

CARDINUS RISK MANAGEMENT LIMITED

(Company No. 03127254)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



CARDINUS RISK MANAGEMENT LIMITED

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CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors

**J Abbott
E J Brimfield
S N Brimfield
A J Hawkes (chief executive)
M J Noble
K L Smith
D P Tibbals
J M Truscott (chairman)**

Company Secretary

D L Reah

Registered Number

03127254

Registered office

**22 Bishopsgate
London EC2N 4BQ**

Independent Auditors

**PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT**

Bankers

National Westminster Bank plc

CARDINUS RISK MANAGEMENT LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The principal activity of Cardinus Risk Management Limited ("the Company") is to provide business support and risk management services within the UK and worldwide.

The Company is a private company limited by shares and is a subsidiary of the Taurus Acquisition Limited ("TAL" or "Group") group of companies. The Company's ultimate parent is American Wholesale Insurance Holding Company, LLC, ("Amwins") a company incorporated in the USA.

REVIEW OF THE BUSINESS

As shown in the profit and loss account (p.12) turnover remained static year of year, at £7.3 million.

The management team continues to look for new ways to innovate, developing existing products, researching new markets and investing in new opportunities where a solid return can be achieved, an example of this was the swift development of online tools to support the increase of homeworking in companies following the Covid-19 outbreak early in the year. The decrease of 15% in profit before tax from £0.22 million in 2019 to £0.19 million in 2020 was driven by sales remaining flat overall, despite increases in Property and Ergo lines, however personnel expenses have increased as management invested in skilled employees to help grow the business and provide a better service to clients, including ergonomics and insurance.

The total net assets (p.13) have increased to £6.1 million in 2020 from £5.8 million (2019), supported by the continued profitability of the Company.

Interim dividends of £nil were paid during the year. (2019: £nil).

KEY PERFORMANCE INDICATORS

The Board reviews key financial performance indicators of the Company. The Company sets annual budgets against which performance is tracked every month. The main performance indicators are:

- i) Turnover - this is a critical measure of financial performance. Turnover in the year totalled £7.3 million, (2019: £7.3 million).
- ii) Gross profit for the year was £5.6 million (2019: £5.4 million).
- iii) Profit before tax for the year was £0.19 million (2019: £0.22 million).

The directors consider this to be an acceptable performance in what continues to be a challenging environment.

FUTURE DEVELOPMENTS

The company continues to develop innovative software and services that respond to market demand and opportunity. As a major online ergonomics supplier, Cardinus responded to Covid-19 by developing advice, guidance and resources for clients for temporary homeworkers. A new help for temporary homeworkers course was launched. The shift to homeworking has enabled the ergonomics division in UK and US to grow and it is anticipated that this will continue into 2021 and beyond as the world continues to adapt to new versions of normal.

Within the Property and Insurance survey division, the business continue to offer a wider range of audit and assessment services and add new insurers, brokers and MGAs as well as winning new property clients. With the commercial insurance market currently experiencing a hard market, the business anticipates opportunities will arise for increased surveys that will help insurers aim to be as competitive as possible on rate.

Following consolidation in the fleet operations team in 2019 and 2020 there have been a number of new initiatives such as a virtual driver training solution that have launched that should continue to grow in 2021, however, given the lockdown status in the UK, it's not anticipated that much benefit will be gained until the third quarter of 2021.

CARDINUS RISK MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISK AND UNCERTAINTIES

The Company, which forms part of the "Amwins" International Division, prepares strategic and operational business plans and updates these each year. Such plans are not always capable of full implementation within the timescales set because of the following external factors:

- The ability and willingness of the clients to continue to purchase services is affected by market and economic conditions;
- The Company operates in competitive markets and faces competition from other UK and overseas risk management providers; and
- The Company faces the risk of business interruption as a result of natural, terrorist or market events. It has in place business continuity plans which endeavour to anticipate and mitigate the effect of such factors. Parts of the business rely on self-employed trainers to visit clients and provide training or surveys, which is mitigated by increasing development of virtual environments to help provide the services.

Financial Risk

Factors mentioned above may affect government and company spending on Risk management products and services. This may affect future revenues earned but is partially mitigated by a diverse client base which operates across the world.

Covid-19

On 11 March 2020 the WHO declared the Covid-19 outbreak a pandemic resulting in many countries introducing strict rules around movement of people and economic activity for much of the year. As a result, there was a direct negative impact on the global economy and more specifically to the Company and the UK economy.

