

# Ageas Retail Limited

Annual Report  
For the year ended 31 December 2023

Company Registration Number: 01324965

# Ageas Retail Limited

Company registration number: 01324965

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# Ageas Retail Limited

Company registration number: 01324965

## Directors and Advisers

### Directors

Gregor Ball (resigned 31 March 2023)  
Antonio Cano  
Hans De Cuyper  
Bart De Smet  
Jeremy Haynes  
Richard Jackson  
Malcolm McCaig  
Anthony Middle  
Nerissa Naidu (appointed 31 March 2023)  
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, motor and travel insurance 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 2023 was £75.6m (2022: £73.3m). The Company made a profit after tax of £6.5m in the year (2022: £5.4m). The increased profitability in the year was due to increased revenue from higher volumes and increases in average price, whilst benefitting from a reduction in customer write-off costs.

#### 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

	2023 £'000	2022 £'000	Change %
Revenue	75,566	73,269	3.1

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.

	2023 £'000	2022 £'000	Change %
Profit before tax	8,443	6,647	27.0

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.

	2023 %	2022 %	Change
Expense ratio	83.4	87.5	(4.1)

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 increased by £6.5m (2022: decreased by £7.0m) due to a profit after tax of £6.5m in the year (2022: £5.4m). The Company did not pay a dividend during the year (2022: £12.4m).

# Ageas Retail Limited

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## Strategic Report (continued)

### Key Performance Indicators (continued)

#### Assets

Total assets have increased by £13.5m in the year to £149.8m (2022: decreased by £16.6m). The main drivers of this are an increase in trade and other receivables of £19.3m offset by a decrease in property, plant and equipment of £2.2m due to depreciation charges in the year, and a decrease of £3.2m in cash and cash equivalents.

#### Liabilities

Total liabilities have increased by £7.0m in the year to £110.9m (2022: decreased by £9.6m) driven by an increase in trade and other payables of £6.6m and a current tax liability balance of £1.5m (2022: asset of £11,000) at year end, offset by a decrease in other financial liabilities on repayment of lease liabilities of £1.1m.

### Section 172(1) statement

The Ageas UK directors have always been aware of and attentive to all of 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) recognise 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, and that obligations to all stakeholders are understood and met. 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 Stakeholder Engagement statements set out in the Report of the Directors on pages 4 to 8.

### Strategic aims and objectives

During 2023 the Ageas UK Executive continued to execute the three-year strategy set by the Ageas UK Boards in 2021. Regular updates as to the progress of the strategy are reported to and considered by the Ageas UK Board quarterly. The strategic purpose of the Company is aligned to that of the Ageas UK, which is to Understand People + Simplify Insurance.

### 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 3 May 2024 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 2023.

### Results

The results of the Company are contained in the financial statements on pages 10 to 36. The 2023 profit after tax was £6.5m for the year (2022: profit of £5.4m).

No dividends were paid during the year (2022: £12.4m).

### Business review

The business review, including the future developments of the Company, is set out in the Strategic Report on pages 2 and 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 180 (2022: 243). The full-time equivalent number of employees adjusted for part time staff was 156 (2022: 213). Their annual aggregate remuneration was £5.9m (2022: £8.2m). 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 clear UK purpose and strategy, is fully aligned to and supportive of ageas SA/NV's strategy, Impact 24 (available to view on at [www.ageas.com](http://www.ageas.com)). During 2023, ageas SA/NV was represented on the Ageas UK Boards by Ageas Group Executive and Non-Executive Directors.

#### Customers, Brokers and Partners and Suppliers

Customers are at the heart of how Ageas UK's business is conducted, supported by its purpose which is set by the Boards and articulated with the Ageas UK Strategy. During the year the Ageas UK Boards, supported by the Board appointed Consumer Duty Champion (an INED), focussed on ensuring the FCA's Consumer Duty was properly embedded across the business and approved an assessment that confirmed the Company to be delivering good outcomes for customers.

