

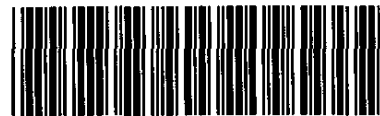
Registration number: 12216708

C&N Investment Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2022

THURSDAY



ACCI1EKB

A10

21/09/2023

#72

COMPANIES HOUSE

C&N Investment Holdings Limited

Contents

Company Information	2
Strategic Report	3 to 4
Directors' Report	5
Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 16

C&N Investment Holdings Limited

Company Information

Directors	R Tuplin J Yeandle (appointed 4 June 2023)
Company secretary	Ardonagh Corporate Secretary Limited (appointed 22 February 2022) Callidus Secretaries Limited D Clarke (resigned 22 February 2022)
Registered office	Hexagon House Grimbald Crag Close Knaresborough North Yorkshire HG5 8PJ

C&N Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022 for C&N Investment Holdings Limited (the "Company"). The Strategic Report provides a review of the business for the year and describes how the directors manage risks. The report outlines the performance of the Company during the year and its position at the end of the year. The report discusses the developments that have affected the Company and the main trends and factors that could affect its future. The Company is part of Ardonagh Group Holdings Limited and together with its subsidiaries (the "Group").

Principal activities and business review

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

The results for the Company show turnover of £nil (2021: £nil) and loss before tax of £205k (2021: £562k) for the year. At 31 December 2022 the Company had net liabilities of £871k (2021: £667k).

On 1 August 2023, the Company's subsidiary, Chambers and Newman Limited, transferred its trade and assets to a fellow Group company, Advisory Insurance Brokers Limited. Due to the transfer of the subsidiaries trade and assets, the Company is no longer considered a going concern.

Outlook

The directors intend to liquidate the Company.

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.

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. In August 2023, the trade and assets of the Company's subsidiary transferred to a fellow Group company, Advisory Insurance Brokers Limited. Existing contracts will be run-off and not renewed and no new business will be transacted in Chambers and Newman Limited. As the directors intend to liquidate the Company there are deemed to be no principal risks and uncertainties to the Company save from those that pose a risk to the Group as a whole which are discussed below.

C&N Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2022 (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 Group has demonstrated its resilience to economic uncertainties and demonstrated operational and financial resilience in response to a downturn in UK business and customer confidence.

The Group has 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 £995.1m on 30 June 2023 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.

Approved by the Board on 15 September 2023 and signed on its behalf by:



.....
J Yeandle
Director

C&N Investment Holdings Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2022.

Directors of the Company

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

R Tuplin

J Yeandle (appointed 4 June 2023)

C Shortland (resigned 4 June 2023)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the year ended 31 December 2022 (2021: £nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the "Financial risk" section on page 4.

Future developments

Details of future developments can be found in the Strategic Report within the "Outlook" section on page 3.

Political donations

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

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 3. The directors intend to liquidate the Company and as such these statements are not prepared on a going concern basis.

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 year and at the date of this report.

Approved by the Board on 15 September 2023 and signed on its behalf by:



.....
J Yeandle
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 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 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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.

C&N Investment Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Administrative expenses	4	-	(293)
Operating loss		-	(293)
Finance costs		(205)	(269)
Loss before tax		(205)	(562)
Income tax	7	1	1
Loss for the year		(204)	(561)

The above results were derived from discontinued operations.

The notes on pages 10 to 16 form an integral part of these financial statements.

C&N Investment Holdings Limited

(Registration number: 12216708)

Statement of Financial Position as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Investment in subsidiaries	8	8,098	8,098
Deferred tax	9	1	-
		<u>8,099</u>	<u>8,098</u>
Current assets			
Current tax		1	25
		<u>1</u>	<u>25</u>
Current liabilities			
Trade and other payables	10	8,123	7,024
Contingent consideration	11	848	1,019
		<u>8,971</u>	<u>8,043</u>
Net current liabilities		<u>(8,970)</u>	<u>(8,018)</u>
Non-current liabilities			
Contingent consideration	11	-	747
		<u>-</u>	<u>747</u>
Net liabilities		<u>(871)</u>	<u>(667)</u>
Capital and reserves			
Share capital	12	-	-
Retained losses		(871)	(667)
Total shareholder deficit		<u>(871)</u>	<u>(667)</u>

For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 15 September 2023 and signed on its behalf by:



.....
J Yeandle
Director

The notes on pages 10 to 16 form an integral part of these financial statements.

