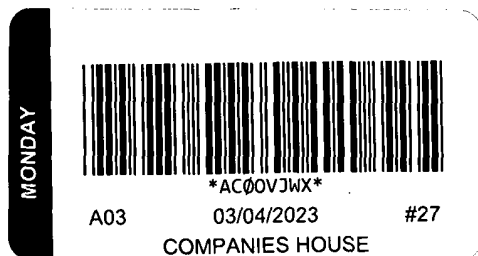


Registration number: 02461657

**URIS Group Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 December 2021**



# URIS Group Limited

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# **URIS Group Limited**

## **Company Information**

### **Directors**

D J Coles

J Byrne

### **Company secretary**

Ardonagh Corporate Secretary Limited

### **Registered office**

Quay Point  
Lakeside Boulevard  
Doncaster  
South Yorkshire  
DN4 5PL  
United Kingdom

### **Auditor**

Deloitte LLP  
Four Brindleyplace  
Leeds  
United Kingdom

# URIS Group Limited

## Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021 for URIS Group Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the performance of the Company during the financial year and its position at the end of the year. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. Following significant new equity investment as disclosed in note 22, the Company is now overseen by a new holding company, Ardonagh Group Holdings Limited. Prior to this and as at 31 December 2021, the Company was part of The Ardonagh Group Limited. The Company and its subsidiaries under the new and previous holding company are referred to as the Group.

### Principal activities and business review

The principal activity of the Company is that of an insurance intermediary providing a suite of services across the entire distribution chain focused in the areas of home, protection and ancillary insurance.

The results for the Company show turnover of £6.2m (2020: £15.4m) and loss before tax of £2.6m (2020: profit £1.9m) for the year. At 31 December 2021 the Company had net assets of £33.8m (2020: £34.6m). Key drivers of the performance are set out on page 4 under Key Performance Indicators. The going concern note (part of accounting policies) on page 18 sets out the reasons why the directors continue to believe that the preparation of the financial statements on a going concern basis is appropriate.

### Companies Act s.172 Duty

The Directors take 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 and in doing so, have regard to; the likely consequences of any decision in the long-term, the interests of the Company's employees, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the Company. The Company forms part of the wider MGA & Binders segment of the Ardonagh Group. The day to day Board level governance over the URIS business within the MGA & Binders segment is undertaken by the Geo Specialty Group Holdings Board ("Board"). The Board considers the long-term consequences of its decisions and set out below are our key stakeholders and how the Board engages with each stakeholder group.

#### *Employees*

Our employees are central to our success and remuneration structures are designed to reward good performance at the individual and business level and support our culture. In addition, our businesses focus on providing working conditions that are Covid-19 safe and providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths and study support. The Employee Group Plan is an equity scheme that recognises the wider contribution of employees; identifying key talent and future leaders within the Group. The plan extends to a wide cross-section of our people and has created a more diverse group both in terms of age and gender that now hold equity.

Our Board believes in the importance of communication and engagement with all employees and this has become increasingly important since many of our staff moved to homeworking or hybrid office and home working in 2020 and 2021. Good communication and engagement is also linked to and supports our actions taken to enhance staff well-being, which has been an area of continued focus during Covid-19 including the Wellness4life programme that ran throughout the year. There were also a number of Group initiatives, such as the award-winning Radio Ardonagh and 'applause' where employees can give a 'shout out' to their colleagues who have gone above and beyond.

## URIS Group Limited

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

The third Group-wide employee pulse survey was undertaken in Q4 2021. The Ardonagh Group achieved an excellent 81% response rate and an overall positivity score of 73.3% compared with 75.4% in 2020, which management consider to be a good result given the impact and challenges of Covid 19. As a result of the survey, a number of actions will be taken across our 5 people commitments; Attract and Retain, Onboard and Develop, Recognise and Reward, Empower and Enable, and Respect and Support. Each of these 5 people commitments outline our ambition for a diverse and fair workforce and an inclusive culture. As a business, we believe that diversity strengthens us and in 2021 we launched a number of employee forums in which to hold frank, straightforward conversations on topics such as well-being, diversity and inclusion and this two-way dialogue with our people has been warmly received and is leading to tangible actions and progress.

#### *Customers*

Seeking good customer outcomes is central to the success of the business. The business undertakes root cause analysis on complaints and errors & omission claims. Management also have in place robust controls regarding the management of actual and potential conflicts of interest. Risk frameworks and risk appetite support the Board in discharging effective oversight over how well we perform against key customer related metrics and evidence how the customer remains at the heart of our decision making.

#### *Regulatory relationships*

The FCA is a key stakeholder and the Board prioritises positive, open and transparent engagement with the FCA and with all our regulatory relationships around the world by ensuring the right 'tone from the top', which starts with how the Board engages with regulators. The Board receives regular updates on regulatory interactions and FCA guidance and the business impact. The business regularly participate in regulatory thematic reviews and believe that a strong relationship with our regulators is a source of competitive advantage.

#### *Insurers*

Our insurance partners are fundamental to the success of the business. The Ardonagh Portfolio Solutions business regularly meet with our key insurance partners to discuss performance, capacity and ways in which we can enhance cover for customers and grow out strategic carrier partnerships. Feedback on our partner relationships are reported to the Board.

#### *Our Suppliers*

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, the level of which is dependent on the size and critical nature of the services supplied. We also have minimum due diligence standards to be performed on key suppliers before they are engaged, which includes a requirement that suppliers have ESG and modern slavery policies that are at least as stringent as our own.

## URIS Group Limited

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

#### *Community*

Since The Ardonagh Community Trust (“ACT”) was formed, circa. £1m has been donated to over 400 charities as chosen by our Ardonagh colleagues. In 2021, 35 projects were nominated by colleagues with £153,315 of funds awarded. This allowed charities and community organisations to complete projects to further support those who need their services.