Ageas UK maintained the Institute of Customer Service 'Service Mark' accreditation in 2023 having continued to uphold customer satisfaction scores above the all-sector average. As part of Ageas UK's ongoing relationship with the Institute of Customer Service, the Ageas UK CEO spoke at an All-party Parliamentary Group for customer service, discussing the role of customer service in retail finance, and how organisations like Ageas UK were supporting positive customer outcomes.

To support oversight, quarterly customer reporting continued to be provided to the Ageas UK Boards, and Board Members have participated in a customer immersion programme throughout the year, which has provided them the opportunity to experience first-hand the experience of Ageas UK customers. Output from the sessions, together with customer metrics and feedback had been incorporated into Board discussions that ultimately shaped Ageas UK strategy.

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## Directors' Report (continued)

### Customers, Brokers and Partners and Suppliers (continued)

Several initiatives were implemented throughout 2023 to improve the customer experience and to ensure customers continued to receive good outcomes. The Board received regular updates on actions being undertaken by a Weather Taskforce, established by the business to proactively support Ageas customers before, during and after severe weather events, including enhanced customer communications and digital capabilities. A new Ageas Care programme was also launched during 2023 that aimed to strengthen existing practices and processes for vulnerable customers who may require additional, tailored support when managing their insurance. The Ageas UK Boards also oversaw the deployment of the customer digital transformation programme, increasing online functionality, making it easier for Ageas customers to manage their insurance policies as they choose.

Ageas UK's relationships with brokers and intermediaries are fundamental to its distribution, because over 80% of business is conducted through this channel. A focus of the Ageas UK strategy continues to be to grow personal lines business via brokers and, throughout 2023, the Ageas UK Boards were provided with details of the new arrangements established in support of the strategy. 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 shared with the Ageas UK Boards.

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. During 2023, suppliers were asked to complete a questionnaire which sought to understand whether their environmental, societal and governance standards were aligned to those of Ageas UK.

### 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 2023 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 Ageas UK Boards receive a quarterly 'People and Property' report from the HR Director 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 enabled the business to monitor employee sentiment on a real time basis and respond accordingly. A focus session on People strategy was provided to the Ageas UK Boards, providing an opportunity to understand in greater depth the actions being taken to respond to a more challenging external labour market and to improve employee experience. In response to employee feedback and market analysis, in 2023 the Ageas UK Boards oversaw the implementation of an enhanced employee reward proposition, with the aim of strengthening the employee proposition and to support employees through the cost-of-living crisis.

Board directors have participated in a number of employee events throughout the year, including leadership events, employee townhalls, strategic briefings and attendance at the Employee Forum, with the direct engagement providing them with vital insight into the culture of the Company. The Employee Forum has continued to perform an important role supporting the engagement of employees, attended by the Ageas UK CEO and HR Director, it provides an opportunity for employees to raise questions and concerns directly with Board directors and facilitates the escalation and cascade of key messages, from and to the Executive team and the Ageas UK Boards. In addition, 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, in order to enhance further engagement between the Ageas UK Boards and employees.

# Ageas Retail Limited

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## Directors' Report (continued)

### Employee engagement (continued)

To reinforce a strong people culture, Ageas UK continues to provide employees with timely and regular communications issued via a digital platform 'Viva 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 2023, with campaigns focussing on financial, physical, and mental wellbeing. The Ageas UK Boards have also received details of the actions being taken to invest in the talent and skills across the business, specifically through the building of technical excellence, supporting career mobility and the deployment of apprenticeships in key business areas. Employee engagement scores remained positive throughout 2023, with Ageas UK certified as a Top Employer by the Top Employer Institute for the second year and rated a 5\* employer by the Insurance Post following a voluntary survey of industry wide employees.

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 2023 stating his view that the systems and controls in place were satisfactory.

### 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.

An inclusion steering group known as 'Momentum', chaired by the Ageas UK CEO, has been established comprising senior representatives from each area of the business who are held accountable for progress against the diversity targets. During 2023, the Ageas UK Boards received regular updates on progress to deliver the inclusion plan which included: meeting the Women in Finance target of 40% women in senior management, receiving Disability Confident Leader status; and undertaking a deep dive review to understand the experiences of ethnic minority applicants and employees with a view to improving overall representation.