C&N Investment Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital	Retained losses	Total
	£ 000	£ 000	£ 000
At 1 January 2022	-	(667)	(667)
Loss and total comprehensive expense	-	(204)	(204)
At 31 December 2022	-	(871)	(871)

	Share capital	Retained losses	Total
	£ 000	£ 000	£ 000
At 1 January 2021	-	(106)	(106)
Loss and total comprehensive expense	-	(561)	(561)
At 31 December 2021	-	(667)	(667)

The notes on pages 10 to 16 form an integral part of these financial statements.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by share capital, that is incorporated and registered in England and Wales and domiciled in the United Kingdom. The details of the Company's registered office address can be found on page 2. The principal activity of the Company is disclosed on page 3 within the "Strategic Report" section.

These financial statements for the year ended 31 December 2022 were authorised for issue by the Board on 15 September 2023 and the Statement of Financial Position was signed on the board's behalf by J Yeandle.

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 years 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 financial statements are presented in GBP sterling (£), which is also the Company's functional currency.

The 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 Ardonagh Group Holdings Limited ("AGHL") at 31 December 2022, 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 for the year ended 31 December 2022. The previous holding company of the Company was The Ardonagh Group Ltd ("TAGL").

TAGL merged into an overseas company Tara Topco Ltd on 31 May 2022 and, as part of the post-merger structuring, a newly established UK-incorporated company AGHL obtained control of a newly established Jersey-incorporated company Ardonagh New Midco 3 Limited on 1 June 2022, the owner of Ardonagh Midco 1 Limited. Ardonagh Midco 1 Limited was the only direct subsidiary of TAGL (TAGL indirectly owned all the Ardonagh businesses) prior to TAGL's merger with Tara Topco Ltd and AGHL is now the parent of the businesses that were previously part of the Ardonagh Group that was headed by TAGL until 31 May 2022. The references below to the Group is to the group of companies headed by TAGL at a consolidated level prior to 31 May 2022 and also to the Group now headed by AGHL (following TAGL ceasing to exist).

There are no new standards, amendments or interpretations which are effective in 2022 or not yet effective and that are expected to materially impact 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 UK ("Adopted IFRSs"), 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.

- the requirements of IFRS 7 "Financial Instruments: Disclosures";
- the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement";
- 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";

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

FRS 101 disclosure exemptions (continued)

- 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;
- 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 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; and
- 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

On 1 August 2023 the decision was made to transfer the trade and assets of the Company's subsidiary, Chambers and Newman Limited, to a fellow Group company, Advisory Insurance Brokers Limited. Accordingly, the directors intend to liquidate the Company and have not prepared the financial statements on a going concern basis.

Prior to the transfer, the Company's subsidiary carried out insurance brokerage services and therefore recognised the revenue in accordance with these contracts. Both revenue and costs ceased to be recognised from 1 August 2023 in Chambers and Newman Limited.

The assets and liabilities recognised at the balance sheet date have been valued on a break-up basis, however due to their nature, this has had no impact on the valuation as they predominantly relate to intercompany trading balances with fellow Group companies which will be settled at carrying value.

The Company's assets and liabilities will be settled prior to liquidation and any surplus will be transferred to a fellow Group company.

Interest expense recognition

Interest expense is recognised using the effective interest rate method by applying the effective interest rate to the net carrying amount of the financial liability.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the life of the financial asset or liability to that asset's or liability's net carrying amount.

Taxation

The tax expense for the year 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.

Deferred 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Investment 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.