Operationally, the Company responded well to the initial UK Government requirements that restricted movement of non-key workers. All staff were able to adapt to working from home thanks to good business recovery planning and the swift movement of IT equipment to allow for a prolonged period of being out of the office. Regular leadership communication to all staff, either via virtual townhalls, newsletters or joining recurring team meetings have ensured employees are kept at the forefront of the business and any decisions being made are clearly understood. Additional tools to help cope with remote working, including, training courses and well-being guidelines have been made available.

Financially, at the outset of the pandemic, management implemented a bi-weekly cashflow forecast to quickly assess for any adverse impact of the current situation, this reverted back to monthly as the situation became clearer in terms of the impact on the Company. The Company does not have any exposure to high street retail or leisure sectors. Our clients are dominated by IT, Financial Services, Pharma, Professions (legal, Accountancy etc), Public sector, Property and logistics which are considered more resilient during the Covid-19 period. Although the Company's net current asset position has reduced in 2020, this is predominately driven by the management fee due to Group company, Amwins Global Risks Group Limited, and through 2021 and beyond it is expected that increased revenue and associated cashflows will an increase in the net current assets position, as cash reserves increase.

As a major online ergonomics supplier, Cardinus responded to Covid-19 by developing advice, guidance and resources for clients for temporary homeworkers. A new help for temporary homeworkers course has been launched and a new revenue was secured. It is anticipated that homeworking will become more prevalent post Covid-19 and Cardinus Healthy Working will be well positioned to respond to this change. Conversely, driver training and insurance survey revenues were, and continue to be, impacted during any lock down periods, but this work is expected to be postponed, not cancelled entirely, or has been carried out virtually where possible.

Overall, the Company was well placed to cope with the changes happening in the market. No government support has been obtained, nor has the Company sought changes to payment terms with suppliers. All employees remained in place with no staff furloughed. No impairments have been made in relation to the effect of Covid-19 on the business and there has been no change to accounting policies with the Company having applied these on a consistent basis with the prior year.

CARDINUS RISK MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) PRINCIPAL RISK AND UNCERTAINTIES (CONTINUED) *Covid-19 (CONTINUED)*

The overall impact of Covid-19 did not cause a material effect to the 2020 financial year, and based on the 2021 financial plan and early actual results for the year, is not anticipated to have a material impact on the 2021 full year results.

Brexit

The Company has assessed the impact of leaving the European Union on existing clients and markets served and the direct impact is anticipated to be minimal, as the majority of its clients are based in the UK or the US.

Operational Risk

Internally there is the risk of key staff loss, and this has been managed by developing the capability of the wider team, so that there is not a key person dependency. The Company leverages its relationship with the wider TAL group of companies to ensure necessary rule changes are implemented effectively.

Credit Risk

The Company assessed credit risk as low based on the active management of our debtors both prior to engagement, via due diligence, and also during the life of a policy, through the aged debt reviews carried out by the Collections team.

Liquidity Risk

The Company's exposure to interest rate, price and cash flow risk is not considered material to the assessment of the assets, liabilities, financial position and profit or loss of the company.

E&O insurance

The company maintains cover for the risk of errors and omissions (E&O) at a level considered by the Board to be appropriate and which satisfies its regulators. The primary E&O insurance continues to be placed under the Amwins Group cover and was in place for all of 2020 and up to the date of approval of these financial statements.

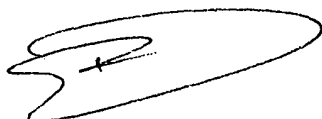
Regulatory Compliance

The Company's operations are subject to the laws and regulations applicable in their markets. Changes to such laws and regulations may cause the Company to bear higher costs of compliance in future.

SECTION 172 (1) STATEMENT

In 2020 the Board again considered the regulatory requirements as part of their section 172 duty under the Companies Act 2006, including disclosure of which governance code has been adopted by the Board (or an explanation if no code has been adopted). This legislation is implemented based on a materiality threshold and the Company continues to not be large enough to trigger the requirement to disclose which code has been adopted and as such is exempt from detailed reporting. However, being a subsidiary of the TAL group of companies, who are required to report based on size, their disclosures can be reviewed as part of that entity's strategic report.