With the lifting of restrictions, we also saw an increase in colleagues fundraising for causes they care about through marathons, sponsored walks and other challenges. ACT was able to boost the £103,995 raised by our colleagues with an additional £52,425. Additionally, Company employees were encouraged to take their one-paid day a year of volunteering time and despite the ongoing restrictions imposed by Covid-19 over 500 hours across the Ardonagh Group were donated into local communities.

The Group partnership with mental health charity Mind came to an end in 2021 with £200,000 raised for the charity and important conversations opened on the importance of this topic. The Group began its latest partnership with Samaritans in May 2021, and was launched in line with Mental Health Awareness Week. More Advisory colleagues were trained as mental health first aiders in 2021 and this will continue throughout 2022. In addition, awareness training is planned with the Samaritans that will enable us to continue to break the stigma surrounding mental health.

In 2022, the Group have established an ESG strategy that will articulate a clear set of intentions and goals and a scalable framework from which to start measuring milestones that will be reported in the 2022 Group Annual Report.

#### **Outlook**

The directors do not expect there to be any changes in the nature of the business in 2022.

#### **Key performance indicators**

The Company's key financial and other performance indicators during the period were as follows:

|  |             |             |             |
|--|-------------|-------------|-------------|
|  | <b>Unit</b> | <b>2021</b> | <b>2020</b> |
| Gross written premium (GWP) brokered   | £m          | 74.5        | 96.2        |
| Total income (commission and fees, and other income)                               | £m          | 6.2         | 15.4        |
| Administrative expenses (salaries and associated costs, and other operating costs) | £m          | 6.4         | 10.7        |
| <b>Ratios</b>  | <b>Unit</b> | <b>2021</b> | <b>2020</b> |
| Total income/GWP ratio   | %           | 8.3         | 16.0        |
| Administrative expenses/total income ratio   | %           | 103.2       | 69.5        |

The total income/GWP ratio has decreased from 16.0% in 2020 to 8.3% in 2021, due to the impact of the transfer of certain retail business operations to other group companies during 2020. This business rationalisation is also the main factor behind the decrease in administrative expenses from £10.7m in 2020 to £6.4m in 2021, this was specifically related to salaries and associated costs reduction.

Non-financial key performance indicators include staffing levels which have shown a 49.0% decrease in the average number of persons employed by the Company throughout the period. This was largely driven by the transfer of retail business operations as referenced above.

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.

## URIS Group Limited

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

#### 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 Group 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 Group Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within 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 and Group have demonstrated their resilience from an economic shock and operational and financial resilience in response to the ongoing Covid-19 pandemic. The Company and Group have sufficient liquidity to withstand a period of potential poor trading resulting from a sustained economic decline, although this has not materialised to date and the Group would respond to income declines by seeking cost savings. The Group had available liquidity of £794.7m at 30 September 2022 and closely monitors available liquidity on an ongoing basis.

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

#### *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 an Enterprise Risk Management Framework in place, which is owned by the Group Risk Officer. 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 certain disaster recovery procedures in place and has insurance to protect against such contingencies.

## URIS Group Limited

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

#### *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. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out throughout the Group and embedded within its culture to reduce the risk of errors and non-compliance.

#### *Underwriting capacity risk*

The Company is an insurance intermediary and depends on insurance companies providing it with insurance underwriting capacity and products. The underwriting capacity of insurance companies depends on, among other things, their ability to procure reinsurance, over which the Company has no control. To retain underwriting capacity, the Company also needs to maintain satisfactory loss ratios for its insurance company partners.

#### *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. The Company maintains 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 us to focus on risk management around data, cyber, capability and wellbeing of employees.

Business Continuity Plans are in place across the Company's operating segment, 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 Board on 3 April 2023 and signed on its behalf by:



J Byrne  
Director

## URIS Group Limited

### Directors' Report for the Year Ended 31 December 2021

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

#### Directors of the Company

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

D J Coles

S W Hough (resigned 27 January 2022)

The following directors were appointed after the year end:

J G Sutton (appointed 27 January 2022 and resigned 1 November 2022)

J Byrne (appointed 1 November 2022)

#### Dividends

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

#### Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 5.

#### Future developments

Details of future developments can be found in the Strategic Report within the 'Outlook' section on page 4.

#### Political donations

The Company has not made any political donations during the year (2020: £Nil).

#### 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.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on page 2. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. 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.

## URIS Group Limited

### Directors' Report for the Year Ended 31 December 2021 (continued)

#### Subsequent events

Details of subsequent events can be found in note 22.

#### Disclosure of information to the auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditor

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

Approved by the Board on 3 April 2023 and signed on its behalf by:



J Byrne  
Director

## **URIS Group Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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

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

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

## **URIS Group Limited**

### **Independent Auditor's Report to the members of URIS Group Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of URIS Group Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 22.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## URIS Group Limited

### Independent Auditor's Report to the members of URIS Group Limited (continued)

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://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 about their own identification and assessment of the risks of irregularities.

## URIS Group Limited

### Independent Auditor's Report to the members of URIS Group Limited (continued)

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, FCA regulation, pensions legislation, 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. These included General Data Protection Regulation 2018, UK Bribery Act 2010 and Proceeds of Crime Act 2012.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

#### *Cut-off & Completeness of Profit Commission*

Risk that revenue recognised from the receipt of profit commission was not recognised in the correct accounting year and or is not complete through fraudulent manipulation of the specific profit commission recognition policy. A key source of estimation uncertainty exists over the quantum of profit commission which will be received from external insurers.

