

Registration number: 12216708

C&N Investment Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2023



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C&N Investment Holdings Limited

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C&N Investment Holdings Limited

Company Information

Directors	R Tuplin J S Yeandle
Company secretary	Ardonagh Corporate Secretary Limited Callidus Secretaries Limited
Registered office	2nd Floor The Hamlet Hornbeam Park Harrogate HG2 8RE

C&N Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2023

The directors present their Strategic Report for the year ended 31 December 2023 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 (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 revenue of £Nil (2022: £Nil) and loss before tax of £291k (2022: £205k) for the year. At 31 December 2023 the Company had net liabilities of £1,162k (2022: £871k).

On 31 July 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 subsidiary's trade and assets, the Company is no longer considered a going concern.

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 consistent with s.172 Duties.

The Ardonagh Advisory Platform Board ("the Platform Board") sets its risk appetite within the overall Ardonagh Group risk appetite, agrees strategy and annual/multi-year plans. The Platform Board also approves acquisitions and disposals, sets integration/synergy plans and recommends investments over a set limit to the Ardonagh Group and Tara Topco Limited Board for approval. The composition of the Platform Board is comprised of at least two independent non-executive directors.

The Platform Board has constituted a Remuneration Committee and an Audit Committee. Through its Audit Committee, the Platform Board ensures robust oversight over financial and operating risk management and systems of internal control, including compliance with prudential and other regulatory rules. The Audit Committee reviews and approves the Platform internal audit and compliance work plans and receives regular reports from these senior managers. The Audit Committee also receives reports from external auditors on their audit findings. The Remuneration Committee approves matters delegated to it by the Group Remuneration & Nominations Committee and recommends matters that require approval by the Group Remuneration & Nominations Committee.

Within the Advisory Platform there are separate Segment Boards for the Insurance Broking and UK Commercial MGA activities. The performance and delivery of annual and integration plans of the underlying Insurance Broking and MGA businesses within the Advisory Platform are subject to detailed oversight by the Insurance Broking and MGA Segment Boards together with robust conflicts of interest management. The Segment Boards also discharge rigorous oversight over the management of risk. Given the respective size of the businesses, the Insurance Broking Segment Board has constituted a Risk Committee that reports back to the Board.

The Platform and Segment Boards and their Committees operate within clearly defined delegated authorities set out in the Group Delegated Authority Framework and also within a clear escalation policy that ensures material matters are escalated on a timely basis.

Two-way dialogue between the Group, Platform and Segment Boards and Committees are key to the effectiveness of the Ardonagh Governance Framework. Ardonagh-wide meetings of the independent non-executive directors across the Group and Platforms are held, with events hosted periodically by the Group Chairman. In addition, the Group Chairman and Group independent non-executive directors attend Platform Board and Committee meetings on a rolling basis. All independent non-executive directors have regular engagement with members of senior management to ensure they have deep and ongoing knowledge of the business and the markets in which they operate.

The above governance and oversight structure ensures appropriate consideration of the likely consequences for the company of any decision in the long term and enables the directors to ensure the company is able to maintain its reputation for high standards of business conduct.

C&N Investment Holdings Limited

Strategic Report for the Year Ended 31 December 2023 (continued)

Companies Act s.172 Duty (continued)

Shareholders

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

Employees

Our colleagues are central to the success of the Ardonagh Advisory Platform and the remuneration structures across the Group are designed to reward good performance at the individual and business level and support our values. In addition, our businesses focus on providing long-term career prospects for staff with opportunities to up-skill through training, providing career progression paths and study support and, if appropriate, movement across different Ardonagh Advisory Platform businesses or businesses across the wider Group. During 2023, the Ardonagh Advisory Platform invested in our colleagues with 87,040 hours of non-mandatory training completed; we continued the Emerging Careers Apprenticeship Programme, over 180 employees obtained their Chartered Insurance Institute qualifications, and we launched a Senior Leader development programme that will invest over 8,000 hours of development for our leaders. In recognition of our outstanding proposition to support the growth of our colleagues, our Learning & Development team were awarded the silver award for Team of the Year at the Global Learning Awards.

