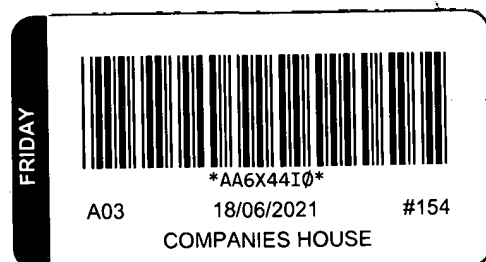


Registration number: 12216708

C&N Investment Holdings Limited

Annual Report and Financial Statements

for the Financial Period Ended 31 December 2020



C&N Investment Holdings Limited

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C&N Investment Holdings Limited

Company Information

Directors	R Tuplin (appointed 25 May 2021) C Shortland (appointed 25 May 2021) D O'Connor (appointed 20 September 2019, resigned 26 May 2021) S Drew (appointed 20 September 2019, resigned 1 March 2021)
Company secretary	Callidus Secretaries (appointed 20 September 2019) D Clarke (appointed 30 September 2020) S Drew (appointed 20 September 2019, resigned 30 September 2020)
Registered office	Hexagon House Grimbald Crag Close Knaresborough North Yorkshire HG5 8PJ
Auditor	Deloitte LLP 4 Brindleyplace Birmingham B1 2HZ

C&N Investment Holdings Limited

Strategic Report for the Financial Period Ended 31 December 2020

The directors present their Strategic Report for the 15 months ended 31 December 2020 (the “financial period”) for C&N Investment Holdings Limited (the “Company”). The Strategic Report provides a review of the business for the financial period and describes how the directors manage risks. The report outlines the performance of the Company during the financial period and its position at the end of the financial period. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. The Company is part of The Ardonagh Group Limited (the “Group”).

Principal activities and business review

The principal activity of the Company is that of a holding company.

The Company was incorporated on 20 September 2019.

The results for the Company show turnover of £nil and loss before tax of £130k for the financial period. At 31 December 2020 the Company had net liabilities of £106k. The going concern note (part of accounting policies) on page 14 sets out the reasons why the directors continue to believe that the preparation of the financial statements on a going concern basis is appropriate.

On 15 July 2020, The Ardonagh Group Limited acquired Nevada 4 Midco 1 Limited, (“Nevada 4”), and its associated subsidiaries. Prior to this acquisition, Nevada 4 was the ultimate parent company of C&N Investment Holdings Limited.

Outlook

The directors do not expect there to be any changes in the nature of the business in 2021.

The unprecedented and rapidly evolving nature of the global Covid-19 pandemic (including the short-term and long-term effects thereof) creates unprecedented and extraordinary uncertainties for most businesses including C&N Investment Holdings Limited. Consideration of the financial risk and future impact can be found in the “Going concern” disclosure in note 2.

Key performance indicators

The directors of Ardonagh manage the Group's operations on a segmental basis. For this reason, the Company's directors believe that a separate analysis for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Group which includes this Company is discussed in the Group's annual report.

There are no key performance indicators for the Company at the end of the financial period. The Company was incorporated to acquire the shares of Chambers and Newman Limited, the acquisition was completed on 1 April 2021, at the date of signing the accounts the completion balance sheet and net assets acquired have not been finalised.

Principal risks and uncertainties

The Company's performance and value, as a holding company of the Group, is integrated with its investment in the Company's subsidiary, no such investment was held at year end and the Company was reliant on Group support due to being in a net liability position. As such from the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are managed separately. Accordingly, the principal risks and uncertainties are discussed in the Group's annual report.

C&N Investment Holdings Limited

Strategic Report for the Financial Period Ended 31 December 2020 (continued)

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 considered the wider operational consequences and ramifications of the Covid-19 pandemic. Although Covid-19 developments remain fluid, financial stress testing demonstrates the Group's financial resilience and operating flexibility.

The Group has sufficient liquidity to withstand a period of potential poor trading resulting from a sustained impact of Covid-19, although this has not materialised to date with the income impacts predominantly limited to the second quarter of 2020 and substantially offset by additional cost savings. The Group had available liquidity of £411.5m at 31 March 2021 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.

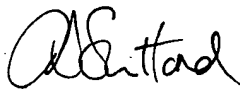
Brexit

Global political tensions have increased, such as related to Brexit, the US's approach to international trade and protectionism, and China tensions. As the Group expands internationally, they will be factored into investment decisions.

Brexit affects the ability of businesses to passport from the UK into other EU states and likewise into the UK from the EU. The Group's plans always assumed a no deal, 'hard' Brexit and as such the Group was prepared for Brexit. The direct impact on the Group's UK businesses is not significant because they conduct only limited business within the EU and, importantly, because the operating segments have implemented mitigation strategies (e.g. gaining direct authorisation in certain EU member states) to reduce the risk. However, the loss of passporting rights may affect the insurance markets in which the Group operates, possibly reducing insurance capacity, competition and choice.