To address the risk of fraud identified we have:

- Tested design and implementation of key controls in the profit commission recognition process.
- Performed a review of all other receipts received into the relevant bank accounts in the financial period to ensure the reported profit commission revenue is complete; and
- Agreed any profit commission receipts received post year-end to cash received and ensured these amounts were recorded in the financial statements

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 and internal 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 the FCA.

## URIS Group Limited

### Independent Auditor's Report to the members of URIS Group Limited (continued)

#### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 directors' 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.

*S. Cumberbatch*

Stewart Cumberbatch FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom

Date 3 April 2023

## URIS Group Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2021

|   | Note          | 2021<br>£ 000       | 2020<br>£ 000     |
|---|---------------|---------------------|-------------------|
| Commission and fees   | 4             | 6,213               | 15,439            |
| Salaries and associated costs                                     | 5             | (4,621)             | (9,103)           |
| Administrative expenses   |               | (1,818)             | (1,628)           |
| Depreciation, amortisation and impairment of non-financial assets | 10, 11,<br>12 | <u>(2,255)</u>      | <u>(2,693)</u>    |
| <b>Operating (loss)/profit</b>                                    | 7             | <b>(2,481)</b>      | <b>2,015</b>      |
| Gain from disposals of assets                                     |               | 1                   | 18                |
| Finance costs   | 8             | <u>(132)</u>        | <u>(147)</u>      |
| (Loss)/profit before tax  |               | <b>(2,612)</b>      | <b>1,886</b>      |
| Tax credit/(charge)   | 9             | <u>1,759</u>        | <u>(981)</u>      |
| <b>(Loss)/profit for the year</b>                                 |               | <b><u>(853)</u></b> | <b><u>905</u></b> |

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

The notes on pages 17 to 41 form an integral part of these financial statements.

## URIS Group Limited

(Registration number: 02461657)

### Statement of Financial Position as at 31 December 2021

|  |      |                 | (as restated)   |
|--|------|-----------------|-----------------|
|  | Note | 2021<br>£ 000   | 2020<br>£ 000   |
| <b>Non-current assets</b>                    |      |                 |                 |
| Intangible assets                            | 10   | 3,113           | 4,639           |
| Property, plant and equipment                | 11   | 701             | 864             |
| Right-of-use assets                          | 12   | 705             | 828             |
| Investment in subsidiaries                   | 13   | 2,186           | 2,207           |
| Deferred tax assets                          | 9    | 1,609           | -               |
|  |      | <b>8,314</b>    | <b>8,538</b>    |
| <b>Current assets</b>                        |      |                 |                 |
| Cash and cash equivalents                    | 14   | 11,740          | 11,244          |
| Trade and other receivables                  | 15   | 34,028          | 26,478          |
|  |      | <b>45,768</b>   | <b>37,722</b>   |
| <b>Current liabilities</b>                   |      |                 |                 |
| Trade and other payables                     | 16   | (17,989)        | (9,012)         |
| Lease liabilities                            | 12   | (230)           | (230)           |
| Tax liabilities                              | 9    | (935)           | (1,086)         |
| Provisions                                   | 18   | (35)            | -               |
|  |      | <b>(19,189)</b> | <b>(10,328)</b> |
| <b>Net current assets</b>                    |      | <b>26,579</b>   | <b>27,394</b>   |
| <b>Total assets less current liabilities</b> |      | <b>34,893</b>   | <b>35,932</b>   |
| <b>Non-current liabilities</b>               |      |                 |                 |
| Lease liabilities                            | 12   | (739)           | (852)           |
| Provisions                                   | 18   | (356)           | (449)           |
|  |      | <b>(1,095)</b>  | <b>(1,301)</b>  |
| <b>Net assets</b>                            |      | <b>33,798</b>   | <b>34,631</b>   |
| <b>Capital and reserves</b>                  |      |                 |                 |
| Share capital                                | 19   | 2,580           | 2,580           |
| Merger reserve                               |      | 9,929           | 9,929           |
| Retained earnings                            |      | 21,289          | 22,122          |
| <b>Total equity</b>                          |      | <b>33,798</b>   | <b>34,631</b>   |

Approved by the Board on 3 April 2023 and signed on its behalf by:



J Byrne  
Director

The notes on pages 17 to 41 form an integral part of these financial statements.

## URIS Group Limited

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

|                              | Share<br>capital<br>£ 000 | Merger<br>reserves<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
|------------------------------|---------------------------|-----------------------------|-------------------------------|----------------|
| At 1 January 2021            | 2,580                     | 9,929                       | 22,122                        | 34,631         |
| Net loss for the year        | -                         | -                           | (853)                         | (853)          |
| Share-based payment          | -                         | -                           | 20                            | 20             |
| At 31 December 2021          | <u>2,580</u>              | <u>9,929</u>                | <u>21,289</u>                 | <u>33,798</u>  |
|                              | Share<br>capital<br>£ 000 | Merger<br>reserves<br>£ 000 | Retained<br>earnings<br>£ 000 | Total<br>£ 000 |
| At 1 January 2020            | 2,580                     | (13,580)                    | 21,149                        | 10,149         |
| Net profit for the year      | -                         | -                           | 905                           | 905            |
| Intergroup business transfer | -                         | 23,509                      | -                             | 23,509         |
| Share-based payment          | -                         | -                           | 68                            | 68             |
| At 31 December 2020          | <u>2,580</u>              | <u>9,929</u>                | <u>22,122</u>                 | <u>34,631</u>  |

The notes on pages 17 to 41 form an integral part of these financial statements.

# URIS Group Limited

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

### 1 General information

The Company is a private company limited by share capital, that is incorporated and registered in England, United Kingdom. The details of the Company's registered office address can be found on page 1. The principal activity of the Company is disclosed on page 2 within the 'Strategic Report' section.

