Company Registration No. 01994696

# Charles Taylor Adjusting Limited

Report and Financial Statements

For the year ended 31 December 2021

## Charles Taylor Adjusting Limited

## Report and financial statements

## Contents

## Charles Taylor Adjusting Limited

## Report and financial statements

## Officers and professional advisers

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were:

T D Ely
C Garfield

### Secretary

Charles Taylor Administration Services Limited

### Registered Office

The Minster Building
21 Mincing Lane
London
England
EC3R 7AG

### Bankers

National Westminster Bank Plc
116 Fenchurch Street
London
EC3M 5AN

### Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

## Charles Taylor Adjusting Limited

## Strategic Report

The Directors present the strategic report and audited Financial Statements for Charles Taylor Adjusting Limited (the 'Company') for the year ended 31 December 2021.

The Directors in preparing this strategic report have complied with s414C of the Companies Act 2006.

**Principal activities**
The principal activities of the Company during the year were loss adjusting in the aviation, energy, marine and property and casualty sectors, together with marine average adjusting.

**Review of the business**
Revenue decreased slightly to £31.5m (2020: £33.5m) during the year. The loss before tax decreased to £6.1m (2020: restated loss before tax £6.6 m) in the statement of comprehensive income.

These are the key acquisitions which took place during the year by existing subsidiaries.

On 26 February 2021, Charles Taylor Adjusting Italy SRL, a subsidiary company, acquired the Cosulich Group, a leading provider of scientific consultancy, surveying and testing services for the marine and insurance industries. The Cosulich Group comprises Lab Cosulich Consultants (LCC) and CMC Marine (CMC) and will form a core part of Claims Solutions.

On 29 April 2021, Charles Taylor Adjusting Italy SRL also acquired IES, a premier loss adjusting practice headquartered in Italy, with a wide European footprint serving leading global and domestic insurance Groups. IES has 92 staff across 18 offices and provides a range of services including loss adjusting, corporate claims management, risk engineering and training to the insurance market.

During the year, an amount of £12.5m was invested in the business in the form of ordinary shares and share premium which were allotted in July 2021.

The Group (being Jewel ParentCo Limited and its subsidiaries) refinanced its borrowings during the period. The Group's new Senior Facilities Agreement ('SFA') comprises of a term loan (repayable in full after seven years, provided by Ares Private Equity Group), a Committed Accordion Facility (repayable in full after seven years, provided by Ares Private Equity Group) and a RCF, replacing the existing facilities provided by the Royal Bank of Canada and the Royal Bank of Scotland. Further agreement details are contained within the consolidated Financial Statements of Jewel ParentCo Limited.

**Financial position**
The Company had net assets of £3.0m as at 31 December 2021 (2020: restated net liabilities of £6.1m).

**Restatement**
The Company has restated the prior year balances to reflect the correct accounting treatment of the acquisition of Chile and Criterion. The restatement relates to adjustments of trade and other payables, administrative expenses, current tax and investments. Please refer to note 1 for further details.

**Key performance indicators**
Charles Taylor Limited (previously registered as Charles Taylor plc) and the Jewel ParentCo Limited Group monitors its key performance indicators ('KPIs') at a wider business level rather than legal entity level. In addition to monitoring financial performance against budget, KPIs include revenue, EBITDA, profit, work in progress, DSO/debtor days, free cash flow and net debt. Further information about these KPIs can be found in the consolidated Financial Statements of Jewel ParentCo Limited (the Group). Copies of the consolidated

## Strategic report (continued)

**Key performance indicators(continued)**

Financial Statements of that company are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**Principal risks and uncertainties**

The failure to carry out the provision of services with care and efficiency could cause financial loss through loss of contracts or claims for damages. Professional indemnity insurance provides some protection and there are comprehensive policies, procedures and training to minimise the risk.

Lack of business continuity risks and/or the failure of information technology systems are further risks faced by the Company and these are managed by business continuity plans and having appropriate support arrangements in place. The Company utilises specialist senior staff who may be difficult to replace and their loss could result in adverse financial consequences for the Company. Suitable measures exist to encourage staff retention, for example relating to career opportunities, remuneration and working conditions.