The Ardonagh Advisory Platform has in place an Equality and Diversity Policy and the Board believes that equality, diversity and inclusion strengthen the Advisory business, contribute to long-term business performance, and support the Ardonagh Advisory Platform in attracting key talent. The Ardonagh Advisory Platform Board has taken time to consider management actions and initiatives regarding diversity and inclusion, and they support and monitor management actions to increase the proportion of senior leadership roles held by women and other under-represented groups across Ardonagh Advisory. During 2023 Ardonagh Advisory hired their first Diversity Equity & Inclusion ("DEI") Manager, who reviewed and refreshed the strategy and action plan to help grow Advisory's DEI ambitions. By giving a safe space to our 4 community groups (Ethnicity, Gender, Disability & LGBTQ+) alongside our Executive Committee ("ExCo") sponsorship we celebrated a multitude of cultural DEI events including Pride, Black History Month, International Day of Disabilities, World Aids Day, Transgender Awareness Month and many more. Ardonagh Advisory is also evolving its Health & Wellbeing support through a Menopause Support Group and Mental Health First Aiders.

An annual Groupwide employee pulse survey has been conducted since 2019. 69% of Advisory employees participated in the 2023 pulse survey. Ardonagh Advisory achieved an average score of 7.5 (out of 10) across all questions, in line with the 7.7 average score across the Group. The survey highlighted positive trends regarding building strong team and line manager relationships, fostering cultures of inclusion and respect, and colleagues understanding how their role contributes to the success of our business. Group-wide, the survey highlighted that there is also work to do on recognition and inter-department/brand collaboration. Actions to address issues highlighted by the survey are agreed on a Platform basis and these are reviewed by the Group and Platform Board.

Customers

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

In response to the cost-of-living crisis, management has reviewed and enhanced how we support our vulnerable customers, including dedicated call lines staffed by colleagues who have received specific training and been given tools and solutions to help our customers.

The Ardonagh Advisory Platform has selected an independent non-executive director to act as a Customer Champion who regularly meets with management to discuss and challenge performance against customer related metrics and helps facilitate the voice of the customer to be heard in the Boardroom.

C&N Investment Holdings Limited

Strategic Report for the Year ended 31 December 2023 (continued)

Companies Act s.172 Duty (continued)

Regulatory relationships

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

Insurers

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

Our suppliers

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

Community and Environment

The Group contributes to the communities in which we operate through the Ardonagh Charitable Trust. Further details on how we interact with communities are set out in the Sustainability Report available on the Group website at www.ardonagh.com.

Climate-related risks and opportunities have grown in importance for us as an organisation. As a part of the Group with insurance intermediaries, understanding and managing risk (especially insurance transfer risk) is at the heart of what Ardonagh Advisory does, and we recognise that climate change poses material long-term impacts for our clients, wider stakeholders and therefore ultimately, our business.

Outlook

The directors intend to liquidate the Company.

Key performance indicators

The directors of the Group 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.

The key performance indicator for this Company is the carrying value of its subsidiaries, as these are the main assets of the Company. The performance of the subsidiary undertakings will determine whether an impairment to the carrying value is required and this is tested on a regular basis. Total impairment charges for the financial year is £Nil (2022: £Nil).

Principal risks and uncertainties

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 Platform finance and treasury teams undertake cash flow forecasting and closely monitor and manage the Platform and Company's cash balances. Immediate liquidity is available from the committed revolving credit facility (£191.5m available at 31 December 2023 which increased to £300.0m as at 31 March 2024 following Ardonagh Group refinancing on 1 March 2024) should any short-term financing be required.

C&N Investment Holdings Limited

Strategic Report for the Year ended 31 December 2023 (continued)

Principal risks and uncertainties (continued)

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

Energy costs do not form a significant proportion of the Company's cost base and thus global energy price increases do not have significant direct impact on the Company. Increases in costs driven by wage inflation are more relevant to the Company, but remuneration is determined by management and thus within its control, albeit in the context of the ongoing need to retain staff by continuing to provide attractive remuneration packages.

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.

Regulatory and legal risk

Our Company is regulated by the UK Financial Conduct Authority ("FCA"). The FCA rules have a conduct and customer focus but also impose minimum capital and liquidity requirements on the Group. In 2022, further changes to the UK regulation of general insurance have taken effect, notably in relation to: pricing and value; operational resilience and a duty to achieve good outcomes for consumers.

