

Ageas Retail Limited

Annual Report
For the year ended 31 December 2024

Company Registration Number: 01324965

Ageas Retail Limited

Company registration number: 01324965

Contents of Annual Report

| | Page |
|--|-------------|
| Directors and Advisers | 1 |
| Strategic Report | 2 |
| Directors' Report | 5 |
| Statement of Directors' Responsibilities in respect of the Financial Statements | 11 |
| Statutory financial statements | |
| Statement of profit or loss and other comprehensive income | 12 |
| Statement of financial position | 13 |
| Statement of changes in equity | 14 |
| Statement of cash flows | 15 |
| Notes to the financial statements | 16 |
| Independent auditors' report to the members of Ageas Retail Limited | 39 |

Ageas Retail Limited

Company registration number: 01324965

Directors and Advisers

Directors

Antonio Cano (resigned 9 July 2024)
Ben Coumans (appointed 9 July 2024)
Hans De Cuyper
Bart De Smet
Jeremy Haynes
Richard Jackson
Malcolm McCaig
Anthony Middle
Nerissa Naidu
Alison Platt
Jonathan Price
Tara Waite

Secretary

Claire Marsh

Head Office and Registered Address

Ageas House
Hampshire Corporate Park
Templars Way
Eastleigh
Hampshire
SO53 3YA

Independent Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

HSBC
62-76 Park Street
London
SE1 9DZ

Registered Number

01324965
Registered in England and Wales

Ageas Retail Limited

Company registration number: 01324965

Strategic Report

Business review

Principle Activities

Ageas Retail Limited ('the Company') is a broker of mainly home and motor and operates a variety of brands, including Ageas Direct and RIAS. The directors anticipate that the business model of the Company will remain unchanged for the foreseeable future. The Company is a 100% owned subsidiary of Ageas (UK) Limited, a company registered in England and Wales. Together, the Company, Ageas Insurance Limited, Ageas (UK) Limited and Ageas Services (UK) Limited are described throughout the Annual report as Ageas UK.

Performance during the year

Total revenue for 2024 was £78.4m (2023: £75.6m). The Company made a profit after tax of £5.0m in the year (2023: £6.5m). The decrease in profitability in the year was due to increased revenue from higher volumes in instalment income, offset against an increase in operating expenses.

Key Performance Indicators

The Board considers that the key indicators that will communicate the financial performance and strength of the Company are:

- Revenue
- Profit before tax
- Expense ratio

| | 2024 £'000 | 2023 £'000 | Change % |
|---------|---------------|---------------|-------------|
| Revenue | 78,405 | 75,566 | 3.8 |

Revenue is a key indicator to the underlying performance of the Company and its ability to generate insurance business in line with the desired strategic direction.

| | 2024 £'000 | 2023 £'000 | Change % |
|-------------------|---------------|---------------|-------------|
| Profit before tax | 6,618 | 8,443 | -21.6 |

The Company aims to deliver profits through the delivery of superior customer service to its policyholders and intermediaries in line with the strategic aims of the Company.

| | 2024 % | 2023 % | Change |
|---------------|-----------|-----------|--------|
| Expense ratio | 86.1 | 83.4 | 2.7 |

The expense ratio is a measure of the Company's overall efficiency. It is calculated as total expenses (cost of sales and administrative expenses) expressed as a percentage of total revenue.

Year-end position

Shareholders' equity

Shareholders' equity has decreased by £9.5m (2023: increased by £6.5m). During the year the Company paid a dividend of £14.5m (2023: £nil) to its immediate parent company and made a profit after tax of £5.0m in the year (2023: £6.5m).

Ageas Retail Limited

Company registration number: 01324965

Strategic Report (continued)

Key Performance Indicators (continued)

Assets

Total assets have decreased by £15.1m in the year to £134.7m (2023: increased by £13.5m). The main drivers of this are a decrease of £12.7m in cash and cash equivalents and a decrease in property, plant and equipment of £6.9m, offset by an increase in trade and other receivables of £4.7m.

Liabilities

Total liabilities have decreased by £5.6m in the year to £105.3m (2023: increased by £7.0m) driven by a decrease in other financial liabilities on the cancellation of lease liabilities of £6.6m and a decrease in the current tax liability balance of £0.5m, offset by an increase in trade and other payables of £1.4m.

Section 172(1) statement

The Ageas UK directors continue to be aware of and attentive to all their duties and responsibilities, including those as set out under section 172 of the Companies Act 2006, when setting and embedding Ageas UK's culture and values in line with its purpose to 'Understand People + Simplify Insurance'. The Ageas UK Boards (including the Board of Ageas Retail Limited) recognises that the long-term success of the Company is only possible through engagement with, and having regard to, the interests of key stakeholders, which for Ageas UK includes customers, employees, shareholders, suppliers, the community, environment, and regulators. The Ageas UK Boards' role is to perpetuate the long term, sustainable success of the Ageas UK business; providing strategic leadership within a framework of prudent and effective controls, setting the strategy, ensuring the direction and performance of the business is aligned to Ageas Group objectives, that obligations to all stakeholders are understood and met, including through the delivery of good customer outcomes. A range of mechanisms have been established to support directors in the discharge of their duties, and for each matter which comes before the Boards, stakeholders who may be affected and their interests, are carefully considered as part of the decision-making process. Further detail has been incorporated within the Corporate Governance and Stakeholder Engagement statements set out in this report and in the Report of the Directors on pages 5 to 10.

Strategic aims and objectives

2024 marked the conclusion of the 'Sharp Focus, Better Results' three-year strategy established by the Ageas UK Boards in 2021, which has been successfully implemented by the Ageas UK business. In the final year of its strategy, Ageas UK continued to align with its purpose to Understand People + Simplify Insurance.

Throughout 2024, the Ageas UK Boards developed and approved a new three-year Strategy, ElevateUK, designed to support the long-term sustainability of the Ageas UK business.

In October 2024, Ageas UK announced the intention to enter into a 20-year affinity partnership with Saga Services Limited, part of Saga Plc's group, to sell motor and home insurance to their customers through Ageas Insurance Limited and Ageas Retail Limited. This deal marked an important milestone in the growth of the business, supporting the strategic aims by demonstrating the Company's commitment to building strong partnerships. The exclusive negotiations were successfully concluded in December 2024. Completion of this proposed transaction is subject to operational approvals and milestones which, as at the date of signing of these accounts on 9 May 2025, have not yet taken place.

Ageas Retail Limited

Company registration number: 01324965

Strategic Report (continued)

Principal risks and uncertainties

The Company's principal risks and uncertainties and the way in which these are managed are detailed in note 3 to the financial statements.

This report was approved by the Board of Directors on 9 May 2025 and signed on its behalf by:



Jonathan Price
Chief Financial Officer

Ageas Retail Limited

Company registration number: 01324965

Directors' Report

The directors submit their report, together with the audited financial statements for the year ended 31 December 2024.

Results

The results of the Company are contained in the financial statements on pages 12 to 38. The 2024 profit after tax was £5.0m for the year (2023: profit of £6.5m).

During the year, the Company paid a dividend of £14.5m to its immediate parent company (2023: £nil).

Business review and future direction

In October 2024 Ageas UK announced the intention to enter into a 20-year affinity partnership with Saga Services Limited, part of Saga Plc's group, to sell motor and home insurance to their customers through Ageas Insurance Limited and Ageas Retail Limited, and the acquisition of Saga's underwriting business, Acromas Insurance Company Limited ('AICL'), by Ageas (UK) Limited. This deal marked an important milestone in the growth of the business, supporting the strategic aims to be a Podium Personal Lines Insurer and demonstrating the Company's commitment to building strong partnerships. The exclusive negotiations were successfully concluded in December 2024. Completion of this proposed transaction is subject to the necessary operational approvals and milestones which, as at the date of signing of these accounts on 9 May 2025, have not yet taken place.

This information, along with the business review and future direction of the Company, is set out in the Strategic Report on pages 2 to 3.

Directors

The Members of the Board are shown on page 1. All directors served throughout the year and to the date of this report except as highlighted on page 1.

Employees

The average number of persons seconded to the Company during the year was 140 (2023: 180). The full-time equivalent number of employees adjusted for part time staff was 121 (2023: 156). Their annual aggregate remuneration was £4.9m (2023: £5.9m). An analysis is shown in note 21.