Brexit could also extend the current Covid-19 induced general decline in economic conditions in the UK where the Group operates predominantly. The diversified business portfolio of the Group continues to mitigate the risk of a general decline in economic conditions and the Group's going concern stressed scenario modelling incorporates general economic declines, including from Brexit and Covid-19.

Approved by the Board on 17 June 2021 and signed on its behalf by:



.....
C Shortland
Director

C&N Investment Holdings Limited

Directors' Report for the Financial Period Ended 31 December 2020

The directors present their first report and the audited financial statements for the financial period ended 31 December 2020.

Directors of the Company

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

R Tuplin (appointed 25 May 2021)

C Shortland (appointed 25 May 2021)

D O'Connor (appointed 20 September 2019, resigned 26 May 2021)

S Drew (appointed 20 September 2019, resigned 1 March 2021)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial period ended 31 December 2020.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the "Financial risk" section on page 3.

Future developments

Details of future developments can be found in the Strategic Report within the "Outlook" section on page 2.

Political donations

The Company has not made any political donations during the financial period.

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 with the help of Group support. 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' liabilities

All directors of the Company 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 period and at the date of this report.

C&N Investment Holdings Limited

Directors' Report for the Financial Period Ended 31 December 2020 (continued)

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

Deloitte LLP, were appointed as auditors during the financial period to fill a casual vacancy and are deemed reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 17 June 2021 and signed on its behalf by:



.....
C Shortland
Director

C&N Investment Holdings Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditor's Report to the Members of C&N Investment Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of C&N Investment Holdings Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the financial period 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 11;

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".

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.

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

Independent Auditor's Report to the Members of C&N Investment Holdings Limited (continued)

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 Statement of 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. 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.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK Tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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

Independent Auditor's Report to the Members of C&N Investment Holdings Limited (continued)

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 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 HMRC and regulatory authorities.

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 period 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 material misstatements in the Strategic Report and 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
Birmingham, UK
18th June 2021.

C&N Investment Holdings Limited

Statement of Comprehensive Income for the Financial Period Ended 31 December 2020

	Note	2020 £ 000
Turnover		-
Administrative expenses		<u>(130)</u>
Operating loss	4	(130)
Finance costs		<u>-</u>
Loss before tax		(130)
Income tax credit	7	<u>24</u>
Loss for the financial period		<u>(106)</u>

The notes on pages 13 to 19 form an integral part of these financial statements.

C&N Investment Holdings Limited

(Registration number: 12216708)

Statement of Financial Position as at 31 December 2020

	Note	2020 £ 000
Current assets		
Current tax		24
		<u>24</u>
Current liabilities		
Trade and other payables	9	130
		<u>130</u>
Net liabilities		<u><u>(106)</u></u>
Capital and reserves		
Share capital	8	-
Retained earnings		(106)
Total shareholder deficit		<u><u>(106)</u></u>

Approved by the Board on 17 June 2021 and signed on its behalf by:



.....
C Shortland
Director

The notes on pages 13 to 19 form an integral part of these financial statements.

C&N Investment Holdings Limited

Statement of Changes in Equity for the Financial Period Ended 31 December 2020

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 20 September 2019*	-	-	-
Loss for the financial period	-	(106)	(106)
At 31 December 2020.	-	(106)	(106)

*On 20 September 2019, the date of incorporation, 1 share having a nominal value of £1 was allotted for a consideration of £1.

The notes on pages 13 to 19 form an integral part of these financial statements.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020

1 General information

The Company is a private company limited by share capital, that is incorporated and registered in England and domiciled in the 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.

These financial statements for the financial period ended 31 December 2020 were authorised for issue by the Board on 17 June 2021 and the Statement of Financial Position was signed on the board's behalf by C Shortland.

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 throughout the period presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101).

The Company is a wholly owned subsidiary of The Ardonagh Group Limited and so has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements. Its results are included in the consolidated financial statements of its ultimate parent.

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. The financial statements have been prepared on a historical cost basis, as modified to use a different measurement basis where necessary to comply with FRS 101.

No amendments to standards and interpretations that are mandatorily effective for annual periods beginning on 1 January 2020 have had a material effect on the Company's financial statements.

FRS 101 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 EU ("EU-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has taken advantage of the following disclosure exemptions under FRS 101, where relevant:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis;
- the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020 (continued)

2 Accounting policies (continued)

FRS 101 disclosure exemptions (continued)

- 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 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.

Going concern

As shown in note 10, the Company is a member of a group, of which The Ardonagh Group Limited ("TAGL") is the ultimate parent company and the highest level at which results are consolidated. TAGL together with its subsidiaries is referred to as the "Group" for the purposes of the going concern note.

The financial statements of the Company set out on pages 10 to 19 have been prepared on a going concern basis. At 31 December 2020 the Company had net liabilities of £106k. The net liabilities include amounts due to related parties of £125k. The Company reported an operating loss of £130k for the period ended 31 December 2020. The Company has obtained a Letter of Support from Ardonagh Midco 3 plc due to being in a net current liability position.

