

Ageas Services (UK) Limited

Annual Report
For the year ended 31 December 2021

Company Registration Number: 179136

Ageas Services (UK) Limited

Company registration number: 179136

Contents of Annual Report

	Page
Directors and Advisers	1
Strategic Report	2
Directors' Report	4
Statement of Directors' Responsibilities in respect of the financial statements	8
Statutory financial statements	
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Independent auditors' report to the members of Ageas Services (UK) Limited	25

Ageas Services (UK) Limited

Company registration number: 179136

Directors and Advisers

Directors

Anthony Middle	
Gregor Ball	
Antonio Cano	
Hans De Cuyper	(appointed 4 May 2021)
Bart De Smet	(appointed 4 May 2021)
Jeremy Haynes	
Malcolm McCaig	
Lionel Perl	(resigned 19 May 2021)
Jonathan Price	
Tara Waite	
Mark Winlow	
Richard Jackson	(appointed 15 July 2021)

Secretary

Claire Marsh

Head Office and Registered Address

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

Registered Number

179136
Registered in England and Wales

Independent Auditors

BDO LLP	(appointed 21 June 2021)
55 Baker Street	
London	
W1U 7EU	

PricewaterhouseCoopers LLP	(resigned 21 June 2021)
Chartered Accountants and Statutory Auditors	
Savannah House	
3 Ocean Way	
Southampton	
SO14 3TJ	

Bankers

HSBC
62-76 Park Street
London
SE1 9DZ

Ageas Services (UK) Limited

Company registration number: 179136

Strategic Report

Business review

Activities

Ageas Services (UK) Limited's ('the Company') results for the year under review are as detailed in the statement of profit or loss and other comprehensive income shown in these financial statements.

The Company's main activity is acting as a service company; its purpose is to manage claims services including First Notification of Loss ('FNOL') for customers of Ageas UK operating companies including Ageas Insurance Limited and Ageas Retail Limited.

The directors anticipate that the business model of the Company will remain unchanged for the foreseeable future.

Business model

The Company is a 100% owned subsidiary of Ageas (UK) Limited, a company registered in England and Wales. Ageas (UK) Limited is a wholly owned subsidiary of Ageas Insurance International NV, a company located in Belgium.

The Company, Ageas (UK) Limited, Ageas Insurance Limited and Ageas Retail Limited are collectively referred to throughout the remainder of the Annual Report as Ageas UK.

The Company's results are consolidated into the financial statements of ageas SA/NV, the ultimate holding company, which is incorporated in Belgium.

Key performance indicators and financial performance

The Board considers that the key indicators that will communicate the financial performance of the Company to its members are:

- Revenue
- Cost of sales
- Profit before income tax

Revenue

During the year £5,019,398 (2020: £5,593,943) was received relating to claims handling fees and general administrative services. Revenue decreased by £574,545 (2020: decreased by £889,974) due to reduced claims handling activity during the year.

Cost of sales

During the year £4,798,277 (2020: £5,573,969) was incurred due to commission payable to related and third parties as well as costs for salaries and other claims handling costs. Cost of sales decreased by £775,693 (2020: decreased by £893,290) following a lower volume of claims.

Profit before income tax

The result before income tax is a profit of £6,882 (2020: £11,152) generated from the Company's claims handling activities. Profit before income tax decreased by £4,269 (2020: decreased by £724).

Year end position

Shareholders' equity

Shareholders' equity increased by £7,058 (2020: increase of £9,733) to £974,044 due to profit after tax in the year.

Ageas Services (UK) Limited

Company registration number: 179136

Strategic Report (continued)

Year end position (continued)

Assets

Total assets increased by £282,802 (2020: decrease of £160,915) primarily due to an increase in trade and other receivables.

Liabilities

Total liabilities increased by £275,744 (2020: decrease of £170,648) primarily due to an increase in other payables.

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 Services (UK) 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 this report and in the Report of the Directors on pages 4-7.