Stakeholder Engagement Statements

Ageas UK Shareholder, ageas SA/NV

Given ageas SA/NV's 100% ownership of the Company, the promotion of the long-term success of Ageas UK, including the development of a well-defined UK purpose and strategy, is fully aligned with and supportive of ageas SA/NV's strategic plans. In 2024, ageas SA/NV launched a new strategy, Elevate27, leading to the development and approval of an aligned strategy for Ageas UK, known as ElevateUK. Throughout 2024, ageas SA/NV was represented on the Ageas UK Boards by both Executive and Non-Executive Directors from the Ageas Group. During the year, the Company approved a dividend of £14.5 million to be paid to Ageas (UK) Limited.

Customers, Brokers and Partners and Suppliers

Customers continue to be at the heart of how Ageas UK's business is conducted, supported by its purpose, 'Understand People + Simplify Insurance' which is set by the Boards and articulated with the Ageas UK Strategy. The customer remains at the centre of the ElevateUK Strategy set and approved by the Ageas UK Boards in 2024, centring around the provision of great value all of the time and being brilliant when it matters most.

Ageas Retail Limited

Company registration number: 01324965

Directors' Report (continued)

Customers, Brokers and Partners and Suppliers (continued)

During the year the Ageas UK Boards, supported by the Board appointed Consumer Duty champion (an INED), approved the Consumer Duty Board assessment that confirmed the actions Ageas UK were taking to address identified risks were appropriate to ensure delivery of good customer outcomes, and the future strategy consistent with acting to deliver good customer outcomes. Regular updates on progress have been provided to the Boards on a quarterly basis. To support oversight, quarterly customer reporting continued to be provided to the Ageas UK Boards, and the Board members have participated in a customer immersion programme throughout the year, which has provided them the opportunity to experience first-hand the customer journey. The Board and Executive team also had the opportunity to meet with Ageas customers who provided direct feedback on their experience of Ageas and shared views on the insurance market more broadly. Feedback from the sessions, together with performance against customer metrics, have informed Board discussions, and ultimately incorporated into the ElevateUK strategy.

In 2024 Ageas UK continued to be recognised by the Institute of Customer Service 'Service Mark' accreditation, improving its rating to become the biggest personal lines insurance company to achieve an overall score at distinction level. This accomplishment reflecting the company's commitment to customer care and its determination to consistently deliver value and brilliant service where it matters

The focus on digital transformation has continued, with the Ageas UK Boards overseeing the deployment of the customer digital transformation programme. This initiative has increased online functionality, making it easier for customers to manage their insurance policies independently. As a result, 90% of customers now complete their transactions online after purchasing directly from Ageas. Additionally, 2024 marked the successful launch of the new customer platform to Family and Friends and the implementation of Chatbots and Voicebots has also continued to streamline customer interactions effectively. The introduction of a new customer insight dashboard reported quarterly at Ageas UK Board meetings and the focus on data-driven approaches have furthered the ability of the Ageas UK Board to support the oversight and management of customer improvements and initiatives, such as updates on the end to end review of complaints handling undertaken, which ensured customers were receiving the right outcomes, and regulatory obligations were being met.

In 2024, the Ageas UK Boards endorsed a new claims strategy known as Elevate Claims. This initiative is designed to uphold Ageas's commitment to customers by ensuring a resilient and efficient claims process. By leveraging digital technology and data analytics, Ageas UK aim to lead the industry, manage costs effectively, and reduce fraud. To support the implementation of this new strategy, a dedicated team focused on data and analytics was established. Through enhanced collaboration with our data science team, we have developed tools that integrate Artificial Intelligence to assist claims handlers. These innovations enable faster and more accurate claims decisions, ultimately enhancing the customer experience during times of need.

Ageas UK's relationship with brokers and intermediaries remains fundamental to its distribution, due not only to the significant percentage of our business being conducted through this channel, but the continued focus set out in the new ElevateUK strategy and ambition to continue to grow its broker and partner business. Throughout 2024, Ageas UK continued to grow its personal lines business via brokers, and by the end of the year had exceeded its ambitions and targets, reflected in the continuous delivery of strong Gross Written Premiums across the Broker channels. In 2024 Ageas UK, announced its plan to execute a 20-year affinity partnership with Saga to sell motor and home insurance to their customers, and the acquisition of Saga's underwriting business, Acromas Insurance Company Limited (AICL). This deal marked an important milestone in the growth of the business, supporting the strategic aims to be a Podium Personal Lines Insurer and demonstrating our commitment to building strong partnerships. During the year the Ageas UK Boards received a spotlight session focusing on Distribution Partner Engagement.

During 2024, Ageas UK continued to demonstrate a strong commitment to supporting its broker partners and suppliers through various strategic initiatives, highlighted by the highest ever broker sentiment recorded, with positive feedback received from our annual broker surveys and Ageas UK being voted the Insurance Times Personal Lines Insurer by brokers for the 5th time. To support broker engagement and to understand their experiences working with Ageas, a feedback tool 'Your Platform' has been provided to them, and the high-level results regularly shared with the Ageas UK Boards. During 2024 Ageas UK was recognised by the British Insurance Broker Association for its support of personal lines brokers, and Ageas remains dedicated to fostering positive and collaborative relationships with its broker partners and suppliers.

Ageas Retail Limited

Company registration number: 01324965

Directors' Report (continued)

Customers, Brokers and Partners and Suppliers (continued)

Ageas UK uses a wide variety of suppliers. Like most large businesses, it engages with suppliers to support the provision of core business activities (e.g. IT), the supply of commodities or maintenance service contracts. As an insurer we also engage with suppliers of goods and repair services when customers' property has been lost or damaged, and medical and assistance services when customers have suffered accident or injury. Ageas UK is committed to high standards of business conduct and has policies and procedures in place to define the way in which Ageas wants to do business, and the standards of conduct required. In Ageas UK has adopted a Supplier Charter setting out expected standards and new suppliers are asked to complete a questionnaire which seeks to understand whether their environmental, societal and governance standards are aligned to those of Ageas UK. 2024 the Ageas UK Boards approved the adoption of a Human Rights policy which sets out our commitment to ensuring Human Rights is integral to our business operations, including the standards we expect of our suppliers and partners.

Employee engagement

Attracting, developing, retaining and engaging our people is central to our success as a business, enabling Ageas UK to achieve its strategy by building 'Podium People'. Throughout 2024 the Ageas UK Boards have overseen a number of activities that have sought to: develop a strong people culture, drive engagement, commitment and strong leadership; create a positive working environment in which people have the tools and resources to give their best; grow and attract strong technical skills and capabilities; and improve efficiency and effectiveness. The People strategy formed a core component of the ElevateUK Strategy set and approved by the Ageas UK Boards in 2024, which aims to build on the already established 'great people everywhere' ethos.

The Ageas UK Boards receive a quarterly 'People and Property' report from the Chief People Officer that provides a summary of the key developments and activities; and they are kept apprised of the feedback from employees via 'Peakon' the digital employee engagement tool which enables the business to monitor employee sentiment on a real time basis and respond accordingly. A focus session on the People and Talent strategy was provided to the Ageas UK Boards, providing an opportunity to understand in greater depth the initiatives being implemented across the business and receive details of the actions being taken to invest in the talent and skills, build a stand out employee proposition and to harness technology and data to boost efficiencies.

Ageas UK Board directors have participated in several employee events throughout the year, including site visits, leadership events, employee townhalls, strategic briefings and attendance at the Employee Forum, this engagement providing them with crucial insights into the culture of the Company. These channels have been utilised to disseminate key information to employees including, at the end of the year, to introduce the new three-year strategy Elevate UK. The Employee Forum attended by the Ageas UK CEO and Chief People Officer, allows employees to directly raise questions and concerns with Board directors, aiding communication between the Executive team and the Ageas UK Boards. Additionally, the Chair of the Remuneration Committee, an INED, is invited to attend the Employee Forum, and to meet the Chair of the Forum, an employee, without the Executive present, further enhancing the engagement between the Ageas UK Boards and employees. Quarterly 'Meet the Board Lunches' have offered further opportunities for the Board to speak directly with cohorts of employees from across the business.

To reinforce a strong people culture, Ageas UK continues to provide employees with timely and regular communications issued via a digital platform 'Engage', whilst an online 'People Hub' provides online learning and development tools. Health and wellbeing of our people has continued to be a priority throughout 2024, with the launch of a Carers@Ageas Hub enabling employees to access resources and services along with a carers support network provided on Engage.