The gender pay gap report is provided to the Ageas UK Boards annually, together with progress against agreed targets. Since 2021, Ageas UK has published data on ethnicity, disability and LGBTQIA+ pay gaps, as well as the gender pay gap.

Ageas UK policies and standards are aligned to legislation relating to discrimination in employment, including the employment of people with disabilities. Ageas UK has continued to focus on raising awareness of autism in partnership with GAIN, an organisation working across the insurance industry, and has run several educational sessions for employees. Employees with disabilities are treated fairly and can compete on equal terms for career progression, an applicant with a disability who meets the minimum criteria is guaranteed an interview. Ageas UK is committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Ageas.

# Ageas Retail Limited

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## Directors' Report (continued)

### Community and Environment

In terms of the wider society, the Ageas UK Boards receive quarterly updates on progress against the ESG strategy and associated targets, together with updates on the environmental and community initiatives undertaken by the Company, such as the green parts initiative to make the repair of vehicles more sustainable. This award-winning initiative reduced plastic and metal waste, giving a second life to car parts that would have otherwise been scrapped, whilst alleviating supply chain challenges. Ageas UK also 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.

In February 2022 the Ageas UK 2022-2024 Environmental, Social and Governance ('ESG') strategy and supporting targets were approved by the Ageas UK Boards, which sought to ensure ESG considerations are integral to the way the Company works, including by ensuring we have robust governance measures in place, deliver the best possible service and products for Ageas customers, reduce the impact of the Company on the environment and supporting employees and communities. The Ageas UK Boards oversee implementation of the ESG strategy on a quarterly basis by tracking progress against an ESG scorecard. Senior Management from across the Ageas UK business have different ESG related responsibilities, whereby the Ageas UK Boards have allocated responsibility for managing climate change financial risks to the Chief Underwriting Officer who, throughout 2023, reported on ESG related matters to the Boards on a quarterly basis.

The Company supports a 'Charity of the Year' as nominated by the employees which, for 2023, continued to be the Air Ambulance UK, whereby employees raised funds through sponsorship, fundraising and donations. Ageas UK also agreed to match employee donations made to the Disaster Emergency Committee appeal in response to earthquakes in Turkey and Syria. Employees are also supported to help the community, with paid absence available for staff choosing to volunteer, with a significant increase in volunteering reported to the Ageas UK Boards, following a change in volunteering policy.

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:

	<b>2023</b>	<b>2022</b>
Energy consumption in kilowatt hours ('kWh')	423,000	647,000
Total gross emissions in metric tonnes of carbon dioxide equivalent ('tCO <sub>2</sub> e')	28.7	104.2
Intensity metric	0.01	0.43

The 2022 energy consumption in kWh has been restated to include scope 2 emissions in line with the total gross emissions in metric tCO<sub>2</sub>e.

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. Total emissions have been calculated using the latest applicable UK Government emission conversion factors for greenhouse gas reporting.

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.

All emissions are from the UK.

The Company is required to calculate and disclose an intensity metric. The intensity metric has been calculated as the tCO<sub>2</sub>e per employee.

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## Directors' Report (continued)

### 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 2023, the Company maintained regular contact with the PRA and FCA, including in relation to the progress of Consumer Duty implementation, our response to inflation, and updates on operational resilience activities.

### Donations

The Company made £6,248 of charitable donations in the year (2022: £14,056). No political donations (2022: £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 3 May 2024 and signed on behalf of the board by:



Jonathan Price  
Chief Financial Officer

# Ageas Retail Limited

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## 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.