Principal risks and uncertainties

The Company's scope is limited to managing service contracts. The Company does not perform any underwriting functions and does not carry any insurance risks or liabilities.

The Company's principal risks and uncertainties and the way in which these risks are managed are detailed in note 2 to the financial statements.

Strategic aims and objectives

The strategic aims and objectives of the Company are to facilitate the provision of motor and household insurance claims services ensuring that such services are consistent with the current regulatory framework and the vision of the parent company, Ageas (UK) Limited.

This report was approved by the Board of Directors on 29 April 2022 and signed by order of the board by:



Jonathan Price

Chief Financial Officer Date

Signed on: 6th May 2022

Ageas Services (UK) Limited

Company registration number: 179136

Directors' Report

The directors submit their report, together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

The result of the year's operations is a profit after taxation of £7,058 (2020: £9,733). No dividend was paid in the year (2020: £nil).

Future developments

The Company will continue to act as a service company, managing claims services.

Business review

The business review 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.

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. During 2021 ageas SA/NV was represented on the Ageas UK Boards by Ageas Group Executive and Non-Executive Directors.

Customers 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 within the Ageas UK strategy. Customer interests continued to be a key consideration in a wide range of activities overseen by the Ageas UK Boards during 2021, with a key area of focus being the implementation and embedding of the Ageas UK Customer Service Strategy and Customer Ambition. In 2021 Ageas UK achieved the Institute of Customer Service 'Service Mark' Accreditation, having continued to maintain customer satisfaction scores above the all sector average. To support oversight, quarterly customer experience reports have been provided to the Ageas UK Boards, and Board Members were invited to attend spotlight sessions that focused on the customer, with sessions providing further insight into the customer journey and the support being provided to vulnerable customers.

As part of the customer experience improvement programme, Ageas UK has continued to engage directly with customers to gain a detailed understanding of what works well and where improvements can be implemented. During 2021 the end to end customer journey has continued to be improved and simplified based on customer feedback, a key initiative being digital transformation, providing more self-serve opportunities for routine queries, whilst ensuring Ageas UK's great people are there to help customers when they need us the most. In addition, the Ageas Care training programme continued to be rolled out to customer service teams, to support our people to have the right conversations with those customers who are or may be vulnerable. The work on our end to end service strategy has been recognised externally, having achieving bronze and silver respectively for "customer at the heart of everything" and "best customer service" at the UK Customer Service Awards, and also the gold awards for the "working in partnership" category at the Call North West Awards for the successful partnership with Sensee.

Ageas Services (UK) Limited

Company registration number: 179136

Directors' Report (continued)

Customers and Suppliers (continued)

Ageas UK's relationships with brokers and intermediaries are fundamental to its distribution, because over 85% of its business is conducted through this channel, for this reason a focus of the Ageas UK strategy is to grow personal lines business via brokers. To support broker engagement on a more regular basis and to gain a better understanding of their Ageas experience, a new feedback tool 'Your Platform' was launched, and the high level results received through the platform have been 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, maintenance service contracts or facilities management services, such as catering and cleaning providers. As an insurer it also engages 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 2021 Ageas has worked closely with suppliers to ensure providers of repairs and other services were able to continue to do so. Where Ageas appoints a third party to undertake any business activities, Ageas expects they are carried out in line with Ageas' standards and risk appetite.

Employee engagement

Attracting, developing, retaining and engaging our people is key to our business, enabling Ageas UK to achieve its strategy by building 'Podium People'. Throughout 2021 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, reducing costs where possible.