The financial statements for the year ended 31 December 2021 were authorised for issue by the Board on 3 April 2023 and the Statement of Financial Position was signed on the board's behalf by J Byrne.

### 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.

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

Amendments to standards and interpretations that are mandatorily effective for annual periods beginning on 1 January 2021 have had no 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 ("Adopted IFRS"), but makes amendments where necessary in order to comply with the 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 IFRS 7 Financial Instruments: Disclosures and of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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;

## URIS Group Limited

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

#### 2 Accounting policies (continued)

- 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 directors in the application of these accounting policies that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the next year, are discussed in the Critical accounting judgements and key sources of estimation uncertainty disclosure on page 26.

#### Going concern

As shown in account note 21, the Company was a member of a group ("the Group") of which The Ardonagh Group Limited ("TAGL") was the ultimate parent company and the highest level at which results were consolidated for the year ended 31 December 2021. The financial statements of the Company have been prepared on a going concern basis. At 31 December 2021 the Company had net assets of £33.8m (2020: £34.6m) and net current assets of £26.6m (2020: £27.4m). The net current assets include amounts receivable from related parties of £32.4m (2020: £24.3m). The Company reported a loss before tax £2.6m (2020: profit before tax £1.9m).

The directors consider the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the directors have taken into account the following:

- The Group's capital structure, operations and liquidity.
- Base case and stressed cash flow forecasts over the calendar years 2023 and 2024.
- The impact on the base case and stressed cashflow forecasts arising from subsequent material acquisitions.
- The principal risks facing the Group and its systems of risk management and internal control.
- Actual trading and cashflows of the Company and Group, including those of the group of companies previously owned by TAGL.

## URIS Group Limited

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

#### 2 Accounting policies (continued)

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

- The Group will continue to benefit from a £191.5m Revolving Credit Facility that is not drawn at the date of this report.
- Client retention and renewal rates remain robust, despite the current economic uncertainty, as the 2023 trading performance continues to demonstrate resilience across the Group, including that of the group of companies previously owned by TAGL.
- Interest costs should be modelled using current forward interest rates and current FX rates.

Key stress scenarios that the directors have considered 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.
- Mitigating actions within management control including delayed capital expenditure, a reduction in discretionary spend and some reduction in employee headcount and remuneration.

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

The directors continue to consider the wider operational and financial consequences and ramifications of global political and economic tensions (including related to the Ukrainian conflict, 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. The Group is highly diversified and not unduly exposed to a single carrier, customer or market sector.
- Although economic developments remain fluid, the stress testing demonstrates the Group's financial resilience and operating flexibility.
- As a result of Russia invading Ukraine, we have seen significant new sanctions legislation from a range of legislators (including the US, EU and UK), with newly sanctioned entities and individuals, and new (or wider in scope) sectoral sanctions targeting Russia (and Belarus). The Ardonagh Group has no appetite for potential breaches of applicable sanctions regimes and applies appropriate controls including automated screening of clients against relevant sanctions lists. We continue to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.
- The Group continues to monitor the risk of cyberattacks, but the Group has not identified any significant cybersecurity risks during the period ended 30 September 2022.

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

## URIS Group Limited

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

#### 2 Accounting policies (continued)

##### Intangible assets

###### *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 straight-line basis over their estimated useful lives of between 5 and 10 years, which is estimated by reference to the history of the relationships and levels of attrition.

###### *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.

The fair value of internally-generated computer software acquired on a business combination is calculated by reference to the current cost to recreate the software.

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 between 4 years.

###### *Computer software*

Acquired computer software licences are recognised when they are purchased separately or are recognised on a business combination. Their fair value is calculated by reference to the net book value acquired. These costs 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.

## URIS Group Limited

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

#### 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 its 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, presented 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,

| <b>Asset class</b>    | <b>Depreciation method and rate</b> |
|-----------------------|-------------------------------------|
| Fixtures and fittings | 6.67 years                          |
| Motor vehicles        | 3 years                             |
| Computer equipment    | 3-5 years                           |

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.

## URIS Group Limited

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

#### 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.

##### **Investments in subsidiaries**

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

Investment in subsidiaries are stated at cost less any provision for impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses of £Nil (2020: £Nil) are recognised in the Statement of Comprehensive Income.

##### *Calculation of recoverable amount*

An impairment test of an asset is performed by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use, where its value in use is the present value of its future cash flows. An impairment test requires the application of significant judgement because it relies on key assumptions, including forecast cash flows, a discount rate, a terminal growth rate and an EBITDA multiple.

## URIS Group Limited

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

#### 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 arising on the issue of a financial asset or financial liability are accounted for as follows:

- Transaction costs are added to or deducted from the fair value of the financial asset or financial liability if they are directly attributable to the acquisition of the financial asset or financial liability, respectively, and if the financial asset is measured at fair value through other comprehensive income or if the financial asset or financial liability, respectively, is measured at amortised cost.
- Transaction costs are recognised immediately in profit or loss if they are directly attributable to the issue of a financial asset or financial liability at fair value through profit or loss, or if they are not directly attributable to the issue of a financial asset or financial liability.

The Company's financial assets include trade and other receivables and cash & cash equivalents. The Company's financial liabilities include trade and other payables.

###### *Derecognition*

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.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

###### *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 for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected versus current conditions and the Company's view of economic conditions over the expected lives of the receivables, including the time value of money where appropriate. Scalar factors are typically based on GDP and unemployment rate forecasts.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

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.

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.

## URIS Group Limited

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

#### 2 Accounting policies (continued)

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.

#### 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 Statement of Comprehensive Income.

#### Share capital

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

#### 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. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

#### *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 contracts are rolling on a monthly basis, in which case payment is made on a monthly basis. 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.