The ongoing Coronavirus pandemic may impact the safety of staff. Whilst the Company has not had any significant impact as a result of Coronavirus and following the roll out of the vaccines throughout 2021 the Company continues to monitor developments very carefully and will take prompt, appropriate action as required. Further information about actions taken across the Group in response to covid-19 can be found in the consolidated Financial Statements of Jewel ParentCo Limited (the Group).

UK instructions - the majority of European Economic Area (EEA) insurers have obtained permissions needed to continue to carry on insurance business in the UK after Brexit by entering the Temporary Permissions Regime ("TPR") with the intention of obtaining full authorisation in due course. The agreements executed before the 31 December 2020 with EEA insurers that have not applied for the TPR will automatically be subject to the Financial Services Contracts Regime ("FSCR"). The FSCR was introduced by the UK Government to ensure existing contractual obligations not covered by the TPR can continue to be met. The FSCR will permit UK contracts entered into pre-Brexit to continue to be serviced, so that it can wind down / run–off this business in an orderly fashion. No new business can be written under the FSCR. The FSCR will apply for a period of 15 years for insurance contracts.

With respect to EEA instructions of business, in cases where the insurer has not obtained the required permissions under the TPR or there is no formal agreement in place, the activities could be transferred to another entity in the Charles Taylor Group within the EEA entity that is able to perform those activities.

The Legal & Compliance function in the Charles Taylor Group has developed a plan to ensure existing contractual obligations can continue to be met and that Charles Taylor Adjusting Limited's UK and EEA business can continue to operate in an orderly fashion.

Whilst the Company does not have any direct exposure in Ukraine or Russia, the Board continues to be vigilant of the evolving war to monitor the situation and any potential implications for the business. There is currently no material impact to disclose.

**Directors' duties**

The Board whether as a whole or individually, in good faith, promote the success of the Company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to factors (a) to (f).

# Charles Taylor Adjusting Limited

## Strategic report (continued)

**Directors' duties (continued)**

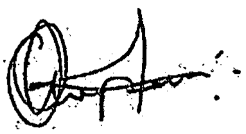
a) The likely consequences of any decision in the long term,
b) The interests of the Company's employees,
c) The need to foster the Company's business relationships with suppliers, customers and others,
d) The impact of the Company's operations on the community and the environment,
e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
f) The need to act fairly as between shareholders of the Company.

When carrying out their duties they do not just balance the interests of the Company and those of other stakeholders, but weigh up all the relevant factors; the Directors consider what best leads to the long-term success of the Company.

In discharging Directors' duties and making decisions there are five specific items that each Director considers:

- Strategy: reflect the s172 duty to consider the interests of stakeholders when setting and updating the Company's strategy
- Training: establish and attend training courses on induction to the Board, with ongoing updates on the s172 duty in the context of wider duties and responsibilities.
- Information: consider, and arrange to receive, the information needed on appointment and going forward to help to carry out their role and satisfy their duties.
- Policies and process: put in place policies and processes appropriate to support the Company's operating strategy and to support its goals in the light of the s172 duties.
- Engagement: consider what should be the Company's approach to engagement with employees and other stakeholders for the Company, whether through Board engagement or wider corporate engagement.

**Approval**
Approved by the Board and signed by its order:



Charles Taylor Administration Services Limited
Company Secretary
10 November 2022

# Charles Taylor Adjusting Limited

## Directors' report

The Directors present their report for the year ended 31 December 2021.

**Future developments**
Charles Taylor Adjusting Limited is a subsidiary company in the Jewel ParentCo Group. The Directors expect the Company to continue to provide loss adjusting services for the foreseeable future.

**Events after the end of the reporting period**
On 8 June 2022, the Company acquired Herrera D.K.P Sociedad Civil de Responsabilidad Limitada Ajustadores de Seguros for $6m, an adjusting business based in Peru.

On 1 July 2022, Charles Taylor (Netherlands) BV, a subsidiary company, acquired Verschoor & Bras B.V, for £3.4m (€3.9m). V&B Group are a Dutch marine surveying business with three core revenues. The main business focuses on hull and machinery damages, whilst the other two provide inspections and examinations of seagoing and inland navigation vessels and claims investigations, claims handling and limitation of losses.

