEMENT LIMITED

(Company No. 03127254)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



CARDINUS RISK MANAGEMENT LIMITED

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CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors

**J Abbott
E J Brimfield
S N Brimfield
A J Hawkes (chief executive)
M J Noble
K L Smith
D P Tibbals
J M Truscott (chairman)**

Company Secretary

D L Reah

Registered Number

03127254

Registered office

**22 Bishopsgate
London
EC2N 4BQ**

Independent Auditors

**PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT**

Bankers

National Westminster Bank plc

CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their audited Annual Report and Financial Statements for the year ended 31 December 2021.

DIRECTORS

The directors below have held office during the whole of the year from 1 January 2021 to the date of this report unless otherwise stated:

J Abbott
E J Brimfield
S N Brimfield
A J Hawkes (chief executive)
M J Noble
K L Smith
D P Tibbals
J M Truscott (chairman)

The directors had no interests in the shares of the Company (2020: None).

GOING CONCERN

Amwins Group Inc has granted continued financial support to Taurus Acquisition Limited and all its subsidiaries including this Company, by confirming, via a letter of support, that it will make sufficient funds available to enable this Company to continue in business for at least twelve months from the date of approval of these financial statements and provide additional financial resources to meet any financial obligations as they fall due.

The directors have performed a going concern assessment, and on the basis of current financial cash flow projections and other information available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and is able to meet its financial obligations as they fall due. Accordingly, it is appropriate for these financial statements to have been prepared on the going concern basis.

The impact of Covid-19 and the Russian war in Ukraine are not anticipated to cause a significant effect to the 2022 financial year.

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

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

CARDINUS RISK MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
(CONTINUED)**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

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

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

This report was approved by the Board on 11 May 2022 and signed on its behalf.



A Hawkes
Director

Independent auditors' report to the members of Cardinus Risk Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cardinus Risk Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Cardinus Risk Management Limited (continued)

Reporting on other information (continued)

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Company Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries which may impact the financial performance and position of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- enquiry of management around actual and potential litigation and claims;
- enquiry of management to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

Independent auditors' report to the members of Cardinus Risk Management Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sundash Jassi (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 May 2022

CARDINUS RISK MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2021

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 Restated* £
Turnover		7,575,208	7,289,623
Cost of sales		(1,875,949)	(1,691,596)
Gross profit		5,699,259	5,598,027
Administrative expenses		(5,560,669)	(5,804,409)
Other operating income		91,663	-
Operating profit/(loss)		230,253	(206,382)
Interest receivable and similar income		59	-
Profit/(loss) before taxation		230,312	(206,382)
Tax on profit/(loss)	3	85,159	32,367
Profit/(loss) for the financial year		315,471	(174,015)
Total comprehensive income/(loss) for the year		315,471	(174,015)

* For details on prior year restatement please see note 12 on page 19.

Results all relate to continuing operations.

The company has no other comprehensive income other than the profit for the financial year which has been calculated on the historical cost basis.

The accompanying accounting policies and notes on pages 11 to 19 form an integral part of these financial statements.

CARDINUS RISK MANAGEMENT LIMITED

BALANCE SHEET
at 31 December 2021

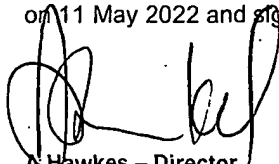
	Note	31 December 2021 £	31 December 2020 Restated* £
ASSETS			
Fixed assets			
Intangible assets	4	1,868,898	2,266,276
Investment in subsidiary undertakings	5	453	453
		1,869,351	2,266,729
Current assets			
Trade and other debtors	6	2,076,772	3,322,660
Deferred tax	3	702,143	616,984
Cash at bank and in hand		1,710,091	53,843
		4,489,006	3,993,487
Creditors: amounts falling due within one year	7	(3,701,033)	(3,918,363)
Net current assets		787,973	75,124
Total assets less current assets		2,657,324	2,341,853
Net assets		2,657,324	2,341,853
Capital and reserves			
Called up share capital	8	3,105,872	3,105,872
Share premium account	9	1,494,490	1,494,490
Accumulated losses	9	(1,943,038)	(2,258,509)
At 1 January		(2,258,509)	(2,084,494)
Profit/(loss) for the year attributable to the owners		315,471	(174,015)
Total equity		2,657,324	2,341,853

* For details on prior year restatement please see note 12 on page 19.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provision of FRS 102 Section 1A – small entities.

The accompanying accounting policies and notes on pages 11 to 19 form an integral part of these financial statements.

