COMPANY REGISTRATION NUMBER: 00228983

LV ASSISTANCE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

J M Dye	(resigned November 30, 2021)
S Treloar	
K Wenzel	(appointed December 1, 2021)

Company Secretary

R C Jack-Kee	(resigned February 1, 2021)
C M Twemlow	(appointed February 1, 2021)

Registered office
57 Ladymead,
Guildford,
Surrey,
England,
GU1 1DB

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

STRATEGIC REPORT

1. Principal activities
LV Assistance Services Limited ('Company') is a wholly owned subsidiary within the Allianz Holdings plc ('AZH') group of companies ('Allianz', 'the Group') which is one of the largest general insurers in the United Kingdom measured by gross written premium. The Company provides pay-on-use road rescue services under the LV= *Britannia* Rescue trademark.

Following a successful competitive tender, on September 8, 2021 LV= commenced the provision of Recovery After Accident and Out of Hours First Notification of Loss services to esure's motor insurance customers, as their sole provider under the Britannia Rescue Brand. By the end of the year over four thousand recovery jobs had been handled by the LV= Britannia Rescue network of recovery agents, with high levels of customer satisfaction recorded. As part of our growth strategy we anticipate further expanding our portfolio of partner schemes, with active discussions in flight to provide similar services to additional prospective new partners.

In July 2021, the Allianz business in the UK restructured its operations to form two new trading divisions, Allianz Personal and Allianz Commercial, supported by the integrated central functions of Operations, Finance, Risk and Human Resources. This structure aligns with the distinct needs of our individual customer groups and gives us more scope to benefit from shared knowledge and scale whilst simplifying our business and enabling us to focus on specific segments. The services the Company provides, fall within the scope of the Allianz Personal wider division, which also includes speciality products such as Animal Health and musical instruments. The CEO of Allianz Personal is S Treloar, who was previously CEO of the LVGIG group of companies and is a Director of the Company.

2. Results and dividends
The profit for the financial year was £283,000 (2020: £185,000) as set out on page 11. The Directors proposed and paid no dividends in the current year (2020: £nil).

3. Business review and developments

(a) Results and performance
The profit after taxation is up 53% on last year, as set out on page 11. Revenue is up by 54% on 2020, which is attributable to the return to pre-pandemic levels of rescue services and the commencement of the partnership with esure. During 2021 the Company has continued to support Liverpool Victoria General Insurance Group ('LVGIG Group') in its long-term strategic objectives and has total equity at year-end of £1,378,000 (2020: £1,095,000).

(b) Strategy
The Company is a subsidiary of Liverpool Victoria General Insurance Group Limited ('LVGIG'). The long-term objective of LVGIG and its subsidiaries is as follows:

"Our vision remains to be Britain's best loved. We seek to achieve this through people centricity, maintaining our customer satisfaction and retention rates, and growth through outperformance particularly in the Motor market. The strategy now includes the successful integration of the business acquired through the purchase of Fairmead Insurance Limited and realising benefits from the Allianz ownership of LVGIG".

The Company is part of the Road Rescue activities within LVGIG and supports the main operating entities in achieving the overall objective of LVGIG. The Directors do not anticipate any change in this status in the near future.

(c) Principal risks and uncertainties and risk management
Following the Russian military invasion of Ukraine on February 24, 2022, the on-going conflict is a new source of uncertainty for the Company in 2022. Management have reviewed the risks to the Company, considering in particular, underwriting and direct investment exposures along with the wider macro-economic impacts of sanctions, information security threats and potential disruption to the supply chain.

3. Business review and developments (continued)

c) Principal risks and uncertainties and risk management (continued)
Whilst the Company has no direct operational impact or underwriting exposure to Russia or Ukraine, we are monitoring closely any impacts of the event in Ukraine on claims' supply chains and inflation for our core Motor and Home products. As of today, we believe these are within our normal trading parameters, however long-term effects are uncertain and dependent on the duration of the disruption.

Given the nature of the operations the Directors do not consider there are any other significant risks and uncertainties facing the Company.

For further information on Capital management and risk management and control, please see note 3.

(d) Significant post statement of financial position events
There have been no events of significance affecting the Company since the statement of financial position date.

(e) Key performance indicators
The key performance indicators monitored by the Company are; profit before tax and total equity value. The 2021 results for the Company show a profit before taxation of £350,000 (2020: £229,000). The total equity value at December 31, 2021 was £1,378,000 (2020: £1,095,000).

On behalf of the Board

K Wenzel
Director

August 16, 2022

DIRECTORS' REPORT

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results and dividends;
- Principal activities of the Company;
- Business review and future prospects; and
- Principal risks and uncertainties and risk management.

Directors and their interests

The members of the Board and those who were in office during the year and up to the date of signing the financial statements are listed on page 3.

A qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

Parent company

The Company is a wholly owned subsidiary of LVGIG. LVGIG is a wholly owned subsidiary of Allianz Holdings plc. The ultimate parent company is Allianz SE ('AZ SE') a European multinational financial services company headquartered in Munich, Germany.

Going concern

We are confident in the Company's ability to continue as a going concern, as the Company continues to provide pay-on-use road rescue services under the LV= Britannia Rescue trademark to fellow group undertakings and to an external third party. The business is well placed in managing the principal risks and uncertainties, has a good financial and sound capital position and is owned by one of the largest property and casualty insurers in the world.

Employees

The Company does not employ any staff. During the year, LVGIG, the Company's immediate parent company, and Allianz Management Services Limited ('AMSL'), a subsidiary of AZH, provided administration services and staff to the Company and to other Allianz Group companies. LVGIG and AMSL have a high level of resources and expertise which benefit the Company.

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

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 UK-adopted international accounting standards.

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 UK-adopted international accounting standards 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 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 also 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.

On behalf of the Board

K Wenzel
Director

August 16, 2022

Independent auditors' report to the members of LV Assistance Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, LV Assistance Services Limited's 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 and cash flows 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, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows 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 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 2021 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 the UK companies Act 2006, 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:

- 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 statements disclosures and testing to supporting documentation to assess compliance with applicable law 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

Zahid Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 August 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 £000	2020 £000
Revenue	4	**4,746**	3,087
Investment income	6	**-**	3
Other income	7	**-**	10
Total income		**4,746**	3,100
Cost of sales	8	**(4,391)**	(2,860)
Administrative expenses	9	**(5)**	(11)
Total expenses		**(4,396)**	(2,871)
Profit before tax		**350**	229
Income tax expense	11	**(67)**	(44)
Profit for the financial year		**283**	185
Total comprehensive income for the year		**283**	185

All transactions relate to continuing activities. There has been no other comprehensive income in the year ended December 31, 2021 (2020: nil).

The notes on pages 15 to 23 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Share capital £000	Share premium £000	Accumulated losses £000	Capital reserve £000	Total £000
Balance at January 1, 2021		**4,342**	**701**	**(4,658)**	**710**	**1,095**
Profit for the financial year and total comprehensive income	20	**-**	**-**	**283**	**-**	**283**
Balance at December 31, 2021		**4,342**	**701**	**(4,375)**	**710**	**1,378**

		Share capital £000	Share premium £000	Accumulated losses £000	Capital reserve £000	Total £000
Balance at January 1, 2020		4,342	701	(4,843)	710	910
Profit for the financial year and total comprehensive income	20	-	-	185	-	185
Balance at December 31, 2020		4,342	701	(4,658)	710	1,095

The notes on pages 15 to 23 are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	**2021 £000**	2020 £000
Assets			
Trade and other receivables	12	**611**	2
Accrued income	13	**798**	-
Cash and cash equivalents	14	**495**	1,110
Total assets		**1,904**	1,112
Liabilities			
Current tax liability	15	**24**	-
Trade and other payables	16	**502**	17
Total liabilities		**526**	17
Equity			
Share capital	17	**4,342**	4,342
Share premium	18	**701**	701
Capital reserve	19	**710**	710
Accumulated losses	20	**(4,375)**	(4,658)
Total equity		**1,378**	1,095
Total liabilities and equity		**1,904**	1,112

The notes on pages 15 to 23 are an integral part of the financial statements.

These financial statements on pages 11 to 23 were approved by the Board of Directors and signed on its behalf by:

K Wenzel
Director
August 16, 2022

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 £000	2020 £000
Cash flows arising from:			
Operating activities			
Cash (used in)/generated from operating activities	21	**(572)**	233
Income tax paid	15	**(43)**	(102)
Net cash flows (used in)/generated from operating activities		**(615)**	131
Net (decrease)/increase in cash and cash equivalents		**(615)**	131
Cash and cash equivalents at the beginning of the year	14	**1,110**	979
Cash and cash equivalents at the end of the year	14	**495**	1,110

The notes on pages 15 to 23 are an integral part of the financial statements.

1. General information

LV Assistance Services Limited is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. The Company provides pay-on-use road rescue services under the Liverpool Victoria General Insurance Group trademark.

2. Accounting policies

BASIS OF PRESENTATION

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Liverpool Victoria Assistance Services Limited transitioned to UK-adopted International Accounting Standards in its financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of Liverpool Victoria Assistance Services Limited have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention. Items included in the financial statements are measured using the currency of the primary economic environment (the 'functional currency') which is sterling. Unless otherwise noted, the financial statements are presented in sterling (the 'presentation currency').

Use of critical estimates, assumptions and judgements

The preparation of the financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS.