This report was approved by the Board on 10 June 2021 and signed on its behalf.



D Tibbals - Director

CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their audited Annual Report and Financial Statements for the year ended 31 December 2020. The company number is 03127254.

RESULTS AND DIVIDENDS

The financial statements, which deal with the results of the Company for the year ended 31 December 2020, are shown on pages 12 to 23. Turnover was £7.3 million in the year (2019: £7.3 million), as referenced in the Strategic Report (page 3).

The profit after tax for the Company amounted to £0.22 million in the year (2019: £0.18 million)

The details of the review of the business, key performance indicators, future developments, management of risks and uncertainties and qualifying third party indemnities and employment policies are discussed in the Strategic Report on pages 3-5.

The Board does not propose to pay a final dividend (2019: Nil).

DIRECTORS

The directors below have held office during the whole of the year from 1 January 2020 to the date of this report unless otherwise stated:

	<u>Appointed</u>
J Abbott	
E J Brimfield	1 st January 2020
S N Brimfield	
A J Hawkes (chief executive)	
M J Noble	
K L Smith	24 th November 2020
D P Tibbals	
J M Truscott (chairman)	

The directors had no interests in the shares of the Company.

GOING CONCERN

Amwins Group Inc has granted continued financial support to Taurus Acquisition Limited and all its subsidiaries including this Company, by confirming, via a letter of support, that it will make sufficient funds available to enable this Company to continue in business for at least twelve months from the date of approval of these financial statements, and provide additional financial resources to meet any financial obligations as they fall due.

The directors have performed a going concern assessment, and on the basis of current financial cash flow projections and other information available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and is able to meet its financial obligations as they fall due. Accordingly, it is appropriate for these financial statements to have been prepared on the going concern basis.

As discussed in the strategic report (pages 3-5), the impact of Covid-19 is not anticipated to cause a significant effect to the 2021 financial year.

STAKEHOLDER RELATIONSHIPS

The directors take into consideration the needs of all stakeholders, they have a strategy to work with and support, our clients, suppliers, regulators, the local community and the environment. However, being a subsidiary of the TAL group of companies, who are required to report based on size, their disclosures can be reviewed as part of their strategic report

CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

EMPLOYEES

The Company does not have any employees.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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 United Kingdom Accounting Standards, comprising FRS 102 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.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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.

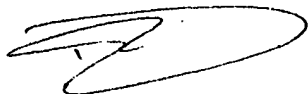
CARDINUS RISK MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 10 June 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D Tibbals', enclosed within a large, hand-drawn oval shape.

D Tibbals
Director

Independent auditors' report to the members of Cardinus Risk Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cardinus Risk Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or

Independent auditors' report to the members of Cardinus Risk Management Limited (continued)

Reporting on other information (continued)

otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK company law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries which may impact the financial performance and position of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of Cardinus Risk Management Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- enquiry of management around actual and potential litigation and claims;
- enquiry of management to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

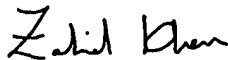
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Zahid Khan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

10 June 2021

CARDINUS RISK MANAGEMENT LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2020**

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Turnover	2	7,289,623	7,278,558
Cost of sales	2	(1,691,596)	(1,850,051)
Gross profit		5,598,027	5,428,507
Administrative expenses		(5,407,031)	(5,207,135)
Operating profit	3	190,996	221,372
Interest receivable and similar income	5	-	2,585
Profit before taxation		190,996	223,957
Tax on profit	6	32,367	(46,486)
Profit for the financial year		223,363	177,471
Total comprehensive income for the year		223,363	177,471

Results all relate to continuing operations.

The company has no other comprehensive income other than the profit for the financial year which has been calculated on the historical cost basis.

The accompanying accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.