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of Directors on 11 May 2022 and signed on its behalf by:



A. Hawkes – Director

Registered Company No: 03127254

CARDINUS RISK MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Note	Called up share capital £	Share premium account £	Accumulated losses Restated* £	Total Equity Restated* £
Balance at 1 st January 2020		3,105,872	1,494,490	1,231,059	5,831,421
Correction of error	12	-	-	(3,315,553)	(3,315,553)
Restated Total Equity Balance at 1st January 2020		3,105,872	1,494,490	(2,084,494)	2,515,868
Comprehensive loss:					
Loss for the year (as restated*)		-	-	(174,015)	(174,015)
Total comprehensive loss for the year (as restated*)		-	-	(174,015)	(174,015)
Balance at 31 December 2020 and 1 January 2021 (as restated*)	8,9	3,105,872	1,494,490	(2,258,509)	2,341,853
Comprehensive income:					
Profit for the year		-	-	315,471	315,471
Total comprehensive income for the year		-	-	315,471	315,471
Balance at 31 December 2021	8,9	3,105,872	1,494,490	(1,943,038)	2,657,324

* For details on prior year restatement please see note 12 on page 19.

The accompanying accounting policies and notes on pages 11 to 19 form an integral part of these financial statements.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

1. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements are presented for the year ended 31 December 2021.

a. General information

Cardinus Risk Management Limited or the "Company" is a private company limited by shares, incorporated in England under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities is to provide business support and risk management service within the UK and worldwide.

b. Statement of compliance

These financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable to the UK and the Republic of Ireland and the Companies Act 2006.

c. Basis of preparation

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates, this is also the functional currency of the Company. They are prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

d. Exemption from consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Taurus Acquisition Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

e. Going concern

The Company's forecasts and projections, taking account of possible changes in performance, show that the Company should be able to operate within the level of its current facilities. The directors have performed a going concern assessment and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and is able to meet its obligations as they fall due. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Amwins Group Inc has granted continued financial support to Taurus Acquisition Limited and all its subsidiaries, including this company, through a letter of support by confirming that it will make sufficient funds available to enable the Company to continue in business for at least twelve months from the date of approval of these financial statements, and to ensure it is able to meet its financial liabilities as they fall due.

f. Foreign currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, along with all other foreign gains and losses are presented in the profit and loss account within administrative expenses.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

g. Turnover

Revenue is measured based on the consideration in exchange for transferred services to a customer. Revenue is recognised when the company has satisfied a performance obligation for transferring a promised service to a customer. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) Service revenues

The company's service revenue consists of setup fees, hosted services, management fees, professional services and training.

Setup fees relate to services completed in advance of the licences being provided. Revenue is recognised once set up has been completed.

Hosted services and management fees relate to the provision of hosting and management services to the customer over the length of the licence. Revenue is recognised on a straight-line basis over the term of the licence.

Professional services include surveys and reports provided for customers. Revenue is recognised once the professional service has been provided and the report has passed quality review. Training includes online and in person training sessions. Revenue is recognised once the training session has been completed.

(ii) Licence revenues

The company sells its licence software through its direct sales force. The licence provides standalone functionality and is separate from hosting professional services sold by the company. Licence revenue is recognised at a point in time, upon delivery and transfer of control of the underlying licence to the customer.

(iii) Rebates

Rebates, which are offered to certain professional service customers are accounted for as a reduction in transaction price on eligible contracts.

Rebates are determined based on eligible sales in a quarter with the receipt of these invoice having been received. These are allocated to the relevant performance obligation.

h. Cost of sales

External costs, directly related to efforts to generate turnover, are classified as Cost of Sales and is accounted for in the period in which the underlying turnover is recognised.

i. Interest and investment income

Interest is credited on the basis of amounts receivable for the year from cash balances held.

j. Taxation

The charge for taxation is based on the profit for the year, at current rates of tax, and takes into account deferred taxation on all timing differences between the treatment of certain items for financial statement purposes and their treatment for corporation tax purposes.

Deferred taxation is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised where it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

The tax expense for the year 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.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

k. Intangible assets

Intangible assets are identified in accordance with the definition set out in FRS 102. Intangible assets acquired through business acquisitions are valued on the basis of the present value of future cash flows and are amortised to the profit and loss account over the life of the contract or their estimated economic life.