We have a strong track record of managing regulatory change and only regulatory interventions on pricing are anticipated to have a notable financial implication for the general insurance market, with this limited to certain lines of consumer business. As all consumer market participants will be impacted, including the Group's competitors, this is anticipated to give rise to both risks and opportunities for the Group. Moreover, outside of our Retail (consumer) segment, the implications are not significant.

If we fail to comply with regulatory requirements, we may not be able to conduct our business or may be subject to substantial fines or other sanctions that may have an adverse effect on our results of operations and financial condition. The Company operates a robust risk and control framework and closely monitors changes to the regulatory environment.

Climate Risk

The Company acknowledges that there are risks posed by climate change that could potentially have impacts on our products, client needs, revenues and costs and it intends to integrate further climate-related considerations into our financial planning processes from 2023 onwards. As an insurance intermediary, we recognise our operations will evolve as climate change influences manifest themselves through changing business patterns. We continue to seek to optimise our businesses and operations, which includes identifying and pro-actively managing climate-related opportunities and risks. The Ardonagh Environmental, Social and Governance ("ESG") Steering Group, which represents the interests of all the Group's UK subsidiaries as part of its global remit, considered both climate-related risks and climate-related opportunities across several scenarios. The Steering Group decided to use three scenarios originally used as part of the Bank of England's 2021 Climate Biennial Exploratory Scenario ("CBES") which are broadly aligned to global climate regulations. These were:

- Early Action ("EA") - Sufficient action is taken in a timely manner to limit global temperature rises and so limit physical risks.
- Late Action ("LA") - The action taken to limit global temperature rises is delayed which limits physical risks but results in a disordered transition and so severe economic impacts.

C&N Investment Holdings Limited

Strategic Report for the Year ended 31 December 2023 (continued)

Principal risks and uncertainties (continued)

Climate Risk (continued)

- No Additional Action (“NAA”) - No action is taken beyond policies already in place at the time of the 2021 exercise. Continuation of business-as-usual processes limits transition risk but leads to significantly higher physical risks.

The ESG Steering Group also considered whether the impact of climate change might differ across different time horizons - short-term and long-term, which were not defined specifically but used in the general meaning with short-term being within seven years and long-term being after ten years in this context.

While more risks than opportunities have been identified and need to be considered to make the business resilient, it should be noted that change can present an opportunity for the Group, as challenges related to emerging risks, underwriting market volatility, and capacity also represent opportunities to innovate and provide creative solutions - key aspects of the insurance broker's role.

Litigation

We are subject to various actual and potential claims, lawsuits and other proceedings relating principally to alleged errors, omissions or unfair provisions in connection with the placement of insurance or the provision of financial services advice in the ordinary course of business.

We maintain professional indemnity insurance for errors and omissions claims. The terms of this insurance vary by policy year and our ability to obtain professional indemnity insurance in the future may be adversely impacted by general developments in the market for such insurance, or by our own claims experience. If our insurance coverage proves inadequate or unavailable, there is an increase in liabilities for which we self-insure.

Counterparty risk

We have a significant amount of trade accounts receivable from some of the insurance companies with which we place insurance. If those insurance companies experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us. Counterparty balances are monitored as part of the credit control process. Significant balances are actively managed through our on-going strategic insurer relationship programme.

Technology – keeping pace with change

If the Company is unable to apply technology effectively in driving value for our clients or in gaining internal efficiencies and effective internal controls, our client relationships, growth strategy, compliance programmes and operating results could be adversely affected.

Interruption or loss of our 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. All parts of the Platform maintain effective business continuity plans and capabilities.

Relationships with key suppliers

The Company is an insurance intermediary and depends on insurance companies providing it with insurance underwriting capacity and products. If third-party brokers and other intermediaries do not provide customers with competitive levels of service, or if a significant number of them choose not to distribute our products, the level of written premiums we place for customers may decline. A withdrawal by insurance companies of underwriting capacity or products in circumstances where no replacement underwriting capacity or products can be procured, or an excessive increase in the rates charged by an insurance company, would impact our business performance.

Capacity, business performance and distribution are kept under proactive management by the Company, as appropriate for its operations and needs.

C&N Investment Holdings Limited

Strategic Report for the Year ended 31 December 2023 (continued)

Principal risks and uncertainties (continued)

Volatility in premiums and insurance market cycle

Volatility or declines in premiums, as well as declines in commission rates, may seriously undermine our business and results of operations.

