

Registration number: 10674827

Nevada Investments 5 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Nevada Investments 5 Limited

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Nevada Investments 5 Limited

Company Information

Directors	D C Ross D Cougill
Company secretary	D Clarke
Registered office	2 Minster Court Mincing Lane London EC3R 7PD United Kingdom
Auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

Nevada Investments 5 Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their Strategic Report for the year ended 31 December 2019 for Nevada Investments 5 Limited ("the Company"). The Strategic Report provides a review of the business for the financial year and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of The Ardonagh Group Limited ("the Group").

Principal activity and business review

The principal activity of the Company is that of a non-trading holding company, as such the Company does not generate any turnover.

The results for the Company show turnover of £Nil (2018: £Nil) and loss before tax of £2.6m (2018: £23.9m) for the year. At 31 December 2019 the Company had net assets of £11.6m (2018: £14.3m). The going concern note (part of accounting policies) on page 12 sets out the reasons why the directors believe that the preparation of the financial statements on a basis other than going concern is appropriate.

Outlook

The Company's indirect subsidiary Chase Templeton Limited was sold to Ardonagh Advisory Holdings Limited, a company under common control, on 24 December 2018. It is the directors' intention to wind up the Company.

The unprecedented and rapidly evolving nature of the global Covid-19 pandemic (including short-term and long term effects thereof) creates unprecedented and extraordinary uncertainties for most businesses including Nevada Investments 5 Limited. Consideration of the financial risk can be found in the Principal risks and uncertainties section below.

Key performance indicators

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

The key performance indicator for this Company is the carrying value of its subsidiaries, as these are the main assets of the Company. The performance of the subsidiaries will determine whether an impairment to the carrying value is required and this is tested on a regular basis.

Principal risks and uncertainties

The Company's performance and value, as a holding company of the Group, is integrated with its investment in the Company's subsidiary. As such from the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are managed separately. Accordingly, the principal risks and uncertainties are discussed in the Group's annual report.

A principal risk of this holding company is the trading performance of its subsidiaries. Trading performance in the subsidiaries could create the need for impairment leading to a reduction in net assets and distributable reserves of the Company. The subsidiaries set performance targets for the year ahead and performance is reviewed regularly against these targets. Reasons for under performance are monitored and mitigating actions are taken. The investment is reviewed for impairment to ensure the appropriate carrying value in the holding company's financial statements. As noted above, the Company's investment in subsidiaries was disposed of in the current year.

Nevada Investments 5 Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Financial risk

There is the risk of adverse impact on business value as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows against risk appetite and a focus on debt collection.

Impact of Covid-19

The Company and Group have considered the consequences and ramifications of the Covid-19 pandemic. Business Continuity Plans are in place across each of the operating segments, with measures to manage employee absences, access to the wider network of all offices, the efficiency and stability of the Company's infrastructure and the ability for home working for a significant portion of our employee base. Leadership teams and working groups led by senior managers are in place to support operational resilience and taking common-sense precautions with a view to ensuring the wellbeing of colleagues. We continue to review this approach on a daily basis in line with latest global developments and government guidance. Insurance broking is a resilient and defensive market, which has historically had limited impact from past economic or capital market downturns. As a Group, Ardonagh is highly diversified and not materially exposed to a single carrier, customer or market sector.

The Company and Group have sufficient liquidity to withstand a period of potential poor trading resulting from a sustained impact of Covid-19 and closely monitors available liquidity on an ongoing basis.

General data protection regulation

The Company's computer systems store information about its customers, some of which is sensitive personal data. Database privacy, identity theft and related computer and internet issues are matters of growing public concern and are subject to changes in rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or harm to our reputation. Although the Company has taken reasonable and appropriate security measures to prevent unauthorised access to information stored in our database and to ensure that our processing of personal data complies with the relevant data protection regulations, our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss.

Future impact of Brexit

The Brexit decision may affect the ability of businesses to passport from the UK into other EU states and likewise into the UK from the EU. Following the 2019 general election, the Prime Minister has been clear that he is driven to deliver Brexit with a transition period ending on 31 December 2020.