Ageas UK has established and promotes a culture where employees have the confidence and ability to raise their concerns. The Ageas UK Boards approved a 'Speak Up' policy and process, providing clear principles and guidance on the action to take in the event of bullying, harassment, or victimisation or in the event of a financial crime such as Internal Fraud, Money Laundering or if Data Theft was identified. Ageas Directors and managers have a responsibility to ensure that mechanisms are in place to encourage such concerns to be raised, and any wrongdoing dealt with. The Chair of the Audit Committee has responsibility for the maintenance of the independence, autonomy and effectiveness of Ageas UK whistleblowing policies and procedures; he reported to the Ageas UK Boards and Audit Committee in 2024 stating his view that the systems and controls in place were satisfactory.

Ageas Retail Limited

Company registration number: 01324965

Directors' Report (continued)

Diversity and inclusion

The Company is committed to a culture which is inclusive and supports diversity, helping Ageas achieve the combined purpose to Understand People + Simplify Insurance. Recruitment, promotion, career development, selection for training and all other aspects of people management are regularly reviewed and monitored to ensure they are free from discrimination, including all protected characteristics as set out in the Equality Act 2010. The Ageas UK Boards have set the policies and standards within which the Company will operate, and the Boards' approach to diversity and inclusion is monitored regularly. The Board has received quarterly updates regarding the progress and strategy for cultivating a diverse and inclusive culture and during the year participated in a focus session that provided them with an in-depth understanding of the actions being progressed to enhance an inclusive and diverse culture, and which provided an opportunity for further discussion and feedback.

The Ageas UK CEO is joined by senior representatives of each business area of the Company to manage an inclusion steering group called 'Momentum,' who are accountable for progress against the diversity targets. During 2024, the Ageas UK Boards received regular updates on the diversity and inclusion plan's progress which included participation in the 10,000 Black Interns scheme, and a detailed analysis of age representation to understand the experiences of different age cohorts across the business. Ageas UK's focus on gender progression within senior management roles has remained strong with mandatory unconscious bias training provided for all managers, and exit interviews conducted to understand the reasons why women may leave the business.

The gender pay gap report is submitted to the Ageas UK Remuneration Committee and Boards annually, alongside progress against set targets. Since 2021, we have published data on ethnicity, disability, and LGBTQIA+ pay gaps in addition to the gender pay gap. In 2024, the Ageas UK pay gap report identified that the underrepresentation of women in management and technical roles contributed to the pay gap, consequently, an action plan, supported by the Ageas UK Boards, was established to address this issue, emphasising increasing female representation at senior levels and expanding initiatives to other minority groups.

Ageas has created an environment where inclusion can develop and throughout 2024 has continued to support various Colleague Resource Groups including Ageas Enable, Ageas Equal, Ageas Ethnicity, and Ageas LGBTQ+. These groups focus on issues such as equality, disability, and an inclusive workplace providing an opportunity for feedback from the business to be escalated to the Ageas UK Boards. As part of a programme of events organized alongside the quarterly Board meetings, the Ageas UK Boards met with representatives of the Colleague Resource Groups to discuss the work and actions being undertaken, aimed at expanding their understanding of the issues impacting employees.

Our policies and standards align with employment discrimination legislation, including provisions for people with disabilities. We ensure that employees with disabilities are treated fairly and have equal opportunities for career progression. An applicant with a disability who meets the minimum criteria is guaranteed an interview. We are also committed to retaining and arranging training for employees who become disabled while employed by Ageas. Ageas UK continues to be recognised as a Disability Confident Leader.

Ageas Retail Limited

Company registration number: 01324965

Directors' Report (continued)

Community and Environment

In terms of the wider society, Ageas UK Boards receive quarterly updates on progress against the ESG strategy and associated targets, including updates relating to environmental and community initiatives, such as the leading green parts initiative, winner of the Eddies Circular Economy Innovation of the year 2024 award. The scheme makes the repair of vehicles more sustainable, reducing plastic and metal waste and giving a second life to car parts that would have otherwise been scrapped, whilst alleviating supply chain challenges. Ageas UK Boards have implemented a Supply Chain Charter which sets out our commitment to contributing to a more sustainable society and provides a framework for our supplier partners to clearly understand our values and ethical standards. Ageas UK has continued to support the 'Build Back Better' scheme, designed to help those most at risk from flooding by offering homeowners the chance to have good resistance and resilience measures installed if their home had been damaged by flood waste. Sustainability formed a core component of the ElevateUK Strategy set and approved by the Ageas UK Boards in 2024, which aims to simplify sustainable choices for our people and our customers.

The Company continues to support its 'Charity of the Year' initiative, as nominated by employees. For 2024, Air Ambulance UK has been selected once again. Employees have engaged in fundraising efforts through sponsorships, various fundraising activities, and donations. Additionally, the Company supports community involvement by providing two paid days of leave for staff who choose to volunteer, as outlined in the Ageas UK Board approved Volunteering Policy. In 2024, this policy led to significant increases in volunteering across the business, which were reported to the Ageas UK Boards. As part of Ageas UK's broader commitment to sustainability and social responsibility, the Company participated in the 'Laptops for Schools' initiative, this program involves repurposing old laptops, thereby reducing electronic waste and providing valuable resources to schools.

Following the implementation of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 (the Regulations), which resulted in additional disclosures for quoted companies and new disclosures for all large unquoted companies and large LLPs, the Company is required to disclose its energy and carbon emissions in the year.

The following table shows the Company's energy use and associated greenhouse gas emissions:

| | 2024 | 2023 |
|--|---------|---------|
| Energy consumption in kilowatt hours ('kWh') (aggregate of Scopes 1 and 2) | 255,000 | 423,000 |
| Total gross emissions in metric tonnes of carbon dioxide equivalent ('tCO ₂ e') | | |
| Scope 1 | 14.1 | 26.4 |
| Scope 2 | 1.6 | 2.3 |
| Total Scopes 1 and 2 | 15.7 | 28.7 |
| Intensity metric | 0.01 | 0.01 |

Scope 1 is direct greenhouse gas emissions ('GHG') emissions occurring from sources that the Company owns or controls (including combustion of gas and consumption of fuel for the purposes of transport). Scope 2 is indirect emissions from the energy generated offsite that the Company purchases and uses. Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (Scope 3) represents less than 1% (2023: less than 1%) of the Company's total carbon footprint and, as such, has not been disclosed in the table above. All emissions are from the UK.

UK energy use covers the Company's consumption of electricity and gas across all office sites, together with energy consumed through reimbursed company mileage and pool cars. The data is collated on an annual basis and extracted from internal software and systems or obtained from external service providers, which is then submitted to an external third party to convert the data into the associated emissions. Total emissions have been calculated using the latest applicable international recognised emissions conversion factors, including DEFRA emission conversion factors for greenhouse gas reporting. The Company's carbon footprint reporting is in line with the GHG Reporting Protocol – Corporate Standard.

Ageas Retail Limited

Company registration number: 01324965

Directors' Report (continued)

Community and Environment (continued)

The Company is required to calculate and disclose an intensity metric. The intensity metric has been calculated as the tCO₂e per employee.

Ageas UK continues to investigate opportunities to reduce energy consumption. Through monitoring office occupancy, workspaces have been consolidated to occupy less floor space and enabling reduced run-times of plant equipment and lighting in unused office areas. In addition, through migrating services to the cloud we have consolidated our data centre activity and continue to adjust the levels of cooling as demand increases.

Regulatory

The Company and the Ageas UK Boards maintain an open and constructive dialogue with the PRA and FCA alongside the provision of routine regulatory reporting. Throughout 2024 we maintained regular contact with the PRA and FCA, including in relation to the progress of continued implementation of Consumer Duty, participated in cross-sector thematic reviews, and provided updates on operational resilience activities.

Donations

The Company made £17,000 of charitable donations in the year (2023: £6,000). No political donations (2023: £nil) were made during the year.

Disclosure of information to auditor

Each of the persons who are directors at the date of approval of this report confirm that, so far as each director is aware, there is no relevant audit information of which the Company's auditor are unaware; and each director has taken all the 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 are aware of that information.