Impairment of assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Reversals of impairment

An impairment loss is reversed on assets only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

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.

Contingent consideration

Contingent consideration is consideration that is contingent on the future performance of acquired businesses. It is recognised initially at the discounted present value and is remeasured at each reporting date. The discount unwind and the remeasurement of these liabilities are recognised in Statement of Comprehensive Income as finance 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 Year Ended 31 December 2022 (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 judgments in the accounts.

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

Contingent consideration

Contingent consideration comprises estimated cash payable to former shareholders of acquired businesses. Contingent consideration is contingent on future revenue targets being achieved by the acquired business over a defined period of time.

4 Administrative expenses

	2022 £ 000	2021 £ 000
Other administration expenses	-	287
Auditor's remuneration (audit of previous year's financial statements)	-	6
	<u>-</u>	<u>293</u>

5 Staff costs

The Company had no employees in the current year (2021: nil). All administration is performed by employees of the Group, for which no recharge is made to the Company.

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 Ardonagh Group Holdings Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of Ardonagh Group Holdings Limited. It is impracticable to determine the proportionate amount of emoluments relating to the Company.

7 Income tax

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax credit	-	1
Adjustments in respect of prior periods	1	-
	<u>1</u>	<u>1</u>
Deferred taxation		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total tax credit	<u>1</u>	<u>1</u>

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Income tax (continued)

The following table reconciles the tax credit calculated at the UK statutory rate on the Company's loss before tax with the actual tax credit for the year.

	2022 £ 000	2021 £ 000
Reconciliation of the tax credit:		
Loss before tax	(205)	(562)
Corporation tax credit at standard rate of 19% (2021: 19%)	39	107
Adjustments to tax charge in respect of previous period – current tax	1	-
Expenses not deductible for tax purposes	(39)	(106)
Total tax credit	<u>1</u>	<u>1</u>

In the March 2023 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 Investment in subsidiaries

Subsidiary	£ 000
Cost or valuation	
At 1 January 2022	8,098
At 31 December 2022	<u>8,098</u>
Carrying amount	
At 31 December 2022	8,098
At 1 January 2022	8,098

Details of the subsidiary as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held
Chamber and Newman Limited	Insurance Broking	United Kingdom	100%

The registered office for Chambers and Newman Limited is: Colette House, 52-55 Piccadilly, London, W1J 0DX.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Deferred tax

UK deferred tax balances as at 31 December 2022 are measured at the rate the respective assets and liabilities will reverse. Deferred tax assets and liabilities are recognised on the balance sheet as follows:

	2022 £ 000	2021 £ 000
Asset	1	-
	1	-
	At 1 January 2022 £ 000	At 31 December 2022 £ 000
Losses	-	1
	-	1
	At 1 January 2021 £ 000	At 31 December 2021 £ 000
Losses	-	-
	-	-

10 Trade and other payables

	2022 £ 000	2021 £ 000
Current trade and other payables		
Amounts due to other Group companies	8,123	7,016
Accrued liabilities	-	8
	8,123	7,024

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

11 Contingent consideration

Contingent consideration relates to a contingent portion of the purchase price which the Company anticipates to be payable to the former owners of acquired businesses, and comprises contingent consideration as accounted for under IFRS 3. Contingent consideration is contingent on the revenue targets being achieved by the acquired business in the consecutive 12 month periods post-acquisition. These have been attributed a fair value and discounted to an initial value. The difference between initial value and recognised value at 31 December 2022 has been recognised in the Statement of Comprehensive Income as a finance cost.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Share capital

	2022		2021	
	No.	£	No.	£
Authorised, called-up and fully paid				
Ordinary shares of £1 each	1	1	1	1

13 Parent and ultimate parent undertaking

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

2 Minster Court
Mincing Lane
London
EC3R 7PD

14 Subsequent events

On 1 August 2023, the Company's subsidiary, Chambers and Newman Limited, transferred its trade and assets to a fellow Group company, Advisory Insurance Brokers Limited.