Goodwill represents the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired. Goodwill is amortised through the profit and loss account in equal instalments over its useful economic life which is deemed to be between 10 and 20 years. Goodwill is assessed for impairment when there are indications of a change in value, and any impairment is charged to the profit and loss account.

l. Investment in subsidiaries undertakings

Investment in subsidiary company is held at cost less accumulated impairment losses.

m. Financial assets

Financial assets can be divided into the categories set out below. Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial asset's category is relevant for the way it is measured and whether resulting income and expenses are recognised in the profit and loss account or are taken directly to equity. The carrying value of all financial assets approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as creditor amounts falling due within one year of the balance sheet date.

Trade debtors

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when objective evidence indicates that the Company will not be able to collect all amounts due. The amount of the impairment loss is recognised in the profit and loss account. Trade debtors are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

n. Financial liabilities

The Company's financial liabilities include trade payables, the carrying value of all financial liabilities approximates to their fair value.

Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

o. Deferred income

A deferred revenue provision is made as the company recognises that it has obligations arising from business entered into. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry.

p. Share capital

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

q. Dividends

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved. These amounts are recognised in the statement of changes in equity when approved and charged directly to equity.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

r. Critical accounting estimates and judgements

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 results. Where estimates are revised, or the final outcome differs from the amounts originally recorded, such adjustments are recognised in the year in which the revision is made.

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

(i) Impairment of assets

Investment in subsidiaries, that have indefinite useful lives, are tested annually to determine whether they have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The recoverable amount of an asset or cash-generating unit is determined by reference to value-in-use calculations based on management's:

- detailed cash flow forecasts over three years, where available;
- extrapolated cash flows over two further years, based on profit growth assumptions ranging between 0% and 5% per annum, unless the cash generating unit can provide a better supported figure; and
- assumption of nil growth thereafter over the remaining useful life of the asset or unit, up to 10 years.

As part of a sensitivity analysis of possible impairment, an annual review is taken to assess how much revenue would need to fall by and expenses increase by year on year before an impairment is required. The review showed that revenue would need to be capped at 1% for a 10-year period with expenses increasing by 3% at the same time, before an impairment may be required.

A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Indicators of impairment include significant financial difficulties of the debtor, dispute, default and failure to meet set payments.

(ii) Deferred tax asset

A deferred tax asset is recognised if there is sufficient evidence that the asset will be recovered within the foreseeable future. Budgets and projections for the next five years have been used to estimate the deferred tax asset that represents the recognition of recoverable tax losses. Projections for year 1 is at 100%, years 2 at a risk adjusted rate of 90% and years 3-5 have been risk adjusted by 75%. The projections assume a 5% growth in profit in years 1-2 and 3% increase for years 3-5. The projections used are reviewed each year.

(iii) Deferred revenue

A deferred revenue provision is made as the company recognises that it has obligations arising from business entered into. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry. Where there will be costs to be incurred in the following year, a portion of the revenue is not recognised in the P&L, this is calculated on a straight-line basis based on value of revenue received, over the remaining months the contract covers. Variability could exist if the contract is cancelled mid-term, for example due to a breach of contract or if the Company goes into liquidation, meaning a portion of the revenue would need to be returned to the customer. However, based on past experience of this never happening, no adjustment is made for such a scenario and there is no indicator it would need to be.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

2. EMPLOYEES AND DIRECTORS

The Company had no direct employees during the current year and preceding year. Staff that support the company are employed by Amwins Global Risks Group Limited and their costs are incorporated in the management recharge, this includes the £982,038 (2020: £940,238) shown below for directors' remuneration.

	2021	2020
	£	£
Directors' remuneration		
Remuneration for management services	923,533	824,571
Contributions to money purchase pension schemes	58,505	115,667
	982,038	940,238

Amounts for the highest paid director included above:

Remuneration for management services	281,021	261,948
	281,021	261,948

During the year, 5 (2020: 6) directors accrued benefits under money purchase pension.

All directors, with the exception of K Smith, are remunerated by Amwins Global Risks Group Limited and their emoluments are reported within the financial statements of Cardinus Risk Management Limited

Director of the Company, K Smith is remunerated by Amwins Global Risks Group Limited and their emoluments are reported within the financial statements of Amwins Global Risks Limited and Amwins Global Risks Group Limited. Overall, the time spent by this director in performing their services for the Company is incidental, and therefore their remuneration is not charged to the Company.

