Company Registration No. 09900466 (England and Wales)

PIB GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PIB GROUP LIMITED

COMPANY INFORMATION

Directors	B McManus	
	R Brown	
	F Wilkinson	(Appointed 26 March 2021)
	A Waidhofer	(Appointed 26 March 2021)
Company number	09900466	
Registered office	Rossington's Business Park West Carr Road Retford Nottinghamshire DN22 7SW	
Auditor	Deloitte LLP 2 New Street Square London United Kingdom EC4A 3BZ	

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PIB GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

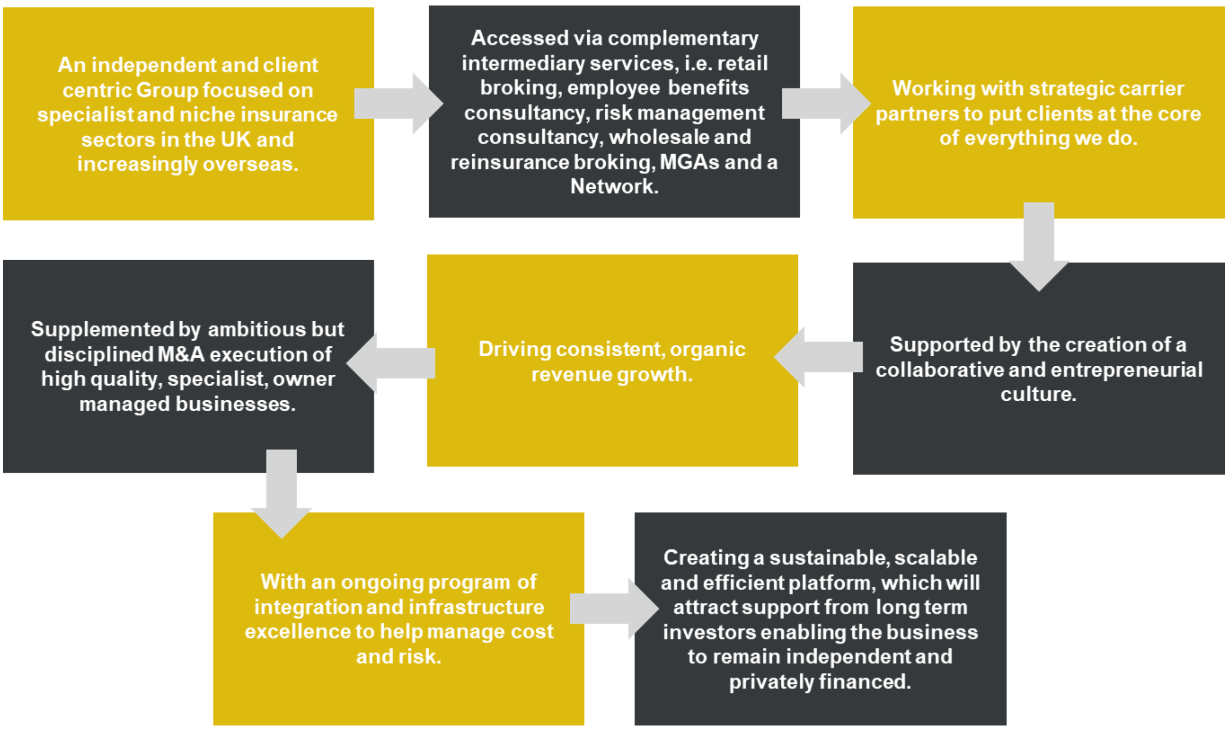
Directors present their Strategic Report, which incorporates the information required in the non-financial information statement and the s172(1) statement, of PIB Group Limited ('the Company') together with subsidiaries ('the Group') for the year ended 31 December 2021. In presenting this report, the directors have complied with Section 414C of the Companies Act 2006.

This Strategic Report has been prepared for the entire Group and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

Background

PIB Group is a highly diversified insurance distribution consolidator focusing on specialist commercial lines and non-standard personal lines products with deep expertise across both direct and business to business (B2B) distribution through its broking, underwriting and network divisions.
Since being founded in 2015 we have sought to differentiate ourselves from our peers through a highly selective programmatic approach to M&A and integration, consistently strong organic growth and a well invested, centralised operating platform.

Our ambition is to create the UK's leading independent diversified specialist insurance intermediary,
and a business that can provide a genuinely credible alternative to the larger and more established intermediaries. That goal has now evolved to include more international aspirations targeting specialist businesses and teams in Europe and beyond which are complementary to and will benefit from the products and expertise elsewhere within the Group. The increasing internationalisation of the group helps to both diversify our growth strategy into non-UK economies, enable us to leverage product expertise across a number of markets and build a long-term growth story for our existing and future investors. We aim provide shareholders with the returns to encourage continuous investment in our business which will enable us to remain independent and privately financed.



Our major shareholders are funds managed, advised or controlled by Apax Partners LLP ('Apax') and The Carlyle Group ('Carlyle') with management holding a minority interest.

Apax took a controlling stake on 17 March 2021 whereas Carlyle hold a minority position but were PIB's initial majority investor when it was established in 2015. Both Apax and Carlyle have significant investment experience in the insurance distribution market in both Europe and the US.

Apax Partners is a leading global private equity advisory firm. Over its more than 40-year history, Apax Partners has raised and advised funds with aggregate commitments of approximately $50 billion. The Apax Funds invest in companies across four global sectors of Tech & Telco, Services, Healthcare and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies.

The Carlyle Group is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Investment Solutions. With $230 billion of assets under management as of September 30, 2020, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. Carlyle employs more than 1,800 people in 30 offices across six continents.

PIB has adopted a business model which puts sustainable and profitable growth at its core.
Although much of PIB's growth has been driven by the acquisition of high quality and specialist insurance distribution businesses the Group is not wholly reliant on acquisition led growth. Over time it has built additional capabilities into its approach which has enabled it to create a differentiated business model and one which is able to drive and sustain above market organic growth. Elements of the business model which enable this include:

- Hiring high quality teams and individuals with a strong focus and track record of organic growth;
- Adopting a flexible brand strategy where there is clear market recognition and association with specialist products. This includes a focus on acquiring businesses and teams which are 'famous for something';
- Quickly centralising core back office and risk functions to optimise front office productivity and maximise operating leverage;
- Diversifying our product and service capabilities across international geographies, market sectors and distribution channels;
- Harmonising IT and systems infrastructure to maximise cyber security, support greater efficiencies, drive cross-selling and marketing opportunities;
- Empowering local businesses to uphold the strength of customer relationships and maximise retention and quality of service;
- Building mutually beneficial partnerships with key insurers that focus on product development for the benefit of our clients;
- Utilising internal underwriting capabilities within the Group (MGAs and London Markets) to develop specialist products; and
- Putting 'Collaboration' (with ourselves, clients, carriers and stakeholders) at the core of everything we do.

PIB Group's Businesses

PIB Group operates through six distinct divisions, Specialty, Schemes & Affinities, Underwriting, London Market, Network and International, with each focused on complementary capabilities and distribution channels and which combine to create a highly diversified specialist insurance intermediary group of companies.

Specialty

The Specialty division comprises all account executive led commercial retail advisory businesses and assembles a collection of market leading firms offering a comprehensive range of niche insurance specialisms across a broad variety of industries, all trading under the PIB Insurance Brokers brand. It provides full-service insurance broking solutions to its corporate and SME client base, focusing on complex specialisms that embed trusted and recurring relationships and offer opportunities for additional cross-selling of additional risk management services provided through PIB Risk Management and a whole spectrum of products and services aimed at a client's employees through PIB Employee Benefits.

Schemes & Affinities

The Schemes & Affinities (S&A) division comprises the Group's direct, partnership and affinity businesses. This is typically higher volume lower premium business and comprises mainly commercial lines but also some non-standard personal lines. Products are distributed through a number of channels dependent on the specific niche. This can include direct (online) or through affinity partnerships (corporate or industry bodies). All S&A business is non-advised and written through delegated authorities. The division trades under a number of leading market brands. These include: Thistle Insurance (trading as Thistle and Guard) an online and affinity schemes and SME insurance with a focus on the leisure and lifestyle sectors (Cycle, Photo, Music, Pets), commercial and professional risks (property and tenants); Fish Insurance a provider of specialist insurance in the UK for people with pre-existing medical conditions, disabilities or mobility issues; Morton Michel, the UK's leading childcare insurance specialist, offering a range of insurance policies for childminders and nannies as well as nurseries, pre-schools, out of school clubs and other groups connected with childcare; and, Barbon the UK's leading provider of credit referencing, specialist landlord and tenant insurance products that are predominantly distributed on a B2B basis via a large, and relatively sticky, network of lettings agents through the Homelet, LetAlliance and Rent4Sure brands.

Underwriting

The Underwriting division comprises the Group's MGA's (Managing General Agent's) and core specialisms exist in contractors & engineers' risks, fleet, motor and taxi business, Warranty & Indemnity insurance, non-standard property and niche insurance products targeted at charities, social enterprises and faith-based organisations. The UK MGA's all trade under one brand (Q Underwriting) and one common TOBA, whereas the pan-European W&I MGA continues to trade under the name of Acquinex across a number of countries (UK, Denmark, Germany, Poland and Spain). All business is placed directly with carriers through binders and delegated authority with this being managed by an MGU (Managing General Underwriter) which retains responsibility for the product profitability & performance across both the Underwriting and Schemes & Affinities divisions.

London Market

The London Market division trades under the Citynet and Optis brands and operates as a B2B (business to business) wholesale broker specialising in the placement of UK and Irish commercial risks with Lloyd's and non-Lloyd's London Market insurers. The proposition includes non-motor (liability) facilities to the Irish broker market, with a similar proposition in place for UK brokers along with a strong motor capability.

Network

The Network division trades under the name Cobra Network and is a membership club for directly authorised independent insurance intermediaries. The Cobra Network currently comprises c.150 regional UK brokers, which vary in scale and proposition. It provides customised products, negotiated insurance facilities and other services to its members who in return benefit from increased buying power, enhanced business terms and support with business operations such as compliance, HR and training.

International

The International division is PIB's newest division and was formed following PIB's increasing expansion into Europe. The division comprises a number of businesses spread across Europe (Ireland, Germany, Spain, Poland and the Netherlands) each of which are highly specialist businesses with long term growth potential, offer a regional consolidation opportunity to build scale in other countries much as PIB has already done in the UK or, a combination of both. The International division includes: Marx Re, a German based reinsurance broker focused on asset based businesses, primarily in property and construction, power generation and renewable energy sourced from Europe and Latin America; WDB a leading independent insurance broker in Poland with schemes which stretch across the agricultural, education and military sectors; and, Creane & Creane an Irish retail broker focused on commercial clients.

The Group also has a Group Services division, a non-operating segment comprising central costs and income not allocated to the platforms. Since its inception PIB has been focused non the integration of businesses into Divisions and the centralisation of back-office functions into Group Services thus ensuring operational efficiency and scalability. The Group Services division comprises finance, M&A, legal, risk and compliance, HR, IT, operations and non-Divisional management (executive and non-executive).

Details of Board Composition

The PIB Group Board is composed of the following individuals:

Brendan McManus, CEO of PIB Group

Brendan has extensive experience in the insurance sector, and prior to founding PIB in 2015 he had a number of senior roles, including Managing Director of Commercial for RSA, CEO of Willis ltd and CEO of Willis UK and CEO of Giles Insurance Brokers. Brendan has also been Honorary Vice President of the CII, Deputy Chairman of BIBA, and past Chair of the Distribution Committee of the ABI.

Ryan Brown, CFO of PIB Group

Prior to teaming up with Brendan to help found PIB, Ryan spent the majority of his time in investment banking with a specialized focus on the insurance sector. He served as Executive Vice President and Head of European Investment Banking at Keefe Bruyette & Woods and as Managing Director of Fox-Pitt, Kelton. Immediately prior to joining PIB he spent a couple of years with the Towergate Group, as both Group M&A Director and Finance Director of Towergate Underwriting.

Andrew Waidhofer, a Principal in the Services team of Apax Partners

Andrew has been a non-executive director of PIB since March 2021. Andrew operates in the Financial and Business Services subsector within Apax, with strong experience in the insurance sector more broadly, where Andrew also sits as a board member of GamaLife (European life insurance consolidator). Andrew also currently sits on the board of ADCO. He also helped lead Apax Funds' investments in Azelis, Safetykleen and Alcumus. Andrew joined Apax in 2014 and was previously an Associate in HSBC's Financial Sponsors Group. He also serves as a trustee of Breaking Barriers.

Forrest Wilkinson, a Principal in the Services team of Apax Partners

Forrest has been a non-executive director since March 2021. Forrest operates in the Financial and Business Services subsector within Apax out of the New York office and has extensive experience in insurance distribution and financial services. He serves on the board of 5 companies in the US and UK, including AssuredPartners, a P&C-focused insurance brokerage with >$2bn in annual revenue. He also helped lead Apax Funds' investments in AssuredPartners, Paycor, Quality Distribution and PIB Group. Forrest joined Apax in 2014 and was previously an Analyst in Evercore's M&A Group and at Bank of America Merrill Lynch in Global Industrials investment banking. He also serves on the Young Partner Board of the New York Public Theatre.

Market Context

We operate in a dynamic and everchanging market with the Covid pandemic, the war in Ukraine and regulatory change in the UK highlighting just some of the challenges which the insurance industry has had to face. The continued strong underlying performance of the Group is testament to the quality and resilience of our people but also the continued resilience of the wider insurance market.

2021 was another year of living with the Covid pandemic and we saw it have a severe impact on many families and businesses. It was pleasing to see that the Group was able to continue to provide a level of support to our employees and customers which would help them come through this prolonged period of worry and uncertainty.

One of the many impacts of the pandemic has been Covid-19 driven inflation caused by supply bottlenecks due to factory closures, port restrictions, shipping congestion, container shortages and worker absences. The war in Ukraine has exacerbated the situation particularly with respect to higher commodity costs, and we can now see inflation impacting prices across all sectors of the economy. A myriad of global and national issues is therefore working in unison to cause significant issues in the insurance claims arena, and it is unlikely that we will see these issues resolved in 2022. As a result, replacement costs may be higher than expected following a claim, potentially leaving some commercial insurance holders underinsured. We continue to work closely with our clients to ensure that they understand any potential risks and are actively engaged to ensure that their insurance programs are appropriately constructed to cope with potential future claims.

The UK insurance industry has also seen a number of important regulatory policy developments impacting on the UK insurance intermediary sector, most notably those covering Operational Resilience and Fair Value and Pricing.

- Operational Resilience Rules: requires there to be a robust framework for customer protections during business disruption events;
- Fair Value Rules: require all insurers to gather evidence that their products offer customers fair value.

These policies are designed to create a better, fairer market for consumers including during periods of business disruption. PIB's UK businesses have made the required amendments to its products and processes and will continue to keep them under review to ensure ongoing compliance.

A further significant development in UK regulatory policy has been the FCA's (Financial Conduct Authority) proposal to replace the 'Treating Customers Fairly' principle with a 'Consumer Duty' aimed at securing a higher standard of good customer outcomes. As the proposals are in line with an existing requirement for insurers to act in customer's best interests, we anticipate modest changes to our processes as the rules around Consumer Duty are finalised.

Key Strategic Priorities

PIB will continue its journey and growth by remaining focused on the following strategic themes.

1. Attract, engage and develop our people
    - Develop our employee proposition, including our "agile working" programme
    - Enhance the capability and performance of our people through investment in our talent offer
    - Enhance our colleague experience through a winning and inclusive culture
    - Leverage all of these things to continue to attract a broad array of talent from experienced market practitioners to those starting their career journey by joining our Apprenticeship Program

2. Sustaining growth and retaining independence
    - Remain focused on delivering market leading organic growth by retaining focus on specialist products and capabilities, and investing in people, technology and data
    - Maintain our strong track record of delivering and converting a constant pipeline of acquisition opportunities across Europe
    - Continue to seek diversification across our products, distribution channels and geographic footprint

- Deliver a funding structure that is stable, scalable and competitive and helps sustain all organic and inorganic growth initiatives
- Provide returns to investors that enable us to remain independent and privately financed

3. Leveraging data to support clients and drive growth
   - Step up the investment in data science and analysis roles and capabilities
   - Provide data-driven risk insights to clients across the Group
   - Build on the initial successes of our AI and Robotics projects

4. Ensuring Collaboration remains at the core of everything we do
   - It enhances our client proposition
   - It maximises the potential of our Group-wide capabilities
   - In conjunction with our insurance company partners it ensures we have bespoke propositions to support clients
   - It helps sustain our culture and improves performance

Business review

Acquisitions

In line with its growth strategy, the Group made the following acquisitions in the year ended 31 December 2021.