**Going concern**
As at 31 December 2021, the Company had net assets of £3.0m. It is the Directors' intention to continue the business operations for the foreseeable future. As Charles Taylor Limited, the Company's intermediary parent company has confirmed in writing its intention to continue to support the Company for at least twelve months from the date of the approval of these Financial Statements, the Directors have a reasonable expectation that, with this support, the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

The Directors of Charles Taylor Limited have performed a detailed assessment of the Group's going concern position; including for example the consideration of ability to comply with the financial covenants in the Group's debt facility, maintain sufficient liquidity to fund its operations, and fulfil obligations as they fall due. Based on this assessment, the Directors of Charles Taylor Limited have confirmed that the Group has the ability to support the Company for at least twelve months from the date of the approval of these Financial Statements.

**Financial risk management**
The Company is exposed to financial risk through its financial assets and its financial liabilities. The most important components of financial risk are interest rate risk, currency risk, credit risk and liquidity risk. The Company does not use hedging or adopt hedge accounting for any type of transactions.

*Interest rate risk*
The Company is exposed to interest rate risk in relation to its bank balances and overdrafts, however the risk is not considered to be material to the Company.

*Currency risk*
The Company is exposed to currency risk in respect of fees it issues to clients in currencies other than Sterling as the rate of exchange can fluctuate between the date the fees are earned and payment is ultimately received. The most significant currency to which the Company is exposed is the US Dollar. The Group's treasury function manages this risk at Group level.

## Directors' report (continued)

**Financial risk management (continued)**

*Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The main area where the Company is exposed to credit risk is in relation to fees due from clients. The Company seeks to minimise this risk by having appropriate engagement acceptance procedures and agreed terms of engagement and payment and also by maintaining credit control processes. The Company is also exposed to credit risk in relation to amounts due from Group companies. The risk in relation to these balances being irrecoverable is not considered to be material.

*Liquidity risk*

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Company seeks to mitigate this risk by maintaining sufficient cash to meet its obligations as they fall due either from its own resources or, if not sufficient, by way of funding from other Group companies. Payment of intercompany liability is maintained through the Group strategy of net settlement and flexible arrangements.

**Directors**

The Directors who served throughout the year except as noted, and the present membership of the Board are shown on page 1.

**Dividends**

There was no interim dividend paid during the year ended 31 December 2021 (2020: £nil). The Director does not recommend a final dividend (2020: £nil).

**Political and charitable donations**

The Company made no political or charitable donations or incurred any political expenditure during the year (2020: £nil).

**Directors' indemnities**

The Company has qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force as at the date of this report.

**Statement of Directors' responsibilities in respect of the Financial Statements**

The Directors are responsible for preparing the Report and the Financial Statement s in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statement s for each financial year. Under that law the Directors have prepared the Financial Statement s in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the Financial Statement s 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 Statement s, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the Financial Statement s;
- make judgements and accounting estimates that are reasonable and prudent; and

## Directors' report (continued)

- prepare the Financial Statement s 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 Statement s 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. PricewaterhouseCoopers LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for PricewaterhouseCoopers LLP to be reappointed as independent auditors in the absence of an annual general meeting.

Approved by the Board and signed by order of the Board:

Charles Taylor Administration Services Limited
Company Secretary
10 November 2022

# Independent auditors' report to the members of Charles Taylor Adjusting Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Charles Taylor Adjusting 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Report and financial statements (the "Annual Report"), which comprise: Statement of financial position as at 31 December 2021; Statement of comprehensive income and 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 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 Statement, 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 tax legislation as well as data protection rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. 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 to manipulate reported results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations, fraud and inappropriate or unusual activities;
- Challenging assumptions and judgements made by management, in particular in relation to the recoverability of investment in subsidiaries, recoverability of debtors and revenue recognition; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations in respect of revenue and those that would result in an increase in earnings before interest, tax, depreciation and amortisation (EBITDA).

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.