## URIS Group Limited

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

#### 2 Accounting policies (continued)

##### 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 if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The costs of the Company's defined contribution pension schemes are charged to the income statement in the period in which they fall due.

###### *Shared-based payments*

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

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

# URIS Group Limited

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

### 2 Accounting policies (continued)

#### Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

#### Current tax

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

#### Deferred tax

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

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

#### Finance costs policy

The Company's finance costs include unwind of discount on lease liabilities.

Interest expenses are recognised using the effective interest method for debt instruments classified as amortised cost.

### 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.

There were no critical accounting judgements that have had a significant impact on the carrying amounts of assets and liabilities in the financial year.

### 4 Turnover

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

|                     | 2021<br>£ 000 | 2020<br>£ 000 |
|---------------------|---------------|---------------|
| Commission and fees | 5,863         | 15,339        |
| Trading deals       | 350           | 100           |
|                     | <u>6,213</u>  | <u>15,439</u> |

The Company's turnover for the current and preceding period has been derived from its principal activity wholly undertaken in the UK.

## URIS Group Limited

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

#### 5 Staff costs

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

|  | 2021  | 2020  |
|--|-------|-------|
|  | £ 000 | £ 000 |
| Wages and salaries                         | 3,938 | 7,740 |
| Social security costs                      | 411   | 789   |
| Pension costs, defined contribution scheme | 171   | 308   |
| Redundancy costs                           | 81    | 198   |
| Share-based payment                        | 20    | 68    |
|  | 4,621 | 9,103 |

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

|                | 2021 | 2020 |
|----------------|------|------|
|                | No.  | No.  |
| Administration | 117  | 217  |
| Sales          | 16   | 53   |
| Management     | 2    | 5    |
|                | 135  | 275  |

#### 6 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements as at 31 December 2021 of The Ardonagh Group Limited. It is impracticable to determine the proportion of director emoluments that relate to this entity.

#### 7 Operating (loss)/profit

Arrived at after charging/(crediting):

|  | 2021  | 2020  |
|--|-------|-------|
|  | £ 000 | £ 000 |
| Auditors remuneration: audit of these financial statements | 95    | 85    |
| Depreciation expense                                       | 173   | 233   |
| Depreciation on right-of-use assets                        | 134   | 147   |
| Amortisation and other amounts written off intangibles     | 1,948 | 2,313 |
| Profit on disposal of right-of-use assets                  | (1)   | (18)  |
| Management charges paid to parent                          | 59    | 135   |
|  | 59    | 135   |

## URIS Group Limited

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

#### 7 Operating (loss)/profit (continued)

Management fees of £0.1m (2020: £0.1m) relate to central recharges. Centralised IT, staff, property and other costs are recharged across cost centres within the rest of the Group.

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of The Ardonagh Group Limited for the year ended 31 December 2021.

#### 8 Finance costs

|                      | 2021<br>£ 000 | 2020<br>£ 000 |
|----------------------|---------------|---------------|
| <b>Finance costs</b> |               |               |
| Other finance costs  | <u>(132)</u>  | <u>(147)</u>  |

Other finance costs represents the unwinding of discount on lease liabilities (note 12).

## URIS Group Limited

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

#### 9 Income tax

Tax (credited)/charged in the Statement of Comprehensive Income

|  | 2021<br>£ 000  | 2020<br>£ 000 |
|--|----------------|---------------|
| <b>Current taxation</b>  |                |               |
| UK corporation tax   | (174)          | 650           |
| UK corporation tax adjustment to prior periods                     | 23             | -             |
| <b>Total current taxation</b>                                      | <b>(151)</b>   | <b>650</b>    |
| <b>Deferred taxation</b>   |                |               |
| Origination and reversal of temporary differences                  | (1,662)        | 277           |
| Adjustments in respect of prior periods                            | -              | 82            |
| Effect of tax rate change on opening balances                      | 54             | (28)          |
| <b>Total deferred taxation</b>                                     | <b>(1,608)</b> | <b>331</b>    |
| <b>Income tax expense in the Statement of Comprehensive Income</b> | <b>(1,759)</b> | <b>981</b>    |

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

|   | 2021<br>£ 000  | 2020<br>£ 000 |
|---|----------------|---------------|
| <b>(Loss)/profit before tax</b>   | <b>(2,612)</b> | <b>1,886</b>  |
| Corporation tax at standard rate of 19% (2020: 19%)                     | (496)          | 358           |
| Adjustments to tax charge in respect of previous periods - current tax  | 23             | -             |
| Adjustments to tax charge in respect of previous periods - deferred tax | -              | 83            |
| Expenses not deductible for tax purposes                                | 138            | 148           |
| Fixed asset differences   | 7              | -             |
| Income not taxable for tax purposes                                     | (23)           | -             |
| Movement in deferred tax not recognised                                 | (1,002)        | 483           |
| Remeasurement of deferred tax for changes in tax rates                  | (406)          | (91)          |
| <b>Total tax (credit)/charge</b>  | <b>(1,759)</b> | <b>981</b>    |

## URIS Group Limited

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

#### 9 Income tax (continued)

##### Deferred tax assets

In the March 2021 Budget, it was announced that the UK corporation tax rate would rise from its current rate of 19% to 25% with effect from April 2023.