On 4 January 2021 the Group acquired 100% of the issued share capital of UK & Ireland Insurance Services Ltd, a commercial insurance broker operating from the UK. UK & Ireland Insurance Services Ltd provide a diverse range of insurance products to all professional, commercial and manufacturing sectors including construction, haulage, retail, property and leisure. Customers which include some of the country's largest construction companies, can also enjoy access to an experienced inhouse claims handling service.

On 2nd March 2021 the Group acquired 100% of the issued share capital of Element Hinton (Insurance Brokers) Ltd, a commercial insurance broker operating from the UK. Element Hinton (Insurance Brokers) Ltd service a wide range of businesses and private clients and specialise particularly in the construction, waste, engineering and leisure sectors.

On 19th March 2021 the Group acquired 100% of the issued share capital of Acquinity Partners Limited, a commercial insurance broker operating from the UK, Poland, Spain, Germany & Denmark. Acquinity Partners Limited is a specialist financial lines Managing General Agent, who have earned a reputation as a market-leader in their field.

On 1st April 2021 the Group acquired 100% of the issued share capital of Creane and Creane Ltd, a commercial insurance broker operating from Ireland. Creane and Creane Ltd are a family-run insurance broker providing commercial and personal lines cover to retail and business customers throughout Ireland.

On 7th May 2021 the Group acquired 100% of the issued share capital of CBC Insurance (Jersey) Limited, a commercial insurance broker operating from Jersey. CBC Insurance (Jersey) Limited core focus is on servicing clients for Professional Indemnity and Director's & Officers Liability insurance, property and associated covers including development, construction and W&I cover for merger and acquisition transactions.

On 2nd August 2021 the Group acquired 100% of the issued share capital of Rent4Sure Limited, a commercial insurance broker operating from the UK. Rent4sure is an all-in-one lettings platform for UK agents providing specialist services and expert support alongside the latest referencing software.

On 1st September 2021 the Group acquired 100% of the issued share capital of Simply Insurance Services Limited, a commercial insurance broker operating from the UK. Simply Insurance Services Limited offers motor trade insurance and has also diversified into a multi-product commercial motor insurance provider, arranging insurance for driving tuition and motor fleet.

On 8th September 2021 the Group acquired 100% of the issued share capital of JRT Insurance Brokers Ltd, a commercial insurance broker operating from the UK. JRT Insurance Brokers Ltd are focused on meeting all aspects of insurance needs for private and business clients, with particular specialisms in the construction, care, hospitality and leisure industries.

For further information relating to these acquisitions refer to note 30.

Capital Management

With the support of several lenders, both existing and new, the Group refinanced its original term loan facility and raised an additional committed acquisition facility during the course of the year. This took the Group's total potential borrowings to in excess of £1,103m (2020 £474m).

Debt Analysis

The Group debt position is summarised in the table below. It represents a combination of central debt facilities controlled using a super senior approach, and a revolving credit facility. The repayable dates are noted on the table.

Facility	Currency	Capacity (000's)	Drawn (000's)	Unutilised (000's)	Repayable
B	GBP	482,000	482,000	0	17/03/2028
B2	EUR	141,036	141,036	0	17/03/2028
ACF	GBP	150,000	41,176	108,824	17/03/2028
ACF2	EUR	280,000	0	280,000	17/03/2028
Revolving Credit	GBP	50,000	18,078	31,922	17/09/2027

Integration

The integration of all acquired businesses is a key tenet of the Group's strategy. Building a core infrastructure with common systems and centralised functions continues to create significant value over the long term and a scalable platform that allows cost efficiencies to be realised whilst supporting strong governance and controls.

Post-acquisition of a business, PIB centrally assumes responsibility for key middle and back office functions, freeing up capacity for revenue generators to focus on driving new business. This enhances control of cost and risk across the Group and delivers increasing operational leverage.

People

The on-going success of the Group depends on its employees and its ability to continue to attract, motivate, develop and retain employees of the highest calibre and it aims to provide an environment where individuals can excel. The Group invests significantly in a group-wide learning and development programme which helps to support both personal and business growth.

Getting honest feedback from our colleagues is important component of ensuring that we are making the Group a great place to work. The Group's annual engagement survey is one important element of this. 2021 was our fifth annual survey and it was pleasing to see so many of our colleagues investing the time to give us their feedback, resulting in a response rate of 86.9%. We were pleased to see high positivity scores across the business in many areas with collaboration being clearly embraced as an integral part of our culture.

The Group is an equal opportunities employer and bases decisions on individual ability regardless of race, religion, gender, age, sexual orientation or disability. In line with Government policy, we have published our Gender Pay Gap report for 2021. Since 2017, our Mean gap has closed by 0.79%, and our Median gap has closed by 5.82%. These will likely continue to fluctuate in direct correlation to PIB's structure which is constantly changing and evolving. Addressing our gender pay gap requires long-term commitment and we are proud of all our achievements to date. Throughout the Gender Pay Gap report for 2021, we highlight further progress made over the last 12 months with more to look forward to. As PIB continues to evolve and mature, we remain committed to our responsibility in closing the gender pay gap.

Performance Review

From the outset of PIB's creation the Board has developed a strategy that is heavily focused on the achievement of long-term sustainable growth including a diversified business portfolio as the Board believes that this is the most effective way of mitigating the risk of general declines in economic conditions. The importance of this strategy was seen through the Covid-19 pandemic and continues with the Ukraine invasion. The Group showing high levels of resilience and performing well from both a financial and operational perspective. Although Covid-19 has impacted how the business operates, business continuity plans were successfully implemented ensuring that the Group is able to continue to support its clients and perform other important functions. The Group has continued to deliver services and expects to continue to do so over the foreseeable future.

The overall performance of the Group is considered in its component elements against trading targets and KPI's below.

Key performance indicators

The directors use a series of financial and non-financial Key Performance Indicators (KPIs) to monitor the performance of the business.

Revenue	**Calculation**
Revenue growth, and particularly organic revenue growth, is the singular most important metric against which the performance of the Group's divisions are judged. Organic revenue growth demonstrates the sustainability of our business model and the quality of our underlying business.	Monthly management accounts report revenue, measured on a consistent basis, for the consolidated group and each division. Organic and inorganic revenue growth are separated to ensure the quality of understanding.
EBITDA	**Calculation**
Creating value for shareholders is linked to growth in earnings before interest, tax, depreciation, and amortisation (EBITDA).	Monthly management accounts report EBITDA, measured on a consistent basis, for the consolidated group and each division.

EBITDA Margin	**Calculation**
The EBITDA margin is an important measure in assessing the efficiency of the group and ensures that we consider overall growth against consistent operational efficiency.	Monthly management accounts report the EBITDA margin, measured on a consistent basis, for the consolidated group and each division.
Acquisitions	**Calculation**
As a Group which was established with a Buy and Build strategy at its core, the number and type of acquisition which we make a year is an important component in helping us continue to drive growth and diversify our client proposition from a product, service and geographic perspective.	We have an Investment Committee which considers the potential pipeline of acquisitions and ensures that we focus on those which are aligned to strategy or support our future expansion plans.
Employees	**Calculation**
We are a service business, and our employees are core to our success. Engagement scores are a key indicator of how we are performing. As a business we analyse in detail the results and identify opportunities to improve.	To objectively measure this, we undertake an annual employee engagement survey.

We have chosen not to disclose certain non-financial KPIs which we believe are commercially sensitive. In all other aspects the Directors consider the annual report and financial statements comply with the Guidelines for Disclosure and Transparency in Private Equity.

In addition to EBITDA, the Directors also look to utilise a performance measure whereby one-off, distortionary costs borne from our transformation, while kept to a minimum, are removed. This allows comparability with peers on an on-going, sustainable basis and is classified below as Adjusted EBITDA. The main areas of spend are considered by management to be material and specific to the Group’s significant transformation initiatives - i.e. acquisition and restructuring costs, IT and infrastructure integration costs and costs associated with business line closure and alignment.

	2021	**2020**
	£000	**£000**
Total income	230,851	151,536
Adjusted EBITDA	66,999	37,657
EBITDA	44,586	23,829

Operating loss	(1,270)	(9,911)
Loss for the year	(37,584)	(23,202)
Employees	1,750	1,321

Total revenue grew 52% from £151,536k in 2020 to £230,851k in 2021. The organic growth was 9% in 2021 (2020 : 0%) which, given the challenges in the market posed by Covid-19, the Directors regard as a good result. The directors are pleased with the Group result and progress made over the past 12 months and are thankful to all their colleagues for the hard work and resilience shown through what was an incredibly challenging year.

Set out below is a reconciliation between the underlying performance of the Group and the financial performance of the Group as prepared under IFRS:

	2021 £000	2020 £000	% Uplift
IFRS Loss for the year	**(37,584)**	**(23,202)**	
Add back			
Interest payable, Group interest receivable, Depreciation, Amortisation, Gains and losses on disposal of fixed assets, Return on associated undertakings, Other gains and losses and Tax			
	82,170	47,031	
EBITDA	44,586	23,829	**87%**
Add back			
Costs to acquire businesses	16,663	7,363	
Restructuring costs	2,302	4,740	
IT and infrastructure integration costs	3,958	206	
Covid 19 costs	(510)	1,519	
Adjusted EBITDA	66,999	37,657	**78%**

Adjusted EBITDA increased by 78% from £37,657k to £66,999k. The Adjusted EBITDA margin increased from 24.9% to 29% despite challenging market conditions and the continued investment in people and operations.

The key items in moving to Adjusted EBITDA from the IFRS loss are as follows:

Depreciation & amortisation

There have been a number of acquisitions (as highlighted above) which have resulted in the recognition of customer relationship intangible assets. These intangible assets recognised in acquisitions are amortised over their estimated useful economic lives.

Financing costs

The finance charge for the year was £21,691k (2020: £17,081k), which mainly relates to interest on loan notes, related party loans and lease liabilities and the unwind of the discount on contingent and deferred consideration balances.

Costs to acquire businesses

These are the direct expenses incurred in the process of initial identification of a potential acquisition through to on-boarding them within the Group. This includes use of third-party due diligence specialists, direct staff costs involved on the specific acquisition and other professional fees.

Restructuring costs

Once a business has been acquired, a number of actions are taken to align the new business units with the PIB structure around location, roles and existing business assets.

IT and infrastructure integration costs

The acquired businesses are required to transition to PIB systems, whether core IT platforms, specific broking, underwriting or accounting systems or general re-mapping of comparable systems onto PIB structures e.g. Acturis to Acturis migrations.

Financial Position

The Board of Directors monitor the level of borrowings of the Group and continues to be confident in the ability of the Group to service its ongoing debt obligations as they fall due.

Future developments

The Group intends to continue with its strategy of both organic growth and growth by the acquisitions of businesses, teams and portfolios where suitable opportunities arise in both the UK and internationally.

Section 172(1) statement

In performing their duties under s172 of the Companies Act (2006), the directors of PIB Group have had regard to the matters set out in s172(1) in terms of acting in good faith to promote the company's success for the benefit of its shareholders as follows:

The Board's approach

The role of the chair

The chair leads the Board in setting the strategic direction and risk appetite and exercise oversight and control over management's day-to-day running of the business. This is achieved by regular Board meetings incorporating all major stakeholders including investors. These meetings are supported by monthly and quarterly MI produced for key stakeholders covering financial, compliance, risk and operational performance, and by the chair facilitating open and challenging discussions and setting aside the necessary amount of time to discuss strategic issues, both in the Boardroom and in separate deep dives with management.

Strategy and Linked Decision Making

PIB has both an on-going and defined strategy supported by a rolling 3-year plan. These detail not only how the Group will identify and deliver long term value creation, but also the positives this delivers through a diversified, resilient Group structure for our customers, investors, employees and other stakeholders.

Performance Information

The Board meetings identified above are supported by monthly and quarterly MI produced for key stakeholders covering financial, compliance, risk and operational performance. This allows consideration of historic as well as potential future performance and risk. The information is scrutinised by internal as well as external parties including our investors.

Policies and practices

To support the Board, there are a number of committees in line with good governance, each with specific terms of reference which are reviewed with a frequency as appropriate. These committees include Audit, Risk & Compliance Committee, Underwriting Committee, Client Money Committee, Insurer Security Committee, Entity Rationalisation & Integration Committee and the Group Change Board & IT Committee.

The Group also has in place operational delegated authority (DA) matrices covering, expenditure, recruitment and other activities which commit Group resources. These matrices are reviewed on a regular basis along with the membership of those committees highlighted above. These reviews include ensuring that the decisions and intended consequences are in line with the evolution and size of the business.

Training

The Board skills and training are reviewed via the Chief People Officer along with other Board Officers. Where a requirement is identified, for example the Senior Management and Certification Regime (SMCR), a complete training identification and training programme is developed and delivered to ensure all effected individuals were appropriately versed in the requirements.

Culture, values and standards

Culture, values and standards underpin how a company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. They also guide and assist in decision making and thereby help promote a company's success, recognising, amongst other things, the likely consequences of any decision in the long term and wider stakeholder considerations. The standards set by a board mandate certain requirements and behaviours with regards to the activities of its directors, employees and other associated with it.

Maintaining our license to operate

The Directors take seriously their responsibility to act in a way they consider, in good faith, promotes the success of PIB Group for the benefit of its stakeholders as a whole and in doing so have regard to the likely consequences of any decision in the long term, the interests of the group's employees, the need to foster the group's business relationships with suppliers, customers and others, the impact of the group's operations on the community and the environment, the desirability of the group maintaining a reputation for high standards of business conduct and the need to act fairly as between stakeholders of the group.

Employees

People are at the heart of our specialist services. The continuing success of the Group depends on its employees and its ability to continue to attract, motivate, develop and retain employees of the highest calibre and it aims to provide an environment where individuals can excel. We must also ensure that we share common values that inform and guide our behaviour so we achieve our goals in the right way. Regular engagement with our employees is critical in this context and our independent non-executive directors are active in visiting offices and listening to the views of our employees. Additionally, working groups led by senior managers are in place to support operational resilience and with a view to ensuring the wellbeing of colleagues. Our dedicated team of internal recruiters use many and varied channels to attract the very best talent into the Group, from those new to the industry to senior experienced practitioners, technical experts, managers and leaders. Our recruitment practices have continuously evolved to reflect supply and demand, escalating costs and importantly PIB's ambitious growth plans with the retention and well-being of staff at the forefront of our business continuity plans.

The Group's Equality At Work Policy is intended to ensure that we provide fairness and equality at work, and that there is no discrimination on any grounds including; age, disability, ethnic origin, gender, gender reassignment, marital status and civil partnership, nationality, pregnancy and maternity, race, religion and belief and sexual orientation.

The Group's policy is to recruit disabled workers for those vacancies that they have the proper skills and technical ability to perform. Once employed it is ensured that suitable opportunities exist for each disabled person as well as reasonable adjustments made to maintain the services of an employee who becomes disabled during their working life.

PIB aims to be a learning organisation and have put in place key pillars which support our growth and operational plans. Key areas include management and leadership, technical expertise, sales and growth and 'Growing our own'.

Customers and Suppliers

One of the key tenets of the Group is the ability to leverage not only economies of scale within certain markets but also drive collaboration between Group companies, working together to provide integrated solutions for customers. Whether this is collaborating to offer commercial customers advice relating to insurance, employee benefits and risk management, or offering third party brokers access to both our wholesale broking and MGA expertise.

Suppliers are monitored in terms of the value of their offerings from both a financial but also market development perspective. Product suppliers are consistently benchmarked to ensure they are working with us to maximise both customer as well as shareholder value.