We derive most of our revenue from commissions and fees for underwriting and broking services. Our commissions are generally based on insurance premiums, which are cyclical in nature and may vary widely based on market conditions. A significant reduction in commissions, along with general volatility or declines in premiums, could have a significant adverse effect on our business.

On a longer time horizon, the insurance markets might be disrupted by new technologies, "open finance" or new distribution structures, which may give rise to both risks and opportunities for the Company.

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 to the business. The Company has 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.

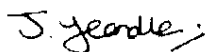
Business Continuity Plans are in place, which include policies to manage employee absences, to ensure access to the wider network of offices, to maintain the efficiency and stability of the Company's infrastructure, and to facilitate home working for a significant portion of our employee base. Leadership teams and working groups led by senior managers are in place to support wellbeing of colleagues and operational resilience.

Cyber security and Data Protection

Our computer systems process and store information about our customers and employees, some of which is sensitive personal data. Although we have taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our systems and to ensure that our processing of personal data complies with the General Data Protection Regulations (GDPR) and other relevant data privacy requirements in jurisdictions, as appropriate, our technology may, on occasion, fail to adequately secure the private information we maintain in our systems databases and protect it from theft or inadvertent loss during the course of normal operations. Our people, processes and systems, and the wider public IT infrastructure they rely on, may also be subject to cyber-attack, again potentially resulting in theft of data, preventing data or systems use and/or disrupting business operations.

The Company has robust policies, business standards and control frameworks in place for both cyber security and data protection.

Approved by the Board and authorised for issue on 26 August 2024 and signed on its behalf by:



.....
J S Yeandle
Director

C&N Investment Holdings Limited

Directors' Report for the Year Ended 31 December 2023

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2023.

Directors of the Company

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

R Tuplin

J S Yeandle (appointed 4 June 2023)

C D 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 2023 (2022: £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 4.

Streamlined Energy and Carbon Reporting

As a subsidiary undertaking for the year ended 31 December 2023, the Company has not separately reported its energy and carbon information. Instead, this information has been reported at Group level. Further details can be found in the 2023 Annual Report and Financial Statements of Ardonagh Group Holdings Limited.

Future developments

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

Political donations

The Company did not make any political donations during the year (2022: £Nil).

Subsequent events

Details of subsequent events can be found in the Notes to the financial statements within the "Subsequent events" section on page 22.

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.

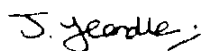
Going concern

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

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.

Approved by the Board and authorised for issue on 26 August 2024 and signed on its behalf by:



.....
J S Yeandle
Director

C&N Investment Holdings 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 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 2023

	Note	2023 £ 000	2022 £ 000
Revenue		-	-
Administrative expenses		-	-
Operating loss		-	-
Finance costs	4	(291)	(205)
Loss before tax		(291)	(205)
Income tax	7	-	1
Loss for the year		(291)	(204)

The above results were derived from discontinued operations. There was no other comprehensive income in the current year.

The notes on pages 13 to 22 form an integral part of these financial statements.

C&N Investment Holdings Limited
Statement of Financial Position as at 31 December 2023

	Note	2023 £ 000	2022 £ 000
Non-current assets			
Investment in subsidiaries	8	-	8,098
Deferred tax	9	-	1
		<u>-</u>	<u>8,099</u>
Current assets			
Investment in subsidiaries	8	8,098	-
Trade and other receivables	10	1	-
Current tax		1	1
		<u>8,100</u>	<u>1</u>
Current liabilities			
Trade and other payables	11	9,262	8,123
Contingent consideration	12	-	848
		<u>9,262</u>	<u>8,971</u>
Net current liabilities		<u>(1,162)</u>	<u>(8,970)</u>
Net liabilities		<u>(1,162)</u>	<u>(871)</u>
Capital and reserves			
Share capital	13	-	-
Retained losses		(1,162)	(871)
Total equity		<u>(1,162)</u>	<u>(871)</u>

For the financial year ending 31 December 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476: and
- 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 and authorised for issue on 26 August 2024 and signed on its behalf by:


.....
J S Yeandle
Director

The notes on pages 13 to 22 form an integral part of these financial statements.