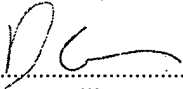
We continue to believe that the direct impact on the Group will not be significant because it conducts only limited business within the EU and, importantly, because several additional mitigation strategies have been put in place during 2019 (i.e. gaining direct authorisation in certain EU member states) to reduce the risk. However, the loss of passporting rights may affect the insurance markets in which the Group operates, possibly reducing insurance capacity, competition and choice.

Brexit could also lead to a 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.

Nevada Investments 5 Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Approved by the board on 18 August 2020 and signed on its behalf by:


.....
D Cougill
Director

Nevada Investments 5 Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Directors of the Company

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

A Erotocritou (resigned 1 August 2019)

D C Ross

D Cougill (appointed 1 August 2019)

Dividends

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 31 December 2019 (2018: £Nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the Strategic Report within the 'Principal risks and uncertainties' section on page 2.

Future developments

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

Political donations

The Company has not made any political donations during the year (2018: £Nil).

Going concern

The Company's business activities, together with the factors likely to affect its future development are described in the Strategic Report on page 2. It is the directors' intention to wind up the Company and as a result, the impact of Covid-19 is not expected to be material and has been treated as a non-adjusting event in these financial statements. The financial statements have been prepared on a non-going concern basis. Further details of this assessment can be found in Note 2 to these financial statements.

Directors' liabilities

All directors of the Company and fellow Group companies benefit from qualifying third party indemnity provisions, subject to the conditions set out in the Companies Act 2006, in place during the financial year and at the date of this report.

Subsequent events

Details of subsequent events can be found in the notes to the financial statements within the 'Subsequent events' note on page 22.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Nevada Investments 5 Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Reappointment of auditor

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

Approved by the board on 18 August 2020 and signed on its behalf by:



D Cougill
Director

Nevada Investments 5 Limited

Statement of Directors' Responsibilities

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

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

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

- suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nevada Investments 5 Limited

Independent Auditor's Report to the members of Nevada Investments 5 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nevada Investments 5 Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Emphasis of Matter - Financial statements prepared other than on a going concern basis

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Nevada Investments 5 Limited

Independent Auditor's Report to the members of Nevada Investments 5 Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Nevada Investments 5 Limited

Independent Auditor's Report to the members of Nevada Investments 5 Limited (continued)

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 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

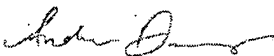
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



.....
Andrew Downes (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 18.08.2020.....

Nevada Investments 5 Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		<u>-</u>	<u>-</u>
Operating result		-	-
Impairment of investment		<u>(2,647,569)</u>	<u>(23,920,808)</u>
Loss before tax		(2,647,569)	(23,920,808)
Income tax charge	7	<u>-</u>	<u>-</u>
Net loss for the year		<u><u>(2,647,569)</u></u>	<u><u>(23,920,808)</u></u>

During the financial year and preceding financial year the Company did not trade and received no income. No results were derived from discontinued operations.

The notes on pages 14 to 22 form an integral part of these financial statements.


Nevada Investments 5 Limited

(Registration number: 10674827)

Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
Non-current assets			
Investment in subsidiary	8	10,980,623	13,628,192
Current assets			
Trade and other receivables	9	<u>626,000</u>	<u>626,000</u>
Net current assets		<u>626,000</u>	<u>626,000</u>
Net assets		<u>11,606,623</u>	<u>14,254,192</u>
Capital and reserves			
Share capital		381,050	381,050
Share premium		37,793,950	37,793,950
Retained losses		<u>(26,568,377)</u>	<u>(23,920,808)</u>
Total equity		<u>11,606,623</u>	<u>14,254,192</u>

Approved by the board on 18 August 2020 and signed on its behalf by:



D Cougill
Director

The notes on pages 14 to 22 form an integral part of these financial statements.