Community and the environment

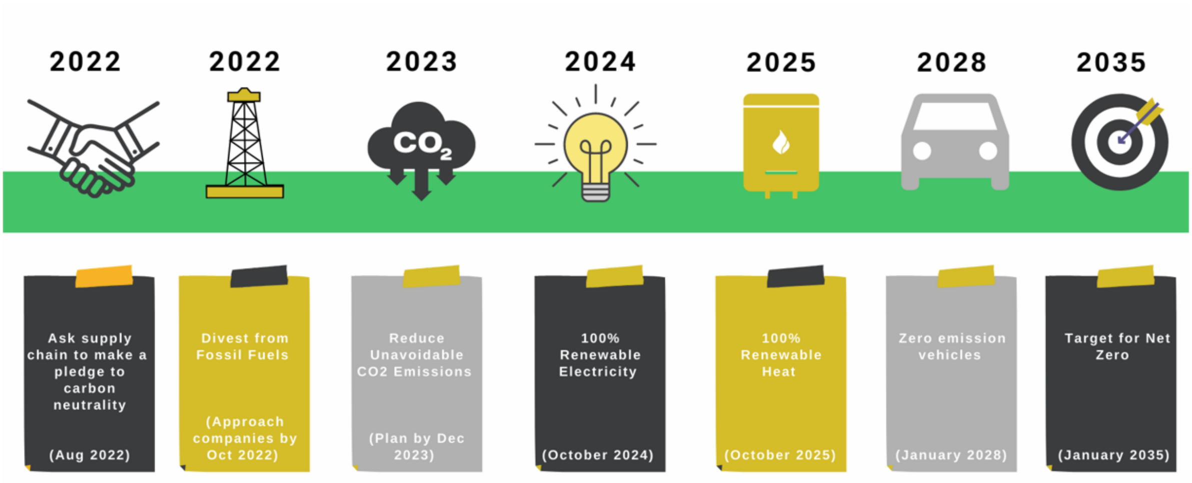
PIB as a Group is conscious of its obligations with regards the communities we serve and we continue to support a whole range of both local as well as national charities. 2020 saw the UK insurance and long-term saving industry launch the Covid-19 Support Fund with PIB Group as one of the founding members. The aim of the fund is to help support some of the people hardest hit by the Covid-19 crisis, which has been continued through 2021. The support fund aims to work in partnership with the Charities Aid Foundation, and a network of partners including the National Emergencies Trust, to provide immediate relief to charities affected by Covid-19, as well as a longer-term programme of support for people, communities and issues where there is the greatest need.

The PIB Community Trust was set up following a commitment by the PIB board to contribute a share of revenues to charitable causes. Whilst established as a fund rather than a formally constituted charity, it operates at arm's length from the business under a board of trustees, assisted by a team of employee volunteers, and with support from the Charities Aid Foundation. The Trust's first year of operation in 2021 has helped embed charitable giving as a core part of PIB's approach to community engagement as reflected in our Code of Conduct Doing the Right Thing.

During the year a total of circa £183k has been donated by the group in the year, of which nearly £100k has been directed and disbursed through the Trust to over 160 charities nominated by individual members of staff and business units. Within this total, the Trust has also directed payments to a small number of causes identified for Group support, including Insurance United Against Dementia, The Insurance Charities, and Pancreatic Cancer UK. The Trust continues to be expanded through colleagues across the Group with nominations for grants now coming from Ireland, Poland and India as well as the UK. To reinforce the core message of support for issues that are core to our staff, we have been able to share many touching, uplifting and inspiring stories prompted by grants provided by the Trust.

Beyond this, we have a comprehensive environmental plan both in terms of reducing our carbon footprint. PIB has a Group Environmental Policy and established an ESG committee that has developed solutions around recycling, LED lighting in offices, eco-friendly cleaning products and EV charging points. This is chaired and sponsored by one of the PIB Group executives.

The ESG committee has defined an Environmental strategy that targets Carbon Net Zero by 2035, this will be achieved progressively up until that point (see diagram)



PIB Group aims to not be 'Net Neutral' but to be 'Net Zero' Carbon emissions. This by default excludes offsetting, and this puts PIB at the forefront of true Environmental initiatives.

As part of our strategy we comply with ESOS reporting, and have a clear view of our Tier 1 emissions. We are now developing a clear view of Tier 2 and 3 emissions. Which includes:

- Working with our suppliers to ensure that they meet our goals of reducing Carbon emissions (this is part of our RFP process)
- Develop a culture and behaviour of our employees to reduce Carbon emissions both at PIB and outside of PIB
- Working with our customers to support their agendas

Not only are we actively measuring and proactively reducing our emissions we have significant communications with both our employees (including a section in our onboarding welcome pack) but also with our clients and investors. Additionally we also offer a service to our customers to support them through their Environmental measurement requirement and initiatives.

Streamlined energy and carbon reporting

The tables below set out GHG Emissions and Energy Use Data in the UK for the year ending 31 December 2021.

Energy use (kWh)	**Scope**	**2021**	**2020**
Natural gas	Scope 1	1,354,949	968,203
Vehicle fleet	Scope 1	433,439	516,525
Electricity	Scope 2	1,625,171	1,152,354
Grey fleet	Scope 3	1,213,829	517,006
Electricity Evs	Scope 2	6,065	-
Hire car	Scope 3	3,048	-
Total		4,636,499	3,154,089

Energy Performance Results

Carbon Dioxide equivalent emissions (t/CO2e)	**Scope**	**2021**	**2020**
Natural gas	Scope 1	248.17	178.02
Vehicle fleet	Scope 1	107.39	128.06
Electricity	Scope 2	345.07	268.66
Grey fleet	Scope 3	298.63	128.18
Electricity Evs	Scope 2	1.29	-
Hire car	Scope 3	0.75	-
Total		1,001.29	702.93

Intensity Ratio		
Tonnes of CO2 per FTEs (Full Time Equivalents)	0.60	0.54

It was decided to use total FTEs (Full Time Equivalents) as our metric. The resulting intensity ratio of tCO2e per FTE will best reflect changes in operation and energy consumption over time. The results show an increase in ratio from 0.54 to 0.60, this relates to the return to office working following working from home during the Covid-19 outbreak.

FTEs are calculated, based on an average of the number of employees on payroll in each calendar month of the financial year. The total number of FTEs in 2021 was 1,668 (2020 : 1,292).

Methodology

The methodology we have used is The GHG Protocol Corporate Accounting and Reporting Standard. We have followed the 2013 UK Government Environmental Reporting Guidelines (updated March 2019) and have used the 2020 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology has been created based on energy management best practice.

Organisational boundary

We have used the financial control approach. In serviced offices, we have included only the energy consumed where we have control over energy efficiency

Principal risks and uncertainties

The following sets out the Group's principal risks with examples given of actions taken to mitigate them in line with agreed tolerances reviewed by the Group Audit, Risk & Compliance Committee and approved by the Group Board.

The table below summarises the overall numbers in each area of impact/likelihood for each of the 38 identified key risks. Each has specific detailed identifiers including risk appetite, direction of travel and mitigating actions:

Impact

2				
	1			
4	3	4	1 (Note 1)	1 (Note 2)
1	2	4	2	1
4	5	2	1	
Very Low (<2%)	Low (2% - 10%)	Medium (11% - 49%)	High (50% - 75%)	Very High (>75%)

Likelihood

Whilst not detailing all the key risks, below is a number of them expanded on to give broader context including the two highest risks from an impact/exposure context:

Delegated Authority Risks (Note 1)

The management of acquired businesses and the control of business areas placing policy outside of binder permissions is a risk with an increasing number of insurer audits across the sector taking place. PIB has a strong second line assurance function with a programme of internal reviews to reinforce the articulated delegated authority framework but it still remains an areas of risk.

Errors and omissions (Note 2)

The Group is subject to risks arising from non-compliance or misinterpretation of local regulations and failure to meet regulatory standards in connection with the placement of insurance or the provision of financial services advice in the ordinary course of business. In the uncertain times around Covid-19, brokers have a key role to play to help consumers understand the market, the impact of Covid-19 and search the market for products that meet their demands and needs.

The Group mitigates these risks by ensuring that specific training is given in errors and omissions prevention, independent compliance monitoring and having strong procedural and system controls including a workflow management. In addition, the Group maintains Professional Indemnity insurance cover for errors and omissions claims. Whilst there is increased pressure within the sector around customers challenging around potential errors and omissions, the Group do not perceive we have any material increased exposure in this respect.

Decline in economic conditions

Whilst the Group has operated predominantly in the UK, it has undertaken significant expansion into other European territories. As such, it will have an exposure to economic conditions within the UK and wider markets.

Recently, the COVID-19 pandemic has had an adverse impact on global commercial activity, including the global supply chain; and has contributed to significant volatility in financial markets, including, among others, a decline in equity markets, changes in interest rates and reduced liquidity. The reduction in travel restrictions was starting to be lifted in most areas but then was negated by the invasion in Ukraine. This compounded the impact on travel, trade, tourism, health systems and food supply, and significantly reduced overall economic output.

From the outset of PIB's creation the Board has developed a strategy that is heavily focused on the achievement of long-term sustainable growth including a diversified business portfolio as the Board believes that this is the most effective way of mitigating the risk of general declines in economic conditions. The importance of this strategy was seen through the Covid-19 pandemic and continuing issues associated with Ukraine, with the Group showing high levels of resilience and performing well from both a financial and operational perspective.

Credit control data continues to be closely monitored to identify any issues promptly and consequently consider any necessity for increasing bad debt provision.

Competitive markets risk

There is a risk to the business model arising from changes in insurance markets and customer behaviour, external events and risks arising from growth strategies. This is mitigated by regular Board review of strategic risks, a strategic planning process and due diligence and risk assessments.

Integration of acquired companies

Acquiring and integrating quality businesses is a central tenet of the Group's strategy. How these companies are acquired and integrated into the Group is crucial to retaining and growing value, thereby meeting client, employee and stakeholder requirements. This is managed by a clear, consistent and well governed acquisition process and a defined approach to integration monitored by the Group's Entity Rationalisation & Integration Committee.

Underwriting capacity risk

The Group is reliant on capacity providers to support its underwriting operations and delegated authority business. The Group manages this risk by constant monitoring and management of underwriting performance by the Underwriting Committee and proactive management of relationships with capacity providers.

Loss of key staff

There is a risk arising from the inability to retain key staff. As a provider of professional services the Groups' reputation is built on the quality of their key staff members. The Group mitigates this risk through commitment to employee engagement, empowering managers to act as 'owners' of the business, along with effective appraisal and learning and development programs alongside succession planning processes.

Loss of key clients

The Group depends on efficient underlying operations to support client satisfaction. The impact of natural client turnover is mitigated by monitoring client service levels, diversification of business lines and distribution channels and the implementation of strong new business strategies. We are also constantly looking to improve the Target Operating Models in each of our divisions, which are aimed at improving the quality and efficiency of our processes and client services.

Failure of IT systems

IT systems are a key part of the Group's business and any disruption of systems or the supporting infrastructure could adversely impact its operations, income and financial results. To mitigate this risk, significant investment has been made in robust and reliable IT systems, strong information security protocols and associated IT and process controls.

Accounting assumptions & estimates

The Group is required to make assumptions and judgmental estimates that affect the reported amounts of assets and liabilities and the disclosure of certain contingent assets and liabilities at the date of our financial statements. The Group manages this process by management and peer review of key assumptions and judgemental estimates.

Cashflow and liquidity risk

The group is dependent on cash flows from its trading operations, which in turn are reliant on the commissions earned in its subsidiaries. The Group is therefore exposed to the cyclical nature of the insurance industry. The Group manages this risk by focusing on niche profitable lines which are less subject to the cyclical nature of the wider market and by having a diversified portfolio of businesses. Forecasting and cashflow monitoring are carried out to ensure that the capital structure is as efficient as possible.

In addition, the availability of funding is continually reviewed and the provision of credit lines and debts contains little to no compliance covenants and a further extension capacity of a rolling credit facility should it be required.

Foreign currency risk and interest rate risk

In terms of foreign currency risk, the Group regularly assesses it's exposure and potential mitigation using derivatives. A strategy of using preferential spot rates and select forward contracts for Euro and US Dollar denominated contracts are in place with proposals to extend further in 2022.

The Group's main exposure to interest rate risk arises from its long term loan facility, which has exposure to EURIBOR (Euro Interbank Offered Rate) and SONIA (Sterling overnight interbank average rates) (previously GBP LIBOR, London Interbank offered rate) benchmark interest rates. The Group is also exposed to changes in interest rates through its secured revolving credit facility borrowings at variable interest rates. As a result, the Group uses derivatives, specifically interest rate swaps, to mitigate the interest rate risk against the backdrop of increasing domestic interest rates and international pressures.

Other Financial Risks

Whilst the business does operate a number of B2B lines in terms of fees and services, these are relatively low in terms of operating client money and premium related products. The nature of these, combined with the use of premium credit, means that should a customer not pay, the impact is with the insurer and non-provision of insurance cover. Other customers in areas such as underwriting are large insurance providers and are deemed very low risk in terms of non-payment.

Regulatory risk

There is the risk arising from non-compliance or misinterpretation of local regulations and failure to meet regulatory standards. The Group manages this by having in place operational policies and procedures and regular ongoing quality and compliance audits. In addition, training and development is provided to staff and there is centralised risk and compliance training.

In addition to PIB operational risk in this area, the Financial Conduct Authority (FCA) has had a number of internal challenges resulting in significant delays beyond it’s stated service level agreements resulting in regulatory approval for acquisitions taking materially longer than in prior years for comparable businesses.

Political risk

Following the Russian invasion of Ukraine, the UK, EU and USA have imposed and continued to escalate sanction regimes against Russia and Belarus. The company complies with applicable sanctions regimes across the world and ensures that its business relationships including direct clients, intermediaries and markets are free from applicable sanctions. The company has a strong control framework in place to prevent any potential breach of sanctions. This includes sanctions checks covering directors, shareholders, and ultimate beneficial owners which are carried out ahead of new business, mid-term adjustment, claim payment or renewal. The company continues to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.

Brexit and the Northern Ireland trade dispute with the UK could also extend the ongoing 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.

Tax Risk

The Group takes a very conservative approach to tax and takes no risk around policies and products which may have an uncertain or non-clearly defined tax position. From a VAT perspective, only directly attributable costs associated with standard rate functions are recovered at a full percentage, otherwise they are considered in the Group blended recovery. Corporate tax is offset within simple, Group relief principles and tax credits are calculated with accredited providers in respect of research and development relief. As the Group expands, it continues to secure tax advise on Group structures and individual acquisitions within the structure to ensure compliance.

Human rights & modern slavery

As a service-based insurance broking and employee benefits business we believe the risk of modern slavery and/or human trafficking in our business and supply chain is low. We respect and uphold the human rights and principles and we have a zero tolerance for modern slavery and human trafficking in our organisation and in our supply chain. Our supply chains include providers of professional services.

Anti-bribery / Whistleblowing

The Group is committed to conducting its business in an ethical, honest and transparent manner. Bribery and corruption are not consistent with PIBs values and present significant risks to its business. The Group has a zero-tolerance approach towards bribery and corruption, and is committed to the prevention, deterrence and detection of bribery, corruption and related offences.

PIB has a whistleblowing policy and dedicated hotline. This provides an alternative channel for those colleagues who might feel unable to report wrongdoing, or suspicions of wrongdoing, through their normal line management channels. The hotline allows employees to report issues or concerns online or by phone with complete confidence and without fear of dismissal or retaliation.

Events subsequent to the reporting date

Following the reporting date, the PIB Group acquired 100% of the share capital of the following companies:

Acquisition	**Date**
Oliver Murphy Insurance Brokers Limited	13 January 2022
Campion Insurances Limited	20 January 2022
Brokers Union Sp.z o. o	26 January 2022
Cicor Internacional Correduria de Seguros y Reaseguros S. L.	6 February 2022
Light B.V.	15 February 2022
Exito Consulting Sp z. o. o	24 February 2022
Alan Tierney Partners Limited	2 March 2022
Bailey Garner (Health & Safety) Limited	4 April 2022
Fingal Insurance Group Limited	14 June 2022

On 27 January 2022, the PIB Group was sold by Ivy Finco Limited to Paisley Bidco Limited, previously an intermediate company.