Independent Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

This report was approved by the Board of Directors on 9 May 2025 and signed on behalf of the board by:



Jonathan Price
Chief Financial Officer

Ageas Retail Limited

Company registration number: 01324965

Statement of Directors' Responsibilities in respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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

Ageas Retail Limited

Company registration number: 01324965

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

| | Note | 2024 £'000 | 2023 £'000 |
|-----------------------------------|------|---------------|---------------|
| Revenue | 4 | 78,405 | 75,566 |
| Cost of sales | 5 | (25,575) | (24,788) |
| Gross profit | | <u>52,830</u> | <u>50,778</u> |
| Administrative expenses | 5 | (41,952) | (38,237) |
| Operating profit | | <u>10,878</u> | <u>12,541</u> |
| Finance income | 6 | 856 | 778 |
| Finance costs | 7 | (5,116) | (4,876) |
| Profit before tax | | <u>6,618</u> | <u>8,443</u> |
| Income tax | 8 | (1,591) | (1,953) |
| Profit for the year | | <u>5,027</u> | <u>6,490</u> |
| Other comprehensive income | | - | - |
| Total comprehensive income | | <u>5,027</u> | <u>6,490</u> |

The notes to the financial statements on pages 16 to 38 form an integral part of these financial statements.

Ageas Retail Limited

Company registration number: 01324965

Statement of financial position

As at 31 December 2024

| | Note | 2024 £'000 | 2023 £'000 |
|-------------------------------------|------|----------------|----------------|
| Assets | | | |
| Investments | 9 | 10 | 10 |
| Property, plant and equipment | 10 | 79 | 7,010 |
| Intangible assets | 11 | 574 | 360 |
| Deferred tax asset | 12 | 3,242 | 3,631 |
| Trade and other receivables | 13 | 116,859 | 112,191 |
| Cash and cash equivalents | 14 | 13,961 | 26,626 |
| Total assets | | 134,725 | 149,828 |
| Shareholders' equity | | | |
| Share capital | 15 | 24,050 | 24,050 |
| Retained earnings | | 5,378 | 14,851 |
| Total shareholders' equity | | 29,428 | 38,901 |
| Liabilities | | | |
| Financial liabilities | | | |
| - Loans and borrowings | 16 | 70,000 | 70,000 |
| - Other financial liabilities | 17 | - | 6,553 |
| Current tax liability | 18 | 944 | 1,455 |
| Trade and other payables | 20 | 34,353 | 32,919 |
| Total liabilities | | 105,297 | 110,927 |
| Total equity and liabilities | | 134,725 | 149,828 |

The statement of financial position is presented in order of liquidity.

The notes to the financial statements on pages 16 to 38 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 9 May 2025 and were signed on its behalf by:



Jonathan Price
Chief Financial Officer

Ageas Retail Limited

Company registration number: 01324965

Statement of changes in equity

For the year ended 31 December 2024

| | Note | Share capital £'000 | Retained earnings £'000 | Total £'000 |
|---------------------------------------|------|------------------------|----------------------------|----------------|
| Balance as at 1 January 2023 | | 24,050 | 8,361 | 32,411 |
| Profit for the year | | - | 6,490 | 6,490 |
| Total comprehensive income | | - | 6,490 | 6,490 |
| Dividend paid | 15 | - | - | - |
| Balance as at 31 December 2023 | 15 | 24,050 | 14,851 | 38,901 |
| Profit for the year | | - | 5,027 | 5,027 |
| Total comprehensive income | | - | 5,027 | 5,027 |
| Dividend paid | 15 | - | (14,500) | (14,500) |
| Balance as at 31 December 2024 | 15 | 24,050 | 5,378 | 29,428 |

The notes to the financial statements on pages 16 to 38 form an integral part of these financial statements.

Ageas Retail Limited

Company registration number: 01324965

Statement of cash flows

For the year ended 31 December 2024

| | Note | 2024 £'000 | 2023 £'000 |
|---|------|------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 6,618 | 8,443 |
| <i>Adjustments for:</i> | | | |
| Finance income | 6 | (856) | (778) |
| Finance costs | 7 | 5,116 | 4,876 |
| Depreciation of property, plant and equipment | 5 | 1,324 | 1,926 |
| Amortisation of intangible assets | 5 | 89 | 96 |
| Loss on disposal of property, plant and equipment | 5 | 5,437 | - |
| Operating profit before working capital changes | | <u>17,728</u> | <u>14,563</u> |
| Increase in trade and other receivables | 13 | (4,668) | (19,311) |
| (Decrease)/increase in other financial liabilities | 17 | (5,491) | 208 |
| Increase in trade and other payables | 20 | 1,434 | 6,602 |
| Cash flows generated from operations | | <u>9,003</u> | <u>2,062</u> |
| Interest received | 6 | 856 | 778 |
| Interest paid | 7 | (5,116) | (4,876) |
| Income tax (paid)/recovered | | <u>(1,713)</u> | <u>66</u> |
| Net cash flows generated from/(used in) operating activities | | <u><u>3,030</u></u> | <u><u>(1,970)</u></u> |
| Cash flows (used in)/generated from investing activities | | | |
| Proceeds from the transfer of property plant and equipment | 10 | 170 | - |
| Proceeds from the disposal of right of use land and buildings | 10 | - | - |
| Proceeds from the disposal of office equipment | 10 | - | 305 |
| Purchase of property, plant and equipment | 10 | - | (25) |
| Purchase of intangible assets | 11 | (303) | (271) |
| Net cash (used in)/generated from investing activities | | <u><u>(133)</u></u> | <u><u>9</u></u> |
| Cash flows used in financing activities | | | |
| Dividend paid | 15 | (14,500) | - |
| Lease liabilities repaid | 17 | (1,062) | (1,287) |
| Net cash used in financing activities | | <u><u>(15,562)</u></u> | <u><u>(1,287)</u></u> |
| Net decrease in cash and cash equivalents | | <u>(12,665)</u> | <u>(3,248)</u> |
| Cash and cash equivalents at 1 January | | <u>26,626</u> | <u>29,874</u> |
| Cash and cash equivalents at 31 December | 14 | <u><u>13,961</u></u> | <u><u>26,626</u></u> |

The notes to the financial statements on pages 16 to 38 form an integral part of these financial statements.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

1 Accounting policies

Ageas Retail Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The address of its registered office is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA.

(a) Statement of compliance

The financial statements were approved for issue by the Board of Directors on 9 May 2025.

The financial statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006.

(b) Basis of preparation

The financial statements as prepared are separate financial statements and the exemption from consolidation, in accordance with the Companies Act 2006 s400, has been used. Consolidated financial statements including the results of the Company are prepared by the ultimate holding company; ageas SA/NV, a company incorporated in Belgium, and copies can be obtained from the Company Secretary, Ageas (UK) Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA.

The financial performance and position of the Company, its cash flows, liquidity position and borrowings are set out in the primary statements on pages 12 to 15, and in the subsequent notes on pages 16 to 38. Further analysis of the objectives and policies for mitigating risk can be found within note 3.

Having considered the position of the Company as above, its approved budget for the next 12 months from the approval date of these financial statements and reviewing the potential risks to the Company, the directors have concluded the Company has sufficient resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The Company presents its statement of financial position in order of liquidity in accordance with IAS 1: Presentation of Financial Statements. For each asset and liability line item in the statement of financial position that details amounts expected to be recovered or settled within twelve months, or more than twelve months after the statement of financial position date, a classification at the statement of financial position date is included within the notes. The disclosures in the notes for these classifications are distinguished as follows:

- amounts expected to be settled in less than one year are referred to as current; and
- amounts expected to be settled in more than one year are referred to as non-current.

The principal accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(ii) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in thousands of Pounds Sterling, which is the Company's presentation currency.

Notes to the financial statements

1 Accounting policies (continued)

(b) Basis of preparation (continued)

(iii) Use of estimates and judgements

The preparation of financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgements made by the directors in the application of international accounting standards that have a significant effect on the financial statements, and estimates with a significant risk of material adjustment in the following year, are discussed in note 2.

(iv) New accounting standards

All new standards, interpretations and amendments to published standards that have been issued and endorsed by the UK Endorsement Board, have been considered. The following new and amended standards that came into effect in the year have been adopted by the Company during the period as appropriate:

- IAS 1 amendments: Classification of liabilities as current or non-current – January 2024.
- IAS 1 amendments: Non-current liabilities with covenants – January 2024.
- IAS 7 and IFRS 7 amendments: Supplier Finance Arrangements – January 2024.
- IFRS 16 amendments: Lease liability in a sale and leaseback – January 2024.

No adjustments to classification, recognition or measurement were required to be made to the financial statements of the company as a result of adopting these new accounting standards

In addition, the following is a list of standards that are required to be applied for annual reporting periods beginning after 1 January 2024 and that are available for early adoption in annual periods beginning on 1 January, together with the effective date of application to the Company:

- IAS 21 amendments: Lack of Exchangeability – January 2025.
- IFRS 9 and IFRS 7 amendments: Classification and Measurement of Financial Instruments – January 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements – January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – January 2027.