Nevada Investments 5 Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Share premium £	Retained losses £	Total £
At 1 January 2019	381,050	37,793,950	(23,920,808)	14,254,192
Net loss for the year	<u>-</u>	<u>-</u>	<u>(2,647,569)</u>	<u>(2,647,569)</u>
At 31 December 2019	<u>381,050</u>	<u>37,793,950</u>	<u>(26,568,377)</u>	<u>11,606,623</u>

	Share capital £	Share premium £	Retained losses £	Total £
At 1 January 2018	381,050	37,793,950	-	38,175,000
Net loss for the year	<u>-</u>	<u>-</u>	<u>(23,920,808)</u>	<u>(23,920,808)</u>
At 31 December 2018	<u>381,050</u>	<u>37,793,950</u>	<u>(23,920,808)</u>	<u>14,254,192</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Authorisation of financial statements

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

The financial statements for the year ended 31 December 2019 were authorised for issue by the board on 18 August 2020 and the Statement of Financial Position was signed on the board's behalf by D Cougill.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

These financial statements have been prepared on a basis other than that of going concern and under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value.

The financial statements are presented in GBP sterling (£), which is also the Company's functional currency. Amounts shown are rounded to the nearest pound, unless stated otherwise.

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

The directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (Covid-19) and have treated this as a non-adjusting subsequent event in these financial statements, see note 14.

Application of new and revised International Financial Reporting Standards ("IFRS")

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

IFRS16 and other new accounting standards are applicable for financial reporting periods starting on 1 January 2019 or later. These new standards did not have a material impact on the Company.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- (a) the requirements in paragraph 10(d) and 111 of IAS 1 Presentation of Financial Statements to prepare a Cash flow statement and the requirements in IAS 7 Statement of Cash Flows regarding the same;
- (b) the requirements in paragraph 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements, which includes the need to provide details on capital management;
- (c) the requirements of paragraphs 30 and 31 in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors regarding disclosure of new IFRS standards not yet effective at the reporting date and their potential impact;
- (d) the requirements of paragraphs 134(d) - 134(f) and 135(c) - 135(e) of IAS 36 Impairment of Assets in respect of disclosure of assumptions on which projections used in the impairment review are based and sensitivity analysis.
- (e) the requirements in paragraphs 17 and 18A of IAS 24 Related Party Disclosures around the need to disclose information on key management personnel and details on related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member; and
- (f) the requirements of IFRS 7 'Financial Instruments: Disclosures'.

Equivalent disclosures are included in the Group's consolidated financial statements as required by FRS 101 where exemptions have been applied.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the Critical accounting judgements and key sources of estimation uncertainty disclosure on page 17.

Going Concern

At 31 December 2019 the Company had net assets of £11.6m. (2018: £14.3m). It is the directors' intention to wind up the Company. Consequently, the financial statements have been prepared on a basis other than going concern.

The book value of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value due to their short term nature, with the exception of the Company's non-current investment in subsidiary. This balance is subject to an annual impairment review and is therefore considered to be held at fair value. As such, no adjustment to balances are required with the Company being reported on a basis other than that of going concern.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Investment

Investment in subsidiaries is held at cost less accumulated impairment loss.

Impairment of investments

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

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

Calculation of recoverable amount

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include trade and other receivables.

Trade and other receivables represent amounts due from related parties. They are initially measured at fair value and subsequently measured at amortised cost.

Share capital

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

Financial guarantees

Contracts meeting the definition of a financial guarantee are recognised at fair value under IFRS 9, or under IFRS 4 'Insurance Contracts' where the conditions required in order for it to be regarded as an insurance contract are satisfied. This is determined on a contract by contract basis, depending on whether the risk transferred represents a financial risk or an insurance risk.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Impairment of investments

Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may exceed its recoverable amount. An impairment test is performed by comparing the investment's carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. An impairment test requires the application of significant judgement because it relies on key assumptions, including revenue and an EBITDA multiple.

4 Operating result

The audit fee of £4,413 (2018: £4,284) for the audit of this Company was paid by other Group entities for which no recharge was made.

5 Staff costs

The Company had no employees in the current year or preceding year. All administration is performed by employees of the Group, for which no recharge is made to the Company.

6 Directors' remuneration

The emoluments of all directors are paid by other Group companies, which make no recharge to the Company. These directors are directors of The Ardonagh Group Limited and/or other fellow subsidiaries. Their total emoluments are included in the consolidated financial statements of The Ardonagh Group Limited.