The Strategic Report was approved by the board and is signed on its behalf by:

B McManus
Director
29 July 2022

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

Results and dividends
The results for the year are set out on page 27.

No ordinary dividends were paid (2020 : £nil). The directors do not recommend payment of a final dividend.

Going concern
The directors have a reasonable expectation that the Company and Group as a whole, has adequate resources to continue in operation for the foreseeable future. The Group therefore continues to adopt the going concern basis for preparing the annual financial statements (see note 1.6).

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Burr	(Resigned 25 March 2021)
B McManus	
R Brown	
C Giles	(Resigned 25 March 2021)
F Wilkinson	(Appointed 26 March 2021)
A Waidhofer	(Appointed 26 March 2021)

Qualifying third party indemnity provisions
The Group has made qualifying third party indemnity provisions for the benefit of all directors which were made during the year and remain in force at the reporting date.

Political donations
The Group made no political contributions during the year (2020: £Nil).

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Engagement with employees
Further information is incorporated into this report by reference to Section 172(1) Statement in the Strategic Report.

Engagement with customers and suppliers
Further information is incorporated into this report by reference to Section 172(1) Statement in the Strategic Report.

Energy and carbon reporting
Further information is incorporated into this report by reference to Section 172(1) Statement in the Strategic Report.

Auditor
Deloitte LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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 IFRS as adopted by the European Union and Article 4 of the IAS Regulation. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company’s auditor is aware of that information.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 of the Large and Medium-sized Companies on Groups (Accounts and Reports) Regulations 2008 certain matters (including events subsequent to the reporting date, future developments, use of financial instruments) which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 to 20.

The Director's Report was approved by the board and is signed on its behalf by:

B McManus
Director
29 July 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIB GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion

- the financial statements of PIB Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

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 otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. 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, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Financial Conduct Authority regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

The Group earns fees and commissions from its insurance broking activities and there is a fraud risk that brokerage is inappropriately accelerated or deferred between accounting periods.

We have assessed that there is a significant risk of material misstatement relating to revenue recognition which is pinpointed to the cut-off assertion specifically around the year end.

- We have obtained an understanding of the revenue process, including procedures for determining the commission percentages in accordance with policies and binder agreements and the flow of financial information into the general ledger;
- Assessed the design and implementation of controls in the revenue process specifically focusing on the controls that address revenue recognition cut-off; and
- Performed additional cut-off testing around the year-end date by selecting additional samples for revenue recognised in December 2021 and January 2022 to identify any transactions which may have been erroneously recognised as revenue in the incorrect period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Rush

David Rush FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

29 July 2022

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Revenue	**3**	230,851	151,536
Commissions paid		(26,774)	(19,927)
Gross profit		204,076	131,609
Salaries and associated costs		(102,249)	(71,423)
Other operating expenses		(57,246)	(36,519)
Amortisation and impairment of intangible fixed assets	**12**	(40,268)	(29,122)
Depreciation of property, plant and equipment	**13**	(2,030)	(1,696)
Depreciation and impairment of right-of-use assets	**14**	(3,520)	(2,729)
Loss on disposal of fixed assets		(33)	(31)
Operating loss	**4**	(1,270)	(9,911)
Operating profit before the items identified below		21,143	3,917
Costs to acquire businesses		(16,663)	(7,363)
Restructuring cost		(2,302)	(4,740)
IT and infrastructure integration costs		(3,958)	(206)
Covid-19 costs		510	(1,519)
	4	(1,270)	(9,911)
Finance income from group undertakings	**8**	73	276
Finance income	**8**	4	162
Finance costs	**9**	(21,691)	(17,081)
Return on associated undertakings	**16**	62	-
Other gains and losses	**10**	(7,813)	1,816
Loss before tax		(30,634)	(24,738)
Income tax (expense)/credit	**11**	(6,950)	1,536
Loss for the year		(37,584)	(23,202)

The statement of profit or loss has been prepared on the basis that all operations are continuing operations.

The loss for the year is attributable to the owners of the parent.

The accompanying notes are an integral part of the financial statements.

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Loss for the year	(37,584)	(23,202)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign exchange differences on translation of foreign operations	238	(153)
Total items that may be reclassified subsequently to profit or loss	238	(153)
Total comprehensive loss for the year	(37,346)	(23,355)

The comprehensive loss for the year is attributable to the owners of the parent.

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Goodwill	**12**	192,278	146,293
Intangible assets	**12**	254,313	251,619
Property, plant and equipment	**13**	4,013	4,308
Right-of-use assets	**14**	13,070	13,867
Financial assets	**15**	188	2,751
Investment in associated undertaking	**16**	183	183
Contract assets	**21**	221	245
		464,266	419,266
Current assets			
Trade and other receivables	**19**	56,700	51,860
Cash and cash equivalents	**20**	264,498	139,975
Contract assets	**21**	16,850	10,889
Derivative financial instruments	**22**	-	19
		338,048	202,743
Total assets		802,314	622,009
Current liabilities			
Trade and other payables	**24**	184,658	132,365
Current tax liabilities		2,237	212
Lease liabilities	**14**	3,790	3,787
Contract liabilities	**21**	6,230	5,419
Provisions	**26**	84	77
		196,999	141,860
Net current assets		141,049	60,883
Non-current liabilities			
Trade and other payables	**24**	5,479	5,131
Lease liabilities	**14**	10,107	10,613
Borrowings	**23**	443,218	292,224
Provisions	**26**	843	566
Deferred tax liabilities	**25**	50,375	39,886
		510,022	348,420
Total liabilities		707,021	490,280
Net assets		95,293	131,729

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2021

	Notes	2021 £000	2020 £000
Equity			
Called up share capital	**29**	301	300
Share premium account		201,595	200,686
Other reserves		71	(167)
Retained earnings		(106,674)	(69,090)
Total equity		95,293	131,729

The accompanying notes are an integral part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 July 2022 and are signed on its behalf by:

R Brown
Director

Company Registration No. 09900466

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
Balance at 1 January 2020		167	162,918	(14)	(45,888)	117,183
Loss for the year					(23,202)	(23,202)
Other comprehensive income		-	-	(153)	-	(153)
Issue of share capital	**29**	133	37,768	-	-	37,901
Balance at 31 December 2020		300	200,686	(167)	(69,090)	131,729
Balance at 1 January 2021		300	200,686	(167)	(69,090)	131,729
Loss for the year		-	-	-	(37,584)	(37,584)
Other comprehensive income		-	-	238	-	238
Issue of share capital	**29**	1	909	-	-	910
Balance at 31 December 2021		301	201,595	71	(106,674)	95,293

There were no dividends recognised as distributions to the owners during the year (2020: £Nil). No dividends have been proposed or declared before the financial statements have been authorised for issue.

The other reserves relate to foreign exchange differences on translation of foreign operations.

PIB GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020	
	Notes	**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Cash generated from operations	**35**		50,288		32,929
Income taxes paid			(3,687)		(1,830)
Net cash inflow from operating activities			46,601		31,099
Investing activities					
Acquisition and merger of businesses		(59,027)		(71,398)	
Cash acquired on acquisitions	**30**	20,213		13,890	
Cash acquired on merger		-		12,885	
Sale of other investments		2,639		-	
Payment of deferred consideration		(15,139)		(11,477)	
Payment of contingent consideration		(13,484)		(4,376)	
Purchase of intangible assets	**12**	(6,238)		(5,347)	
Purchase of property, plant and equipment	**13**	(1,450)		(1,198)	
Proceeds on disposal of fixed assets		27		35	
Dividend received from associate		62		-	
Interest received		1		162	
Net cash used in investing activities			(72,396)		(66,824)
Financing activities					
Proceeds from issue of shares		-		190	
Proceeds from related company loan		173,975		135,050	
Repayment of debt		-		(23,350)	
Repayment of lease liabilities		(4,142)		(3,503)	
Interest paid		(18,519)		(10,271)	
Net cash generated from financing activities			151,314		98,116
Net increase in cash and cash equivalents			125,519		62,391
Cash and cash equivalents at beginning of year			139,975		77,584
Effect of foreign exchange rates			(996)		-
Cash and cash equivalents at end of year	**20**		264,498		139,975

1 Accounting policies

Company information

PIB Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW.

The principal activities of the Group and the nature of the Group's operations are set out in the strategic report.

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements are prepared in sterling, which is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £'000. Foreign operations are included in accordance with the policies set out in note 1.23.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

1.2 Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2021. The results of acquired businesses are consolidated from the date on which the Group obtains effective control of the subsidiary.

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed to or has the rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Unrealised gains and losses on transactions with subsidiaries or associates are eliminated. Transactions with associates are eliminated to the extent of the Group's interest in those entities in preparing the consolidated financial statements.

1.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred is measured as the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Group at the date of exchange. Any costs directly attributable to the business combination are booked to the income statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed, meeting the conditions for recognition under IFRS 3 "Business Combinations", are recognised at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Subsequent changes in the fair value of consideration transferred or identifiable assets, liabilities and contingent liabilities assumed are adjusted where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs.

1 Accounting policies (continued)

1.4 Investments in associates

Associates are those entities over which the Group has the power to exercise significant influence but not control. The Group's investment in associated undertakings is accounted for under the equity method of accounting whereby associated undertakings are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The income statement reflects the Group's share of the post acquisition results of operations of the associated undertaking and the statement of comprehensive income reflects the Group's share of the comprehensive income of the associated undertaking. The financial statements of associated undertakings are prepared up to 31 December each year.

1.5 Adoption of new and revised standards

The Group has not adopted any new standards or amendments to standards, for the first time in the current year which have a material effect on the amounts recognised in these financial statements.

There are no standards, amendments to standards or interpretations which are not yet effective and that are expected to materially impact the Group's financial statements.

1.6 Going concern

The directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Group's ability to continue as a going concern within one year after the date that the financial statements are issued. The directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

In light of the on-going uncertainty regarding the impact of Covid-19 the Group has performed additional activity as part of its monthly management activity around its financial position and future performance. Specifically, the Group has conducted stress testing around current and future performance to demonstrate it has sufficient cash resources and has no concerns over the ability to meet its current and future commitments. The group also has access to short term funding on its revolving facility and has implicit parental support from the Apax funds. There is also the ability to postpone capital projects in order to manage cash flow. Well established business continuity plans have been used and the Group is able to continue to support its clients and expects to be able to do so for the foreseeable future. As such, the directors have no reason to believe there is a material uncertainty that would prevent them from continuing to adopt a going concern basis of accounting in preparing the financial statements.

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

1.7 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from insurance broking is recognised when the significant risks and rewards of the policy have been passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies (continued)

Revenue would be initially recognised in the latter of the period in which the provision was invoiced or the performance obligation was delivered e.g. a policy placed was incepted. Where a service has a performance obligation that spans beyond a single event, that revenue will be deferred over the period of the performance obligation to extent it can be reasonably forecasted. This may include both directly contracted elements e.g. fixed number of customer visits, or reactive activity such processing customer insurance claims.
The business has determined that as significant judgement, where a performance obligation period spans a financial period end, the associated revenue and costs will be deferred into the following period in proportion to the balance of the remaining obligation period. This reflects the most reasonable approach given the variability of forecasting when a single contract performance obligation will be met in the following period.

Where an element of revenue has variable consideration such as annual profit commissions, this will be recognised in the reporting period to which the performance obligations relate to. A prudent estimate will be established to reflect the most probable recoverable value incorporating appropriate estimates. The estimate will reflect suitable risk variables including anticipated post-period claims where they adjust the amounts receivable as well as prior performance of comparable products where appropriate.

A provision is established for post period credit notes which reflects cancellations and changes to financial period. For revenues generated from policy placement, the early cessation of a policy is a direct financial relationship between insurer and ultimate customer and does not impact on the commission or fee due.

In line with revenue recognition in accordance with paragraphs 91 and 95 of IFRS15, the business has established an estimate of costs to obtain and costs to fulfil the contract. These estimates reflect the operational lead time and therefore associated resource in both initial capture and delivery of the revenue source. These are reviewed annually to establish the associated amortisation, additions or impairments in the contract asset.

The Group utilises the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less. The Group also utilises the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

1.8 Commissions paid

Commissions paid relate to fees to paid to agents for the introduction of clients. They are recognised at the later of the inception date or transaction date of the underlying policy to which they relate. The amounts recognised are the net amounts owed to the introducer.

1 Accounting policies (continued)

1.9 Goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed. On disposal of a cash-generating unit, attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.10 Intangible assets other than goodwill

Intangible assets with finite useful lives acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets relate to computer software, licenses and customer relationships. Customer relationships relate to assets such as customer lists and access to distribution networks that arise on the acquisition of businesses.

Software	3-5 years on a straight line basis
Patents and licenses	5 years on a straight line basis
Customer relationships	10 years on a straight line basis

1.11 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Office equipment	4 years on a straight line basis
Computer Hardware	3 years on a straight line basis
Motor vehicles	4 years on a straight line basis

1 Accounting policies (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit or loss.

1.12 Leases

The Group has entered into contracts as a lessee. It assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease and where that is not readily determinable, its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Group did not make any such adjustments during the periods presented.

Short-term leases and leases of low-value assets

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for car leases. The Group applies the short-term lease recognition exemption to its short-term leases which are those leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense in the statement of profit or loss on a straight-line basis over the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

1 Accounting policies (continued)

1.13 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.14 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in bank, bank deposits, ring-fenced cash held at lawyers and petty cash. Whilst held in the Group’s regulatory trust accounts under appropriate client money regulation, fiduciary funds held are controlled by the Group and economic benefits are derived from them. As such these funds are recognised as an asset on the Group’s statement of financial position.

1.15 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at fair value and either classified as financial assets at fair value through profit or loss or loans and receivables.

Financial assets at fair value through profit or loss

Equity instruments and derivative assets have been mandatorily classified as fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment based on lifetime credit loss model. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables fall into this category of financial instruments.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for impairment at each reporting end date. Expected credit losses are recognised on initial recognition and subsequent period ends which reflect an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, reasonable information about past events, current conditions and forecasts of future economic conditions.

The lifetime credit loss model has been applied to trade debtors, other debtors and profit commissions.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.16 Financial liabilities

Financial liabilities are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value and classified as either subsequently measured at amortised cost or as financial liabilities at fair value through profit or loss.

Financial liabilities measured at amortised cost

Borrowings, trade and other payables and deferred consideration are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Derivative liabilities are mandatorily classified as fair value through profit or loss. Contingent consideration is subsequently measured at fair value through profit or loss in accordance with IFRS 3 Business Combinations.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company’s obligations are discharged, cancelled, or they expire.

1.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1 Accounting policies (continued)

1.18 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.19 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.20 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

1 Accounting policies (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the costs to restore leased plant assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

1.21 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.22 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.23 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of profit or loss for the period.

1.24 Common control transactions

Where there is an exchange of equity interests under the same parent's control, the company uses merger accounting. Under this method, assets and liabilities of the merging entity are recognised in the consolidated group accounts at their previous carrying amount.

1.25 Government grants

Government grants are recognised within income when there is reasonable assurance that the group will comply with the conditions attaching to them and the grants will be received. They are recognised on a systematic basis over the periods in which the group recognises the related costs for which the grant is intended to compensate. The group applies the accrual model and the Coronavirus Job Retention Scheme has been classified as a 'revenue-based' grant for the purposes of that model.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There were no critical judgements made that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an asset is less than its cost; and the financial health of and near-term business outlook for the asset, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow.

Following this assessment, no impairment losses were recognised in the year (2020: £Nil).

Revenue recognition

The Group has entered into profit sharing arrangements with insurers. The timing and amount of such variable revenue is inherently uncertain. At each reporting date, the Group measures the outstanding revenue on a best estimate basis to the extent that a significant reversal will not occur.

The carrying amount of profit commission receivable as at the reporting date was £15,934k (2020: £9,779k).

Cost of fulfilment asset

The Group recognises a cost of fulfilment asset that represents time spent by staff in the placement of new and renewed policies. The value of that asset is estimated by way of surveying management for their estimate, on a line of business basis, of time spent by staff of various job descriptions on those activities.