The standards effective from 2025 have been reviewed and are not expected to have a material impact on the Company. The implications of the remaining standards are under review. The material accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

(c) Revenue

The Company's revenue is primarily derived from the provision of insurance broking services which is undertaken within the United Kingdom. Revenue represents the Company's brokerage commission earned on insurance premiums written, instalment income from allowing customers to pay monthly, and other income. Commission is recognised in full on the sales/renewal of the insurance policy, irrespective of the timing of monies being received from the customer for this policy. This reflects the date on which the related performance obligation has been met.

Instalment income is recognised over the period of time over which the customer loan is advanced for policies on monthly direct debit, i.e. as the performance obligation is satisfied. Instalment income represents interest charges for customers paying by instalment in the accounting period.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

1 Accounting policies (continued)

(c) Revenue (continued)

The Company has utilised the practical expedient under IFRS 15: Revenue from Contracts with Customers, that the Company need not adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the Company transfers the promised service to the customer and when the customer pays for that service will be one year or less.

Other income consists of the share of profits from the Company's investment in Ageas Law LLP and the handling of First Notification of Loss ('FNOL') calls from customers. Other income is recognised in full upon the fulfilment of the relevant performance obligation.

Expected credit losses have been recognised at an appropriate level to reflect future default events for policies in force at the year end.

(d) Recognition and measurement of expenses

(i) Finance costs

Finance costs comprise interest payable on borrowings, which are expensed as incurred in the statement of profit or loss and other comprehensive income in the period to which they relate. No finance costs are capitalised.

(ii) Operating expenses

Operating expenses comprise cost of sales and administrative expenses. Operating expenses are expensed as incurred in the statement of profit or loss and other comprehensive income in the period to which they relate.

(e) Income tax

Income tax in the statement of profit or loss and other comprehensive income for the year comprises current and deferred tax, and is recognised except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of assets or liabilities that affects neither accounting nor taxable profit; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is only recognised to the extent that it is probable that future profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

1 Accounting policies (continued)

(e) Income tax (continued)

Pillar II – Global minimum taxation

Pillar II arose out of the Organisation for Economic Co-operation and Development's ('OECD') Base Erosion and Profit Shifting ('BEPS') project. It applies to large multinational groups and aims to ensure that large multinational businesses pay a minimum effective tax rate of at least 15% on profits in all countries.

The Company has assessed its exposure to the Pillar II Model rules and does not expect any impact to arise.

On 23 May 2023, the International Accounting Standards Board issued Amendments to IAS 12 Income Taxes in respect of the Pillar II model rules, which have been endorsed by the UK Endorsement Board. A mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar II rules is to be applied whilst further consideration is undertaken in respect of the rules on the accounting for income taxes applying under IAS 12.

(f) Investments

Investments are classified as non-current investments and are recorded in the statement of financial position at cost less any accumulated impairment. The carrying values of investments is reviewed at each reporting date. If an indication of impairment exists then the impairment policy (accounting policy (i)) becomes applicable.

(g) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy (i)). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the costs of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

(ii) Leased assets

Leases under which the Company is a lessee are recognised as a right-of-use asset and measured at the amount equal to the present value of the minimum lease payments, adjusted by the amount of any prepaid or accrued lease payments relating to that lease, plus any dilapidation provision required. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by any impairment and adjusted for certain remeasurements of the lease liability. Low value and short-term leases are not recognised in the Company's statement of financial position as payments made under such leases are recorded in the statement of profit or loss in the year in which they are incurred.

(iii) Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives of assets are as follows:

| | |
|---------------------|--------------------------------------|
| Office equipment | Five years |
| Right-of-use assets | Over the period of the related lease |

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. 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.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

1 Accounting policies (continued)

(h) Intangible assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance. Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (see accounting policy (i)). Cost is defined as its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

An internally-generated intangible asset is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each intangible asset.

The estimated useful lives are as follows:

| | |
|-------------------|------------|
| Computer software | Five years |
|-------------------|------------|

(i) Impairment

(i) Financial assets

The Company measures loss allowances on either of the following bases:

- 12-month expected credit losses ('ECL'): these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and the 12-month ECL measurement applies if it has not. The Company determines that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, the lifetime ECL measurement always applies for trade receivables.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available.

The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial asset is determined to have low credit risk if:

- the financial asset has a low risk of default;
- the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Notes to the financial statements

1 Accounting policies (continued)

(i) Impairment (continued)

(i) Financial assets (continued)

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

(ii) Non-financial assets

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating assets exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Financial assets and liabilities

Financial assets include cash and short term deposits, trade and other receivables, including amounts due from group undertakings. Financial assets are recognised in the statement of financial position on the date the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The Company's financial assets are subsequently measured at amortised cost. Any interest income from these financial assets is included in the statement of profit or loss as finance income, using the effective interest rate method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss, and presents in other gains or losses.

The fair value changes on financial assets measured at fair value through profit or loss are presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income ('OCI'); and
- The remaining amount of change in the fair value is presented in the statement of profit or loss.

The Company has not designated any financial liabilities as fair value through profit or loss.

Financial liabilities include amounts due to insurers, amounts owed to group undertakings, interest-bearing loans and borrowings, lease liabilities, and other payables. Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing loans and borrowing are subsequently measured at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption amount is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

1 Accounting policies (continued)

(j) Financial assets and liabilities (continued)

Interest-bearing loans and borrowings are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss as other income or finance costs.

Management has determined that the carrying amounts of the Company's financial assets and financial liabilities reasonably approximates their fair values because they are mostly short term in nature or are repriced frequently.

2 Use of estimates and judgements

The preparation of financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There are no significant judgements, estimates or assumptions made or used by the directors in the preparation of these financial statements which need to be brought to the attention of the user of the accounts.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

3 Risk management

Objectives and policies for mitigating business risk

The Company's primary business is the provision of insurance marketing and broking services. As such it is exposed to a number of risks arising from its dealings with customers and suppliers as well as from its own internal operations. The Company has various procedures in place to manage these exposures. These include an overall risk management framework, a statement on the Company's risk appetite, and a set of clearly defined risk policies. The Company also maintains a comprehensive risk register which identifies the individual risks faced in each area of the business and the controls in place to mitigate these. The Company has identified the following risk areas: insurance, regulation, market, credit, liquidity, operational, pension, climate and capital management.

The Ageas UK Board Risk Committee established by the Boards of the Company, Ageas (UK) Limited, Ageas Insurance Limited and Ageas Services (UK) Limited meets regularly to review both the risk policies and the risk register, to ensure they are up-to-date, reflect the risks currently facing the business, and that corresponding control issues and risk mitigation actions are being addressed in a timely manner. The findings of the Board Risk Committee are reported to the Boards.

(a) Credit risk

The Company is exposed to credit risk arising from the financial assets of the Company, which comprise cash and cash equivalents and other receivables (including related party balances). The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risk is monitored by management to mitigate risk and the credit quality of customers is viewed and assessed by monthly reviews of the levels of default, and an expected credit loss is calculated based on possible default events for the policies in force.

The Company's liability to insurers is cancelled if a customer does not pay, as the customer is given notice that the insurance policy will be cancelled on default of payment, therefore reducing the Company's credit risk exposure.

Trade and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

The loss allowance is calculated separately for each brand. For each aging bracket of the debt, a percentage is applied to arrive at the total loss allowance. These percentages are calculated based on the prior years' experience of debt that was written off and amounts retrieved through debt recovery agents. These percentages are adjusted for known future events.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

| | Instalments £'000 | Overdue instalments £'000 | Cancellation £'000 | Trade £'000 | Total £'000 |
|----------------------------|----------------------|---------------------------------|-----------------------|----------------|----------------|
| As at 31 December 2023 | 292 | 49 | 18 | 25 | 384 |
| Increase in loss allowance | 45 | 82 | 109 | - | 236 |
| As at 31 December 2024 | <u>337</u> | <u>131</u> | <u>127</u> | <u>25</u> | <u>620</u> |

For further details on the impairment policy for financial assets and non-financial assets, see accounting policy (i) in note 1. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

3 Risk management (continued)

(a) Credit risk (continued)

Amounts due from customers – period overdue:

| | Note | 2024 £'000 | 2024 | 2023 £'000 | 2023 |
|--------------------------------|------|----------------|---------------|----------------|---------------|
| Within terms | | 107,193 | 99.4% | 103,396 | 99.4% |
| Up to 1 month overdue | | 616 | 0.6% | 558 | 0.5% |
| Between 1 and 3 months overdue | | 57 | <0.1% | 80 | 0.1% |
| Between 3 and 6 months overdue | | - | - | 15 | <0.1% |
| Total | 13 | <u>107,866</u> | <u>100.0%</u> | <u>104,049</u> | <u>100.0%</u> |

(b) Liquidity risk

The Company has limited exposure to liquidity risk. The main sources of obligations arise from monies payable to insurers, return premiums, general suppliers and salaries. All these items can be forecast within a small tolerance and are not subject to large variances. The Company manages its liquidity risk by holding cash surpluses in its bank accounts such that its financial assets can be realised at short notice in the event that this is necessary. The Company may also make use of borrowing facilities if required.