Ageas UK was one of the first groups of companies to sign up to the Association of British Insurers (ABI) Making Flexible Work Charter. In 2021 a flexible working policy was introduced, offering greater flexibility for all our people. Many employees now work from home c.80% of the time, and office space has been adapted to support collaborative working. The health and wellbeing of our people continued to be a key priority throughout 2021 as they adjusted to hybrid working, with a series of campaigns introduced throughout the year with a specific focus on financial, physical and mental wellbeing. Ageas UK also have a number of fully trained Mental Health first aiders who are available to all employees for one to one support. The Ageas UK Boards were kept apprised of the implementation of the new ways of working along with 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. Employee engagement scores remained positive throughout 2021 and at the beginning of 2022 Ageas UK was certified by the Top Employers Institute as a Top Employer.

To reinforce the strong People culture Ageas UK provides our people with timely and regular communications issued via the digital tool "Workplace"; The learning and development platform "People Hub" was further improved to support remote working and ongoing learning. Employees have also been kept up to date regarding business as usual matters such as strategy and performance through a variety of virtual channels, including formal leadership events, employee briefings and the Employee Forum. Regular meetings with the Employee Forum have continued virtually on a quarterly basis and are supported by the Ageas CEO and HR Director, facilitating the escalation and cascade of key messages from and to the Executive team and the Ageas UK Boards. As agreed by the Ageas UK Boards, the Chair of the Remuneration Committee, an INED, attends the Employee Forum on a biannual basis and meets the Chair of the Forum annually, without the Executive present, in order to enhance the engagement between the Employee Forum and the Ageas UK Boards.

To deliver the new business strategy organisational restructuring has been required in 2021, and the Ageas UK Boards approved proposals to proceed with two phases of redundancy consultations impacting employees across a number of functions. The Employee Forum supported the consultation and communication process and Ageas UK provided support for those employees leaving the business including career transition support via a third party.

Ageas Services (UK) Limited

Company registration number: 179136

Directors' Report (continued)

Employee engagement (continued)

Ageas UK has established and promotes a culture where employees have the confidence and ability to raise their concerns and in 2021 the Ageas UK Boards approved a Speak Up policy and process which provided 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 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, and 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 2021 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 and 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 on the grounds of gender, ethnicity, disability, age, sexual orientation, marital status and other protected characteristics. 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, comprised of senior representatives from each area of the business who are held accountable for progress against the diversity targets. An inclusion plan was also established with the aim of: reducing the gender pay gap and to increase representation of women at senior levels by the end of 2023; improving overall ethnic minority representation; and further supporting applicants/employees with disabilities. The gender pay gap report is provided to the Ageas UK Boards annually, together with progress against agreed targets. For 2021 for the first time, Ageas UK published data on ethnicity, disability and LGBTQ+ pay gaps as well as the gender paygap.

In line with legislation relating to discrimination in employment, including the employment of people with disabilities, Ageas UK policies and standards include further detail of our requirements. Employees with disabilities are treated fairly and can compete on equal terms for career progression. Ageas UK is committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Ageas.

Community and Environment

In terms of the wider society, we continue to support the important work of the Road Safety Foundation to measure, map and track the safety performance of Britain's main roads. We are also proudly taking an industry lead in key initiatives that have an important environmental and economic impact 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 is also actively looking for opportunities to innovate products and services that support a resilient future, including through the launch of a product that allows drivers to pay for the miles they use, incentivising lower mileage.

The Company supports a "Charity of the Year" as nominated by the employees, which since 2020 was Rays of Sunshine and for 2022 will be Air Ambulance UK. As a home insurer, Ageas Insurance has also supported other local charities including, the 'Bobby Scheme', donating to an appeal to purchase Carbon Monoxide detectors for installation in the homes of the elderly and the most vulnerable in the area, and also donated to a local theatre to support its survival. Our people are also supported to help the community, with paid absence available for staff choosing to volunteer.