The carrying amount of this cost of fulfilment asset at the end of the reporting period was £1,514k (2020: £1,355k)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Lease discount rate

The lease liability is recognised as the future payments remaining under a lease term discounted by the discount rate implicit in the lease. Leases for premises do not have an implicit discount rate and therefore an incremental borrowing rate is estimated which reflects the rate of interest that the Group would need to pay to borrow over a similar term and with a similar security and the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group has used the interest rate on its bank loan facility as the starting point for this rate and then applied specific factors such as term and lessee credit rating to estimate the most appropriate rate on a lease by lease basis.

The carrying amount of the lease liability at the end of the reporting period was £13,897k (2020: £14,400k).

3 Revenue

An analysis of the group's revenue is as follows:

	2021 £000	2020 £000
Brokerage fees and commission	227,053	148,346
Risk management and consultancy fees	3,798	3,190
	230,851	151,536

Revenue analysed by geographical market

	2021 £000	2020 £000
United Kingdom	202,042	139,470
Rest of World	-	55
Europe	28,809	12,011
	230,851	151,536

4 Operating profit/(loss)

	2021 £000	2020 £000
Operating loss for the year is stated after charging/(crediting):		
Foreign exchange losses/(gains)	54	(10)
Depreciation of property, plant and equipment	2,030	1,696
Loss on disposal of fixed assets	33	31
Amortisation and impairment of intangible assets	40,268	29,122
Depreciation and impairment of right-of-use assets	3,520	2,729

5 Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15	15
Audit of the financial statements of Group subsidiaries	867	689
	882	704
For other services		
Audit-related client money assurance services	123	224
Taxation compliance services	90	93
Corporate finance services	577	1,436
Total non-audit fees	790	1,753

6 Employees

The average monthly number of persons (including directors) employed by the Group during the year was:

	2021 Number	2020 Number
Directors	4	4
Employees	1,746	1,317
	1,750	1,321

Their aggregate remuneration comprised:

	2021 £000	2020 £000
Wages and salaries	88,338	61,452
Social security costs	8,622	7,228
Pension costs	3,850	3,000
	100,810	71,680

7 Directors' remuneration

	2021 £000	2020 £000
Remuneration for qualifying services	4,292	763

7 Directors' remuneration (continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £000	2020 £000
Remuneration for qualifying services	2,766	403

8 Finance income

	2021 £000	2020 £000
Financial assets measured at amortised cost		
Interest receivable from group undertakings	73	276
Interest receivable and similar income	4	162
Total finance income	77	438

Interest receivable from group undertakings relates to preference share dividends receivable on Ivy Topco Limited preference shares held by the Group until 17 March 2021 (see note 15).

Interest receivable and similar income relates to interest on bank deposits.

9 Finance costs

	2021 £000	2020 £000
Financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	18	1
Interest on loan notes	1,602	1,431
Interest on loan from related parties	18,505	13,531
Interest on lease liabilities	917	716
Total interest expense	21,042	15,679
Unwinding of discount on contingent consideration	472	433
Unwinding of discount on deferred consideration	177	969
Total unwinding of discount	649	1,402
Total finance costs	21,691	17,081

10 Other gains and losses

	2021 £000	2020 £000
Net gain/(loss) on financial liabilities mandatorily measured at fair value through profit or loss:		
Contingent consideration	(7,794)	1,861
Derivative financial instruments	(19)	(45)
	(7,813)	1,816

11 Income tax

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	1,301	300
Adjustments in respect of prior periods	252	16
Overseas tax	2,799	712
Total charge	4,352	1,028
Deferred tax		
Origination and reversal of temporary differences	(5,285)	(5,290)
Adjustment in respect of prior periods	(652)	(320)
Effect of tax rate change	8,535	3,046
Total deferred tax charge/(credit)	2,598	(2,564)
Total tax charge/(credit)	6,950	(1,536)

11 Income tax (continued)

The charge for the year can be reconciled to the profit/(loss) per the statement of profit or loss as follows:

	2021 £000	2020 £000
Profit/(loss) before taxation	(30,634)	(24,738)
Expected tax charge/(credit) based on a corporation tax rate of 19%	(5,820)	(4,700)
Expenses not deductible in determining taxable profit	5,645	1,028
Loss brought forward utilised	(129)	(41)
Adjustment in respect of prior years	252	16
Group relief	(2,753)	(403)
Permanent capital allowances in excess of depreciation	757	500
Other non-reversing timing differences	-	103
Deferred tax adjustments in respect of prior years	(652)	(320)
Remeasurement of deferred tax for changes in tax rates	8,943	2,956
Deferred tax not recognised	20	(606)
Higher taxes on overseas earnings	184	(69)
Effects of income taxed at rates other than the UK corporation tax rate	503	-
Tax charge/(credit) for the year	6,950	(1,536)

12 Goodwill and Intangible Assets

	Goodwill	Software	Patents & licences	Customer relationships	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2020	97,516	14,058	29	221,603	333,206
Additions	-	5,349	-	-	5,349
Additions - business combinations	27,384	277	-	78,619	106,280
Additions - mergers	37,801	8,036	-	20,504	66,341
Disposals	-	(3)	-	-	(3)
At 31 December 2020	162,701	27,717	29	320,726	511,173
Additions	-	6,224	14	-	6,238
Additions - business combinations	45,985	146	-	36,777	82,908
Disposals	-	(177)	-	-	(177)
At 31 December 2021	208,686	33,910	43	357,503	600,142
Amortisation and impairment					
At 1 January 2020	5,738	5,051	29	45,787	56,605
Charge for the year	-	3,136	-	25,986	29,122
Additions - business combinations	-	233	-	-	233
Additions - mergers	10,670	5,525	-	11,106	27,301
At 31 December 2020	16,408	13,945	29	82,879	113,261
Charge for the year	-	5,648	-	34,618	40,266
Additions - business combinations	-	144	-	-	144
Disposals	-	(119)	-	-	(119)
At 31 December 2021	16,408	19,618	29	117,497	153,552
Carrying amount					
At 31 December 2021	192,278	14,292	14	240,006	446,590
At 31 December 2020	146,293	13,772	-	237,847	397,912

There are no accumulated impairment losses recognised in respect of goodwill as at 31 December 2021 (2020: £Nil).

Goodwill and Intangible Assets (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's identified cash generating units (CGUs) according to how acquired businesses have been integrated into the Group.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts approved by management covering a three year period followed by extrapolated cash flows based on the 2024 forecast and a steady perpetual growth rate.

The net book value of goodwill by CGU is shown in the table below:

	2021 £000	2020 £000
Speciality and Employee Benefits	78,495	59,995
Barbon	27,132	27,132
London Markets and Ireland	15,018	15,018
Underwriting	15,239	15,239
Schemes and affinities	19,141	19,141
Network	1,304	1,304
Acquinity	22,907	-
Marx Re	5,061	5,061
WDB	3,403	3,403
Creane and Creane	4,578	-
Total	192,278	146,293

The key assumptions used in the value-in-use calculations were:

A perpetual growth rate of 2.0% (2020:1.9%) per year has been used from 2024 onwards which is based on the expected rate of CPI for 2022.

A discount rate of 8.1% (2020:9.1%) has been used which is an estimated market participant weighted average cost of capital.

The three year forecasts are based on historical performance, management expectations of revenue growth and savings from committed integration initiatives.

The key sensitivity analyses are:

The key assumptions to which the recoverable amount is most sensitive is the EBITDA growth rates in the three year forecast and the perpetual growth rate. Sensitivity analysis was performed whereby these key assumptions were subjected to reasonable changes. The sensitivity was tested for the following three scenarios:

- Scenario one: Increase discount rate by 1% to 9.1%
- Scenario two: Reduction of perpetual growth rate to 0%
- Scenario three: Reduction of forecasted EBITDA growth rates for 2023 and 2024 to 0%

In all three scenarios, there are no Business Units identified as being impaired.

No further reasonably possible changes in these assumptions alone would result in an impairment to any other CGU.

13 Property, plant and equipment

	Leasehold improvements £000	Office equipment £000	Computer Hardware £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2020	3,194	3,029	5,780	84	12,087
Additions	420	235	837	-	1,492
Additions - business combinations	193	719	936	221	2,069
Additions - mergers	1,366	677	1,115	-	3,158
Disposals	(10)	(626)	(178)	(78)	(892)
At 31 December 2020	5,163	4,034	8,490	227	17,914
Additions	59	143	1,248	-	1,450
Additions - business combinations	362	491	712	-	1,565
Disposals	-	(9)	(110)	(82)	(201)
At 31 December 2021	5,584	4,659	10,340	145	20,728
Accumulated depreciation and impairment					
At 1 January 2020	2,203	2,692	4,448	48	9,391
Charge for the year	407	207	1,061	21	1,696
Additions - business combinations	103	533	680	191	1,507
Additions - merger	715	475	658	-	1,848
Disposals	-	(592)	(169)	(75)	(836)
At 31 December 2020	3,428	3,315	6,678	185	13,606
Charge for the year	471	309	1,230	19	2,029
Additions - business combinations	327	393	557	-	1,277
Disposals	-	(4)	(110)	(82)	(196)
At 31 December 2021	4,226	4,013	8,355	122	16,716
Carrying amount					
At 31 December 2021	1,358	646	1,985	23	4,013
At 31 December 2020	1,735	719	1,812	330	4,308

14 Leases

The material leases held by the Group are for property and motor vehicles. Property leases typically run for a period of five to ten years but can be considerably longer. Motor vehicle leases are typically three years.

Lease payments on properties may be subject to a review every few years. Many of the Group's long-term contracts have an option to terminate the lease prior to its end date. However, in most cases, termination options are not reasonably certain to be exercised so that the lease liability reflects all lease payments through to the ultimate end date of the lease.

Right-of-use assets	**Property**	**Motor vehicles**	**Total**
	£000	**£000**	**£000**
Cost			
At 1 January 2020	14,473	1,332	15,805
Additions	2,067	417	2,484
On acquisition	464	323	787
On merger	2,081	29	2,110
Disposals	(1,982)	(356)	(2,338)
At 31 December 2020	17,103	1,745	18,848
Additions	2,011	244	2,255
On acquisition	720	-	720
Disposals	(732)	(439)	(1,171)
At 31 December 2021	19,102	1,550	20,652
Accumulated depreciation and impairment			
At 1 January 2020	3,569	617	4,186
Charge for the year	2,210	499	2,709
Impairment	20	-	20
Disposals	(1,610)	(324)	(1,934)
At 31 December 2020	4,189	792	4,981
Charge for the year	2,988	532	3,520
Disposals	(480)	(439)	(919)
At 31 December 2021	6,697	885	7,582
Carrying amount			
At 31 December 2021	12,405	665	13,070
At 31 December 2020	12,914	953	13,867

14 Leases (continued)

Lease liabilities

The maturity analysis of lease liabilities is shown below:	**2021**	**2020**
	£000	**£000**
Maturity analysis		
Within one year	3,923	3,891
In one to five years	9,686	9,926
In over five years	3,385	3,804
	16,994	17,621
Less: unearned interest	(3,097)	(3,221)
	13,897	14,400
Analysed as:		
Current	3,790	3,787
Non-current	10,107	10,613
	13,897	14,400

The Group does not face a significant liquidity risk with regard to its lease liabilities. The total cash outflow for leases, including short-term leases and leases of low value assets was £7,043k (2020: £5,359k).

	2021	**2020**
	£000	**£000**
Amounts recognised in the statement of profit or loss		
Depreciation and impairment of right-of-use assets	3,442	2,729
Interest expense on lease liabilities	917	716
Expense relating to short-term leases	1,605	886
Expense relating to leases of low value assets	257	302
Expenses relating to variable lease payments	986	903

The variable lease payments relate to service charges. The expenses relating to short-term leases, low value leases and variable lease payments are presented within other operating expenses.

15 Financial assets

	2021 £000	2020 £000
Financial assets measured at amortised cost		
Shares in ultimate parent company	-	2,566
Financial assets mandatorily measured at fair value through profit or loss		
Other investments	188	185
	188	2,751

The shares in ultimate parent company as at 31 December 2020 represented 1,508,698 preference shares issued by Ivy Topco Limited. These preference shares were sold on 17 March 2021 at carrying value including accrued interest as part of the acquisition of Ivy Topco Limited by Paisley Bidco Limited.

The other investments mainly relate to a minority equity shareholding in ProAktive Risk Group Limited which has a fair value of £182k (2020: £182k).

Movements in financial assets

	Shares in ultimate parent company £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2021	2,566	185	2,751
Additions	-	3	3
Disposals	(2,639)	-	(2,639)
Accrued dividends	73	-	73
At 31 December 2021	-	188	188
Carrying amount			
At 31 December 2021	-	188	188
At 31 December 2020	2,566	185	2,751

Management have considered that there has not been a significant rise in credit risk since these assets were initially recognised. This follows an assessment of growth, ability to raise finance and the stability of the markets in which they operate. In assessing 12 month Expected Credit Losses (ECL), management have considered similar factors and the financial support available to the ultimate parent company. The possibility of a default in the 12 months following the reporting date is negligible and the ECL is therefore nil.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

16 Investment in associated undertaking

The Group owns 42.5% of the share capital of TransBrokers.eu. The principal place of business of TransBrokers.eu is Poland and the registered office is ul. Fiołkowa 3, 52-200 Wysoka, Polska. It is an insurance broker in the transport, shipping and logistics sector.

The summary statement of financial position of TransBrokers.eu as at 31 December 2021 is set out below:

	2021 £000	2020 £000
Non-current assets	79	48
Current assets	512	546
Total assets	591	594
Non-current liabilities	(12)	-
Current liabilities	(147)	(163)
Total liabilities	(159)	(163)
Net assets	432	431
57.5% not owned by the Group	(249)	(248)
Carrying value	183	183

The following is a summary of the movement during the year:

	£000
Opening balance	183
Share of profit after tax	62
Dividend received from associate	(62)
Closing balance	183

17 Subsidiaries

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

Name of undertaking	Registered Office	Country of incorporation	Ownership	Nature of business
Alto Insurance Group Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Intermediate holding company
aQmen Holdings Limited	As above	England	Indirect	Intermediate holding company
aQmen Limited	As above	England	Indirect	Insurance brokers
Arlington Insurance Services Limited	As above	England	Direct	Insurance brokers
Bartleet Enterprises Limited	As above	England	Direct	Insurance brokers
B.K. Insurance Brokers Limited	As above	England	Direct	Insurance brokers
BKG West Limited	As above	England	Indirect	Insurance brokers
Case Insurance Services Limited	As above	England	Indirect	Insurance brokers
Chester Crown Holdings Limited	As above	England	Indirect	Intermediate holding company
Citynet Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Citynet London Holdings Limited	As above	England	Direct	Intermediate holding company
CMR Insurance Services Limited	As above	England	Indirect	Insurance brokers
Cobra Corporate Solutions Limited	As above	England	Indirect	Insurance brokers
Cobra GAL (Holdings) Limited	As above	England	Indirect	Intermediate holding company
Cobra Holdings Limited	As above	England	Indirect	Intermediate holding company
Cobra Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Cobra London Markets Limited	As above	England	Indirect	Insurance brokers
Cobra Network Limited	As above	England	Indirect	Insurance brokers
Cobra Resource Management Limited	As above	England	Indirect	Insurance brokers
Cobra Underwriting Agencies Limited	As above	England	Indirect	Insurance brokers
Cooper Solutions Limited	As above	England	Direct	Insurance brokers
D. E. Ford Holdings Limited	As above	England	Indirect	Intermediate holding company
D. E. Ford (Insurance Brokers) Limited	As above	England	Indirect	Insurance brokers
ENSCO 1069 Limited	As above	England	Indirect	Employee benefit trust
Erskine Murray Limited	As above	England	Indirect	Insurance brokers
Element Hinton (Insurance Brokers) Limited	As above	England	Direct	Insurance brokers
Fish Administration Limited	As above	England	Direct	Insurance brokers
Houghton Insurance Bureau Limited	As above	England	Indirect	Insurance brokers
i2 Healthcare Limited	As above	England	Indirect	Insurance brokers