Financial liabilities - maturity profile

| | Notes | 2024 £'000 | 2024 | 2023 £'000 | 2023 |
|-----------------------|---------------|----------------|---------------|----------------|---------------|
| Within 1 year | | 104,353 | 100.0% | 34,032 | 31.1% |
| Between 1 and 5 years | | - | - | 74,799 | 68.3% |
| Later than 5 years | | - | - | 641 | 0.6% |
| Total | 16, 17, 20 | <u>104,353</u> | <u>100.0%</u> | <u>109,472</u> | <u>100.0%</u> |

Notes to the financial statements

3 Risk management (continued)

(c) Operational risk

Operational risk arises from inadequate or failed internal processes, people and systems, or from external events. It is diverse in nature and permeates all business activities but remains a distinct form of risk. Operational risk includes for example, information technology, people, strategy, business continuity, regulatory, legal and financial crime.

The Company has carried out a detailed review of its operational processes and activities and, based on this, it has identified the areas of key risk to the business. These include the areas of Marketing, Operations, IT, Finance and HR. Separate risk policies have been formulated for each of these areas and, where appropriate, standard procedures have been carefully documented. As well as risk identification, the approach also incorporates risk measurement, risk monitoring, risk reporting and risk management. In evaluating the risks faced by the business significant focus is placed on the controls in place and how well they are operating. Regular reviews of both the risks faced, and the controls, are carried out by the Board Risk Committee.

(d) Capital management

(i) Definitions of capital management (and supporting terms)

Capital management is the collection of processes and activities undertaken to ensure that sufficient capital is maintained to ensure the organisation's ability to meet its liabilities and ultimately ensure its survival, particularly in case of losses arising from adverse events.

Capital management includes the assessment of capital required to support the Company's plans and objectives, the structure of its shareholders' funds, arrangements to secure capital, and the on-going monitoring of capital against business requirements, as well as the assessments required by the Financial Conduct Authority ('FCA').

(ii) Aims of capital management policy

The Company has established standards for the efficient management of capital, to meet the needs of the business and return on capital requirements of shareholders. This includes the capital required to support the risk appetite identified in the Company's Risk Policies together with a margin for safety, in full compliance with the requirements of the FCA. The FCA requires the Company to hold capital of the higher of £5,000 or 2.5% of annual income. Shareholders' equity, which is the capital under management, is far in excess of this requirement.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

3 Risk management (continued)

(d) Capital management (continued)

(iii) Approach to capital management

The Company provides input into the Ageas UK Business Plan which is reviewed and revised each year and then formally approved by the Board.

A factor in the formulation of the Business Plan is the assessment of the capital required to support the business objectives (i.e. growth and profit targets) and the appropriateness of the supporting capital structure.

Overall capital requirements and structure are assessed taking account of the following:

- Capital required to support the planned growth in the business;
- The expected dividend; and
- FCA capital requirements.

(e) Sensitivity to key business drivers

Effective interest rates increase/decrease by 1.0%

The Company will be exposed to the impact of interest rate changes on its financial assets and liabilities. If interest rates were to increase/decrease, there would be an increase/decrease in the finance costs in relation to the financing facility. The impact of this can be seen in the table below.

| | 2024 | 2023 |
|-----------------------------------|---------|---------|
| | £'000 | £'000 |
| Total impact on profit before tax | +/- 700 | +/- 766 |
| Total impact on net assets | +/- 525 | +/- 586 |

Expenses increase/decrease by 10.0%

If administrative expenses were to increase or decrease by 10.0% there would be an impact on profit from the additional/reduction in costs. The impact of this can be seen in the table below.

| | 2024 | 2023 |
|-----------------------------------|-----------|-----------|
| | £'000 | £'000 |
| Total impact on profit before tax | +/- 4,195 | +/- 3,824 |
| Total impact on net assets | +/- 3,146 | +/- 2,925 |

The impact of the changes in key business drivers is each assumed to be a discrete change. All other factors will be unchanged.

Some of these changes cannot be guaranteed to have a linear effect and as a range of other factors will impact the results they cannot be guaranteed to predict the result detailed. In addition the risk management that the Company operates will ensure that corrective action is implemented to mitigate or reverse the changes.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

4 Revenue

| | 2024 £'000 | 2023 £'000 |
|----------------------|---------------|---------------|
| Commissions and fees | 54,104 | 52,653 |
| Instalment income | 20,980 | 20,194 |
| Other | 3,321 | 2,719 |
| Total | 78,405 | 75,566 |

5 Operating expenses

Operating expenses comprise cost of sales and administrative expenses.

| | Note | 2024 £'000 | 2023 £'000 |
|--|------|---------------|---------------|
| Advertising | | 10,505 | 9,544 |
| Depreciation: | | | |
| - Right-of-use buildings | 10 | 854 | 1,108 |
| - Office equipment | 10 | 470 | 818 |
| Amortisation: | | | |
| - Computer software | 11 | 89 | 96 |
| Loss on disposal of property, plant and equipment | 10 | 5,437 | - |
| Personnel expenses: | | | |
| - Amounts in relation to seconded employees: | | | |
| Wages and salaries | 21 | 4,102 | 4,957 |
| Compulsory social security contributions | 21 | 410 | 487 |
| Contributions to pension plans | 21 | 371 | 430 |
| - Residual personnel recharges from a fellow group subsidiary: | | | |
| Wages and salaries | | 21,087 | 17,107 |
| Compulsory social security contributions | | 2,211 | 1,804 |
| Contributions to pension plans | | 1,013 | 808 |
| Other costs | | 20,978 | 25,866 |
| Total operating expenses | | 67,527 | 63,025 |

Operating expenses are analysed as:

| | | |
|----------------------|---------------|---------------|
| Cost of sales | 25,575 | 24,788 |
| Administrative costs | 41,952 | 38,237 |
| | <u>67,527</u> | <u>63,025</u> |

The personnel expenses are recharged by Ageas Insurance Limited and disclosed as related party transactions with fellow subsidiaries in note 22. Those relating to seconded staff have been separated, and are disclosed in note 21. These individuals' contracts of service are held by Ageas Insurance Limited.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

5 Operating expenses (continued)

Auditors' remuneration

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Fees payable to the Company's auditors for the audit of the Company's Annual report | <u>131</u> | <u>127</u> |

6 Finance income

| | 2024 £'000 | 2023 £'000 |
|------------------------------------|-------------------|-------------------|
| Bank and other interest receivable | <u>856</u> | <u>778</u> |
| Total finance income | <u>856</u> | <u>778</u> |

7 Finance costs

| | Note | 2024 £'000 | 2023 £'000 |
|---|------|---------------------|---------------------|
| Interest expense relating to lease liabilities | 17 | 132 | 208 |
| Interest expense on loans and borrowings from fellow group subsidiary | | 4,979 | 4,668 |
| Other finance costs | | <u>5</u> | <u>-</u> |
| Total finance costs | | <u>5,116</u> | <u>4,876</u> |

8 Income tax

(a) Amounts recognised in profit or loss

| | Note | 2024 £'000 | 2023 £'000 |
|---|------|-----------------------|-----------------------|
| Current tax expense | | | |
| UK corporation tax on profits for the year | | (1,257) | (1,454) |
| Prior year over provision in respect of current tax | | <u>56</u> | <u>54</u> |
| | | <u>(1,201)</u> | <u>(1,400)</u> |
| Deferred tax expense | | | |
| Origination and reversal of temporary differences | | (387) | (545) |
| Effect of variable tax rates | | - | 9 |
| Prior year under provision in respect of deferred tax | | <u>(3)</u> | <u>(17)</u> |
| | 12 | <u>(390)</u> | <u>(553)</u> |
| Total income tax expense | | <u>(1,591)</u> | <u>(1,953)</u> |