CARDINUS RISK MANAGEMENT LIMITED

BALANCE SHEET
at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
ASSETS			
Fixed assets			
Investment in subsidiary undertakings	7	5,979,660	5,979,660
		5,979,660	5,979,660
Current assets			
Trade and other debtors	8	3,322,660	3,939,899
Deferred tax	6	616,984	584,617
Cash at bank and in hand	9	53,843	829,875
		3,993,487	5,354,391
Creditors: amounts falling due within one year	10	(3,918,363)	(706,715)
Net current assets		75,124	4,647,676
Total assets less current liabilities		6,054,784	10,627,336
Creditors: amounts falling due after more than one year	11	-	(4,795,915)
Net assets		6,054,784	5,831,421
Capital and reserves			
Called up share capital	12	3,105,872	3,105,872
Share premium account	13	1,494,490	1,494,490
Retained earnings	14	1,454,422	1,231,059
At 1 January		1,231,059	1,053,588
Profit for the year attributable to the owners		223,363	177,471
Total equity		6,054,784	5,831,421

The accompanying accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

The financial statements on pages 12 to 14 were approved and authorised for issue by the Board of Directors on 10 June 2021 and signed on its behalf by:



D Tibbals – Director
Registered No 03127254

CARDINUS RISK MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Note	Called up share capital	Share premium account	Retained earnings	Total equity
		£	£	£	£
Balance at 1 st January 2019		3,105,872	1,494,490	1,053,588	5,653,950
Comprehensive income:					
Profit for the year	14	-	-	177,471	177,471
Total comprehensive income for the year		-	-	177,471	177,471
Balance at 31 December 2019 and 1 January 2020	12,13, 14	3,105,872	1,494,490	1,231,059	5,831,421
Comprehensive income:					
Profit for the year	14	-	-	223,363	223,363
Total comprehensive income for the year		-	-	223,363	223,363
Balance at 31 December 2020	12,13, 14	3,105,872	1,494,490	1,454,422	6,054,784

The accompanying accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements are presented for the year ended 31 December 2020.

a. General information

Cardinus Risk Management Limited or the "Company" is a private company limited by shares, incorporated in England under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 3.

b. Statement of compliance

These financial statements have been prepared in compliance with United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

c. Basis of preparation

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates, this is also the functional currency of the Company. They are prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

d. Going concern

The Company's forecasts and projections, taking account of possible changes in performance, show that the Company should be able to operate within the level of its current facilities. The directors have performed a going concern assessment and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and is able to meet its obligations as they fall due. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Amwins Group Inc has granted continued financial support to Taurus Acquisition Limited and all its subsidiaries, including this company, through a letter of support by confirming that it will make sufficient funds available to enable the Company to continue in business for at least twelve months from the date of approval of these financial statements, and to ensure it is able to meet its financial liabilities as they fall due.

e. Exemptions for qualifying entities

The Company is a wholly owned subsidiary of Taurus Acquisition Limited and is included in the consolidated financial statements of Taurus Acquisition Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, the exemption under FRS 102 paragraph 33.1A from disclosing transactions with other members of the Group, the exemption under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A from the disclosure of financial instrument, and the exemption under FRS 102 paragraph 33.7 from disclosing key management personnel compensation in total.

f. Foreign currencies

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, along with all other foreign gains and losses are presented in the profit and loss account within administrative expenses.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

g. Turnover

Turnover, which excludes value added tax and trade discounts, represents the value of services supplied during the year and is derived from business support and risk management services. Revenue is recognised when work is performed and earned. In accordance with FRS 102 section 23, the company has deferred a portion of revenue to recognise post year end obligations.

h. Cost of sales

External costs, directly related to efforts to generate turnover, are classified as Cost of Sales and is accounted for in the period in which the underlying turnover is recognised.

i. Interest and investment income

Interest is credited on the basis of amounts receivable for the year from cash balances held.

j. Taxation

The charge for taxation is based on the profit for the year, at current rates of tax, and takes into account deferred taxation on all timing differences between the treatment of certain items for financial statement purposes and their treatment for corporation tax purposes.

Deferred taxation is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised where it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

The tax expense for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is recognised directly to equity if it relates to items that are recognised directly to equity.

k. Investment in subsidiaries undertakings

Investment in subsidiary company is held at cost less accumulated impairment losses.

l. Financial assets

Financial assets can be divided into the categories set out below. Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial asset's category is relevant for the way it is measured and whether resulting income and expenses are recognised in the profit and loss account or are taken directly to equity. The carrying value of all financial assets approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents include cash-in-hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as creditor amounts falling due within one year of the balance sheet date.

Trade debtors

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when objective evidence indicates that the Company will not be able to collect all amounts due. The amount of the impairment loss is recognised in the profit and loss account. Trade debtors are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

m. Financial liabilities

The Company's financial liabilities include trade payables, the carrying value of all financial liabilities approximates to their fair value.

Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

n. Deferred income

A deferred revenue provision is made as the company recognises that it has obligations arising from business entered into. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry.

o. Share capital

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

p. Dividends

Dividends are recognised as a liability in the financial statements in the period in which the dividends are approved. These amounts are recognised in the statement of changes in equity when approved and charged directly to equity.

q. Critical accounting estimates and judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related results. Where estimates are revised, or the final outcome differs from the amounts originally recorded, such adjustments are recognised in the year in which the revision is made.

The estimates and assumptions that have a significant effect on the carrying values of assets and liabilities are discussed below:

1. Impairment of assets

Investment in subsidiaries, that have indefinite useful lives, are tested annually to determine whether they have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The recoverable amount of an asset or cash-generating unit is determined by reference to value-in-use calculations based on management's:

- detailed cash flow forecasts over three years, where available;
- extrapolated cash flows over two further years, based on profit growth assumptions ranging between 0% and 5% per annum, unless the cash generating unit can provide a better supported figure; and
- assumption of nil growth thereafter over the remaining useful life of the asset or unit, up to 10 years.

As part of a sensitivity analysis of possible impairment, an annual review is taken to assess how much revenue would need to fall by and expenses increase by year on year before an impairment is required.

A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Indicators of impairment include significant financial difficulties of the debtor, dispute, default and failure to meet set payments.

2. Deferred tax asset

A deferred tax asset is recognised if there is sufficient evidence that the asset will be recovered within the foreseeable future. Budgets and projections for the next five years have been used to estimate the deferred tax asset that represents the recognition of recoverable tax losses. Projections for year 1 is at a risk adjusted rate of 90%, years 2-4 have been risk adjusted by 75% and year 5 has been risk adjusted by 50%. The projections assume a 5% growth in profit in years 1-2 and 3% for the rest. The projections used are reviewed each year.

3. Deferred revenue

A deferred revenue provision is made as the company recognises that it has obligations arising from business entered into. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry. Where there will be costs to be incurred in the following year, a portion of the revenue is not recognised in the P&L, this is calculated on a straight line basis based on value of revenue received, over the remaining months the contract covers. Variability could exist if the contract is cancelled mid-term, for example due to a breach of contract or if the Company goes into liquidation, meaning a portion of the revenue would need to be returned to the customer. However, based on past experience of this never happening, no adjustment is made for such a scenario and there is no indicator it would need to be.

CARDINUS RISK MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)****2. TURNOVER**

Turnover by location of client based on the location where it was incurred were as follows:

By location	2020 £	2019 £
United Kingdom	6,829,671	6,847,698
United States of America	406,863	416,226
Europe	51,422	1,824
Rest of World	1,667	12,810
	7,289,623	7,278,558

Cost of sales expenses directly attributable to the turnover for the year was £1,691,596 (2019: £1,850,051).

3. OPERATING PROFIT

Operating profit is stated after charging:

	2020 £	2019 £
Realised foreign exchange loss	15,453	-
Management charges from Group companies	5,387,666	5,207,135
Other operating expenses	3,912	-
	5,407,031	5,207,135

The total remuneration payable excluding VAT, to its external auditor, PricewaterhouseCoopers LLP, in respect of the audit of these financial statements was £32,417 (2019: £28,080), and was paid by a group company, Amwins Global Risks Group Limited and forms part of the management charge from that company. No other services were supplied by the external auditor to the Company (2019:£nil).

4. EMPLOYEES AND DIRECTORS

The Company had no direct employees during the current year and preceding year. Staff that support the company are employed by Amwins Global Risks Group Limited and their costs are incorporated in the management recharge (see note 3), this includes the £940,238 shown below for directors' remuneration.

Directors' remuneration	2020 £	2019 £
Remuneration for management services	824,571	781,208
Contributions to money purchase pension schemes	115,667	44,215
	940,238	825,423

Amounts for the highest paid director included above:

Remuneration for management services	261,948	255,000
	261,948	255,000

During the year, 6 (2019: 5) directors accrued benefits under money purchase pension.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

4. EMPLOYEES AND DIRECTORS (CONTINUED)

All directors, with the exception of K Smith, are remunerated by Amwins Global Risks Group Limited and their emoluments are reported within the financial statements of Cardinus Risk Management Limited