17 Subsidiaries (continued)

Internet Insurance Holdings Limited	As above	England	Direct	Intermediate holding company
Internet Insurance Services UK Limited	As above	England	Indirect	Insurance brokers
JRT Insurance Brokers Limited	As above	England	Direct	Insurance brokers
Lorica Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Morton Michel Holdings Limited	As above	England	Direct	Intermediate holding company
Morton Michel Limited	As above	England	Indirect	Insurance brokers
Offley Insurance Services Limited	As above	England	Indirect	Insurance brokers
Online Risk Solutions Limited	As above	England	Indirect	Insurance brokers
Philip Paul & Associates Limited	As above	England	Indirect	Insurance brokers
PIB Employee Benefits Limited	As above	England	Indirect	Employee benefit services
PIB Employee Benefits Holdings Limited	As above	England	Direct	Intermediate holding company
PIB Group CEE (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Europe (UK) Limited	As above	England	Direct	Intermediate holding company
PIB (Group Services) Limited	As above	England	Direct	Management company
PIB (Legacy EB) Limited	As above	England	Indirect	Insurance brokers
PIB Risk Management Limited	As above	England	Indirect	Risk management services
PIB Risk Services Limited	As above	England	Direct	Insurance brokers
Premier Business Cost Saving Specialists Limited	As above	England	Indirect	Procurement services
QPI Legal Limited	As above	England	Indirect	Insurance brokers
R A Insurance Brokers Limited	As above	England	Direct	Insurance brokers
Rigton Insurance Services Limited	As above	England	Direct	Insurance brokers
Robert Edwards Southern Limited	As above	England	Indirect	Insurance brokers
Simply Insurance Services Limited	As above	England	Direct	Insurance brokers
Stephensons (2000) Limited	As above	England	Indirect	Insurance brokers
Sue Smith Limited	As above	England	Indirect	Health and safety services
Q Underwriting Limited	As above	England	Direct	Insurance brokers
Thistle Insurance Services Limited	As above	England	Direct	Insurance brokers
UK & Ireland Insurance Services Limited	As above	England	Indirect	Insurance brokers
UK & Ireland holdings Limited	As above	England	Direct	Intermediate holding company
Wheatley Wright Insurance Services Limited	As above	England	Direct	Insurance brokers
Wilby Limited	As above	England	Indirect	Insurance brokers
PIB Group Spain (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Germany (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Benelux (UK) Limited	As above	England	Indirect	Intermediate holding company

17 Subsidiaries (continued)

Barbon Insurance Group Limited	Hestia House, Edgewest Road, Lincoln, LN6 7EL	England	Indirect	Insurance brokers
Barbon Holdings Limited	As above	England	Indirect	Intermediate holding company
Beck Bidco Limited	As above	England	Indirect	Intermediate holding company
Letsure Limited	As above	England	Indirect	Insurance brokers
Letsure Underwriting Limited	As above	England	Indirect	Insurance brokers
Letsure Underwriting Management Limited	As above	England	Indirect	Insurance brokers
Movem Limited	As above	England	Indirect	Insurance brokers
Rentdata Limited	As above	England	Indirect	Insurance brokers
Rentshield Direct Limited	As above	England	Indirect	Insurance brokers
Let Alliance Limited	Dodleston House, Bell Meadow Business Park, Pulford, Chester, CH4 9EP	England	Indirect	Insurance brokers
Propgen Limited	The Hedge Business Centre, Level 3, Triq ir-Rampa ta' San Giljan, Balluta Bay, St Julians, STJ 1062	Malta	Indirect	Insurance brokers
Propgen Holdings Limited	As above	Malta	Indirect	Intermediate holding company
Albany Asset Management Limited	5th Floor Stock Exchange Court, 77 Nelson Mandela Place, Glasgow, Lanarkshire, G2 1QY	Scotland	Indirect	Insurance brokers
Carmichael (Aberdeen) Limited	14 Golden Square, Aberdeen, AB10 1RH	Scotland	Indirect	Insurance brokers
Channel Insurance Brokers (Jersey) Limited	PO Box 664, No 4 South Esplanade, St Peter Port, Guernsey, GY1 1AN	Guernsey	Direct	Insurance brokers
Let Alliance Tech Hub Private Limited	C-402 Satyamev Royal, Opp Satyamev Famasa Village, Uvarsad, Gandhinagar	India	Indirect	Insurance brokers

17 Subsidiaries (continued)

Optis Insurances Limited	Unit 1, Knightsbrook Square, Knightsbrook, Trim, Co.Meath, Ireland, C15 AN81	Ireland	Indirect	Insurance brokers
PIB Insurance (Europe) Limited	25-28 North Wall Quay, Dublin 1, Ireland, D01 H104	Ireland	Direct	Intermediate holding company
Marx Re Insurance Brokers GmbH	Leopoldstraße 46 80802 München	Germany	Indirect	Insurance brokers
Catalonia Bidco GmbH	As above	Germany	Indirect	Intermediate holding company
WDB SA	3 Fiołkowa Street, 52-200 Wysoka	Poland	Direct	Insurance brokers
WDB Consulting SP.Z O.O.	As above	Poland	Indirect	Insurance brokers
Barbeck Midco 1 Limited	44 Esplanade, Helier, Jersey, JE4 9WG	Jersey	Indirect	Intermediate holding company
Barbeck Midco 2 Limited	As above	Jersey	Indirect	Intermediate holding company
Barbeck Midco 3 Limited	As above	Jersey	Indirect	Intermediate holding company
Barbeck Topco Limited	As above	Jersey	Direct	Intermediate holding company
Acquinex Limited	6 Lloyds Avenue, london. EC3N 3AX	England	Indirect	Intermediate holding company
Acquinity Partners Limited	As above	England	Direct	Insurance brokers
Acquinex A/S	Bredgade 30, 1260 Copenhagen K	Denmark	Indirect	Insurance brokers
Acquinex GmbH	Kaiserhofstr. 10, 60313 Frankfurt am Main	Germany	Indirect	Insurance brokers
Creane & Creane Limited	23/24 Main Street, Enniscorthy, Co Wexford	Ireland	Indirect	Insurance brokers
CBC Insurance (Jersey) Limited	9 Commercial Buildings, St Helier, Jersey JE3 8SN	Jersey	Direct	Insurance brokers

17 Subsidiaries (continued)

Rent4Sure Limited	Unit 1 The Glenmore Centre, Honeywood Parkway Whitfield, Dover, Kent, CT16 3FH	England	Direct	Insurance brokers
R A Back Office Services (India) Private Limited	3rd Floor Landmark Building, Race Course Circle, Vadodara, Gujarat - 390007, India	India	Indirect	Insurance brokers

All subsidiaries above are 100% owned and have been included within these consolidated financial statements.

18 Subsidiary guarantees

As a parent company established under the law of the UK (an EEA state) for the 12 month period ended 31 December 2021, PIB Group Limited took advantage of the exemption from audit under section 479A of the Companies Act 2006 for the following subsidiary undertakings:

Acquinex Limited (10637152)
Acquinity Partners Limited (11018914)
Albany Asset Management Limited (SC188800)
Alto Insurance Group Ltd (07903709)
aQmen Holdings Limited (10153214)
aQmen Limited (05769545)
Arlington Insurance Services Limited (05356494)
B.K Insurance Brokers Limited (01867316)
Barbon Holdings Limited (07435517)
Bartleet Enterprises Limited (07892872)
Beck Bidco Limited (09475437)
BKG West Limited (04320747)
Carmichael (Aberdeen) Limited (SC161121)
Case Insurance Services Limited (07456845)
Chester Crown Holdings Limited (06654784)
Citynet London Holdings Limited (08218863)
CMR Insurance Services Limited (03239596)
Cobra Corporate Solutions Limited (03426633)
Cobra GAL (Holdings) Limited (05074528)
Cobra Holdings Limited (05548507)
Cobra Insurance Brokers Limited (03233679)
Cobra Network Limited (04628555)
Cobra Resource Management Limited (05553037)
Cobra Underwriting Agencies Limited (04731994)
Cooper Solutions Limited (05168547)
D. E. Ford (Insurance Brokers) Limited (01282731)
D. E. Ford Holdings Limited (08038956)
Element Hinton (Insurance Brokers) Limited (07568517)
ENSCO 1069 Limited (09033987)
Erskine Murray Limited (09564100)
Fish Administration Limited (04214119)
Houghton Insurance Bureau Limited (01517422)
i2 Healthcare Limited (06243798)
Internet Insurance (Holdings) Limited (08541798)
Internet Insurance Services UK Limited (03928028)
JRT Insurance Brokers Limited (09213670)
Let Alliance Limited (07338620)
Letsure Limited (03010153)
Letsure Underwriting Limited (03115130)
Letsure Underwriting Management Limited (03115069)
Lorica Insurance Brokers Limited (01417032)
Morton Michel Holdings Limited (07837994)
Morton Michel Limited (05120835)
Movem Limited (08876118)
Offley Insurance Services Limited (04483586)
Online Risk Solutions Limited (07822050)

18 Subsidiary guarantees (continued)

Philip Paul & Associates Limited (06762003)
PIB (Group Services) Limited (10315628)
PIB (Legacy EB) Limited (10315612)
PIB Employee Benefits Holdings Limited (03702198)
PIB Group Benelux (UK) Limited (13771029)
PIB Group CEE (UK) Limited (06920259)
PIB Group Europe (UK) Limited (07834330)
PIB Group Germany (UK) Limited (13532211)
PIB Group Spain (UK) Limited (13533012)
PIB Risk Management Limited (07473310)
Premier Business Cost Saving Specialists Limited (07966466)
QPI Legal Limited (05160880)
R A Insurance Brokers Limited (03248029)
Rent4Sure Limited (06988086)
Rentdata Limited (10309738)
Rentshield Direct Limited (05616550)
Rigton Insurance Services Limited (01159640)
Robert Edward (Southern) Limited (02278009)
Simply Insurance Services Limited (03904070)
Stephensons (2000) Limited (03900356)
Sue Smith Limited (07605649)
UK & Ireland Holdings Limited (09761677)
UK & Ireland Insurance Services Limited (02793327)
Wheatley Wright Insurance Services Limited (04664478)
Wilby Limited (02592184)

PIB Group Limited guarantees the subsidiaries above under section 479C of the Companies Act 2006 in respect of the year ended 31 December 2021. The aggregate carrying value of liabilities guaranteed by the company under the use of this exemption at the end of the reporting date was £111,530k (2020: £65,718k).

19 Trade and other receivables

	2021 £000	2020 £000
Trade receivables	40,153	38,374
Other debtors	2,464	3,400
Amounts due from related parties	2,908	2,834
Prepayments	11,175	7,252
	56,700	51,860

20 Cash and cash equivalents

	2021 £'000	2020 £'000
Office cash	159,217	52,273
Client cash	105,281	87,702
	264,498	139,975

21 Contract balances

	2021 £'000	2020 £'000
Current contract assets		
Cost of fulfilment asset	1,514	1,355
Profit commission	15,336	9,534
	16,850	10,889

	2021 £'000	2020 £'000
Non-current contract assets		
Profit commission	221	245

The cost of fulfilment asset relates to the time spent by staff in the placement of new and renewed policies in a reporting period prior to the recognition of the related revenue.

As the period of time over which these placement activities takes place is typically only up to two months, the full balance at the end of each reporting period has been released to the statement of profit or loss in the following year.

No impairment loss has been recognised in respect of the cost of fulfilment asset either in 2020 or 2021.

Management measure the loss allowance on profit commission at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the insurance industry, the ECL has been assessed as nil. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for profit commission.

	2021 £'000	2020 £'000
Contract liabilities		
Claims handling obligations	1,794	1,161
Other deferred revenue	4,436	4,258
	6,230	5,419

All contract liabilities are due within 12 months.

22 Derivative financial instruments

As at the end of the year, there were no open forward contracts. As at 31 December 2020, there were EUR 1,500k of open forward contracts for sale to GBP to purchase £1,377k. The following table provides details relating to those contracts.

As at 31 December 2020	Amount	Committed exchange rate	Contracted value	Fair value
Expires	**€'000**	**%**	**£000**	**£000**
1 June 2021	1,500	1.0895	1,377	19

All derivatives are measured at fair value. Fair value has been calculated from data sources from an independent financial market data provider.

23 Borrowings

	2021	2020
	£000	**£000**
Unsecured borrowings at amortised cost		
Loans from related parties	428,269	278,877
Loan notes	14,949	13,347
	443,218	292,224

The Group's immediate parent company, Paisley Bidco Limited, entered into a credit facility on 17 March 2021, which it draws down on and lends to the Group on similar terms. As at the year end, the facility consisted of a £1,032m long term loan due to mature in 2028 with an initial margin of either 5.5% or 6.00% depending on the currency of the drawdown and the tranche of the facility. In addition, there is a £50m revolving facility due to mature in 2027 with an initial margin of 2.75%, plus a commitment fee on any undrawn amount of the facility. Both are subject to a ratchet starting on 17 March 2022 that would result in margins between 4.75% and 6.25% on the long term loan and between 2.25% and 2.75% on the revolving facility. In addition to these respective margins, each loan attracts an interest charge equivalent to SONIA, Sterling Overnight Interbank Average Rate, (previously GBP LIBOR, London Interbank Offered Rate) or EURIBOR, Euro Interbank Offered Rate, on euro denominated draw downs. The amount drawn by the Group under this onlending arrangement as at 31 December 2021 was £153,752k.

Prior to 17 March 2021, the Group had a similar facility to borrow from another group company, Ivy Finco Limited. The amount drawn by the Group as at 31 December 2021 was £274,517k.

The loan notes represent a principal of £7,826k (2020: £7,826k) plus accrued interest which is compounded annually on 31 December. The loan notes carry an effective interest rate of 12% and are redeemable in 2026 in full.

24 Trade and other payables

	2021 £000	2020 £000
Current		
Trade payables	110,540	89,139
Amounts due to related parties	34,816	-
Accruals	15,658	12,980
Deferred consideration	3,122	7,249
Social security and other taxation	3,253	7,363
Contingent consideration	9,942	11,013
Other creditors	7,327	4,621
	184,658	132,365
Non-current		
Deferred consideration	-	837
Contingent consideration	5,479	4,294
	5,479	5,131

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Management consider that the carrying amount of trade payables approximates to their fair value.

25 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021	**2020**
	£000	**£000**
On acquisition of customer relationships	(55,857)	(45,073)
Accelerated tax depreciation	925	602
Short term timing differences	796	105
Unutilised losses	3,761	4,480
	(50,375)	(39,886)

Movements in the year:	**£000**
Net liability as at 1 January 2021	(39,886)
Charge to statement of profit or loss	(2,598)
On acquisition of business combinations	(22)
On acquisition of customer relationships	(7,869)
Net liability as at 31 December 2021	(50,375)

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. UK deferred tax balances as at 31 December 2021 are measured at the rate that the respective assets and liabilities will reverse.

26 Provisions for liabilities

	2021	**2020**
	£000	**£000**
Dilapidations provision	843	566
Service charge provision	42	58
Other provisions	42	19
	927	643

26 Provisions for liabilities (continued)

Analysis of provisions

Provisions are classified based on the amounts that are due within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £000	2020 £000
Current liabilities	84	77
Non-current liabilities	843	566
	927	643

Movements on provisions:

	Dilapidations provision £000	Service charge provision £000	Other provisions £000	Total £000
At 1 January 2021	566	58	19	643
Additional provisions in the year	277	-	23	300
Utilisation	-	(16)	-	(16)
At 31 December 2021	843	42	42	927

Provisions have not been discounted as the effect of the time value of money is immaterial.

The following information describes how the best estimate for each provision has been calculated.

The Group has dilapidation provisions in respect of premises that it occupies. The provision relates to future reparation costs on these premises. The dilapidation costs have been estimated using the Group's past experience of similar expenses. Dilapidation payments are due at the earlier of the break option or end of the property lease.

The Group makes a service charge provision where the Group vacates a building and is still required to pay the service charge until the end of the contract. The unused rent element of the lease is recognised as an impairment to the associated right-of-use asset.