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## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue	4	75,566	73,269
Cost of sales	5	(24,788)	(26,393)
<b>Gross profit</b>		<u>50,778</u>	<u>46,876</u>
Administrative expenses	5	(38,237)	(37,697)
<b>Operating profit</b>		<u>12,541</u>	<u>9,179</u>
Finance income	6	778	127
Finance costs	7	(4,876)	(2,659)
<b>Profit before tax</b>		<u>8,443</u>	<u>6,647</u>
Income tax	8	(1,953)	(1,231)
<b>Profit for the year</b>		<u>6,490</u>	<u>5,416</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>6,490</u>	<u>5,416</u>

The notes to the financial statements on pages 14 to 36 form an integral part of these financial statements.

# Ageas Retail Limited

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## Statement of financial position

As at 31 December 2023

	Note	2023 £'000	2022 £'000
<b>Assets</b>			
Investments	9	10	10
Property, plant and equipment	10	7,010	9,216
Intangible assets	11	360	185
Deferred tax asset	12	3,631	4,184
Current tax asset	18	-	11
Trade and other receivables	13	112,191	92,880
Cash and cash equivalents	14	26,626	29,874
<b>Total assets</b>		<b>149,828</b>	<b>136,360</b>
<b>Shareholders' equity</b>			
Share capital	15	24,050	24,050
Retained earnings		14,851	8,361
<b>Total shareholders' equity</b>		<b>38,901</b>	<b>32,411</b>
<b>Liabilities</b>			
Financial liabilities			
- Loans and borrowings	16	70,000	70,000
- Other financial liabilities	17	6,553	7,632
Current tax liability	18	1,455	-
Trade and other payables	20	32,919	26,317
<b>Total liabilities</b>		<b>110,927</b>	<b>103,949</b>
<b>Total equity and liabilities</b>		<b>149,828</b>	<b>136,360</b>

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

The notes to the financial statements on pages 14 to 36 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 3 May 2024 and were signed on its behalf by:



Jonathan Price  
Chief Financial Officer

# Ageas Retail Limited

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## Statement of changes in equity

For the year ended 31 December 2023

	Note	Share capital £'000	Retained earnings £'000	Total £'000
<b>Balance as at 1 January 2022</b>		24,050	15,345	39,395
Profit for the year		-	5,416	5,416
<b>Total comprehensive income</b>		-	5,416	5,416
Dividend paid	15	-	(12,400)	(12,400)
<b>Balance as at 31 December 2022</b>	15	24,050	8,361	32,411
Profit for the year		-	6,490	6,490
<b>Total comprehensive income</b>		-	6,490	6,490
Dividend paid	15	-	-	-
<b>Balance as at 31 December 2023</b>	15	24,050	14,851	38,901

The notes to the financial statements on pages 14 to 36 form an integral part of these financial statements.

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## Statement of cash flows

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Profit before tax		8,443	6,647
<i>Adjustments for:</i>			
Finance income	6	(778)	(127)
Finance costs	7	4,876	2,659
Depreciation of property, plant and equipment	5	1,926	2,157
Amortisation of intangible assets	5	96	227
Loss on disposal of property, plant and equipment	5	-	16
<b>Operating profit before working capital changes</b>		<u>14,563</u>	<u>11,580</u>
(Increase)/decrease in trade and other receivables	13	(19,311)	11,210
Increase in other financial liabilities	17	208	240
Increase/(decrease) in trade and other payables	20	6,602	(7,847)
<b>Cash flows generated from operations</b>		<u>2,062</u>	<u>15,182</u>
Interest received	6	778	127
Interest paid	7	(4,876)	(2,659)
Income tax recovered/(paid)		66	(1,207)
<b>Net cash flows (used in)/generated from operating activities</b>		<u>(1,970)</u>	<u>11,444</u>
<b>Cash flows from/(used in) investing activities</b>			
Proceeds from the disposal of office equipment	10	305	-
Purchase of property, plant and equipment	10	(25)	(511)
Purchase of intangible assets	11	(271)	-
<b>Net cash generated from/(used in) investing activities</b>		<u>9</u>	<u>(511)</u>
<b>Cash flows (used in)/generated from financing activities</b>			
Dividend paid	15	-	(12,400)
Lease liabilities repaid	17	(1,287)	(1,287)
<b>Net cash (used in) financing activities</b>		<u>(1,287)</u>	<u>(13,687)</u>
<b>Net decrease in cash and cash equivalents</b>		(3,248)	(2,754)
Cash and cash equivalents at 1 January		<u>29,874</u>	<u>32,628</u>
<b>Cash and cash equivalents at 31 December</b>	14	<u>26,626</u>	<u>29,874</u>

The notes to the financial statements on pages 14 to 36 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 3 May 2024.