Darryl Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 November 2022

## Charles Taylor Adjusting Limited

## Statement of comprehensive income
## For the year ended 31 December

| | Note | 2021<br>£ | 2020<br>Restated*<br>£ |
|---|---|---|---|
| **Revenue** | | **31,547,336** | 33,527,021 |
| Administrative expenses | | **(37,463,141)** | (39,719,998) |
| **Operating loss** | 2 | **(5,915,805)** | (6,192,977) |
| Income from shares in Group undertakings | 9 | **98,664** | 63,592 |
| Other interest receivable and similar income | 4 | **529,484** | 1,986 |
| Interest payable and similar expenses | 4 | **(786,419)** | (428,807) |
| **Loss before taxation** | | **(6,074,076)** | (6,556,206) |
| Income tax credit | 5 | **2,680,869** | 3,696,184 |
| **Loss and total comprehensive loss for the year** | | **(3,393,207)** | (2,860,022) |

*Refer note 1 to the financial statements for the details of the restatements.

All activities derive from continuing operations.

The notes on pages 14 to 29 form an integral part of these Financial Statements.

## Charles Taylor Adjusting Limited

## Statement of financial position
## As at 31 December

| | Note | 2021 £ | 2021 £ | 2020 £ Restated* | 2020 £ Restated* |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Goodwill | 6 | | **230,911** | | 230,911 |
| Tangible fixed assets | 7 | | **13,708** | | 31,753 |
| Right of use assets | 8 | | **62,578** | | 96,233 |
| Investments | 9 | | **52,803,978** | | 47,118,170 |
| Deferred tax | 12 | | **4,188,847** | | 2,735,787 |
| Trade and other receivables | 10 | | **414,874** | | 414,874 |
| | | | **57,714,896** | | 50,627,728 |
| **Current assets** | | | | | |
| Trade and other receivables | 10 | **106,758,290** | | 96,791,969 | |
| Cash at bank and in hand | | **344,845** | | 1,318,254 | |
| | | **107,103,135** | | 98,110,223 | |
| **Current liabilities** | | | | | |
| Trade and other payables | 11 | **( 161,742,709)** | | ( 153,999,342) | |
| **Net current liabilities** | | | **( 54,639,574)** | | ( 55,889,119) |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 11 | | **(64,892)** | | (91,833) |
| Trade and other payables | 11 | | **-** | | (703,226) |
| | | | **(64,892)** | | (795,059) |
| **Net assets / (liabilities)** | | | **3,010,430** | | (6,056,450) |
| **Capital and reserves** | | | | | |
| Called up share capital | 13 | | **350,002** | | 350,000 |
| Share premium | 14 | | **12,466,118** | | - |
| Shareholders' Deficit | | | **(9,805,690)** | | (6,406,450) |
| **Total shareholders' funds / (deficit)** | | | **3,010,430** | | (6,056,450) |

*Refer note 1 to the financial statements for the details of the restatement.

The notes on pages 14 to 29 form an integral part of these Financial Statements.

The Financial Statements of Charles Taylor Adjusting Limited (registered number 01994696) on pages 11 to 29 were approved by the Board of Directors on on 10 November 2022 and signed on its behalf by:

T D Ely
Director

## Charles Taylor Adjusting Limited

## Statement of changes in equity

| | Called up share capital | Share premium | Shareholders' deficit | Total shareholders' (deficit)/fund |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **At 1 January 2021** | **350,000** | **-** | **( 6,406,450)** | **(6,056,450)** |
| **Loss and total comprehensive loss for the financial year** | **-** | **-** | **(3,393,207)** | **(3,393,207)** |
| **Allotment of shares 22 July 2021** | **2** | **12,466,118** | **-** | **12,466,120** |
| **Foreign currency exchange difference** | **-** | **-** | **(6,033)** | **(6,033)** |
| **At 31 December 2021** | **350,002** | **12,466,118** | **( 9,455,690)** | **3,360,430** |

| | Called up share capital | Retained earnings/ (Accumulated losses) | Total shareholders' (deficit)/fund |
|---|---|---|---|
| | £ | £ | £ |
| At 1 January 2020 (as previously reported) | [illegible] | [illegible] | [illegible] |
| Adjustment* | 1 | [illegible] | [illegible] |
| At 1 January 2020 (restated) | 350,000 | (3,543,617) | (3,193,617) |
| Loss and total comprehensive loss for the financial year (restated) | - | (2,860,022) | (2,860,022) |
| Foreign currency exchange difference | - | (2,811) | (2,811) |
| At 31 December 2020 (restated) | 350,000 | ( 6,406,450) | (6,056,450) |

Accumulated losses at 1 January 2020 have been restated by £3,554,700 to reflect the remuneration expense recorded in respect of the earn-out payments arising on the acquisition of Chile and Criterion. Accumulated losses brought forward at 1 January 2021 have also been restated to include an amount of £2,104,665 in respect of the impact of the earn-out accrual in the year ended 31 December 2020.