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

|   | Asset<br>£ 000 |
|---|----------------|
| <b>2021</b>   |                |
| Accelerated tax depreciation                            | 1,556          |
| Provisions  | -              |
| Transition adjustments arising from first time adoption | -              |
| Losses  | 53             |
|   | <b>1,609</b>   |

|   | Asset<br>£ 000 |
|---|----------------|
| <b>2020</b>   |                |
| Accelerated tax depreciation                            | -              |
| Provisions  | -              |
| Transition adjustments arising from first time adoption | -              |
| Losses  | -              |
|   | -              |

Deferred tax movement during the year:

|   | At 1 January<br>2021<br>£ 000 | Recognised in<br>income<br>£ 000 | At 31 December<br>2021<br>£ 000 |
|---|-------------------------------|----------------------------------|---------------------------------|
| Accelerated tax depreciation                            | -                             | 1,556                            | 1,556                           |
| Provisions  | -                             | -                                | -                               |
| Transition adjustments arising from first time adoption | -                             | -                                | -                               |
| Losses  | -                             | 53                               | 53                              |
| <b>Net tax assets</b>                                   | -                             | 1,609                            | 1,609                           |

## URIS Group Limited

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

#### 9 Income tax (continued)

Deferred tax movement during the prior year:

|   | At 1 January<br>2020<br>£ 000 | Recognised in<br>income<br>£ 000 | At 31 December<br>2020<br>£ 000 |
|---|-------------------------------|----------------------------------|---------------------------------|
| Accelerated tax depreciation                            | 317                           | (317)                            | -                               |
| Provisions  | 7                             | (7)                              | -                               |
| Transition adjustments arising from first time adoption | 6                             | (6)                              | -                               |
| Losses  | -                             | -                                | -                               |
| Net tax assets/(liabilities)                            | <u>330</u>                    | <u>(330)</u>                     | <u>-</u>                        |

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

|                                  | 2021<br>£000 | 2020<br>£000 |
|----------------------------------|--------------|--------------|
| Accelerated tax depreciation     | 193          | 1,014        |
| First-time adoption of IFRS 16   | 6            | 6            |
| Losses                           | 68           | -            |
| Unrecognised deferred tax assets | <u>267</u>   | <u>1,020</u> |

#### 10 Intangible assets

|                          | Contractual<br>customer<br>relationships<br>£ 000 | Internally<br>generated<br>software<br>development<br>costs<br>£ 000 | Computer<br>software<br>£ 000 | Total<br>£ 000 |
|--------------------------|---|--|-------------------------------|----------------|
| <b>Cost or valuation</b> |   |  |                               |                |
| At 1 January 2021        | 3,752   | 2,756  | 5,757                         | 12,265         |
| Additions                | -   | 183  | 239                           | 422            |
| At 31 December 2021      | <u>3,752</u>                                      | <u>2,939</u>   | <u>5,996</u>                  | <u>12,687</u>  |
| <b>Amortisation</b>      |   |  |                               |                |
| At 1 January 2021        | 1,931   | 1,895  | 3,800                         | 7,626          |
| Charge for the year      | 737   | 599  | 612                           | 1,948          |
| At 31 December 2021      | <u>2,668</u>                                      | <u>2,494</u>   | <u>4,412</u>                  | <u>9,574</u>   |
| <b>Carrying amount</b>   |   |  |                               |                |
| At 31 December 2021      | <u>1,084</u>                                      | <u>445</u>   | <u>1,584</u>                  | <u>3,113</u>   |
| At 31 December 2020      | <u>1,821</u>                                      | <u>861</u>   | <u>1,957</u>                  | <u>4,639</u>   |

## URIS Group Limited

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

#### 11 Property, plant and equipment

|                          | Fixtures and<br>fittings<br>£ 000 | Motor vehicles<br>£ 000 | Computer<br>equipment<br>£ 000 | Total<br>£ 000 |
|--------------------------|-----------------------------------|-------------------------|--------------------------------|----------------|
| <b>Cost or valuation</b> |                                   |                         |                                |                |
| At 1 January 2021        | 2,314                             | 7                       | 2,644                          | 4,965          |
| Additions                | -                                 | -                       | 10                             | 10             |
| At 31 December 2021      | <u>2,314</u>                      | <u>7</u>                | <u>2,654</u>                   | <u>4,975</u>   |
| <b>Depreciation</b>      |                                   |                         |                                |                |
| At 1 January 2021        | 1,490                             | 7                       | 2,604                          | 4,101          |
| Charge for the year      | 145                               | -                       | 28                             | 173            |
| At 31 December 2021      | <u>1,635</u>                      | <u>7</u>                | <u>2,632</u>                   | <u>4,274</u>   |
| <b>Carrying amount</b>   |                                   |                         |                                |                |
| At 31 December 2021      | <u>679</u>                        | <u>-</u>                | <u>22</u>                      | <u>701</u>     |
| At 31 December 2020      | <u>824</u>                        | <u>-</u>                | <u>40</u>                      | <u>864</u>     |

## URIS Group Limited

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

#### 12 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 2021.

|                                   | Property<br>£ 000 | Non-property<br>£ 000 | Total<br>£ 000 | Lease<br>Liabilities<br>£000 |
|-----------------------------------|-------------------|-----------------------|----------------|------------------------------|
| At 1 January 2021                 | 820               | 8                     | 828            | (1,082)                      |
| Remeasurement                     | 16                | -                     | 16             | -                            |
| Disposals                         | -                 | (5)                   | (5)            | (13)                         |
| Depreciation charged for the year | (133)             | (1)                   | (134)          | -                            |
| Interest expense                  | -                 | -                     | -              | (132)                        |
| Lease payments                    | -                 | -                     | -              | 258                          |
| At 31 December 2021               | <u>703</u>        | <u>2</u>              | <u>705</u>     | <u>(969)</u>                 |

|                               | Lease<br>Liabilities<br>£000 |
|-------------------------------|------------------------------|
| Current lease liabilities     | (230)                        |
| Non-current lease liabilities | <u>(739)</u>                 |
|                               | <u>(969)</u>                 |