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

In accordance with IFRS 8: Operating Segments, the Company is not required to present segmental information as the equity of the Company is not publicly traded.

#### (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 10 to 13, and in the subsequent notes on pages 14 to 36. 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 and interpretations released by the International Accounting Standards Board ('IASB') 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 year as appropriate:

- IAS 1 amendments: Presentation of Financial Statements: Disclosure of Accounting Policies – January 2023.
- IAS 8 amendments: Definition of accounting estimate – January 2023.
- IAS 12 amendments: Deferred Tax related to assets and liabilities arising from a single transaction – January 2023.
- IAS 12 amendments: International Tax Reform - Pillar Two Model Rules – May 2023.

The following new and amended standards that came into effect in the year have not been adopted by the Company during the year as they are not relevant to the Company:

- IFRS 17: Insurance contracts – January 2023.
- IFRS 17 amendments: Initial application of IFRS 17 and IFRS 9 – comparative information – January 2023.

In addition, the following is a list of standards that are in issue but are not effective in 2023, together with the effective date of application to the Company.

- 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
- IAS 21 amendments: Lack of Exchangeability – January 2025.

The standards effective from 2024 and 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 represents share of profits from the Company's investment in Ageas Law LLP and income from the sale of renewal rights. Other income is recognised in full upon the fulfilment of the relevant performance obligation which in the case of the sale of the renewal rights was linked to the number of renewals as each month passes.

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:

Buildings	Fifty years
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
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#### (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.

# 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 2023 and 31 December 2022 was determined as follows for trade receivables:

	Instalments £'000	Overdue instalments £'000	Cancellation £'000	Trade £'000	Total £'000
As at 31 December 2022	396	84	89	25	594
Allowance released in the year	(104)	(35)	(71)	-	(210)
As at 31 December 2023	<u>292</u>	<u>49</u>	<u>18</u>	<u>25</u>	<u>384</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	2023 £'000	2023	2022 £'000	2022
Within terms		103,396	99.4%	83,437	98.8%
Up to 1 month overdue		558	0.5%	885	1.0%
Between 1 and 3 months overdue		80	0.1%	103	0.2%
Between 3 and 6 months overdue		15	0.0%	19	0.0%
Between 6 and 12 months overdue		-	-	33	0.0%
Total	13	<u>104,049</u>	<u>100.0%</u>	<u>84,477</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	2023 £'000	2023	2022 £'000	2022
Within 1 year		34,032	31.1%	27,396	26.4%
Between 1 and 5 years		74,799	68.3%	74,657	71.8%
Later than 5 years		641	0.6%	1,896	1.8%
Total	16, 17, 20	<u>109,472</u>	<u>100.0%</u>	<u>103,949</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 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, there would be an increase in the finance costs in relation to the financing facility. The impact of this can be seen in the table below.

	2023	2022
	£'000	£'000
Decrease in profit before tax	<u>(766)</u>	<u>(776)</u>
Decrease in net assets	<u>(586)</u>	<u>(629)</u>

##### Expenses increase by 10.0%

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

	2023	2022
	£'000	£'000
Decrease in profit before tax	<u>(3,824)</u>	<u>(3,770)</u>
Decrease in net assets	<u>(2,925)</u>	<u>(3,053)</u>

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

	2023 £'000	2022 £'000
Commissions and fees	52,653	50,775
Instalment income	20,194	19,573
Other	<u>2,719</u>	<u>2,921</u>
<b>Total</b>	<b><u>75,566</u></b>	<b><u>73,269</u></b>

### 5 Operating expenses

Operating expenses comprise cost of sales and administrative expenses.