The notes on pages 14 to 29 form an integral part of these Financial Statements.

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

### 1. Accounting policies

**General information**
The Company is a private limited company limited by shares. It is incorporated and domiciled in England, United Kingdom.

**Significant accounting policies**
The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**
The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The Financial Statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The following exemptions from the requirements of IFRS have been applied in the preparation of these Financial Statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
  - 40A-40D Detail in respect of third balance sheet presented on a change in accounting policy, retrospective restatement or reclassification.
  - 10(d), (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations' in the consolidated Financial Statements of the Group in which the entity is consolidated.
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a Group.
- A reconciliation of carrying amount of PPE at the beginning and end of the period (IAS 16.73(e));
- The requirements of paragraphs 52 and 58 of IFRS 16 'Leases', which require all lease liabilities to be disclosed in a separate note and the presentation of maturity analysis for lease liabilities respectively.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.
- For goodwill or intangible assets with indefinite useful lives allocate across multiple cash generating units, details of the key assumptions used in determining the recoverable amount and, sensitivity to assumptions if a reasonable change in a key assumption would result in impairment (IAS 36.135(c)-(e)).

**1. Accounting policies (continued)**

**Consolidation**

The Company is a wholly owned subsidiary of The Richards Hogg Lindley Group Limited and of its ultimate parent, Lovell Minnick Partners Inc. It is included in the consolidated Financial Statements of Jewel ParentCo Limited, which are publicly available. Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated Financial Statements.

**Adoption of financial reporting standards**

All existing financial reporting standards have been appropriately applied in these Financial Statements. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**Prior year restatements**

The Company has restated the prior year balances to reflect the correct accounting treatment of the acquisition of Chile and Criterion. The following balances have been restated in respect of this.

**Trade and other payables and administrative expenses**

The Company did not record an accrual of the earn-out which was payable as a part of the acquisiton of Chile and Criterion. The Company has restated is accumulated losses as at 1 January 2020 to reflect the remuneration expense accrued up to 31 December 2019 amounting to £3,554,700. Further, administrative expenses for the year ended 31 December 2020, were restated to show an incremental expense of £2,104,665 reflecting the earn-out accrual for the year. This total amount was recorded as an accrual within trade and other payables.

**Investment**

The Company had previously recorded the payments made against earn-out liability as an increase to investments. This has been corrected in these financial statements which has resulted in the reduction of investment balance as at 31 December 2020 by £1,844,933. These payments are corrected against trade and other payables recorded as noted above.

The table below summarizes the net impact of the above adjustments on the financial assets.

| | As previously reported 1 January 2020 £ | Net adjustments £ | Restated balances 1 January 2020 £ |
|---|---|---|---|
| Investments | 47,180,959 | | 47,180,959 |
| Trade and other payables | (117,959,831) | (3,554,700) | (121,514,531) |
| Administrative expenses | (41,142,749) | | (41,142,749) |
| Income tax credit | 2,129,915 | | 2,129,915 |
| Retained earnings/(Accumulated loss) | 11,083 | (3,554,700) | (3,543,617) |
| Net assets | 361,083 | | 361,083 |

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

**1. Accounting policies (continued)**
**Investment (continued)**

| | As previously reported 31 December 2020 £ | Net adjustments £ | Restated balances 31 December 2020 £ |
|---|---|---|---|
| Investments | 48,963,103 | (1,844,933) | 47,118,170 |
| Trade and other payables | (150,888,137) | (3,111,205) | (153,999,342) |
| Administrative expenses | (37,615,333) | (2,104,665) | (39,719,998) |
| Income tax credit | 3,296,298 | 399,886 | 3,696,184 |
| Accumulated loss | (1,146,971) | (5,259,479) | (6,406,450) |
| Net liabilities | (796,971) | (5,259,479) | (6,056,450) |

The Company has taken exemption under FRS 101, to present a third balance sheet to reflect the impact of the restatement on the balances as of 31 December 2019.