Director of the Company, K Smith is remunerated by Amwins Global Risks Group Limited and their emoluments are reported within the financial statements of Amwins Global Risks Limited and Amwins Global Risks Group Limited. Overall, the time spent by this director in performing their services for the Company is incidental, and therefore their remuneration is not charged to the Company.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £	2019 £
Bank interest received	-	2,585
Total interest receivable and similar income	-	2,585

6. TAX ON PROFIT

	2020 £	2019 £
Current tax:		
UK Corporation tax on profits for the year	36,553	42,552
Utilisation of Group company tax losses	(36,553)	(42,552)
Total current tax	-	-
Deferred tax:		
Impact of change in tax rate	(68,920)	3,934
Utilisation of company tax losses	36,553	42,552
Total deferred tax	(32,367)	46,486
Tax on profit	(32,367)	46,486
Profit before taxation	190,996	223,957
Profit/(loss) before taxation multiplied by standard rates of corporation tax at 19% (2019: 19%)	36,289	42,552
Non Taxable items	264	
Impact of change in tax rate	(68,920)	3,934
Total tax (credit)/charge for the year	(32,367)	46,486

	2020 £	2019 £
Deferred Tax Asset		
Opening balance	584,617	631,103
Utilisation of tax losses	(36,553)	(42,552)
Impact of change in tax rate	68,920	(3,934)
Total current tax	616,984	584,617

The tax rate of 19% (2019: 19%) used for the reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law. The standard rate of UK corporation tax will be 19% for 2021. Deferred tax on temporary timing differences which are expected to unwind after 1 April 2021

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

6. TAX ON PROFIT (CONTINUED)

have been recognised at 19% (2019: 17%), the rate which was substantially enacted in law as at December 31, 2020.

The Company is part of the TAL Group for tax purposes and accordingly may use the group relief provisions whereby current tax liabilities can be offset by tax losses arising in other companies within the same tax group. The amount paid for group relief is equal to the tax benefit arising and amounts are included within the current tax disclosures.

Budgets and projections for the next five years have been used to estimate the deferred tax asset that represents the recognition of recoverable tax losses. Projections for year 1 is at a risk adjusted rate of 90%, years 2-4 have been risk adjusted by 75% and year 5 has been risk adjusted by 50%. The projections assume a 5% growth in profit in years 1-2 and 3% for the rest. The projections used are reviewed each year.

As part of a sensitivity analysis two scenarios were considered:

A - Were the risk adjusted rates to be reduced to 75% for year one and now 50% for years 2-5, the impact on the asset would be to reduce its value by £88k as the asset would not be fully utilised in the next 5 years.

B - The profit growth is reduce to nil post 2021. The impact of that would be that the deferred tax asst could still be retained at its current carrying value.

7. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2020 £	2019 £
At 1 January	5,979,660	5,979,660
At 31 December	5,979,660	5,979,660

Investment in subsidiary undertakings represent interests in the ordinary share capital of the following directly held companies:

Directly held:	Principal activity	Registered in	Interest
Fleet UK Limited	Dormant	England & Wales	100%
Property UK Limited	Dormant	England & Wales	100%
Property Risk Management Limited	Dormant	England & Wales	100%
Cardinus Limited	Non-Trading	England & Wales	100%
Cardinus LLC	Ergonomics	USA (1)	100%
Healthy Working Limited	Dormant	England & Wales	100%
Specialists in the Protection of Risks Limited	Dormant	England & Wales	100%

The registered office for all subsidiaries is 22 Bishopsgate, London, EC2N 4BQ, apart from those listed below:
(1) 4725 Piedmont Row Drive, Suite 600, Charlotte, NC 28210

The directors have performed an impairment assessment and confirm that no impairments are required in the Company's investments in subsidiary undertakings. As part of a sensitivity analysis of possible impairment, an annual review is taken to assess how much revenue would need to fall by and expenses increase by year on year before an impairment is required. The review showed that revenue would need to decrease by at least 10% over a 10 year period with expenses increasing by 3% at the same time, before an impairment may be required.

8. TRADE AND OTHER DEBTORS

	2020 £	2019 £
Trade debtors	2,291,724	2,314,947
Less: Provision for bad debts	(137,285)	(26,601)
Balances due from group undertakings	1,168,221	1,651,553
Trade and other debtors	3,322,660	3,939,899

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)
8 TRADE AND OTHER DEBTORS (CONTINUED)

Amounts owed by the parent, group and other undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

As at 31 December 2020, the Company had exposures to individual trade counterparties within trade and other debtors. In accordance with Company policy, the Company continually monitor exposures against individual clients. No other individual trade counterparty credit exposure is considered significant in the ordinary course of trading activity.