3. TAX ON PROFIT/(LOSS)

	2021	2020
	£	restated £
Current tax:		
Total current tax	-	-
Deferred tax:		
Impact of change in tax rate	(129,379)	(68,920)
Utilisation of company tax losses	-	36,553
Prior year adjustment	(5,201)	-
Origination and reversal of temporary differences	49,421	-
Total deferred tax	(85,159)	(32,367)
Tax on profit/(loss)	(85,159)	(32,367)
Profit/(loss) before taxation	230,312	(206,382)
Profit/(loss) before taxation multiplied by standard rates of corporation tax at 19% (2020: 19%)	43,759	(39,213)
Non-Taxable items	5,662	264
Adjustment in respect of prior years	(5,201)	-
Losses not provided for	-	75,502
Impact of change in tax rate	(129,379)	(68,920)
Total tax credit for the year	(85,159)	(32,367)

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

3. TAX ON PROFIT/(LOSS) (continued)

	2021 £	2020 £
Deferred Tax Asset		
Opening balance	616,984	584,617
Utilisation of tax losses	(49,421)	(36,553)
Prior year adjustment	5,201	-
Impact of change in tax rate	129,379	68,920
Total deferred tax	702,143	616,984

The tax rate of 19% (2020: 19%) used for the reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law. The standard rate of UK corporation tax will be 19% for 2022.

Deferred tax on temporary timing differences which are expected to unwind over the next five years with and have been recognised at 19% until 1 April 2023 and at 25% after 1 April 2023 (2020: 19%), the rate which was substantially enacted in law as at December 31, 2021.

The Company is part of the Taurus Acquisition Limited "TAL" group of companies for tax purposes and accordingly may use the group relief provisions whereby current tax liabilities can be offset by tax losses arising in other companies within the same tax group. The amount paid for group relief is equal to the tax benefit arising and amounts are included within the current tax disclosures.

Budgets and projections for the next five years have been used to estimate the deferred tax asset that represents the recognition of recoverable tax losses. Projections for year 1 is at a risk adjusted rate of 90%, years 2-4 have been risk adjusted by 75% and year 5 has been risk adjusted by 50%. The projections assume a 5% growth in profit in years 1-2 and 3% for the rest. The projections used are reviewed each year.

As part of a sensitivity analysis two scenarios were considered:

A - Were the risk adjusted rates to be reduced to 75% for year one and now 50% for years 2-5, the impact on the asset would be to reduce its value by £91k as the asset would not be fully utilised in the next 5 years.

B – The profit growth is reduced to nil post 2021. The impact of that would be that the deferred tax asset could still be retained at its current carrying value.

4. INTANGIBLE ASSETS

	Goodwill Restated* £
Cost	
At 1 January 2021 (as restated) and at 31 December 2021	5,979,209
Amortisation	
At 1 January 2021 (as restated)	3,712,933
Charge in the period	397,378
At 31 December 2021	4,110,311
Net Book Value	
At 31 December 2021	1,868,898
At 31 December 2020 (as restated)	2,266,276

* For details on prior year restatement please see note 12 on page 19.

The directors have performed an impairment assessment and confirm that no impairments are required in the Company's intangible assets. As part of a sensitivity analysis of possible impairment, an annual review is taken to assess how much revenue would need to fall by and expenses increase by year on year before an impairment is required. The review showed that revenue would need to decrease by at least 6% over a 10 year period with expenses increasing by 10% at the same time, before an impairment may be required.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2021	2020
	£	Restated* £
At 1 January and 31 December	453	453

Investment in subsidiary undertakings represent interests in the ordinary share capital of the following directly held companies:

Directly held:	Principal activity	Registered in	Interest
Fleet UK Limited	Dormant	England & Wales	100%
Property UK Limited	Dormant	England & Wales	100%
Property Risk Management Limited	Dormant	England & Wales	100%
Cardinus Limited	Non-Trading	England & Wales	100%
Cardinus LLC	Ergonomics	USA (1)	100%
Healthy Working Limited	Dormant	England & Wales	100%
Specialists in the Protection of Risks Limited	Dormant	England & Wales	100%

The registered office for all subsidiaries is 22 Bishopsgate, London, EC2N 4BQ, apart from those listed below:
(1)4725 Piedmont Row Drive, Suite 600, Charlotte, NC 28210

* For details on prior year restatement please see note 12 on page 19.

In the opinion of the directors, the aggregate value of the Company's Investment in subsidiary undertakings is not less than the amount included in the balance sheet.

After the balance sheet date four companies entered members voluntary strike-off, see note 13 on page

6. TRADE AND OTHER DEBTORS

	2021	2020
	£	£
Trade debtors	1,849,939	2,154,439
Amounts owed by group undertakings	226,833	1,168,221
Trade and other debtors	2,076,772	3,322,660

Amounts owed by the parent, group and other undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provision for bad debts of £45,716 (2020: £137,285).