	Note	2023 £'000	2022 £'000
Advertising		9,544	11,515
Depreciation:			
- Right-of-use buildings	10	1,108	1,108
- Office equipment	10	818	1,049
Amortisation:			
- Computer software	11	96	227
Personnel expenses:			
- Amounts in relation to seconded employees:			
Wages and salaries	21	4,957	7,022
Compulsory social security contributions	21	487	635
Contributions to pension plans	21	430	538
- Residual personnel recharges from a fellow group subsidiary:			
Wages and salaries		17,107	12,306
Compulsory social security contributions		1,804	1,491
Contributions to pension plans		808	615
Other costs*		<u>25,866</u>	<u>27,584</u>
<b>Total operating expenses</b>		<b><u>63,025</u></b>	<b><u>64,090</u></b>

\* Recognised within Other costs is loss/(profit) on disposal of property, plant and equipment of £nil for the year (2022: loss of £16,000).

#### Operating expenses are analysed as:

Cost of sales	24,788	26,393
Administrative costs	<u>38,237</u>	<u>37,697</u>
	<b><u>63,025</u></b>	<b><u>64,090</u></b>

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

	2023 £'000	2022 £'000
Fees payable to the Company's auditors for the audit of the Company's Annual report	<u>127</u>	<u>89</u>

### 6 Finance income

	2023 £'000	2022 £'000
Bank and other interest receivable	<u>778</u>	<u>127</u>
<b>Total finance income</b>	<u>778</u>	<u>127</u>

### 7 Finance costs

	Note	2023 £'000	2022 £'000
Interest expense relating to lease liabilities	17	208	240
Interest expense on loans and borrowings from fellow group subsidiary		<u>4,668</u>	<u>2,419</u>
<b>Total finance costs</b>		<u>4,876</u>	<u>2,659</u>

### 8 Income tax

#### (a) Amounts recognised in profit or loss

	Note	2023 £'000	2022 £'000
<b>Current tax expense</b>			
UK corporation tax on profits for the year		(1,454)	(740)
Prior year over/(under) provision in respect of current tax		<u>54</u>	<u>259</u>
		<u>(1,400)</u>	<u>(481)</u>
<b>Deferred tax expense</b>			
Origination and reversal of temporary differences		(545)	(530)
Effect of variable tax rates		9	(9)
Prior year under provision in respect of deferred tax		<u>(17)</u>	<u>(211)</u>
	12	<u>(553)</u>	<u>(750)</u>
<b>Total income tax expense</b>		<u>(1,953)</u>	<u>(1,231)</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 (2022: lower) than the standard rate of corporation tax in the United Kingdom of 23.5% (2022: 19.0%). The differences are explained below:

	2023 £'000	2022 £'000
Profit before tax	8,443	6,647
Standard rate of corporation tax in year	23.5%	19.0%
Expected tax charge based on the standard rate of corporation tax in the UK	(1,984)	(1,263)
Expenses not deductible for tax purposes	(15)	(7)
Effect of variable tax rates	9	(9)
	(1,990)	(1,279)
Prior year over/(under) provision in respect of current tax	54	259
Prior year under provision in respect of deferred tax	(17)	(211)
	<u>(1,953)</u>	<u>(1,231)</u>

### 9 Investments

	2023 £'000	2022 £'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 (2022: £1). Ageas Law LLP is a limited liability partnership registered in England and Wales and whose registered address is Helmont House, Churchill Way, Cardiff, South Glamorgan, CF10 2HE.