##### 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 2020.

|                                   | Property<br>£ 000 | Non-property<br>£ 000 | Total<br>£ 000 | Lease<br>Liabilities<br>£000 |
|-----------------------------------|-------------------|-----------------------|----------------|------------------------------|
| At 1 January 2020                 | 938               | 43                    | 981            | (1,213)                      |
| Additions                         | 101               | 14                    | 115            | (9)                          |
| Disposals                         | (92)              | (29)                  | (121)          | 34                           |
| Depreciation charged for the year | (127)             | (20)                  | (147)          | -                            |
| Interest expense                  | -                 | -                     | -              | (147)                        |
| Lease payments                    | -                 | -                     | -              | 253                          |
| At 31 December 2020               | <u>820</u>        | <u>8</u>              | <u>828</u>     | <u>(1,082)</u>               |

## URIS Group Limited

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

#### 12 Leases (continued)

|                               |                |
|-------------------------------|----------------|
| Current lease liabilities     | (230)          |
| Non-current lease liabilities | <u>(852)</u>   |
| Lease liabilities             | <u>(1,082)</u> |

In addition to the above, the Company recognised the following in the Statement of Comprehensive Income for the year:

|  | 2021<br>£ 000 | 2020<br>£ 000 |
|--|---------------|---------------|
| <b>Expense relating to variable lease payments not included in the measurement of the lease liability (recognised within other operating expenses)</b> |               |               |
| Service charges  | (17)          | (15)          |
| Insurance rent   | (3)           | (4)           |
| Irrecoverable VAT and other levies expensed (recognised within other operating expenses)   | (41)          | (48)          |
| Other  | -             | (42)          |
|  | <u>(61)</u>   | <u>(109)</u>  |

During the year ended 31 December 2021, the total cash outflows for leases was £0.4m (2020: £0.5m).

## URIS Group Limited

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

#### 12 Leases (continued)

##### Maturity analysis

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

|                                 | 2021         | 2020         |
|---------------------------------|--------------|--------------|
|                                 | £ 000        | £ 000        |
| Within one year                 | 236          | 259          |
| In one to five years            | 1,167        | 965          |
| In over five years              | -            | 450          |
| <b>Total undiscounted value</b> | <b>1,403</b> | <b>1,674</b> |

#### 13 Investments in subsidiaries

|                                 | £ 000        |
|---------------------------------|--------------|
| <b>Cost or valuation</b>        |              |
| At 1 January 2021               | 2,207        |
| Impairment from disposals       | (21)         |
| At 31 December 2021             | <b>2,186</b> |
| <b>Provision for impairment</b> |              |
| At 1 January 2021               | -            |
| At 31 December 2021             | -            |
| <b>Carrying amount</b>          |              |
| At 31 December 2021             | <b>2,186</b> |
| At 31 December 2020             | 2,207        |

Direct Creditor Administration Limited and Direct Warranty Administration Limited were dissolved on 19 January 2021 as part of a planned legal entity rationalisation programme. As a result, their residual carrying value was treated as an impairment from disposal in the period.

## URIS Group Limited

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

#### 13 Investments in subsidiaries (continued)

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

| Name of subsidiary                        | Principal activity           | Registered office | Holding  | Proportion of ownership interest and voting rights held |      |
|---|------------------------------|-------------------|----------|---|------|
|   |                              |                   |          | 2021  | 2020 |
| Millennium Insurance Brokers Limited      | Insurance Services           | England           | Direct   | 100%  | 100% |
| Lutine Assurance Services Limited         | Insurance Services           | England           | Direct   | 100%  | 100% |
| Cassidy Davis Underwriting Agency Limited | Dormant                      | England           | Direct   | 100%  | 100% |
| Geo Service Solutions Limited             | Insurance Services           | England           | Indirect | 100%  | 100% |
| RDG Midas Holdings (NI) Limited           | Intermediate Holding Company | England           | Direct   | 100%  | 85%  |

The registered office of the subsidiaries detailed above is Quay Point, Lakeside Boulevard, Doncaster, DN4 5PL, United Kingdom.

#### 14 Cash and cash equivalents

|                 | 2021<br>£ 000 | 2020<br>£ 000 |
|-----------------|---------------|---------------|
| Own funds       | 396           | 1,477         |
| Fiduciary funds | <u>11,344</u> | <u>9,767</u>  |
|                 | <u>11,740</u> | <u>11,244</u> |

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.

## URIS Group Limited

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

#### 15 Trade and other receivables

|  | <b>2021</b>   | (as restated)<br>2020 |
|--|---------------|-----------------------|
|  | <b>£ 000</b>  | <b>£ 000</b>          |
| <b>Current trade and other receivables</b> |               |                       |
| Trade receivables                          | 666           | 218                   |
| Less: expected credit loss allowance       | -             | -                     |
| <b>Net trade receivables</b>               | <b>666</b>    | <b>218</b>            |
| Receivables from other Group companies     | 32,442        | 24,270                |
| Prepayments                                | 319           | 504                   |
| Accrued income                             | 303           | 104                   |
| Contract assets                            | 96            | 989                   |
| Other receivables                          | 201           | 390                   |
| Other assets*                              | 1             | 3                     |
|  | <b>34,028</b> | <b>26,478</b>         |

\*Other assets include costs to fulfil contracts with customers of £1k (2020: £3k), which are presented within and included in trade and other receivables in the Statement of Financial Position.

The Company's costs to fulfil balance at each reporting period reflects salaries and other costs of customer-facing employees who undertake activities necessary to satisfy anticipated contracts with the customer. This is subsequently released to profit or loss when the Company recognises the related revenue from these contracts. The net impact recognised in the Statement of Comprehensive income in relation to these assets was a charge of £2k (2020: £2k).