Other provisions relate to restructuring. The Group recognises a provision for restructuring when it has a legal or constructive obligation to carry out the restructuring. The restructuring may be the sale or termination of a line of business, the closure or relocation of business activities in a particular region, changes in management structure or any other reorganisations with a material effect on the entities operations. The Group only recognises the provision when it has a formal detailed plan and it has raised a valid expectation in those affected that it will carry out the restructuring. A restructuring provision has been recognised which relates to the closure of a business division in 2018.

27 Financial instruments

The carrying amounts of the group's financial assets and liabilities in each measurement category are as follows:

Financial assets	2021 £000	2020 £000
Measured at amortised cost:		
Shares in ultimate parent company	-	2,566
Trade receivables and other debtors	42,618	41,774
Profit commission	15,557	9,779
Amounts due from related parties	2,908	2,834
Cash at bank and in hand	264,498	139,975
	325,581	196,928
Mandatorily measured at fair value through profit or loss:		
Other investments	188	185
Derivative financial instruments	-	19
	188	204
	325,769	197,132

Financial liabilities	2021 £000	2020 £000
Measured at amortised cost:		
Loan notes	14,949	13,347
Deferred consideration	3,122	8,086
Loans from related parties	428,269	278,877
Trade payables and other creditors	117,866	93,760
	564,206	394,070
Mandatorily measured at fair value through profit or loss:		
Contingent consideration	15,421	15,307
	579,627	409,377

The carrying value of financial assets and liabilities held at amortised cost approximate to their fair value.

27 Financial instruments (continued)

Financial instruments held at fair value

The disclosure of fair value measurements by level is assessed using the following fair value measurement hierarchy

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability (Level 2)

- inputs for the asset or liability that are not based on observable market data (Level 3)

The level 2 instruments are not traded in an active market and therefore their fair value has been determined using forward exchange rates or forward interest rates derived from market sourced data.

The fair value of level 3 instruments have been determined using the probable cash flow profile using management forecast data, with the cash flows discounted back to present value.

The fair value of other investments has been estimated as cost due to insufficient recent available information being available to determine fair value. There are no indicators that cost is not representative of fair value.

Contingent consideration relates to estimated future earn out payments resulting from business combinations. Earn out payments are linear based on either revenue or EBITDAE and typically cover a period of one to two years. Estimates of these payments are made by reference to detailed reviews of historical performance, forecasts and expected customer retention. The estimated cashflows are discounted where material. Apart from where the earn out period has been completed, the range of outcomes has not changed during the year.

At 31 December 2021	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**
Other investments	-	-	188
Derivative financial instruments	-	-	-
Contingent consideration	-	-	(15,421)

At 31 December 2020	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**
Other investments	-	-	185
Derivative financial instruments	-	19	-
Contingent consideration	-	-	(15,307)

27 Financial instruments (continued)

Reconciliation of movements in Level 3 financial instruments

	Other investments £000	Contingent consideration £000	Total £000
Balance at 1 January 2021	185	(15,307)	(15,122)
Gains and losses recognised in profit or loss	-	(7,795)	(7,795)
Acquisitions	3	(5,331)	(5,328)
Settlements	-	12,836	12,836
Unwinding of discount	-	(472)	(472)
Exchange differences	-	648	648
Balance at 31 December 2021	188	(15,421)	(15,233)

	Other investments £000	Contingent consideration £000	Total £000
Balance at 1 January 2020	200	(6,232)	(6,032)
Gains and losses recognised in profit or loss	-	1,861	1,861
Acquisitions	-	(14,878)	(14,878)
Settlements	(15)	4,454	4,439
Unwinding of discount	-	(433)	(433)
Exchange differences	-	(79)	(79)
Balance at 31 December 2020	185	(15,307)	(15,122)

Sensitivity analysis on level 3 instruments

The other investments mainly relate to a minority non-quoted equity holding in ProAktive Risk Group Limited with a carrying value of £182k and which was acquired as part of an historical group acquisition. Any change in the carrying value of that asset would be offset by an equal and opposite change in contingent consideration as any proceeds from the disposal of the holding would be payable to the vendors under the terms of that acquisition.

The contingent consideration is dependent on the future revenue performance of certain historical group acquisitions. A 10% increase/(decrease) in performance over their remaining respective performance periods would result in a £1,280k (2020:£4,543k) increase/(decrease) in contingent consideration and a corresponding gain/loss in the statement of profit or loss.

28 Retirement benefit schemes

Defined contribution schemes	**2021**	**2020**
	£000	**£000**
Charge to statement of profit or loss in respect of defined contribution schemes	3,844	3,000

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

29 Share capital	**2021**	**2020**
	£000	**£000**
Ordinary share capital		
Issued and fully paid		
296,922,439 Ordinary A of £0.001 each	297	296
4,000 Ordinary B of £1 each	4	4
	301	300

The Company has two classes of ordinary shares neither of which carry a right to fixed income. All shares classes have full voting rights, the right to receive a dividend and the right on a distribution of capital (including on a winding up) to participate equally with the other shares in issue.

Reconciliation of movements in ordinary A shares during the year:

	2021	**2020**
	Number	**Number**
At 1 January	296,012,439	163,082,143
Issue of fully paid shares	910,000	132,930,296
At 31 December	296,922,439	296,012,439

30 Acquisitions of a business

During the year the Group acquired the issued share capital of UK & Ireland Insurance Services Ltd, Element Hinton (Insurance Brokers) Ltd, Acquinity Partners Ltd, Creane & Creane Ltd, CBC Insurance (Jersey) Ltd, Rent4Sure Ltd, Simply Insurance Services Ltd, JRT Insurance Brokers Ltd. The summary of the acquired balances is detailed below:

Summary

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	1	36,777	36,779
Property, plant and equipment	288	-	288
Right-of-use assets	709	-	709
Other investments	4	-	4
Trade and other receivables	3,175	-	3,175
Cash and cash equivalents	20,212	-	20,212
Trade and other payables	(11,547)	-	(11,547)
Lease liabilities	(709)	-	(709)
Provisions	(146)	-	(146)
Tax liabilities	(1,360)	-	(1,360)
Deferred tax	(21)	(7,869)	(7,890)
Total identifiable net assets	10,606	28,908	39,515
Goodwill			45,985
Total consideration			85,500

The consideration was satisfied by:	£000
Cash	59,025
Deferred consideration	9,997
Contingent consideration	5,331
Issue of ultimate parent company shares	11,147
	85,500

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	19,899
Profit before tax	8,299

If all of these acquisitions had completed on the first day of the reporting period, Group revenues would have been reported as £240,618k and loss before tax as £27,408k.

30 Acquisitions of a business (continued)

Acquisition costs arising as a result of these transactions amount to a total of £3,369k and has been recognised as part of other operating expenses in the statement of profit or loss.

The business combinations included within the summary above are shown individually below:

On 4 January 2021 the Group acquired 100% of the issued share capital of UK & Ireland Insurance Services Ltd, a commercial insurance broker operating from the UK.

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	-	8,083	8,083
Property, plant and equipment	56		56
Right-of-use assets	404		404
Other investments	1		1
Trade and other receivables	281		281
Cash and cash equivalents	2,735		2,735
Trade and other payables	(1,516)		(1,516)
Lease liabilities	(404)		(404)
Provisions	(31)		(31)
Tax liabilities	(113)		(113)
Deferred tax	(4)	(1,535)	(1,539)
Total identifiable net assets	1,409	6,548	7,957
Goodwill			3,557
Total consideration			11,514

The consideration was satisfied by:	£000
Cash	6,350
Deferred consideration	1,312
Contingent consideration	2,942
Issue of ultimate parent company shares	910
	11,514

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	2,952
Profit before tax	1,413

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £230,851k and loss before tax as £30,634k.

30 Acquisitions of a business (continued)

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

The contingent consideration is linear based on a percentage of revenue and therefore the minimum payment is nil and the maximum is unlimited

On 2nd March 2021 the Group acquired 100% of the issued share capital of Element Hinton (Insurance Brokers) Ltd, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	2,923	2,923
Property, plant and equipment	21		21
Right-of-use assets	51		51
Other investments	3		3
Trade and other receivables	11		11
Cash and cash equivalents	1,368		1,368
Trade and other payables	(112)		(112)
Lease liabilities	(51)		(51)
Tax liabilities	(127)		(127)
Deferred tax	(4)	(555)	(559)
Total identifiable net assets	1,160	2,368	3,528
Goodwill			1,286
Total consideration			4,814

The consideration was satisfied by:	£000
Cash	2,750
Deferred consideration	1,098
Contingent consideration	966
	4,814

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	1,214
Loss before tax	(19)

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £231,062k and loss before tax as £30,644k.

30 Acquisitions of a business (continued)

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

The contingent consideration is linear based on a percentage of revenue and therefore the minimum payment is nil and the maximum is unlimited

On 19th March 2021 the Group acquired 100% of the issued share capital of Acquinity Partners Limited, a commercial insurance broker operating from the UK, Germany & Denmark:

	Book Value £000	Adjustments £000	Fair Value £000
Property, plant and equipment	40	-	40
Right-of-use assets	61	-	61
Trade and other receivables	1,022	-	1,022
Cash and cash equivalents	9,827	-	9,827
Trade and other payables	(5,082)	-	(5,082)
Lease liabilities	(61)	-	(61)
Tax liabilities	(624)	-	(624)
Deferred tax	(5)	-	(5)
Total identifiable net assets	5,178	-	5,178
Goodwill			22,908
Total consideration			28,086

The consideration was satisfied by:	**£000**
Cash	16,052
Deferred consideration	5,612
Issue of ultimate parent company shares	6,422
	28,086

Contribution by the acquired businesses for the reporting period since acquisition:	**£000**
Revenue	12,034
Profit before tax	4,903

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £233,379k and loss before tax as £29,254k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

30 Acquisitions of a business (continued)

On 1st April 2021 the Group acquired 100% of the issued share capital of Creane and Creane Ltd, a commercial insurance broker operating from Ireland:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	-	10,405	10,405
Property, plant and equipment	107	-	107
Trade and other receivables	576	-	576
Cash and cash equivalents	2,480	-	2,480
Trade and other payables	(2,439)	-	(2,439)
Provisions	(5)	-	(5)
Tax liabilities	22	-	22
Deferred tax	-	(1,977)	(1,977)
Total identifiable net assets	741	8,428	9,169
Goodwill			4,578
Total consideration			13,747

The consideration was satisfied by:	£000
Cash	11,119
Deferred consideration	757
Issue of ultimate parent company shares	1,871
	13,747

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	2,136
Profit before tax	1,036

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £231,731k and loss before tax as £30,214k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

30 Acquisitions of a business (continued)

On 7th May 2021 the Group acquired 100% of the issued share capital of CBC Insurance (Jersey) Limited, a commercial insurance broker operating from Jersey:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	-	657	657
Trade and other receivables	393	-	393
Cash and cash equivalents	599	-	599
Trade and other payables	(783)	-	(783)
Tax liabilities	(9)	-	(9)
Deferred tax	-	(125)	(125)
Total identifiable net assets	200	532	732
Goodwill			159
Total consideration			891

The consideration was satisfied by:	£000
Cash	850
Deferred consideration	41
	891

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	363
Profit before tax	100

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £231,003k and loss before tax as £30,604k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

30 Acquisitions of a business (continued)

On 2nd August 2021 the Group acquired 100% of the issued share capital of Rent4Sure Limited, a commercial insurance broker operating from the UK:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	1	6,106	6,107
Property, plant and equipment	13	-	13
Right-of-use assets	148	-	148
Trade and other receivables	609	-	609
Cash and cash equivalents	1,078	-	1,078
Trade and other payables	(596)	-	(596)
Lease liabilities	(148)	-	(148)
Provisions	(75)	-	(75)
Tax liabilities	(241)	-	(241)
Deferred tax	-	(1,526)	(1,526)
Total identifiable net assets	789	4,580	5,369
Goodwill			8,411
Total consideration			13,780

The consideration was satisfied by:	£000
Cash	13,300
Deferred consideration	480
	13,780

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	2,313
Profit before tax	453

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £234,284k and loss before tax as £29,855k.

30 Acquisitions of a business (continued)

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

On 1st September 2021 the Group acquired 100% of the issued share capital of Simply Insurance Services Limited, a commercial insurance broker operating from the UK:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	-	3,939	3,939
Property, plant and equipment	36	-	36
Right-of-use assets	45	-	45
Trade and other receivables	241	-	241
Cash and cash equivalents	991	-	991
Trade and other payables	(776)	-	(776)
Lease liabilities	(45)	-	(45)
Provisions	(35)	-	(35)
Tax liabilities	(134)	-	(134)
Deferred tax	(6)	(985)	(991)
Total identifiable net assets	317	2,954	3,271
Goodwill			2,755
Total consideration			6,026

The consideration was satisfied by:	£000
Cash	3,804
Deferred consideration	55
Contingent consideration	1,423
Issue of ultimate parent company shares	744
	6,026

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	852
Profit before tax	109

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £232,577k and loss before tax as £30,283k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

30 Acquisitions of a business (continued)

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited

On 8th September 2021 the Group acquired 100% of the issued share capital of JRT Insurance Brokers Ltd, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	4,665	4,665
Property, plant and equipment	15	-	15
Trade and other receivables	42	-	42
Cash and cash equivalents	1,134	-	1,134
Trade and other payables	(243)	-	(243)
Tax liabilities	(134)	-	(134)
Deferred tax	(2)	(1,166)	(1,168)
Total identifiable net assets	812	3,499	4,311
Goodwill			2,331
Total consideration			6,642

The consideration was satisfied by:	£000
Cash	4,800
Deferred consideration	642
Issue of ultimate parent company shares	1,200
	6,642

Contribution by the acquired businesses for the reporting period since acquisition:	£000
Revenue	464
Profit before tax	266

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £231,689k and loss before tax as £30,359k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell group products.

31 Financial risk management

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the group.

The Group's maximum exposure to credit risk is limited to the carrying value of financial assets which are set out below:

	2021 £000	2020 £000
Cash and cash equivalents	264,498	139,975
Derivative financial instruments	-	19
Trade receivables	40,153	38,374
Other debtors	2,464	3,400
Amounts due from related parties	2,908	2,834
Profit commission	15,557	9,779
	325,580	194,381

The credit risk on cash and cash equivalents, derivative financial instruments and profit commissions is limited as the counterparties are banks or insurance companies with high credit ratings.

Other debtors mainly comprise landlord security deposits, staff loans, overriders and advance payments on the apprenticeship levy, none of which are rated or deemed to have significant credit risk.

The Group's largest credit risk relates to trade receivables. The Group applies a lifetime expected credit loss to trade receivables. It estimates the expected credit loss by reference to historical experience, the profile of overdue debt and available information relating to counterparties with a distressed financial situation. The Group mitigates credit losses by maintaining a credit control department that monitors outstanding debt and categorises it as being not past due or the number of days overdue.

The carrying amount of trade receivables is set out below:

	2021 £000	2020 £000
Gross carrying amount	41,485	39,303
Credit loss allowance	(1,332)	(929)
Net carrying amount	40,153	38,374

31 Financial risk management (continued)

Ageing information of trade receivables is as set out below:

	Not past due £000	0-3 months £000	More than 3 months £000	Total £000
As at 31 December 2021				
Trade receivables	8,803	25,812	5,538	40,153

	Not past due £000	0-3 months £000	More than 3 months £000	Total £000
As at 31 December 2020				
Trade receivables	9,151	23,932	5,291	38,374

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Interest rate risk

Interest rate risk is the risk that future cashflows of a financial instrument will fluctuate because of changes in interest rates.

The Group's largest exposure to interest rate risk is on the loans from a related parties set out in note 23 which have variable interest rates linked to SONIA. A 1% change in SONIA would result in a £4,283k change in profit before tax based on the amount borrowed as at 31 December 2021 (2020: £2,789k).

Liquidity risk

Liquidity risk is the risk that the group might not be able to meet its obligations.

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

31 Financial risk management (continued)

The following are the Group's remaining undiscounted contractual maturities excluding lease payments and excluding interest payments. The contractual maturities of lease payments are disclosed in note 14. The contractual maturity is based on the earliest date on which the Group may be required to pay the outstanding balance.