Going concern

After making enquiries and performing the appropriate assessment, 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. The Company therefore continues to adopt the going concern basis in preparing its financial statements. For further information, please refer to the Directors report.

SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies adopted are summarised below. These policies have been consistently applied to all years presented, unless otherwise stated.

Revenue

Revenue relates to roadside recovery services performed on behalf of fellow group undertakings and to an external third party as well as direct to customers as a pay-on-use service. For both fellow group undertakings and the external third party, amounts are invoiced at the point of completion of the services. Revenue is recognised at this time as the performance obligation has been satisfied per IFRS 15. For pay-on-use customers payment must be made by the customer before the service is delivered, with the revenue being recognised at that time. For pay-on-use customers, the performance obligation is satisfied immediately and as a result the revenue is recognised.

Cost of sales

Cost of sales relates to claims costs associated with the roadside recovery services undertaken by the Company. Cost of sales are recognised at the point of invoice when the claim costs have been incurred.

2. Accounting policies (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment income
Investment income is Interest Income on cash and cash equivalents only.

Other income
All fees and commission income are recognised as the services are provided.

Administrative expenses
Administrative expenses are recognised as they are incurred and primarily relate to bad debt.

Trade and other receivables
Trade and other receivables are initially measured at fair value and then subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are recognised when due and are generally due for settlement within 30 days and are therefore all classified as current. Trade and other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

Impairment of financial assets
The Company has financial assets that are subject to the expected credit loss model. An expected credit loss ("ECL") provision is assessed as at the Balance Sheet date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "simplified approach" in determining the ECL. Under this approach, the ECL is calculated as the book cost of the receivables multiplied by a 1 year probability of default ("PD"), an appropriate loss given default ("LGD") and the number of days to maturity as a fraction of a year ("tenor").

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above but are shown net of outstanding bank overdrafts.

Trade and other payables
Trade and other payables are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

2. Accounting policies (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax expense
The income tax expense reflects the movement in current and deferred income tax in respect of income, gains, losses and expenses and is recorded in the Statement of Comprehensive Income ('SOCI') and represents the current year corporation tax charge. Corporation tax is charged on trading profits arising in the year.

Current income tax
Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position ('SOFP') date.

Deferred tax
Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the SOFP date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share premium
Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets.

New standards and interpretations not yet adopted

No new standards have been adopted by the Company for accounting periods beginning on or after January 1, 2021.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Capital management and risk management and control

Capital management

The Company's capital risk is determined with reference to the requirements of the Allianz Holdings plc group. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of dividends and the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At December 31, 2021 the Company had £1,378,000 (2020: £1,095,000) of total capital employed. The Company's operations are primarily based in the United Kingdom hence any risk exposure is almost entirely confined within the UK.

Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not exposed to market risk as all invested assets are cash related and are not held for the purpose of generating investment income.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is primarily exposed to credit risk through its amounts due from group undertakings and cash and cash equivalents. The Company deems this risk to be low as the amounts are due from fellow Allianz SE Group subsidiaries and as such are A rated and cash and cash equivalents which are A rated. The Company also has some exposure to an external third party, which is considered to be low risk by virtue of it being a regulated entity overseen by the PRA.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is primarily exposed to liquidity risk through its amounts due to group undertakings. Liquidity risk for the Company is mitigated as the Company largely finances through intercompany transactions and the Company has sufficient liquid assets to meet its liabilities as they fall due. Whilst there is now some exposure to an external third party, annual due diligence is undertaken and as a regulated insurance entity, the risk is deemed to be low.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset in the Statement of Financial Position when the Company intends to apply a current legally enforceable right to offset. Currently there is no offsetting.

4. Revenue

	2021 £000	2020 £000
Revenue	**4,746**	3,087
	4,746	3,087

5. Auditors' remuneration

LVGIG is responsible for the management and administration of the Company. The audit remuneration in respect of audit services for the Company is £32k (2020: £30k) and is borne by LVGIG.

There were no other services carried out by the Auditors in respect of the Company.

6. Investment income

	2021 £000	2020 £000
Income from cash and cash equivalents		
- Interest income	-	3
	-	3

7. Other income

	2021 £000	2020 £000
Commission income	-	10
	-	10

8. Cost of sales

	2021 £000	2020 £000
Cost of sales	**4,391**	2,860
	4,391	2,860

Cost of sales represents the cost incurred on 3rd party road rescue services.

9. Administrative expenses

	2021 £000	2020 £000
Administrative expenses	**5**	11
	5	11

10. Directors' emoluments

The remuneration of J Dye and K Wenzel is paid by Allianz Management Services Limited ("AMS") and the remuneration of S Treloar is paid by LVGIG. LVGIG and AMS are Group Service companies and make no recharge to the Company for such costs. The aforementioned individuals provide services to the Company and other companies within the Allianz UK Group and it is not possible to make an accurate apportionment of an individual's remuneration in respect of their role as a Director of the Company. Accordingly, no remuneration is being disclosed for such individuals.