Ageas Services (UK) Limited

Company registration number: 179136

Directors' Report (continued)

Community and Environment (continued)

Ageas UK is supporting a number of industry initiatives, including the British Insurance Brokers' Associations (BIBA) call to manage risk with sustainable solutions and the ABI's Climate Change Roadmap, and are already taking steps within the business to implement these. The Board has allocated responsibility for managing Climate Change financial risks to its Chief Underwriting Officer, and in recognition that Ageas embraces Environmental Societal and Governance (ESG) priorities both a Climate Change Strategy and ESG Strategy have been approved by the Ageas UK Boards, these seek to not only adapt to issues and regulatory requirements as they emerge, but to be pro-active in modifying our business and decision-making so that climate change and ESG considerations are integral to the way that we work. During 2021 the Ageas UK Boards and supporting committees received regular updates from the Chief Underwriting Officer on the progress made to implement and embed the Ageas UK Climate Change Strategy, which will continue to be developed to support a transition to a low carbon economy and support Ageas UK's carbon neutral ambitions.

Donations

No political donations were made during the year by the Company (2020: £nil).

The Company made no charitable donations in the year (2020: £nil).

Disclosure of information to auditors

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 auditors 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 auditors are aware of that information.

Independent Auditors

During 2021 Ageas UK undertook an audit tender and at the recommendation of the Ageas UK Audit Committee and the Company's Board, a written resolution to appoint BDO LLP as auditor of the Company was approved by the shareholders on 21 June 2021.

This report was approved by the Board of Directors on 29 April 2022 and signed on behalf of the Board:



Jonathan Price
Chief Financial Officer

Signed on: 6th May 2022

Ageas Services (UK) Limited

Company registration number: 179136

Statement of Directors' Responsibilities in respect of the Financial Statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Ageas Services (UK) Limited

Company registration number: 179136

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

	Note	2021 £	2020 £
Revenue	3	5,019,398	5,593,943
Cost of sales	4	(4,928,825)	(5,573,969)
Administrative expenses	5	(83,691)	(8,822)
Profit before income tax		<u>6,882</u>	<u>11,152</u>
Income tax	7	176	(1,419)
Profit for the year		<u>7,058</u>	<u>9,733</u>
Other comprehensive income		-	-
Total comprehensive income		<u>7,058</u>	<u>9,733</u>

The notes on pages 13 to 24 form an integral part of these financial statements.

Ageas Services (UK) Limited

Company registration number: 179136

Statement of financial position

As at 31 December 2021

	Note	2021 £	2020 £
Assets			
Deferred tax asset	7	7,483	-
Other receivables	8	1,114,391	725,650
Current tax asset	9	9	27,502
Cash and cash equivalents	10	<u>1,311,021</u>	<u>1,396,950</u>
Total assets		<u>2,432,904</u>	<u>2,150,102</u>
Shareholders' equity			
Share capital	12	394,500	394,500
Share premium		289	289
Retained earnings	12	<u>579,255</u>	<u>572,197</u>
Total shareholders' equity		<u>974,044</u>	<u>966,986</u>
Liabilities			
Other payables	11	<u>1,458,860</u>	<u>1,183,116</u>
Total liabilities		<u>1,458,860</u>	<u>1,183,116</u>
Total equity and liabilities		<u>2,432,904</u>	<u>2,150,102</u>

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

The notes on pages 13 to 24 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 29 April 2022 and were signed on its behalf by:



Anthony Middle
Chief Executive Officer

Signed on: 6th May 2022

Ageas Services (UK) Limited

Company registration number: 179136

Statement of changes in equity

For the year ended 31 December 2021

	Share capital £	Share premium £	Retained earnings £	Total £
Balance as at 1 January 2020	394,500	289	562,464	957,253
Total comprehensive income for the year	-	-	9,733	9,733
Balance as at 31 December 2020	<u>394,500</u>	<u>289</u>	<u>572,197</u>	<u>966,986</u>
Balance as at 1 January 2021	394,500	289	572,197	966,986
Total comprehensive income for the year	-	-	7,058	7,058
Balance as at 31 December 2021	<u>394,500</u>	<u>289</u>	<u>579,255</u>	<u>974,044</u>

Ordinary shares have a par value of £1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

In historic years the Company issued share capital above par, increasing the capital contribution received and creating a share premium account.