# Ageas Retail Limited

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## 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
<b>Cost</b>			
Balance at 1 January 2022	11,640	5,253	16,893
Acquisitions	-	511	511
Disposals	-	(17)	(17)
<b>Balance as at 31 December 2022</b>	<b>11,640</b>	<b>5,747</b>	<b>17,387</b>
Acquisitions	-	25	25
Disposals	-	(390)	(390)
<b>Balance as at 31 December 2023</b>	<b>11,640</b>	<b>5,382</b>	<b>17,022</b>
<b>Accumulated depreciation and impairment losses</b>			
Balance as at 1 January 2022	3,325	2,689	6,014
Depreciation charge for the year	5 1,108	1,049	2,157
<b>Balance as at 31 December 2022</b>	<b>4,433</b>	<b>3,738</b>	<b>8,171</b>
Depreciation charge for the year	5 1,108	818	1,926
Disposals	-	(85)	(85)
<b>Balance as at 31 December 2023</b>	<b>5,541</b>	<b>4,471</b>	<b>10,012</b>
<b>Carrying amounts</b>			
Balance as at 31 December 2022	7,207	2,009	9,216
Balance as at 31 December 2023	6,099	911	7,010

# Ageas Retail Limited

Company registration number: 01324965

## Notes to the financial statements

### 11 Intangible assets

	Note	Computer software £'000
<b>Cost</b>		
Balance as at 1 January 2022		<u>1,799</u>
Balance as at 31 December 2022		1,799
Additions		<u>271</u>
Balance as at 31 December 2023		<u>2,070</u>
<b>Accumulated amortisation and impairment losses</b>		
Balance as at 1 January 2022		1,387
Amortisation charge for the year	5	<u>227</u>
Balance as at 31 December 2022		1,614
Amortisation charge for the year	5	<u>96</u>
Balance as at 31 December 2023		<u>1,710</u>
<b>Carrying amounts</b>		
Balance as at 31 December 2022		<u>185</u>
Balance as at 31 December 2023		<u>360</u>

### 12 Deferred tax

#### (a) Recognised deferred tax

Deferred tax assets and liabilities are attributable to the following:

	2023 £'000	2022 £'000
Property, plant and equipment	<u>3,631</u>	<u>4,184</u>
Deferred tax asset	<u>3,631</u>	<u>4,184</u>

An increase in the main UK corporation tax rate from 19% to 25% from 1 April 2023 was announced in the Budget on 3 March 2021. This change was substantively enacted on 24 May 2021; accordingly the deferred tax asset recognised as at 31 December 2023 has been calculated using substantively enacted tax rates.

The balance is all non-current (2022: all non-current).

There is no unrecognised deferred tax (2022: £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 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>

		1 Jan 2022 £'000	Recognised in profit or loss £'000	31 Dec 2022 £'000
Property, plant and equipment		4,753	(569)	4,184
Other temporary differences		181	(181)	-
Tax assets	8	<u>4,934</u>	<u>(750)</u>	<u>4,184</u>

### 13 Trade and other receivables

	Note	2023 £'000	2022 £'000
Receivables from customers	3	104,049	84,477
Amounts due from group undertakings		4,563	4,889
Other receivables and prepayments		2,983	2,741
Other accrued income		596	773
<b>Total trade and other receivables</b>		<u>112,191</u>	<u>92,880</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 (2022: current).

### 14 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank	<u>26,626</u>	<u>29,874</u>

Cash and cash equivalents comprise cash balances and call deposits.

The effective interest rate at 31 December 2023 on short term bank deposits was 1.6% (2022: 0.25%), 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	
	2023 £'000	2022 £'000
In issue at 1 January and 31 December	<u>24,050</u>	<u>24,050</u>

At 31 December 2023, the authorised and issued share capital is 24,050,000 ordinary shares (2022: 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

The Company did not declare or pay a dividend during the year (2022: £12.4m, representing 52 pence per share).

#### (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

	2023 £'000	2022 £'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. On 20 March 2023 the Company amended and restated its loan with Ageas Insurance Limited to extend the maturity date to 7 September 2025. The loan incurs interest at 1.75% above the Bank of England base rate. There is also a non-utilisation charge at 0.56% per annum of the undrawn portion of the maximum capacity.