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

8 Income tax (continued)

(b) Reconciliation of effective tax rate

The tax assessed on the year is lower (2023: lower) than the standard rate of corporation tax in the United Kingdom of 25.0% (2023: 23.5%). The differences are explained below:

| | 2024 £'000 | 2023 £'000 |
|---|----------------|----------------|
| Profit before tax | 6,618 | 8,443 |
| Standard rate of corporation tax in year | 25.0% | 23.5% |
| Expected tax charge based on the standard rate of corporation tax in the UK | (1,655) | (1,984) |
| Income not taxable for tax purposes | 41 | - |
| Expenses not deductible for tax purposes | (30) | (15) |
| Effect of variable tax rates | - | 9 |
| | (1,644) | (1,990) |
| Prior year over provision in respect of current tax | 56 | 54 |
| Prior year under provision in respect of deferred tax | (3) | (17) |
| | <u>(1,591)</u> | <u>(1,953)</u> |

9 Investments

| | 2024 £'000 | 2023 £'000 |
|------------------------|---------------|---------------|
| Quote Searcher Limited | <u>10</u> | <u>10</u> |

| Investment | Country of registration | Type of holding | % owned | Nature of business |
|------------------------|-------------------------|-----------------|---------|--------------------|
| Ageas Law LLP | England | Partnership | 50.0 | Partnership |
| Quote Searcher Limited | England | Ordinary shares | 9.9 | Intermediary |

The registered address of Quote Searcher Limited is 13 the Causeway, Causeway House, Teddington, England, TW11 0JR.

The Company has a holding in Ageas Law LLP of £1 (2023: £1). Ageas Law LLP is a limited liability partnership registered in England and Wales and whose registered address is Belmont House, Churchill Way, Cardiff, South Glamorgan, CF10 2HE.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

10 Property, plant and equipment

| | Right of use | Own use | Total |
|---|--------------------------------|------------------------------|---------------|
| Note | Land and buildings £'000 | Office equipment £'000 | £'000 |
| Cost | | | |
| Balance at 1 January 2023 | 11,640 | 5,747 | 17,387 |
| Acquisitions | - | 25 | 25 |
| Disposals | - | (390) | (390) |
| Balance as at 31 December 2023 | <u>11,640</u> | <u>5,382</u> | <u>17,022</u> |
| Disposals | (11,640) | (1,082) | (12,722) |
| Transfers out | - | (1,279) | (1,279) |
| Balance as at 31 December 2024 | <u>-</u> | <u>3,021</u> | <u>3,021</u> |
| Accumulated depreciation and impairment losses | | | |
| Balance as at 1 January 2023 | 4,433 | 3,738 | 8,171 |
| Depreciation charge for the year | 1,108 | 818 | 1,926 |
| Disposals | - | (85) | (85) |
| Balance as at 31 December 2023 | <u>5,541</u> | <u>4,471</u> | <u>10,012</u> |
| Depreciation charge for the year | 5 | 854 | 1,324 |
| Disposals | (6,395) | (890) | (7,285) |
| Transfers out | - | (1,109) | (1,109) |
| Balance as at 31 December 2024 | <u>-</u> | <u>2,942</u> | <u>2,942</u> |
| Carrying amounts | | | |
| Balance as at 31 December 2023 | <u>6,099</u> | <u>911</u> | <u>7,010</u> |
| Balance as at 31 December 2024 | <u>-</u> | <u>79</u> | <u>79</u> |

During the year, the Company disposed of its right of use of part of Deansleigh House, a property in Bournemouth, to Ageas Insurance Limited. The Company surrendered its lease on the property in November 2024 (see note 17).

Transfers out of office equipment relate to refurbishment costs on the Bournemouth property which were transferred to Ageas Insurance Limited.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

11 Intangible assets

| | Note | Computer software £'000 |
|---|------|----------------------------|
| Cost | | |
| Balance as at 1 January 2023 | | 1,799 |
| Additions | | <u>271</u> |
| Balance as at 31 December 2023 | | 2,070 |
| Additions | | <u>303</u> |
| Balance as at 31 December 2024 | | <u>2,373</u> |
| Accumulated amortisation and impairment losses | | |
| Balance as at 1 January 2023 | | 1,614 |
| Amortisation charge for the year | | <u>96</u> |
| Balance as at 31 December 2023 | | 1,710 |
| Amortisation charge for the year | 5 | <u>89</u> |
| Balance as at 31 December 2024 | | <u>1,799</u> |
| Carrying amounts | | |
| Balance as at 31 December 2023 | | <u>360</u> |
| Balance as at 31 December 2024 | | <u>574</u> |

12 Deferred tax

(a) Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

| | 2024 £'000 | 2023 £'000 |
|-------------------------------|---------------|---------------|
| Property, plant and equipment | 3,192 | 3,631 |
| Other temporary differences | <u>50</u> | <u>-</u> |
| Deferred tax asset | <u>3,242</u> | <u>3,631</u> |

The deferred tax asset recognised as at 31 December 2024 has been calculated using substantively enacted tax rates.

The balance is all non-current (2023: all non-current).

There is no unrecognised deferred tax (2023: £nil).

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

12 Deferred tax asset (continued)

(b) Movement in temporary differences during the year

| | Note | 1 Jan 2024 £'000 | Recognised in profit or loss £'000 | 31 Dec 2024 £'000 |
|-------------------------------|------|------------------------|---|-------------------------|
| Property, plant and equipment | | 3,631 | (439) | 3,192 |
| Other temporary differences | | - | 50 | 50 |
| Tax assets | 8 | <u>3,631</u> | <u>(389)</u> | <u>3,242</u> |

| | | 1 Jan 2023 £'000 | Recognised in profit or loss £'000 | 31 Dec 2023 £'000 |
|-------------------------------|---|------------------------|---|-------------------------|
| Property, plant and equipment | | 4,184 | (553) | 3,631 |
| Tax assets | 8 | <u>4,184</u> | <u>(553)</u> | <u>3,631</u> |

13 Trade and other receivables

| | Note | 2024 £'000 | 2023 £'000 |
|--|------|----------------|----------------|
| Receivables from customers | 3 | 107,866 | 104,049 |
| Amounts due from group undertakings | | 5,039 | 4,563 |
| Other receivables and prepayments | | 2,987 | 2,983 |
| Other accrued income | | 967 | 596 |
| Total trade and other receivables | | <u>116,859</u> | <u>112,191</u> |

Amounts due from group undertakings are unsecured, interest free and repayable on demand in cash. Trade and other receivables are stated at their cost less any impairment losses. All amounts are deemed current (2023: current).

14 Cash and cash equivalents

| | 2024 £'000 | 2023 £'000 |
|--------------|---------------|---------------|
| Cash at bank | <u>13,961</u> | <u>26,626</u> |

Cash and cash equivalents comprise cash balances and call deposits.

The effective interest rate at 31 December 2024 on short term bank deposits was 1.7% (2023: 1.6%), with an average maturity of one day.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

15 Shareholders' equity

(a) Share capital

| | Ordinary shares | |
|---------------------------------------|-----------------|---------------|
| | 2024 | 2023 |
| | £'000 | £'000 |
| In issue at 1 January and 31 December | <u>24,050</u> | <u>24,050</u> |

At 31 December 2024, the authorised and issued share capital is 24,050,000 ordinary shares (2023: 24,050,000), which have a par value of £1 per ordinary share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends payable on ordinary shares are recognised when they are declared.

(b) Dividends

During the year the Company paid a dividend of £14.5m to its immediate parent company (2023: £nil).

(c) Retained earnings

Retained earnings represents the accumulated comprehensive income for the current and prior financial years.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

16 Loans and borrowings

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Amounts owed to fellow group subsidiary | <u>70,000</u> | <u>70,000</u> |

The loan with Ageas Insurance Limited has a maximum capacity of £100.0m, including a covenant to maintain at all times sufficient capital to comply with the rules of the Financial Conduct Authority. The loan incurs interest at 1.75% above the Bank of England base rate and it has a maturity date of 7 September 2025. There is also a non-utilisation charge at 0.56% per annum of the undrawn portion of the maximum capacity.