7 Income tax charge

	2019 £	2018 £
Loss before tax	<u>(2,647,569)</u>	<u>(23,920,808)</u>
Corporation tax at standard rate at 19% (2018: 19%)	503,038	4,544,954
Impairment of investments	<u>(503,038)</u>	<u>(4,544,954)</u>
Tax charge	<u>-</u>	<u>-</u>

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Income tax charge (continued)

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax rate will be held at 19%.

8 Investment in subsidiary

Subsidiary	£
Cost or valuation	
At 1 January 2019	<u>37,549,000</u>
At 31 December 2019	<u>37,549,000</u>
Provision for impairment	
At 1 January 2019	23,920,808
Provision	<u>2,647,569</u>
At 31 December 2019	<u>26,568,377</u>
Carrying amount	
At 31 December 2019	<u>10,980,623</u>
At 31 December 2018	<u>13,628,192</u>

Details of the subsidiary as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2019	2018
Nevada Investments 6 Limited	Holding company	England and Wales 1 Minster Court, Mincing Lane, London, EC3R 7AA	100%	100%

9 Trade and other receivables

	2019 £	2018 £
Current trade and other receivables		
Receivables from other Group companies	<u>626,000</u>	<u>626,000</u>

The directors believe that the receivables from other Group companies are recoverable. These balances are unsecured, interest free and repayable on demand.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

10 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
'A' ordinary shares of £0.01 each	551,000	5,510	551,000	5,510
'B' ordinary shares of £0.01 each	37,549,001	375,490	37,549,001	375,490
'C' ordinary shares of £0.01 each	5,000	50	5,000	50
	38,105,001	381,050	38,105,001	381,050

'A' ordinary shares:

The shareholders of the 'A' Ordinary shares are entitled to receive notice of an annual general meeting, receive a copy of any proposed written resolution but not speak or vote at any general meeting of the Company. They are entitled to receive dividends but do not carry redemption rights.

'B' ordinary shares:

The shareholders of the 'B' Ordinary shares are entitled to receive notice of an annual general meeting, receive a copy of any proposed written resolution and to speak or vote at any general meeting of the Company. They are entitled to receive dividends but do not carry redemption rights.

'C' ordinary shares:

The shareholders of the 'C' Ordinary shares are not entitled to receive notice of an annual general meeting, or to speak or vote at any general meeting of the Company. They are not entitled to receive dividends and do not carry redemption rights.

The 'A' and 'C' ordinary shares were issued by the Company in exchange for the transfer to the Company of loan notes issued by Nevada Investments 6 Limited. The aggregate principal amount of these loan notes is £626,000.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Commitments

Guarantees

On 25 May 2017, Ardonagh Midco 3 plc, a newly incorporated intermediate holding company, entered into a £90.0m super senior Revolving Credit Facility ("RCF").

On 20 June 2017, Ardonagh Midco 3 plc issued £400.0m of 8.375% Senior Secured Notes and USD520.0m of 8.625% Senior Secured Notes (together, the Notes). On 22 June 2017, the £425.0m Senior Secured Notes and £75.0m floating rate super Senior Secured Notes issued by Ardonagh Finco plc in April 2015 were redeemed.

On 20 December 2017, Ardonagh Midco 3 plc issued an additional £55.0m of 8.375% Senior Secured Notes which are fungible with the existing GBP Senior Secured Notes issued on 20 June 2017. On the same date the commitments under the RCF were increased to £105.0m.

On 18 June 2018, Ardonagh Midco 3 plc issued an additional £98.3m of 8.375% Senior Secured Notes which are fungible with the existing GBP Senior Secured Notes issued on 20 June 2017 and 20 December 2017.

On 26 September 2018, the Group's RCF was amended and restated to include an additional £50.0m facility made available solely to provide a Letter of Credit ancillary facility for the same amount. On 5 October 2018, a letter of credit of £50.0m was issued for the benefit of specified entities within the Group solely to provide credit support in respect of potential redress liabilities relating to the sale of certain enhanced transfer value products (ETV). With effect from 1 December 2019, the contractual limitation on the amount that may be utilised of the Group's RCF was removed. As at 31 December 2019, the RCF facility capacity was £120m and undrawn.

On 19 November 2018, Ardonagh Midco 3 plc issued an additional USD235.0m of 8.625% Senior Secured Notes.