C&N Investment Holdings Limited

Statement of Changes in Equity for the Year Ended 31 December 2023

	Share capital £ 000	Retained losses £ 000	Total £ 000
At 1 January 2023	-	(871)	(871)
Loss for the year	-	(291)	(291)
At 31 December 2023	-	(1,162)	(1,162)

	Share capital £ 000	Retained losses £ 000	Total £ 000
At 1 January 2022	-	(667)	(667)
Loss for the year	-	(204)	(204)
At 31 December 2022	-	(871)	(871)

The notes on pages 13 to 22 form an integral part of these financial statements.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023

1 General information

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

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 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. 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. Amounts shown are rounded to the nearest thousand, unless stated otherwise.

As a wholly owned subsidiary of Ardonagh Group Holdings Limited, 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 Ardonagh Group Holdings Limited.

There are no new standards, amendments to standards or interpretations which are effective in 2023 that are expected to materially impact 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 IFRSs"), but makes amendment where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions has been taken.

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment concerning details of the number and weighted average exercise price of share options and how the fair value of goods or services received was determined;
- the requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- 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 requirement of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to provide comparative period reconciliations in respect of outstanding shares, property, plant and equipment and intangible assets;
- the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)

- 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(c) 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.

Going concern

On 31 July 2023, the Company's subsidiary, Chambers and Newman Limited, transferred its trade and assets 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 31 July 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.

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 the Statement of Comprehensive Income 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.

Derecognition

Financial assets

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

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Financial assets (continued)

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

Financial liabilities

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

Offsetting

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

Classification and subsequent measurement of financial assets

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income (FVTOCI); or
- financial assets at fair value through the profit or loss (FVTPL).

Financial assets classified as amortised cost

Financial assets that meet the following conditions are classified and subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Company's financial assets measured at amortised cost include trade and other receivables. The Company's trade receivables do not generally have a significant financing component, so their transaction (invoiced) price is considered to be their amortised cost.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Financial assets classified as amortised cost (continued)

Insurance brokers act as agents in placing the insurable risks of their clients with insurers and, as such, are not usually liable as principal for amounts arising from such transactions. In recognition of this relationship, debtors from insurance broking transactions are not, in general, included as an asset of the Company. Other than the receivable for fees and commissions earned on a transaction, recognition of the insurance transaction does not, in general, occur until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client. An exception exists in relation to funded premium and claim items whereby the Company has a legal obligation to make good any shortfall to client monies in the event of default.

Financial assets classified as FVTOCI

Financial assets are classified and subsequently measured at FVTOCI if they meet the criteria to be classified at amortised cost except when the business model is to sell financial assets as well as to hold financial assets to collect contractual cash flows.

The Company may also irrevocably elect to classify and subsequently measure equity investments at FVTOCI. Gains and losses on these equity instruments are never recycled to profit or loss. Dividend income from equity instruments measured at FVTOCI is recognised in Statement of Comprehensive Income when the right to payment has been established (provided that it is probable that the economic benefits will flow to the Company and that the amount of income can be measured reliably), except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. The right to payment is established on the ex-dividend date for listed equity securities, and usually on the date when shareholders approve the dividend for unlisted equity securities. Equity instruments at FVTOCI are not subject to an impairment assessment.

Financial assets classified as FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as FVTPL, unless the Company designates an equity investment as FVTOCI on initial recognition.
- Debt instruments (including receivables) that do not meet the amortised cost criteria or the FVTOCI criteria are classified as FVTPL.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income; and
- For all other financial assets that are not part of a designated hedging relationship, exchange differences are recognised in Statement of Comprehensive Income.

Reclassifications

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

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

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.

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

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

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

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

Definition of default

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

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

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulties of the counterparty;
- A breach of contract such as default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of the financial difficulties.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

2 Accounting policies (continued)

Write-off policy

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

Classification and subsequent measurement of financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

The Company's financial liabilities include trade and other payables. Trade payables 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 the Statement of Comprehensive Income as a finance cost.

Share capital

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

Taxation

Current tax

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

Deferred tax

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

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

Finance costs

The Company's finance costs include:

- Unwinding of discounts payable; and
- Remeasurement of contingent consideration.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (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 were no critical judgments that would have had a significant effect on the amounts recognised in the Company's financial statements or key sources of estimation uncertainty at the Statement of Financial Position date that would have a significant effect on the carrying amounts of assets and liabilities in the next 12 months.