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

The notes on pages 13 to 24 form an integral part of these financial statements.

Ageas Services (UK) Limited

Company registration number: 179136

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash flows generated (used in)/from operating activities			
Profit before income tax		6,882	11,152
Operating profit before working capital changes		6,882	11,152
Decrease/(increase) in other receivables	8	(388,741)	1,522,559
(Decrease) in claims float		-	(72,000)
Increase/(decrease) in other payables	11	275,744	(98,290)
Cash flows generated from/(used in) operating activities		(106,115)	1,363,421
Income tax received/(paid)		20,186	(21,061)
Net cash (used in)/generated by operating activities		(85,929)	1,342,360
Net (decrease)/increase in cash and cash equivalents		(85,929)	1,342,360
Cash at bank	10	1,396,950	54,590
Cash and cash equivalents at 1 January		1,396,950	54,590
Cash at bank	10	1,311,021	1,396,950
Cash and cash equivalents at 31 December		1,311,021	1,396,950

The notes on pages 13 to 24 form an integral part of these financial statements.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

1 Accounting policies

Ageas Services (UK) Limited is a private company, limited by shares, domiciled and incorporated in England and Wales, whose 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 29 April 2022.

The financial statements have been prepared in accordance with UK adopted international accounting standards.

In accordance with IFRS 8, 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 performance and position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the primary statements on pages 9 to 12, and subsequent notes on pages 13 to 24. Further analysis of the objectives and policies for mitigating risk can be found within note 2.

Having considered the position of the Company as above, the approved budget for the next twelve months and reviewing the potential risks to the Company, the directors have concluded that 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 is included within the notes.

The disclosures in the notes for these classifications are distinguished as follows:

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

All new standards and interpretations released by the International Accounting Standards Board (IASB) 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:

- Conceptual Framework: Amendments to References to the Conceptual Framework in IFRS Standards
- IAS 1 and IAS 8 amendments: Definition of material
- IFRS 3 amendments: Definition of a business
- IFRS 9, IAS 39 and IFRS 7 amendments: Interest rate benchmark reform

These standards have not impacted the Company as no changes in accounting treatment were required.

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

1 Accounting policies (continued)

(b) Basis of preparation (continued)

In addition, the following is a list of standards that are in issue but are not effective in 2021, together with the effective date of application to the Company:

- IAS 37 amendments: Cost of fulfilling a contract – January 2022
- Annual improvements to IFRS standards 2018-2020 – January 2022
- IAS 16 amendments: Proceeds before intended use – January 2022
- IFRS 3 amendments: Reference to the Conceptual Framework – January 2022
- IAS 1 amendments: Classification of liabilities as current or non-current – January 2023
- IFRS 17: Insurance contracts – January 2023. A cross functional project continues to assess the impact of this new standard.

The standards effective from 2022 have been reviewed and are not expected to have a material impact on the Company. The implications of the remaining standards are under review.

(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 pounds sterling, which is the Company's presentation currency.

(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. There are no estimates with a significant risk of material adjustment, or judgements made by the directors in the application of international accounting standards, in the preparation of these financial statements. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(c) Revenue

Revenue is derived from claims handling fees and general administrative services within the United Kingdom. All amounts are stated net of value added tax where applicable. The revenue and administrative fees for related parties are shown gross to better reflect the commercial arrangements in place. No judgements are applied in either the allocation of fee or service prices to purchase orders or within the timing of the allocation. Transaction price is based on contract agreements with individual brokers. Each referral is submitted with the relevant price and is recognised within receivables. An IFRS 15 practical expedient approach to revenue is taken as timing between service performance and payment for that service is one year or less. Income is recognised in the period in which the performance obligations for the related services are satisfied.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. Bank overdrafts are shown separately as a liability within the statement of financial position.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

1 Accounting policies (continued)

(e) Income tax and deferred tax

Income tax in the statement of profit or loss and other comprehensive income for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially 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. Temporary differences are not provided for the initial recognition of assets or liabilities that affects neither accounting nor taxable profit.