17 Other financial liabilities

| | 2024 £'000 | 2023 £'000 |
|-------------------|---------------|---------------|
| Lease liabilities | <u>-</u> | <u>6,553</u> |

Future lease payments are due as follows:

| | Minimum lease payments £'000 2024 | Interest £'000 2024 | Present value £'000 2024 | Present value £'000 2023 |
|--------------------------------|---|---------------------------|-----------------------------------|-----------------------------------|
| Current liabilities | | | | |
| No later than one year | - | - | - | 1,112 |
| Non-current liabilities | | | | |
| Between one and five years | - | - | - | 4,799 |
| Later than five years | - | - | - | 642 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,553</u> |

During the year, the Company made £1.1m (2023: £1.3m) of minimum lease payments and £0.1m (2023: £0.2m) was recognised as interest expense in the statement of profit or loss and other comprehensive income in respect of leases (see note 7).

At 31 December 2023, the future lease payments related to the Company's lease for part of Deansleigh House, a property in Bournemouth. The lease was surrendered in November 2024.

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

18 Current tax

| | 2024 £'000 | 2023 £'000 |
|-----------------------|---------------|---------------|
| Current tax liability | <u>944</u> | <u>1,455</u> |

The current tax liability in the current and prior year represents the residual amount of income taxes payable in respect of the current year under the quarterly payment regime plus any adjustment in respect of prior years.

19 Pension scheme

| | 2024 £'000 | 2023 £'000 |
|---------------------------------------|---------------|---------------|
| Payments to defined contribution plan | <u>1,384</u> | <u>1,238</u> |

The disclosed pension costs represent the costs of pension contributions in relation to seconded employees and to personnel recharges from a fellow group subsidiary.

20 Trade and other payables

| | 2024 £'000 | 2023 £'000 |
|---------------------------------------|---------------|---------------|
| Due to insurers | 1,966 | 2,555 |
| Amounts owed to group undertakings | 24,355 | 19,528 |
| Other payables and accrued expenses | 2,728 | 4,053 |
| Deferred income | 5,117 | 6,724 |
| VAT and other taxes payable | 187 | 59 |
| Total trade and other payables | <u>34,353</u> | <u>32,919</u> |

The Company acts as an agent in broking the insurable risks of its customers and is not liable as a principal for premiums due to insurance companies or for claims payable to customers.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand in cash.

All amounts are payable within one year (2023: within one year).

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

21 Staff numbers and costs

The amounts disclosed below relate to staff employed by Ageas Insurance Limited who are seconded to the Company. These amounts are included within note 5, along with the additional recharge for other staff of Ageas Insurance Limited who provided services to the Company during the year.

The total number of seconded employees at the year end, analysed by category, was as follows:

| | 2024 No. | 2023 No. |
|---------------------------------------|-------------|-------------|
| Corporate, administration and support | 110 | 112 |
| Marketing and sales | - | 37 |
| | <u>110</u> | <u>149</u> |

The full time equivalent number of seconded employees was as follows:

| | 2024 No. | 2023 No. |
|---------------------------------------|-------------|-------------|
| Corporate, administration and support | 94 | 95 |
| Marketing and sales | - | 34 |
| | <u>94</u> | <u>129</u> |

The average number of seconded employees during the year was as follows:

| | 2024 No. | 2023 No. |
|--|-------------|-------------|
| Total number of employees | <u>140</u> | <u>180</u> |
| Full time equivalent number of employees | <u>121</u> | <u>156</u> |

The aggregate recharged costs in respect of these persons were as follows:

| | Note | 2024 £'000 | 2023 £'000 |
|-----------------------|------|---------------|---------------|
| Wages and salaries | 5 | 4,102 | 4,957 |
| Social security costs | 5 | 410 | 487 |
| Other pension costs | 5 | 371 | 430 |
| | | <u>4,883</u> | <u>5,874</u> |

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

22 Related party transactions

The Company has a related party relationship with the directors and other key management personnel of the Company.

Transactions with directors and other key management personnel

In addition to their salaries, the Company also provides non-cash benefits to the directors and other key management personnel.

The remuneration of the directors in respect of services to the Company consists of:

| | 2024 £'000 | 2023 £'000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 739 | 627 |
| Post-employment benefits | 2 | 34 |
| | <u>741</u> | <u>661</u> |

The remuneration of key management personnel in respect of services to the Company consists of:

| | 2024 £'000 | 2023 £'000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 1,361 | 1,149 |
| Post-employment benefits | 5 | 18 |
| | <u>1,366</u> | <u>1,167</u> |

In respect of the highest paid director:

| | 2024 £'000 | 2023 £'000 |
|------------------------------|---------------|---------------|
| Short-term employee benefits | 305 | 266 |
| Post-employment benefits | 1 | 20 |
| | <u>306</u> | <u>286</u> |

Under the defined benefit scheme, the highest paid director's accrued pension at the year end was £nil (2023: £nil).

Ageas Retail Limited

Company registration number: 01324965

Notes to the financial statements

22 Related party transactions (continued)

In the ordinary course of business the Company carries out transactions with related parties as defined in IAS 24: Related Party Disclosures. Material transactions are set out below.

| | 2024 Comp. income £'000 | 2024 Financial Position £'000 | 2023 Comp. income £'000 | 2023 Financial Position £'000 |
|---|----------------------------------|--|----------------------------------|--|
| | (Expense)/ income | Asset/ (liability) | Income/ (expense) | Asset/ (liability) |
| Immediate parent and intermediate holding company | (8) | - | 10 | - |
| Fellow subsidiary company transactions and balances | <u>(27,294)</u> | <u>(89,316)</u> | <u>(17,999)</u> | <u>(84,965)</u> |
| | <u>(27,302)</u> | <u>(89,316)</u> | <u>(17,989)</u> | <u>(84,965)</u> |

Immediate parent and intermediate holding company transactions relate to intercompany cross charges. Fellow subsidiary company transactions and assets relate to commission received on insurance policies written by Ageas Insurance Limited, the provision of administration and management services by Ageas Insurance Limited and profit share received from Ageas Law LLP. All related party transactions are settled on a net basis.

The Company also has an outstanding loan of £70.0m (2023: £70.0m) with Ageas Insurance Limited. The loan with Ageas Insurance Limited has a maximum capacity of £100.0m, including a covenant to maintain, at all times, sufficient capital to comply with the rules of the Financial Conduct Authority. The loan incurs interest at 1.75% above the Bank of England base rate and it has a maturity date of 7 September 2025. There is also a non-utilisation charge at 0.56% per annum of the undrawn portion of the maximum capacity.

23 Parent company

The Company's immediate parent is Ageas (UK) Limited, a company registered in England and Wales whose registered address is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

The Company's results are consolidated into the financial statements of the ultimate holding company ageas SA/NV, a company incorporated in Belgium whose registered address is Avenue de Boulevard 21, 1210 Brussels.

Copies of the Company's financial statements can be obtained from the Company Secretary, Ageas Retail Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

Ageas Retail Limited

Company registration number: 01324965

Independent auditors' report to the members of Ageas Retail Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ageas Retail Limited ("the Company") for the year ended 31 December 2024 which comprise statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report and Strategic 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.

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.

Ageas Retail Limited

Company registration number: 01324965

Independent auditors' report to the members of Ageas Retail Limited (continued)

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of Directors

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

Ageas Retail Limited

Company registration number: 01324965

Independent auditors' report to the members of Ageas Retail Limited (continued)

Extent to which the audit was 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:

Non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors and other management. We discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Legal and regulatory frameworks determined most significant are:

- Companies Act of 2006.
- UK adopted international accounting standards.
- Financial Conduct Authority (FCA).

Non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We performed procedures including:

- Obtaining an understanding of the legal and regulatory framework applicable to the Company's operations.
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- Inspecting correspondence with the FCA for any instances of non-compliance with laws and regulations;
- Enquiring of the of those charged with governance of any instances of non-compliance.

Fraud

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatements due to fraud, we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of those charged with governance, internal audit and management as to whether they have knowledge of any actual, suspected or alleged fraud.
- Review of Board and Audit Committee meeting minutes and correspondence with regulatory authorities throughout the year for any known or suspected instances of fraud.
- Identifying any unusual journal entries based on criteria that are indicative of a high risk of fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.
- Obtain an understanding of the control environment in monitoring compliance with laws and regulations.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and manual journal entries related to revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of manual revenue journal entries to supporting documentation to ensure that they are not indicative of management bias, and
- Testing a sample of revenue transactions to third party information and bank statements.

Ageas Retail Limited

Company registration number: 01324965

Independent auditors' report to the members of Ageas Retail Limited (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Alexander Barnes (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 12 May 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).