4 Finance costs

	2023 £ 000	2022 £ 000
Unwinding of discount payable	34	101
Remeasurement of contingent consideration	257	104
	<u>291</u>	<u>205</u>

5 Staff costs

The Company had no employees in the current year (2022: 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

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

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax	1	-
Adjustments in respect of prior periods	-	1
Total current taxation	<u>1</u>	<u>1</u>
Deferred taxation		
Origination and reversal of temporary differences	(1)	-
Adjustments in respect of prior periods	-	-
Impact of change in tax rate	-	-
Total deferred taxation	<u>(1)</u>	<u>-</u>
Tax credit in the income statement	<u>-</u>	<u>1</u>

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

7 Income tax (continued)

The tax on loss before tax for the year differs from the standard rate of corporation tax in the UK of 23.5% (2022:19%). The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	(291)	(205)
Corporation tax at standard CT rate of 23.5% (2022: 19%)	68	39
Adjustments to tax charge in respect of previous period – current tax	-	1
Expenses not deductible for tax purposes	(68)	(39)
Movement in deferred tax not recognised	-	-
Remeasurement of deferred tax for changes in tax rates	-	-
Total tax credit	-	1

The UK Corporation Tax rate increased from 19% to 25% from 1 April 2023.

8 Investment in subsidiaries

	£ 000
Cost	
At 1 January 2023	8,098
Additions	-
At 31 December 2023	<u>8,098</u>
Provision for impairment	
At 1 January 2023	-
Impairment charge	-
At 31 December 2023	<u>-</u>
Carrying amount	
At 31 December 2023	8,098
At 1 January 2023	8,098

Details of the subsidiary as at 31 December 2023 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2023	2022
Chambers and Newman Limited	Insurance Broking	Colette House, 52-55 Piccadilly, London, W1J 0DX, United Kingdom	100%	100%

Management reviews business performance based on lines of business. Investment in subsidiaries is tested for impairment at Company level.

The recoverable amount of the Company is determined as the higher of fair value less cost of disposal (FVLCD) and value in use (VIU), in accordance with the Company's accounting policy. For the period ended 31 December 2023, the recoverable amount of the Company was determined to be FVLCD.

FVLCD is considered to be a level 3 valuation in the fair value hierarchy, as it is not based on observable market data. It is derived based on a Company's net assets and its future economic rights which is a multiple of EBITDA.

Following this assessment, it was determined that none of the investments were impaired creating a charge of £Nil for the period.

C&N Investment Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

9 Deferred tax

UK deferred tax balances as at 31 December 2023 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:

	2023 £ 000	2022 £ 000
Asset	-	1
	-	1

Deferred tax movement during the current year:

	At 1 January 2023 £ 000	Recognised in income £ 000	At 31 December 2023 £ 000
Losses	1	(1)	-
	1	(1)	-

Deferred tax movement during the prior year:

	At 1 January 2022 £ 000	Recognised in income £ 000	At 31 December 2022 £ 000
Losses	-	1	1
	-	1	1

10 Trade and other receivables

	2023 £ 000	2022 £ 000
Current trade and other receivables		
Amounts owed by Group undertakings	1	-
	1	-

All current amounts are recoverable within one year. Receivables from other Group companies are unsecured, interest free and payable on demand.

11 Trade and other payables

	2023 £ 000	2022 £ 000
Current trade and other payables		
Amounts owed to Group undertakings	9,262	8,123
	9,262	8,123

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 Year Ended 31 December 2023 (continued)

12 Contingent consideration

All contingent consideration has been settled during the year. The difference between the value recognised at 31 December 2022 and the amount paid in the year has been recognised in the Statement of Comprehensive Income as a finance cost.

13 Share capital

	2023		2022	
	No.	£	No.	£
Allotted, called-up and fully paid shares				
Ordinary shares of £1 each	1	1	1	1

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

14 Parent and ultimate parent undertaking

The immediate parent company is Ethos Partner Holdings Limited, and the Company's ultimate parent and controlling party is Tara Topco Limited which is an investment company and measures all its subsidiaries at fair value through profit or loss in accordance with paragraph 4B of IFRS 10 Consolidated Financial Statements ("IFRS 10").

The parent company of the largest and smallest group that prepares group financial statements at 31 December 2023 that consolidate the Company is Ardonagh Group Holdings Limited (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). Financial statements for Ardonagh Group Holdings Limited are available on request from:

2 Minster Court
Mincing Lane
London
EC3R 7PD

15 Subsequent events

The Company performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.