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 recognised only to the extent that it is probable that future taxable 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.

(f) Financial assets

Financial assets include receivables from related parties and other receivables. Financial assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Management has determined that the carrying amounts of financial assets approximate their fair value.

(g) Financial liabilities

Financial liabilities include payables to related parties, interest-bearing bank overdrafts 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. Financial liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss and other comprehensive income over the year of the borrowings on an effective interest basis.

Management has determined that the carrying amounts to related parties, bank overdrafts and other payables reasonably approximate their fair values as these liabilities are mostly short term in nature or are re-priced frequently.

Financial liabilities are derecognised if the Company's obligations specified in the contract are discharged, cancelled or expired.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

1 Accounting policies (continued)

(h) 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)). Cost includes expenditure that is directly attributable to the acquisition of the asset.

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 entity 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 statement of profit or loss during the financial year in which they are incurred.

(ii) 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.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The estimated useful lives of assets are as follows:

Computer equipment	Three years
Fixtures and fittings	Five years

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.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the statement of profit or loss as other gains, or losses as appropriate.

(i) Impairment

(i) Financial assets

The Company uses a forward looking 'expected credit loss' ('ECL') model and measures loss allowances on either of the following bases:

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

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 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, lifetime ECL measurement always applies for trade receivables without a significant financing component. This policy also applies to trade receivables with a significant financing component.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

1 Accounting policies (continued)

(i) Impairment (continued)

(i) Financial assets (continued)

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.

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 a 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.

(iii) Non-financial assets

The recoverable amount of an asset or cash-generating unit 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 (the 'cash-generating unit').

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit 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 first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other 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.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

2 Risk management

Objectives and policies for mitigating business risk

(i) Market risk

Market risk can be described as the risk of change in the fair value of financial assets due to changes in interest rates, foreign exchange rates and market prices, whether specific to the individual asset or its issuer, or to factors affecting all assets traded in the market. The Company has no exposure to foreign exchange rates and market prices.

Interest rate risk

The Company's exposure to market risk for changes in interest rates is limited purely to balances held at bank.

(ii) Credit risk

This risk is defined as the potential loss in market value resulting from adverse changes in a debtor's ability to repay. The Company's primary business is the provision of general administrative services and claims handling services to other Ageas operating companies. As such it is exposed to credit and operational risks. The Company is subject to credit risk in respect of fellow subsidiaries, where the intercompany receivables are £139,639 (2020: £319,562). This is detailed further in note 8.

The other debtors of £974,752 (2020: £406,088) relate principally to accrued income from notified fee income. Any non-recoverable balances would reduce the commissions payable to fellow subsidiaries, and therefore the credit risk to the Company is minimal.

(iii) 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 takes advantage of the knowledge and expertise within its group to help it identify and manage the risks associated with its business. The directors believe the procedures and policies in place to manage risk are appropriate to the size and nature of the business.

(iv) Liquidity risk

The Company is exposed to liquidity risks arising from daily calls on its cash resources. There is therefore a risk that cash will not be available to settle liabilities of undiscounted contractual cashflows when due. The Company manages this risk by monitoring its cash needs and its overdraft balance to ensure that it has sufficient funds available to meet its needs.

Financial liabilities and other payables – maturity profile based on earliest repayment date

	Note	2021 £	2021 %	2020 £	2020 %
Payment period					
Under 3 months	11	881,943	60.5%	637,116	53.9%
3 to 12 months	11	576,917	39.5%	546,000	46.1%
Total		<u>1,458,860</u>	<u>100.0%</u>	<u>1,183,116</u>	<u>100.0%</u>

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

2 Risk management (continued)

(v) Covid-19 risk

The Company has developed a view of what the post-pandemic 'new normal' entails and the impact on the Company's operations is considered to be minimal.