The carrying amount of trade and other debtors is considered to be approximate to their fair value.

All of the Company's trade and other debtors have been reviewed for indicators of impairment. Management does not expect any significant losses from non-performance by trade counterparties that have not been provided for. However, as part of a stress test, if all items aged greater than six months were considered for inclusion, this would result in a £59,605 reduction to the trade debtor and profit before tax.

9. CASH AT BANK AND IN HAND

	2020	2019
	£	£
Cash at bank and in hand	53,843	829,875
	53,843	829,875

Only one bank account is held in the name of the Company.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade and other payables:		
Balances due to Group undertakings	3,061,371	-
Other creditors	53,145	-
Deferred income	803,847	706,715
	3,918,363	706,715

In accordance with FRS 102 section 23, the Company has deferred a portion of turnover to recognise post-placement obligations on service contracts still open at the end of the year. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry. Where there will be costs to be incurred in the following year, a portion of the revenue is not recognised in the P&L, this is calculated on a straight line basis based on value of revenue received, over the remaining months the contract covers. Variability could exist if the customer wishes to cancel the contract mid-term, as a portion of the revenue would need to be returned to them. However, based on past experience of this being so infrequent, at this time, no adjustment is made for such a scenario and there is no indicator it would need to be.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The carrying amount of trade and other payables is considered to approximate their fair value.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Company 2020 £	Company 2019 £
Amounts falling due between one and five years		
Amounts owed to Group undertakings	-	4,795,915
	-	4,795,915

12. CALLED UP SHARE CAPITAL

Company	2020 £	2019 £
Authorised		
311,087,239 (2019: 311,087,239) ordinary share/s of 1p each	3,110,872	3,110,872
	3,110,872	3,110,872

Company	2020 £	2019 £
Allotted, called up and fully paid		
310,587,239 (2019: 310,587,239) ordinary shares of 1p each	3,105,872	3,105,872
	3,105,872	3,105,872

At 31 December

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

13. SHARE PREMIUM ACCOUNT

	2020 £	2019 £
At 1 January	1,494,490	1,494,490
At 31 December	1,494,490	1,494,490

The share premium account recognises the following transactions and includes a £24,955 issuance cost:

On 19 December 2000 the company issued 1,250,000 Ordinary shares 1p each at a premium of 79p each

On 15 April 2002 the company issued a further 1,690,429 Ordinary shares of 1p each at a premium of 10.8p each

On 15 April 2002 the company issued a further 2,646,810 Ordinary shares of 1p each at a premium of 13.2p each

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020 (CONTINUED)

14. RETAINED EARNINGS

	2020 £	2019 £
At 1 January	1,231,059	1,053,588
Profit for the year	223,363	177,471
At 31 December	1,454,422	1,231,059

15. COUNTERPARTY CREDIT RISK

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below:

	Note	2020 £	2019 £
Classes of financial assets – carrying amounts			
Investment in subsidiary undertakings	7	5,979,660	5,979,660
Trade and other debtors	8	3,322,660	3,939,899
Cash and cash equivalents	9	53,843	829,875
		9,356,163	10,749,434

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good quality, including those that are past due. See note 8 for further information on impairment of financial assets that are past due.

The Company manages its cash balances in the form of deposits with banks, in accordance with TAL Group policy, which is agreed by the Board, and banking counterparties are subject to pre-approval at Board level.

16. RELATED PARTY TRANSACTIONS

The company is exempt from the requirements of FRS 102 33.1(A) to disclose transactions with other members of the group headed by Taurus Acquisition Limited.

17. CONTROLLING PARTIES

The immediate parent company is Amwins Global Risks UK Limited, which owns the entire issued share capital of the Company. The ultimate parent company and controlling party is American Wholesale Insurance Holding Company, LLC, a company incorporated in the USA.

The largest and smallest groups of undertakings for which financial statements have been drawn up are those headed, respectively, by Amwins Group, Inc. and Taurus Acquisition Limited. Copies of Taurus Acquisition Limited group financial statements are available on request and can be obtained from 22 Bishopsgate, London, EC2N 4BQ.