The obligations of Ardonagh Midco 3 plc under the Notes, RCF, and the subsequently issued additional 8.375% and 8.625% notes, are guaranteed and secured by Ardonagh Midco 2 plc, the immediate parent company of Ardonagh Midco 3 plc, and all its material and certain other subsidiaries. These subsidiaries are listed below:

Nevada Investments Holdings 5 Limited	Morgan Law Limited
Nevada Investments Holdings 6 Limited	Paymentshield Group Holdings Limited
Nevada Investments Holdings 7 Limited	Paymentshield Holdings Limited
Nevada Investments TopCo Limited	Paymentshield Limited
Nevada Investments Holdings Limited	Paymentshield Services Limited
Nevada InvestorCo Limited	Ardonagh Finco Plc
Nevada Investments 1 Limited	Ardonagh Services Limited
Nevada Investments 2 Limited	Towergate Risk Solutions Limited
Nevada Investments 3 Limited	Towergate Underwriting Group Limited
Nevada Investments 4 Limited	PFIH Limited

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Commitments (continued)

Nevada Investments 5 Limited	Price Forbes & Partners Limited
Nevada Investments 6 Limited	Price Forbes Holdings Limited
Nevada Investments 7 Limited	URIS Group Limited
Arista Insurance Limited	Millennium Insurance Brokers Limited
Broker Network Holdings Limited	URIS Central Administration Limited
CCV Risk Solutions Limited	URIS Topco Limited
Cullum Capital Ventures Limited	Chase Templeton Group Limited
Four Counties Insurance Brokers Limited	Chase Templeton Holdings Limited
Geo Specialty Group Holdings Limited	Chase Templeton Limited
Geo Underwriting Services Limited	Carole Nash Insurance Consultants Limited
Lunar 101 Limited	KDB Medical Limited
Bishopsgate Insurance Brokers Limited	Atlanta 1 Insurance Services Limited
Ardonagh Advisory Holdings Limited	Swinton Group Limited
Ardonagh Specialty Holdings Limited	Swinton (Holdings) Limited
Ardonagh Midco 3 plc (RCF Guarantor only)	Swinton Properties Limited
Ardonagh Midco 2 plc	Atlanta Investment Holdings Limited
Atlanta Investment Holdings A Limited	Health and Protection Solutions Limited

These guarantees have been treated under IFRS 4 in line with the accounting policy described in note 2.

12 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with a number of related parties. The Company has taken the exemption under FRS 101 not to disclose transactions with fellow wholly owned subsidiaries or key management personnel.

Nevada Investments 5 Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

13 Parent and ultimate parent undertaking

The Group's majority shareholder is HPS Investment Partners LLC. At 31 December 2019, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address 44 Esplanade, St Helier, Jersey JE4 9WG). The Ardonagh Group Limited is the largest group in which the results are consolidated. The parent company of the smallest group, which includes the Company and for which group financial statements are prepared, is Ardonagh Midco 3 plc, (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, United Kingdom, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 3 plc are available on request from:

2 Minster Court
Mincing Lane
London
United Kingdom
EC3R 7PD

14 Subsequent events

The directors have considered the guidance of the UK Financial Reporting Council and events relating to the spread of coronavirus (Covid-19) and have treated this as a non-adjusting subsequent event in these financial statements (see note 2.Basis of preparation).

On 14 July 2020, the Group issued new borrowings, which it used to repay its existing borrowings and to fund acquisitions. The existing borrowings included the existing senior secured notes and the revolving credit facility, the repayment of which released the Group from the associated security. The new borrowings include \$500m senior unsecured notes, a senior secured term loan facility of £1,575m comprising £1,412.8m denominated in pound sterling and €180m denominated in euro and a £191.5m revolving credit facility that is not drawn at the date of this report. The Group completed the purchase of the entire issued share capital of Nevada 5 Topco Limited (an indirect parent of Arachas Topco Limited) on 14 July 2020, for a consideration of €135,781,781.51 cash. The Group also completed the purchase of the entire issued share capital of Nevada 4 Midco 1 Limited (the parent of Bravo Investment Holdings Limited) on 14 July 2020, for a consideration of £39,794,109.14 cash. The new borrowings will also be used to fund the acquisition of Bennetts Motorcycling Services Limited.