(vi) Capital management

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 management of the Company's net equity and distributable reserves, as well as the payment of dividends to its immediate parent company. There are no regulatory capital requirements for the Company.

Definitions of capital management (and supporting terms)

Capital management is the collection of processes and activities undertaken to ensure that sufficient capital is maintained so that the Company is able to meet its liabilities and ultimately ensure its survival, particularly in the 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 ongoing monitoring of capital against business requirements.

The Company considers its capital to be equal to its shareholders' equity of £974,044 (2020: £966,986).

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 each year by the Company's 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 required rate of return on capital employed; and
- the required dividend.

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

3 Revenue

	2021 £	2020 £
Claims handling fees	1,947,168	2,995,745
Other fee income	3,072,230	2,598,198
	<u>5,019,398</u>	<u>5,593,943</u>

4 Cost of sales

	2021 £	2020 £
Claims handling costs	1,940,044	2,984,786
Commissions payable	800,696	538,336
Amounts recharged by group undertakings	<u>2,188,085</u>	<u>2,050,847</u>
	<u>4,928,825</u>	<u>5,573,969</u>

The amounts recharged by group undertakings relate to staff who have provided services to the Company during the financial year. These costs are recharged by Ageas Insurance Limited. The Company itself has no contracted staff (2020: none).

5 Administrative expenses

	2021 £	2020 £
Other expenses	<u>83,691</u>	<u>8,822</u>

6 Auditors' remuneration

Fees payable to the Company's auditors for the audit of the financial statements were £14,000 (2020: £7,000).

There were no other goods or services provided by the Company's auditors (2020: none).

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

7 Income tax

(a) Amounts recognised in the statement of profit or loss:

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the year	(9)	(6,803)
Prior year under provision in respect of current tax	7,315	4
	<u>7,306</u>	<u>(6,799)</u>
Deferred tax		
Origination and reversal of timing differences	(1,652)	8,218
Effect of change in rate on deferred tax	1,484	-
Prior year over provision in respect of deferred tax	(7,315)	-
	<u>(7,483)</u>	<u>8,218</u>
Total income tax (credit)/charge	<u>(176)</u>	<u>1,419</u>

(b) Reconciliation of effective tax rate:

The tax assessed on the year is lower (2020: lower) than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2021 £	2020 £
Profit before tax	6,882	11,152
Standard rate of corporation tax in year	19.00%	19.00%
Expected tax charge based on the standard rate of corporation tax in the UK	1,308	2,119
Effect of variable tax rate	(1,484)	(704)
	<u>(176)</u>	<u>1,415</u>
Prior year under provision in respect of current tax	7,315	4
Prior year over provision in respect of deferred tax	(7,315)	-
Total tax (credit)/charge	<u>(176)</u>	<u>1,419</u>

(c) Deferred tax movement:

Movement in temporary differences during the year:

	2021 £	2020 £
Deferred tax asset at 1 January	-	8,218
Differences between depreciation and capital allowances	7,483	(8,218)
Deferred tax asset at 31 December	<u>7,483</u>	<u>-</u>

The balance is all non-current (2020: all non-current).

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

8 Other receivables

	2021 £	2020 £
Amounts due from group undertakings	139,639	319,562
Other receivables	<u>974,752</u>	<u>406,088</u>
	<u>1,114,391</u>	<u>725,650</u>

All amounts due from group undertakings are unsecured, interest free and repayable on demand in cash.

Other receivables represents commission income due from external suppliers. All amounts are deemed current (2020: current).

9 Current tax asset

	2021 £	2020 £
Current tax asset	<u>9</u>	<u>27,502</u>

The current tax balance represents the amount of income taxes receivable/(payable) in respect of the current year.