	Less than 1 year £000	1-5 years £000	More than 5 years £000	Total £000
As at 31 December 2021				
Loans from related parties	-	428,269	-	428,269
Loan notes	-	14,949	-	14,949
Trade and other payables	184,658	5,479	-	190,137
	184,658	448,697	-	633,355

	Less than 1 year £000	1-5 years £000	More than 5 years £000	Total £000
As at 31 December 2020				
Loans from related parties	-	278,877	-	278,877
Loan notes	-	-	7,826	7,826
Trade and other payables	132,365	5,131	-	137,496
	132,365	284,008	7,826	424,199

Foreign currency risk

Foreign currency risk is the risk that movements in exchange rates impact the financial performance of the Group and arises where assets and liabilities of a subsidiary are denominated in a currency other than the functional currency of that subsidiary.

The Group is broadly matched in terms of assets and liabilities in all currencies except euros. As at 31 December 2021, the group had euro net assets amounting to €2,057k (2020: €4,821k). The Group has used currency forwards to sell euros and buy sterling in order to mitigate foreign exchange risk. Details relating to currency forwards can be found in note 22. A 10% change in the euro exchange rate would result in a £173k change in profit before tax based on the hedged position as at 31 December 2021 (2020: £85k).

Capital management

The group manages its capital to ensure that the group is able to continue to meet its liabilities and sufficient capital is maintained to support the planned growth in the business. The objective is to maintain an optimal capital structure that reduces the cost of capital. The capital structure consists of equity in the form of share capital, share premium and retained earnings. Debt consists of loan notes and a long-term loan from the parent company.

31 Financial risk management (continued)

Although the PIB Group is not regulated directly by the FCA, it holds restricted cash in a segregated account to satisfy the FCA's Threshold Condition 2.4. The segregated cash ensures that there are funds available to pay any costs and expenses necessary to achieve an orderly wind down of the Group. All UK regulated entities are able to utilise this ringfenced cash when necessary to facilitate their orderly wind down. In addition, certain subsidiaries have minimum capital levels required by the Financial Conduct Authority and these have been complied with during the year.

32 Guarantees and contingent liabilities

In 2021 the Group became aware of a potential claim from an insurer that a series of inner limits and revised schedules had allegedly been provided to the Group for implementation within a binder but these had not been implemented as requested ahead of a number of claims being made by policy holders. A third party review has been commissioned to establish whether the Group has any exposure in relation to this claim. At the date of publishing the financial statements, the extent of any exposure has not been established, and as such it is not possible to establish an estimate with reasonable certainty of any potential risk, the associated financial impact and hence outflow. The Group would reasonably expect any exposure arising to be covered by our Professional Indemnity Insurance.

33 Related party transactions

Compensation of key management personnel

Compensation awarded to key management, which is defined as the board of directors and executive committee, is as follows:

	2021 £000	2020 £000
Short-term employee benefits	6,018	2,134
Post-employment benefits	77	23
	6,095	2,157

Directors shareholdings

As at 31 December 2021, B McManus and R Brown held a total of 79,817 ordinary B shares and 15,070,183 preference shares in the Group's ultimate parent company, Paisley Equityco Limited.

As at 31 December 2020, B McManus, C Giles and R Brown held a total of 2,324 ordinary B shares, 50 ordinary F shares and 5,379,263 preference shares in Ivy Topco Limited, the Group’s ultimate parent company at that date.

Transactions with related parties

Paisley Equityco Limited is the Group's ultimate parent company. Paisley Topco Limited, Paisley Holdco Limited and Paisley Midco Limited are intermediate holding companies to the Group. Paisley Bidco Limited is the company's immediate parent company.

33 Related party transactions (continued)

As at 31 December 2021, the following balances were held with these related parties which were unsecured, repayable on demand and do not attract interest.:

	2021	2020
	£000	£000
Balance due (to)/from the Group		
Ivy Topco Limited	2,669	2,615
Ivy Debtco Limited	34	28
Ivy Midco Limited	170	164
Ivy Submidco Limited	34	27
Paisley Equityco Limited	(11,451)	-
Paisley Bidco Limited	90	-
	(8,454)	2,834

These balances result from the payment of invoices by the Group on behalf of these companies.

In addition, the Group has loans from Ivy Finco Limited and Paisley Bidco Limited. For further information relating to these loans, refer to note 23.

34 Controlling party

As at 31 December 2021, the company's immediate and ultimate parent companies were Ivy Finco Limited (registered company number 120451) registered in Jersey, with a registered office 44 Esplanade, St. Helier, Jersey JE4 9WG and Paisley Equityco Limited (registered company number 68633) registered in Guernsey with a registered office at PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, GY1 3PP. As at 31 December 2021, those companies were ultimately owned by entities trading as ‘the Apax Funds’.For the period up to 17 March 2021, the group was ultimately owned by entities trading as 'the Carlyle Group'.

For more information relating to changes in the immediate parent company after the year end, refer to note 36.

35 Cash generated from operations

	2021 £000	2020 £000
Loss for the year after tax	(37,584)	(23,202)
Adjustments for:		
Taxation charged/(credited)	6,950	(1,536)
Finance costs	21,686	17,081
Investment income	(74)	(438)
Return on associated undertakings	(62)	-
Other gains and losses	7,815	(1,816)
Loss on disposal of fixed assets	34	31
Amortisation and impairment of intangible assets	40,266	29,122
Depreciation and impairment of property, plant and equipment	2,030	1,696
Depreciation of right-of-use assets	3,519	2,729
Increase/(decrease) in provisions	138	209
Foreign exchange adjustments	996	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	(1,428)	6,560
Increase/(decrease) in trade and other payables	11,128	5,582
(Increase)/decrease in contract assets	(5,937)	(3,912)
Increase/(decrease) in contract liabilities	811	823
Cash generated from operations	50,288	32,929

36 Events after the reporting date

Following the reporting date, the PIB Group acquired 100% of the share capital of the following companies:

Acquisition	**Date**
Oliver Murphy Insurance Brokers Limited	13 January 2022
Campion Insurances Limited	20 January 2022
Brokers Union Sp.z o. o	26 January 2022
Cicor Internacional Correduria de Seguros y Reaseguros S. L.	6 February 2022
Light B.V.	15 February 2022
Exito Consulting Sp. z o. o	24 February 2022
Alan Tierney Partners Limited	2 March 2022
Bailey Garner (Health & Safety) Limited	4 April 2022
Fingal Insurance Group Limited	14 June 2022

At the time of the issue of the financial statements, the accounting for the acquisitions is incomplete and therefore the fair value of the consideration has not been disclosed.

On 27 January 2022, the PIB Group was sold by Ivy Finco Limited to Paisley Bidco Limited, previously an intermediate company.

36 Events after the reporting date (continued)

Following the Russian invasion of Ukraine, the UK, EU and USA have imposed and continued to escalate sanction regimes against Russia and Belarus. The company complies with applicable sanctions regimes across the world and ensures that its business relationships including direct clients, intermediaries and markets are free from applicable sanctions. The company has a strong control framework in place to prevent any potential breach of sanctions. This includes sanctions checks covering directors, shareholders and ultimate beneficial owners which are carried out ahead of new business, mid-term adjustment, claim payment or renewal. The company continues to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.

PIB GROUP LIMITED

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PIB GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Investments	**5**		547,489		454,687
Current assets					
Debtors	**6**	52,515		48,495	
Cash at bank and in hand		118,304		7,830	
		170,819		56,325	
Creditors: amounts falling due within one year	**7**	(97,973)		(53,746)	
Net current assets			72,846		2,579
Total assets less current liabilities			620,335		457,266
Creditors: amounts falling due after more than one year	**8**		(443,219)		(265,545)
Provisions for liabilities	**9**		(24,695)		(16,684)
Net assets			152,421		175,037
Capital and reserves					
Called up share capital	**10**		301		300
Share premium account			201,595		200,686
Profit and loss reserves			(49,475)		(25,949)
Total equity			152,421		175,037

As permitted by S408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £23,526k (2020:£14,332k).

The accompanying notes are an integral part of the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 June 2022 and are signed on its behalf by:

R Brown
Director

Company Registration No. 09900466

PIB GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2020		167	162,918	(11,617)	151,468
Year ended 31 December 2020:					
Loss for the year		-	-	(14,332)	(14,332)
Issue of share capital	**10**	133	37,768	-	37,901
Balance at 31 December 2020		300	200,686	(25,949)	175,037
Year ended 31 December 2021:					
Loss for the year		-	-	(23,526)	(23,526)
Issue of share capital	**10**	1	909	-	910
Balance at 31 December 2021		301	201,595	(49,475)	152,421

1 Accounting policies

Company information

PIB Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW.

These financial statements present information about the company as an individual undertaking.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments'- Paragraphs 11.42, 11.44, 11.45, 11.47, 11.48 (a) (iii), 11.48 (a) (iv), 11.48 (b), and 11.48 (c).
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

This information will be included in the consolidated financial statements of PIB Group Limited which are available from Registrar of Companies (England and Wales), Companies House, Crown Way, Cardiff CF14 3UZ.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The assessment of future performance included the collation and review of in depth annual budgets, review of the company's structure and detailed cash flow plans.

In light of the additional uncertainty regarding the impact of Covid-19 the Company has further considered its financial position and future performance. The Company has sufficient cash resources and has no concerns over the ability to meet its commitments. Well established business continuity plans have been used and the Company is able to continue to support its clients and expects to be able to do so for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1 Accounting policies (continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There were no critical judgements made that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The Company tests annually whether investments in subsidiaries have suffered any impairment.

The recoverable amount of investments in subsidiaries is determined based on value-in-use calculations prepared on the basis of management’s assumptions and estimates. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of a subsidiary is less than its cost; and the financial health of and near-term business outlook for the subsidiary, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow.

As a result of this assessment, an impairment loss of £Nil (2020: £Nil) was recognised in the year.

3 Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's financial statements amounted to £15k (2020: £15k).

4 Directors' remuneration

	2021 £000	2020 £000
Remuneration for qualifying services	4,292	763
	4,292	763

The number of directors who received remuneration for qualifying services was 3 (2020: 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £000	2020 £000
Remuneration for qualifying services	2,766	403

There were no pension contributions made to the highest paid director during the year.

Apart from the Directors, there were no other employees or staff costs.

5 Fixed asset investments

	2021 £000	2020 £000
Shares in group undertakings	547,489	454,687

Please refer to note 17 in the Group financial statements for a full list of subsidiaries at the reporting date.

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2021	454,687
Additions	92,802
At 31 December 2021	547,489
Carrying amount	
At 31 December 2021	547,489
At 31 December 2020	454,687

Please refer to note 30 in the Group financial statements for further information relating to additions in the year.

6 Debtors

Amounts falling due within one year:	2021 £000	2020 £000
Corporation tax recoverable	691	691
Amounts due from subsidiary undertakings	47,612	43,440
Amounts due from related parties	2,908	2,291
Other debtors	443	728
	51,654	47,150
Deferred tax asset	861	1,345
	52,515	48,495

Amounts due from subsidiary undertakings and related parties are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts due to group undertakings	83,887	41,273
Amounts due to related parties	11,317	264
Other taxation and social security	469	714
Deferred consideration	2,300	11,495
	97,973	53,746

Deferred consideration relates to future non contingent payments resulting from business combinations.

Amounts due to group undertakings and related parties are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Loan notes	14,949	13,347
Amounts due to related parties	428,270	252,198
	443,219	265,545

The loan notes represent a principal of £7,826k (2020: £7,826k) plus accrued interest which is compounded annually on 31 December. The loan notes carry an effective interest rate of 12% and are redeemable in 2026 in full.

Amounts due to related parties relate to loans from Ivy Finco Limited amounting to £274,518k and from Paisley Bidco Limited for £153,752k.

8 Creditors: amounts falling due after more than one year (continued)

The loan from Ivy Finco Limited expires in 2028 and carries an interest rate of 6.25%.

Paisley Bidco Limited has a borrowing facility which it draws down on and lends to the company on similar terms. As at the year end, the facility consisted of a £1,032m long term loan due to mature in 2028 with an initial margin of either 5.5% or 6% depending on the currency of the drawdown and the tranche facility. In addition, there is a £50m revolving facility due to mature in 2027 with an initial margin of 2.75%, plus a commitment fee on any undrawn amount of the facility. Both are subject to a ratchet starting on 17 March 2022 that would result in margins between 4.75% and 6.25% on the long term loan and between 2.25% and 2.75% on the revolving facility. In addition to these respective margins, each loan attracts an interest charge equivalent to SONIA (Sterling overnight interbank average rates)(previously GBP LIBOR, London Interbank Offered Rate) or EURIBOR (Euro Interbank Offered Rate) on euro denominated draw downs.

9 Provisions for liabilities

	2021 £000	2020 £000
Contingent consideration	24,695	16,684

Contingent consideration relates to estimated future earn out payments resulting from business combinations. Earn out payments are linear based on either revenue or EBITDAE and typically cover a period of one to two years. Estimates of these payments are made by reference to detailed reviews of historical performance, forecasts and expected customer retention.

Reconciliation of movement during the year:

	Contingent consideration £000
At 1 January 2021	16,684
Additional provisions in the year	20,347
Utilisation of provision	(17,068)
Unwinding of discount	1,126
Other movements	3,606
At 31 December 2021	24,695

10 Share capital

	2021 £000	2020 £000
Ordinary share capital		
Issued and fully paid		
296,922,439 Ordinary A of £0.001 each	297	296
4,000 Ordinary B of £1 each	4	4
	301	300

The Company has two classes of ordinary shares neither of which carry a right to fixed income. All shares classes have full voting rights, the right to receive a dividend and the right on a distribution of capital (including on a winding up) to participate equally with the other shares in issue.

Reconciliation of movements during the year:

	Ordinary A Number	Ordinary B Number	Number
At 1 January 2021	296,012,439	4,000	296,016,439
Issue of fully paid shares	910,000	-	910,000
At 31 December 2021	296,922,439	4,000	296,926,439

11 Related party transactions

The company meets the definition of a 'qualifying' entity under FRS 102 and has taken advantage of the exemption permitted by FRS 102 not to disclose transactions with entities that are wholly owned by the Group or total compensation of key management personnel.

12 Controlling party

As at 31 December 2021, the company's immediate and ultimate parent companies were Ivy Finco Limited (registered company number 120451) registered in Jersey, with a registered office 44 Esplanade, St. Helier, Jersey JE4 9WG and Paisley Equityco Limited (registered company number 68633) registered in Guernsey with a registered office at PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, GY1 3PP. As at 31 December 2021, those companies were ultimately owned by entities trading as ‘the Apax Funds’.

The smallest set of consolidated financial statements to include the Group are those of PIB Group Limited. The largest consolidated set of financial statements to include the Group are those of Paisley Equityco Limited. These consolidated financial statements are avaliable from the registered offices of PIB Group Limited.

For further information relating to changes in the immediate parent company after the year end, refer to note 13.

13 Events after the reporting date

Following the reporting date, the company acquired 100% of the share capital of the following companies:

Acquisition	**Date**
Oliver Murphy Insurance Brokers Limited	13 January 2022
Campion Insurances Limited	20 January 2022
Brokers Union Sp.z o. o	26 January 2022
Cicor Internacional Correduria de Seguros y Reaseguros S. L.	6 February 2022
Light B.V.	15 February 2022
Exito Consulting Sp. z o. o	24 February 2022
Alan Tierney Partners Limited	2 March 2022
Bailey Garner (Health & Safety) Limited	4 April 2022
Fingal Insurance Group Limited	14 June 2022

At the time of the issue of the financial statements, the accounting for the acquisitions is incomplete and therefore the fair value of the consideration has not been disclosed.

On 27 January 2022, the company was sold by Ivy Finco Limited to Paisley Bidco Limited, previously an intermediate company.

Following the Russian invasion of Ukraine, the UK, EU and USA have imposed and continued to escalate sanction regimes against Russia and Belarus. The company complies with applicable sanctions regimes across the world and ensures that its business relationships including direct clients, intermediaries and markets are free from applicable sanctions. The company has a strong control framework in place to prevent any potential breach of sanctions. This includes sanctions checks covering directors, shareholders, and ultimate beneficial owners which are carried out ahead of new business, mid-term adjustment, claim payment or renewal. The company continues to actively monitor the situation as it develops and will respond accordingly as new sanctions are enacted.