**Going concern**
As at 31 December 2021, the Company had net assets of £3.0m. It is the Directors' intention to continue the business operations for the foreseeable future. As Charles Taylor Limited, the Company's intermediary parent company has confirmed in writing its intention to continue to support the Company for at least twelve months from the date of the approval of these Financial Statements, the Directors have a reasonable expectation that, with this support, the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

The Directors of Charles Taylor Limited have performed a detailed assessment of the Group's going concern position; including for example the consideration of ability to comply with the financial covenants in the Group's debt facility, maintain sufficient liquidity to fund its operations, and fulfil obligations as they fall due. Based on this assessment, the Directors of Charles Taylor Limited have confirmed that the Group has the ability to support the Company for at least twelve months from the date of the approval of these Financial Statements.

**Critical areas of management judgment and estimation**
The preparation of Financial Statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The area involving a high degree of judgment and estimation is the carrying value of investment in subsidiaries, revenue recognition and recoverability of debtors.

**Carrying value of investment in subsidiaries**
As per management's estimate there were no indicators of impairment for the carrying value of investment in subsidiaries as at 31 December 2021 as these are supported by the underlying net assets of the subsidiaries. Further, management assesses the recoverable amount of the investments using the expected future cash flows generated by subsidiaries (Grouped at a cash generating unit level) or a fair value less cost to sell model. Under both models, the output is compared to the carrying value of the related cash-generating unit. No impairment has been identified with respect to the investment in subsidiaries.

**1. Accounting policies (continued)**

**Recoverability of debtors**

Management has considered the recoverability of the intercompany debtors by comparing the recoverable amount to the net assets of the corresponding Group undertakings. Further, management has adopted a 'netting' down strategy while considering the recoverability of the amount receivable from Group undertakings. The Group considers the net balance receivable or payable by an individual company in the Group and records any provision based on 'repay over time' strategy which is restricted to the impact of discount over the recoverability period. As at 31 December 2021, management has not identified any impairment against the debtors balance.

**Revenue recognition**

In accordance with IFRS 15, a five-step approach is taken for recognising revenue from contracts with customers. The Company generates revenue from recharges of management services provided to other companies of the Charles Taylor Limited Group. Revenue is recognised in line with costs incurred that are then recharged to relevant other Group companies.

Revenue is recognised when there is a contractual right to be paid in relation to past performance of contractual obligations which requires estimation. In practice, the Group maintains time recording systems to capture time chargeable to clients and specified hourly rates are ascribed to the hours recorded by the case handlers. Hourly rates are usually agreed in advance in the form of pre-engagement contractual terms or are based on standard hourly rates applicable to the type of work and country in which the work is performed.

Regular periodic reviews are performed by case handlers, and by management, to ensure that the carrying value of work on unfinished cases reflects management's view of its ultimate realisable value. Provisions against irrecoverable work in progress (accrued income) and outstanding fees are made where the realisable value is expected to be lower than the carrying value.

Contract assets ('WIP') and fee receivables are shown in these Financial Statements at amortised cost. Because of the time taken between the initial recording of accrued income and its ultimate billing and the time taken to collect outstanding fee receivables, a discount is applied to the amounts shown to reflect the time value of money. As receivable balances are generally expected to be collected within three months to a year, and the Group holds provisions for more significantly aged amounts, sensitivities on the discount rate are not deemed material.

The judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, VAT and other sales-related taxes and represents the value of services provided under contracts, to the extent that there is a right to consideration. Unbilled work in progress is held as accrued income and reviewed regularly to ensure that its carrying value reflects management's view of its ultimate realisable value. Provisions are made where realisable value is expected to be lower than carrying value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**1. Accounting policies (continued)**

**Foreign currency**

The Financial Statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency). Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each of the end of the reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**Pension costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs, is the contribution payable in the year.

For defined benefit schemes, a substantially consistent percentage of pensionable payroll is recharged to the Company from Charles Taylor Administration Services Limited.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each of the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited in the profit and loss account.

**Intangible assets – goodwill**

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and reviewed annually for impairment.