### 17 Other financial liabilities

	2023 £'000	2022 £'000
Lease liabilities	<u>6,553</u>	<u>7,632</u>

Future lease payments are due as follows:

	Minimum lease payments £'000 2023	Interest £'000 2023	Present value £'000 2023	Present value £'000 2022
<b>Current liabilities</b>				
No later than one year	1,288	176	1,112	1,079
<b>Non-current liabilities</b>				
Between one and five years	5,151	352	4,799	4,657
Later than five years	<u>644</u>	<u>2</u>	<u>642</u>	<u>1,896</u>
	<u>7,083</u>	<u>530</u>	<u>6,553</u>	<u>7,632</u>

During the year, the Company made £1.3m (2022: £1.3m) of minimum lease payments and £0.2m (2022: £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).

The future lease payments relate to the Company's lease for Deansleigh House, Bournemouth, which expires in 2029.

# Ageas Retail Limited

Company registration number: 01324965

## Notes to the financial statements

### 18 Current tax

	2023 £'000	2022 £'000
Current tax liability/(asset)	<u>1,455</u>	<u>(11)</u>

The current tax liability/(asset) 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

	2023 £'000	2022 £'000
Payments to defined contribution plan	<u>1,238</u>	<u>1,152</u>

The disclosed pension costs represent the costs recharged to the Company in relation to seconded employees' pension contributions.

### 20 Trade and other payables

	2023 £'000	2022 £'000
Due to insurers	2,555	7,274
Amounts owed to group undertakings	19,528	10,122
Other payables and accrued expenses	4,053	3,359
Deferred income	6,724	5,562
VAT and other taxes payable	59	-
<b>Total trade and other payables</b>	<u>32,919</u>	<u>26,317</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 (2022: 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:

	2023 No.	2022 No.
Corporate, administration and support	112	179
Marketing and sales	<u>37</u>	<u>46</u>
	<u>149</u>	<u>225</u>

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

	2023 No.	2022 No.
Corporate, administration and support	95	154
Marketing and sales	<u>34</u>	<u>42</u>
	<u>129</u>	<u>196</u>

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

	2023 No.	2022 No.
Total number of employees	<u>180</u>	<u>243</u>
Full time equivalent number of employees	<u>156</u>	<u>213</u>

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

	Note	2023 £'000	2022 £'000
Wages and salaries	5	4,957	7,022
Social security costs	5	487	635
Other pension costs	5	<u>430</u>	<u>538</u>
		<u>5,874</u>	<u>8,195</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:

	2023 £'000	2022 £'000
Short-term employee benefits	627	564
Post-employment benefits	34	35
Share-based payments	-	14
	<u>661</u>	<u>613</u>

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

	2023 £'000	2022 £'000
Short-term employee benefits	1,149	883
Post-employment benefits	18	-
Share-based payments	-	31
	<u>1,167</u>	<u>914</u>

In respect of the highest paid director:

	2023 £'000	2022 £'000
Short-term employee benefits	266	252
Post-employment benefits	20	18
Share-based payments	-	7
	<u>286</u>	<u>277</u>

Under the defined benefit scheme, the highest paid director's accrued pension at the year end was £nil (2022: £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.

	2023 Comp. income £'000	2023 Financial Position £'000	2022 Comp. income £'000	2022 Financial Position £'000
	Income/ (expense)	Asset/ (liability)	Income/ (expense)	Asset/ (liability)
Immediate parent and intermediate holding company	10	-	-	-
Fellow subsidiary company transactions and balances	<u>(17,999)</u>	<u>(84,965)</u>	<u>(6,256)</u>	<u>(75,233)</u>
	<u>(17,989)</u>	<u>(84,965)</u>	<u>(6,256)</u>	<u>(75,233)</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 (2022: £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. On 20 March 2023 the Company amended and restated its loan with Ageas Insurance Limited to extend the maturity date to 7 September 2025. The loan incurs interest at 1.75% above the Bank of England base rate. 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 2023 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 2023 which comprise the 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 policies. 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, 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*

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, valuation of deferred tax assets 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 defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of manual revenue journal entries to third party information to ensure that they are not indicative of management bias, and
- Engaged internal tax experts to assist in our work on the valuation, existence and accuracy of deferred tax assets.

# 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: 07 May 2024

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