As at 31 December 2021, the Company had exposures to individual trade counterparties within trade and other debtors. In accordance with Company policy, the Company continually monitors exposures against individual clients. No other individual trade counterparty credit exposure is considered significant in the ordinary course of trading activity.

The carrying amount of trade and other debtors is considered to be approximate to their fair value.

All of the Company's trade and other debtors have been reviewed for indicators of impairment. Management does not expect any significant losses from non-performance by trade counterparties that have not been provided for. However, as part of a stress test, if all items aged greater than six months were considered for inclusion, this would result in a £11,514 reduction to the trade debtor and profit before tax.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade and other payables:		
Amounts owed to group undertakings	2,425,434	3,061,371
Other taxation and social security	4,419	-
Other creditors	14,709	53,145
Deferred income	1,256,471	803,847
	3,701,033	3,918,363

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The carrying amount of trade and other payables is considered to approximate their fair value.

8. CALLED UP SHARE CAPITAL

Company	2021	2020
	£	£
Allotted, called up and fully paid		
310,587,239 (2020: 310,587,239) ordinary shares of 1p each	3,105,872	3,105,872

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

9. RESERVES

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

Share premium account includes the excess value above the share price less issuance costs.

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

10. RELATED PARTY TRANSACTIONS

The company is exempt from the requirements of FRS 102 33.1(A) to disclose transactions with other members of the group headed by Taurus Acquisition Limited.

11. CONTROLLING PARTIES

The immediate parent company is Amwins Global Risks UK Limited, which owns the entire issued share capital of the Company. The ultimate parent company and controlling party is American Wholesale Insurance Holding Company, LLC, a company incorporated in the USA.

The largest and smallest groups of undertakings for which financial statements have been drawn up are those headed, respectively, by Amwins Group, Inc. and Taurus Acquisition Limited. Copies of Taurus Acquisition Limited group financial statements are available on request and can be obtained from 22 Bishopsgate, London, EC2N 4BQ.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021 (CONTINUED)

12. RESTATEMENT OF COMPARATIVE AMOUNTS

In the prior year the company's investments were incorrectly stated as £5,979,660. It was noted that the trade and assets related to two investments had been transferred to the company in 2009 and 2010 but not been accounted for accurately as a transfer of trade. The balances have hence been transferred to intangible assets at the historic date to recognise goodwill generated upon transfer and amortised over their useful life. This adjustment has had the impact of decreasing investments by £5,979,207 and increasing intangible fixed assets by £2,266,276. The adjustments to retained earnings and profit for the year is the annual amortisation charge. The impact of this to adjust the brought forward position as at 1 January 2020 was £3,315,553 and the impact on the profit and loss account in 2020 was £397,378.

We set out below the adjustments to the relevant financial statement line items that impacted the Profit and Loss Account, and Balance Sheet.

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2020 (restated)**

	As previously reported	Adjustments	As restated
	£	£	£
Administrative Expenses	(5,407,031)	(397,378)	(5,804,409)
Operating profit/(loss) for the year	190,996	(397,378)	(206,382)
Profit/(loss) for the financial year	223,363	(397,378)	(174,015)

**COMPANY BALANCE SHEET
at 31 December 2020 (restated)**

	As previously reported	Adjustments	As restated
	£	£	£
ASSETS			
Fixed Assets			
Intangible Assets	-	2,266,276	2,266,276
Investment in subsidiary undertakings	5,979,660	(5,979,207)	453
	5,979,660	(3,712,931)	2,266,729
Total assets less current liabilities	6,054,784	(3,712,931)	2,341,853
Net assets	6,054,784	(3,712,931)	2,341,853
Capital and Reserves			
Retained earnings/ (retained losses)	1,454,422	(3,712,931)	(2,258,509)
At 1 January	1,231,059	(3,315,553)	(2,084,494)
Profit/(loss) for the year attributable to the owners	223,363	(397,378)	(174,015)
Total equity	6,054,784	(3,712,931)	2,341,853

13. POST BALANCE SHEET EVENTS

The following dormant subsidiaries have entered members voluntary strike-off after the period end:
 Fleet UK Limited struck off on 26 April 2022;
 Property UK Limited struck off on 26 April 2022;
 Cardinus Limited struck off on 10 May 2022; and
 Healthy Working Limited struck off on 26 April 2022.