Contract assets of £96k (2020: £Nil) are amounts of revenue recognised by the Company that are subject to variability. Gross debtor 1,405 (2020:1,559) with a provision of 1,309 (2020:466).

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

## URIS Group Limited

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

#### 16 Trade and other payables

|  | 2021          | (as restated)<br>2020 |
|--|---------------|-----------------------|
|  | £ 000         | £ 000                 |
| <b>Current trade and other payables</b>              |               |                       |
| Trade payables in relation to insurance transactions | 10,293        | 8,004                 |
| Accrued expenses                                     | 598           | 621                   |
| Amounts due to other Group companies                 | 6,699         | 20                    |
| Social security and other taxes                      | -             | 59                    |
| Other payables                                       | 301           | 284                   |
| Contract liabilities                                 | 98            | 24                    |
|  | <b>17,989</b> | <b>9,012</b>          |

Contract liabilities represent the Company's obligation to transfer services to customers for which the Company has received the consideration (or the amount is due) from the customer.

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

#### 17 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The total cost charged to the Statement of Comprehensive Income of £171k (2020: £307k ) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

#### 18 Provisions

|                          | Dilapidations | Total |
|--------------------------|---------------|-------|
|                          | £ 000         | £ 000 |
| At 1 January 2021        | 449           | 449   |
| Utilised during the year | (58)          | (58)  |
| At 31 December 2021      | 391           | 391   |
| Current liabilities      | 35            | 35    |
| Non-current liabilities  | 356           | 356   |

#### Dilapidations

Estimated amounts payable for dilapidations on property at the end of the lease term.

## URIS Group Limited

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

#### 19 Share capital

##### Allotted, called up and fully paid shares

|                               | 2021    |       | 2020    |       |
|-------------------------------|---------|-------|---------|-------|
|                               | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary shares of £0.01 each | 258,032 | 2,580 | 258,032 | 2,580 |

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

#### 20 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.

#### 21 Parent and ultimate parent undertaking

The immediate parent company is Atlanta MGA Holdings Limited and the ultimate parent company is Tara Topco Limited (see note 22).

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

2 Minster Court  
Mincing Lane  
London  
EC3R 7PD

## URIS Group Limited

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

#### 22 Subsequent events

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

The new equity investment has resulted in The Ardonagh Group Limited merging into a newly created company Tara Topco Limited ('Tara') on 31 May 2022 following which the Ardonagh Group activities became overseen by a newly created subsidiary of Tara from 1 June 2022, Ardonagh Group Holdings Limited.

On 1 November 2022, ownership of URIS Group Limited was transferred from Geo Specialty Group Holdings Limited to Atlanta MGA Holdings Limited, a company under common control.

#### 23 Prior Year Restatements

Upon review of the Insurer Trade Receivables and Trade Payables Balances, it was identified that the Company was incorrectly presenting customer premium receivables and insurer payables gross. From review of the underlying customer contract, and the way commission revenue is generated from this specific account, customer premium receivables and insurer payables should be presented on a net basis. An adjustment has been made in both 2021 and 2020 to correct for this error.

The error has the following impacts on the below financial statement lines.

- Trade Receivables have decreased by £3.3m from £29.8m to £26.5m.
- Trade Payables have decreased by £3.3m from £12.2m to £9m.
- There is no impact on Net Assets.

## URIS Group Limited

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

#### 23 Prior Year Restatements (continued)

The impact of the statement of financial position is disclosed below:

|                                       | Audited as<br>previously<br>reported | Adjustment     | Audited as<br>restated |
|---------------------------------------|--------------------------------------|----------------|------------------------|
| <b>Non-current assets</b>             |                                      |                |                        |
| Intangible assets                     | 4,639                                | -              | 4,639                  |
| Property, plant and equipment         | 864                                  | -              | 864                    |
| Right-of-use assets                   | 828                                  | -              | 828                    |
| Investment in subsidiary undertakings | 2,207                                | -              | 2,207                  |
|                                       | <u>8,538</u>                         | <u>-</u>       | <u>8,538</u>           |
| <b>Current assets</b>                 |                                      |                |                        |
| Cash and cash equivalents             | 11,244                               | -              | 11,244                 |
| Trade and other receivables           | 29,803                               | (3,325)        | 26,478                 |
|                                       | <u>41,047</u>                        | <u>(3,325)</u> | <u>37,722</u>          |
| <b>Current liabilities</b>            |                                      |                |                        |
| Trade and other payables              | (12,337)                             | 3,325          | (9,012)                |
| Lease liabilities                     | (230)                                | -              | (230)                  |
| Tax liabilities                       | (1,086)                              | -              | (1,086)                |
|                                       | <u>(13,653)</u>                      | <u>3,325</u>   | <u>(10,328)</u>        |
| Net current assets                    | <u>27,394</u>                        | <u>-</u>       | <u>27,394</u>          |
| Total assets less current liabilities | <u>35,932</u>                        | <u>-</u>       | <u>35,932</u>          |
| <b>Non-current liabilities</b>        |                                      |                |                        |
| Lease liabilities                     | (852)                                | -              | (852)                  |
| Provisions                            | (449)                                | -              | (449)                  |
|                                       | <u>(1,301)</u>                       | <u>-</u>       | <u>(1,301)</u>         |
| Net assets                            | <u>34,631</u>                        | <u>-</u>       | <u>34,631</u>          |
| <b>Share capital and reserves</b>     |                                      |                |                        |
| Share capital                         | 2,580                                | -              | 2,580                  |
| Merger reserve                        | 9,929                                | -              | 9,929                  |
| Retained earnings                     | 22,122                               | -              | 22,122                 |
| Total equity                          | <u>34,631</u>                        | <u>-</u>       | <u>34,631</u>          |