10 Cash and cash equivalents

	2021 £	2020 £
Cash and cash equivalents	<u>1,311,021</u>	<u>1,396,950</u>

The effective interest rate at 31 December 2021 on bank balances was 0.002% (2020: 0.004%)

11 Other payables

	2021 £	2020 £
VAT payable	184,632	140,768
Amounts due to group undertakings	518,111	496,653
Referral fees payable	<u>756,117</u>	<u>545,695</u>
	<u>1,458,860</u>	<u>1,183,116</u>

Amounts due to group undertakings are unsecured, interest free and payable on demand in cash.

All amounts are payable within one year (2020: one year).

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

12 Share capital and reserves

	2021	2020
	£	£
Ordinary share capital in issue as at 1 January and at 31 December	<u>394,500</u>	<u>394,500</u>

At 31 December 2021, the authorised share capital is 394,500 ordinary shares (2020: 394,500) of £1 each.

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.

In historic years the Company issued share capital above par, increasing the capital contribution received and creating a share premium account.

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

13 Capital commitments

The Company had no capital commitments at the end of the financial year, either authorised or contracted for (2020: none).

Ageas Services (UK) Limited

Company registration number: 179136

Notes to the financial statements

14 Related party transactions

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

	2021 Income statement £	2021 Financial position £	2020 Income statement £	2020 Financial position £
Group undertakings - income	1,970,534	-	3,255,437	-
Group undertakings - expense	(5,455,143)	-	(5,573,969)	-
Amounts due from immediate parent undertaking	-	139,639	-	313,769
Amounts due from group undertakings	-	-	-	5,793
Amounts due to group undertakings	-	(518,111)	-	(496,653)
	<u>(3,484,609)</u>	<u>(378,472)</u>	<u>(2,318,532)</u>	<u>(177,091)</u>

Transactions with directors

The Company has a related party relationship with its key management personnel who are all directors of the Company.

The directors who served throughout the year received no emoluments for their services as directors of the Company during the year (2020: none). There are no share options, pension schemes, or long term incentive schemes operated by the Company (2020: none).

15 Events after the reporting period

Following the invasion by Russia on Ukraine in February 2022, the primary source of risk faced by the Company is the increase of higher inflation. However, this increase in risk is not outside the risks already considered by the Company as part of its overall risk management framework.

16 Ultimate parent company

The Company's immediate parent company is Ageas (UK) Limited, a company incorporated in England and Wales whose registered address is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA. Ageas (UK) Limited holds 100% of the Company's shares.

The ultimate parent undertaking and controlling party of the Company is ageas SA/NV, a company incorporated in Belgium whose registered address is Markiesstraat 1 Box 7, 1000 Brussels. ageas SA/NV is the parent undertaking of the smallest and largest group of undertakings to consolidate the financial statements of the Company as at 31 December 2021.

Copies of the consolidated financial statements can be obtained from ageas SA/NV's registered address. Copies of the Company's financial statements can be obtained from the Company Secretary, Ageas Services (UK) Limited, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire, SO53 3YA.

Ageas Services (UK) Limited

Company registration number: 179136

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

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 2021 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 Services (UK) Limited ('the Company') for the year ended 31 December 2021 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as applied in accordance with the provisions of the Companies Act 2006.

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 annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 Services (UK) Limited

Company registration number: 179136

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

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Ageas Services (UK) Limited

Company registration number: 179136

Independent auditors' report to the members of Ageas Services (UK) 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:

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of Directors and management as to whether they have knowledge of any actual, suspected or alleged fraud.
- Inspecting Board and Audit Committee minutes.
- Identifying any unusual journal entries based on criteria that are indicative of a high risk of fraud.

Identifying and responding to risks of material misstatement due to 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.
- enquiring of the Directors and other management of instances of non-compliance.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ageas Services (UK) Limited

Company registration number: 179136

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

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:

 Alex Barnes

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Alexander Barnes (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

9 May 2022

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

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