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 current capital structure and liquidity of the Company and the Group, that the Group manages its cash and funding requirements on a Group-wide basis, as well as the assessment that the Group continues to be a going concern.
- Following the Group's 14 July 2020 issuance of new borrowings, which the Group used to repay its existing borrowings and to fund acquisitions: (a) the Group will continue to benefit from a £191.5m Revolving Credit Facility that remained undrawn on 19 May 2021 being the date of TAGL's Q1 2021 interim report, and (b) payment-in-kind interest options are utilised.
- The change in the Group's capital structure, operations and liquidity following the 14 July 2020 issuance of new borrowings are reflected in the Group's adjusted base case and stressed cash flow forecasts over the calendar years 2021 and 2022.
- Adjustments included for the forecast cashflows from the material acquisitions completed at the date of finalisation of the Group's base case budget and impact on available and forecast liquidity of subsequent acquisitions completed and planned.
- The principal risks facing the Group, including the potential financial and operational impacts of Covid-19, and its systems of risk management and internal control.
- Actual Group trading and cashflows that arose in 2020 and the first four months of 2021 with continued positive financial results.
- Client retention and renewal rates continue to be robust, despite the current economic uncertainty, as the 2021 trading performance continues to demonstrate resilience across the Group.

Key stress scenarios that TAGL considered as part of the Group's 2020 and Q1 2021 Going Concern assessments include shortfalls to the Group's base plan projected income throughout 2021 and 2022 and deterioration in the base case cash conversion rates over and above the shortfalls in income. The Group 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 TAGL Directors considered such

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern (continued)

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.

Further details can be found in the 2020 Annual Report and Financial Statements and the Q1 2021 Interim Report of TAGL, which are published on its website.

The Directors of the Company and the Group have also considered the wider operational consequences and ramifications of the Covid-19 pandemic. In particular:

- The Group has demonstrated the efficiency and stability of the Group's infrastructure and the ability for home working for a significant portion of its employee base.
- 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 materially exposed to a single carrier, customer or market sector.
- Although Covid-19 developments remain fluid, the stress testing demonstrates the Group's financial resilience and operating flexibility.
- The impact of Covid-19 on the Group has been very limited.

Following the assessment of the Company's ability to meet its obligations as and when they fall due and the Group's financial position and liquidity, including the further potential financial implications of the Covid-19 pandemic included in Group stress tests, and the wider operational consequences and ramifications of the pandemic, the Directors are not aware of any material uncertainties that cast significant doubt on the Company's ability to continue as a going concern.

Taxation

The tax expense for the financial period comprises current tax. Income tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

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.

Financial liabilities

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables. Trade and other payables primarily represent amounts due to other Group companies. They are initially recognised at fair value and are subsequently measured at amortised cost.

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.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020 (continued)

3 Critical accounting judgments and key sources of estimation uncertainty

Estimates and judgments 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 are no critical judgements or estimates in the accounts.

4 Operating loss

Arrived at after charging:

	2020
	£ 000
Other administration expenses	125
Auditor's remuneration (audit of these financial statements)	5
	130

Other administration expenses include transaction costs relating to the acquisition of Chambers and Newman Limited.

5 Staff costs

The Company had no employees in the current financial period. All administration is performed by employees of for which no recharge is made to the Company.

6 Directors' remuneration

For the directors serving throughout the financial period to 31 December 2020, their emoluments are not apportioned between their roles as directors of various entities within the Group and are therefore disclosed in the financial statements of Bravo Investment Holdings Limited.

The Company has taken advantage of Schedule 5 Part 2 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 not to disclose the aggregated emoluments for the highest paid director.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020 (continued)

7 Income tax

	2020 £ 000
Current taxation	
UK corporation tax credit	(24)
Adjustments in respect of prior periods	-
	<u>(24)</u>
Deferred taxation	
Origination and reversal of temporary differences	-
Adjustments in respect of prior periods	-
	<u>-</u>
Tax credit in the Statement of Comprehensive Income	<u><u>(24)</u></u>
The differences are reconciled below:	
Loss before tax	<u>(130)</u>
Corporation tax credit at standard rate of 19%	<u>(24)</u>
Total tax credit	<u><u>(24)</u></u>

In the March 2021 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023.

8 Share capital

	2020	
	No.	£
Ordinary shares of £1 each	1	1

New shares allotted

During the financial period 1 Ordinary share having an aggregate nominal value of £1 was allotted for an aggregate consideration of £1. Ordinary shares have full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

9 Trade and other payables

	2020 £ 000
Current trade and other payables	
Amounts due to other Group companies	125
Accruals	5
	<u><u>130</u></u>

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

C&N Investment Holdings Limited

Notes to the Financial Statements for the Financial Period Ended 31 December 2020 (continued)

10 Parent and ultimate parent undertaking

The Group's majority shareholder and ultimate controlling party at 31 December 2020 is HPS Investment Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2020 that consolidate the Company is 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 2020 that consolidate the Company is 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

11 Subsequent events

On the 1st April 2021 the Company acquired the entire issued share capital of Chambers and Newman Limited for £6.3m cash and contingent consideration with a fair value of £1.5m. At the date of signing the accounts the completion balance sheet and net assets acquired have not been finalised.