11. Income tax expense

a) Income tax recognised in profit and loss

	2021	2020
	£000	£000
Current tax:		
In respect of the current year	**67**	44
Total income tax expense recognised in the year	**67**	44

The income tax expense for the year can be reconciled to the accounting profit as follows:

b) Reconciliation of tax expense

	2021	2020
	£000	£000
Profit before tax	**350**	229
Income tax expense calculated at 19% (2020:19%)	**67**	44
Income tax expense recognised in profit or loss	**67**	44

The tax rate used for the 2021 and 2020 reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law in that jurisdiction. The standard rate of UK corporation tax is currently 19%, changing to 25% with effect from April 1, 2023.

12. Trade and other receivables

	2021	2020
	£000	£000
Amounts due from group undertakings	**241**	-
Trade receivables (amounts due from customer contracts)	**289**	2
Other taxes	**81**	-
	611	2

All trade and other receivables are expected to be settled within one year.

The Company has concluded that the ECL model has made no significant impact on the valuation of receivables reported in the financial statements.

13. Accrued Income

	2021	2020
	£000	£000
Accrued income	**798**	-
	798	-

In 2021 LVAS launched a new partnership between Britannia Rescue and esure, where Britanna Rescue provides recovery after accident and out of Hours First Notification of Loss (FNOL) services to esure customers, as their sole provider.

All accrued income is expected to be settled within one year.

14. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	**495**	1,110
	495	1,110

15. Current tax liability

	2021	2020
	£000	£000
Current tax payable at January 1	**-**	58
Amounts charged to the income statement	**67**	44
Tax paid during the year	**(43)**	(102)
Current tax payable at December 31	**24**	-

16. Trade and other payables

	2021	2020
	£000	£000
Amounts Owed to Group Companies	**-**	12
Other Taxes and Social Security Costs	**-**	5
Accruals	**502**	-
	502	17

All trade and other payables are due within one year. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

17. Share capital

	2021	2020
	£000	£000
Ordinary Shares, Allotted and fully paid		
21,709,054 (2020: 21,709,054) ordinary shares of £0.20 each	**4,342**	4,342
	4,342	4,342

Authorised shares total 75,978,665 (2020: 75,978,665)

18. Share premium

	2021 £000	2020 £000
Balance at January 1	**701**	701
Balance at December 31	**701**	701

The Share Premium Account relates to the premium paid over the nominal value of shares issued by the Company.

19. Capital reserve

	2021 £000	2020 £000
Balance at January 1	**710**	710
Balance at December 31	**710**	710

The Capital Reserve relates to the historic repurchase and cancellation of shares.

20. Accumulated losses

	2021 £000	2020 £000
Balance at January 1	**(4,658)**	(4,843)
Profit for the year	**283**	185
Balance at December 31	**(4,375)**	(4,658)

21. Cash (Used in)/Generated from operating activities

	2021 £000	2020 £000
Profit before tax	**350**	229
Changes in working capital		
(Increase)/Decrease in trade and other receivables	**(609)**	7
Increase in accrued income	**(798)**	-
Increase/(Decrease) in trade and other payables	**485**	(3)
Cash (Used in)/Generated from operating activities	**(572)**	233

22. Related party transactions

The Company did not enter into transactions with key management personnel. Details of significant transactions carried out during the year with related parties are as follows:

The following transactions have taken place between the Company and the LVGIG Group:

	2021	Restated 2020
	£000	£000
Sales to Liverpool Victoria Insurance Company ('LVIC')	**3,386**	2,740
Sales to Highway Insurance Company ('HICO')*	**418**	347
	3,804	3,087

*Sales to related parties in 2020 omitted the sales to Highway Insurance Company as they were all incorrectly classified as sales to Liverpool Victoria Insurance Company (£3,087k). As a result, the sales to related parties above has been restated for 2020.

Balances outstanding between the Company and LVGIG:

	2021	2020
	£000	£000
Due from/(payable to) LVGIG	**424**	(12)
	424	(12)

LVGIG settles any intercompany balances outstanding with the Company on behalf of LVIC and HICO. The £424k above includes £183k of accrued income (2020: £nil).

23. Ultimate parent company

The immediate parent company is Liverpool Victoria General Insurance Group Limited ('LVGIG'), a limited liability company, incorporated in the UK.

The ultimate parent undertaking and ultimate controlling party, Allianz SE, is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which Allianz SE Group financial statements are drawn up and of which the Company is a member.

Copies of the Allianz SE Group financial statements are available on request from the ultimate parent's registered address, Allianz SE, Königinstrasse 28, 80802 München, Germany.