**1. Accounting policies (continued)**

**Tangible assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less their residual value of each asset on a straight-line basis over its expected useful life, as follows:

Office equipment: 4 to 5 years
Short leasehold improvements: Over the lease term
Computer equipment: 4 years

**Investments**

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

**Lease accounting**

The Company leases offices and contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Depreciation of the right-of-use asset is recognised in the Statement of comprehensive income on a straight-line basis, with interest recognised on the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payment that are based on an index or a rate, initially measured using the index or
- rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Incremental Borrowing Rate ('IBR'), applicable to that lease, as at 16 July 2018. The weighted average of the Group's IBR applied to the lease liabilities on 16 July 2018 was 4.3%.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to the Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**1. Accounting policies (continued)**

**Lease accounting (continued)**

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company has not accounted for short leases (12 months or less) or immaterial leases (valued at £5k or lower). Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of comprehensive income. Low-value assets comprise IT equipment and small items of office furniture.

**Trade receivables**

Trade receivables are measured at amortised cost less any impairment provision, calculated using the simplified approach of measuring expected credit losses in accordance with IFRS 9. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

**Contingent consideration**

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS39 *Financial Instruments: Recognition and Measurement*, or IAS37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss. The sensitivity of the fair value of contingent consideration to reasonably likely changes in the discount rate is immaterial.

When the Company makes an acquisition of either the shares or the assets of a company, part of the consideration for the acquisition may be payable at a future date, after the acquisition has been completed. The amount of contingent consideration recognised is based on the mechanics of payment of contingent consideration in the purchase agreement, which is often based on performance targets for the vendors, and management's best estimates of the extent to which these performance targets will be achieved. These estimates are a significant management judgement. Once estimates of the amount and the timing of contingent consideration are determined, these amounts are discounted to their present value to reflect the time value of money. The discount rate used is a significant management judgement.

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

### 2. Operating loss

Operating loss is stated after charging / (crediting):

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| | | Restated |
| Staff costs | **21,252,262** | 23,400,101 |
| Depreciation of owned tangible assets | **18,618** | 18,151 |
| Depreciation of right of use assets | **49,115** | 53,800 |
| Auditors' remuneration – audit fees | **79,323** | 73,628 |
| (Gains) / losses on foreign exchange | **(13,886)** | 6,551 |
| Short term lease rentals | **3,329** | (1,782) |
| ***Recharge from Group Undertaking:*** | | |
| Group defined benefit schemes | **1,138,946** | 1,143,307 |

### 3. Information regarding Directors and employees

The amounts recharged and the number of staff is shown below.

| **Staff costs during the year:** | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| | | Restated |
| Wages and salaries | **18,323,929** | 20,639,653 |
| Social security costs | **1,789,387** | 1,617,141 |
| Other pension costs | **1,138,946** | 1,143,307 |
| | **21,252,262** | 23,400,101 |

| | 2021 | 2020 |
|---|---|---|
| | **No.** | No. |
| Average number of staff employed | **175** | 145 |

**Directors' remuneration:**
Two Directors (2020: Three) provided services to both this company and other companies within the Jewel ParentCo Group, and it is not considered practical to make a sensible apportionment of their time. Their remuneration remunerated in Charles Taylor Administration Services Limited and one of the Directors' remunerations recharged to the Company. Their remuneration is disclosed in the Financial Statements of the Company and Charles Taylor Administration Services Limited in current year.

One (2020: two) Director's primary responsibility is the provision of services to the Company and his remuneration is remunerated in the Company and five Directors (2020: nil) who provided services in other Group companies and their services is recharged to the Company , it is not considered practical to make a sensible apportionment of their time for these services, their total remuneration are given below:

## 3. Information regarding Directors and employees (continued)

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Emoluments | **1,740,487** | 637,165 |
| Pension costs – defined contribution | **68,536** | 1,376 |
| | **1,809,023** | 638,541 |

## 4. Interest

| **Interest receivable and similar income** | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Bank interest | **1,945** | 1,986 |
| Intercompany interest | **527,539** | - |
| | **529,484** | 1,986 |

| **Interest payable and similar expenses** | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Intercompany interest | **(783,142)** | (420,928) |
| Finance lease charge | **(3,277)** | (4,382) |
| Other finance charge | - | (3,497) |
| | **(786,419)** | (428,807) |

Intercompany interest relates to finance interest on leases and loan interests which are held by other Group companies and recharged to the Company.

## 5. Income tax credit

| **Corporation tax** | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| | | (Restated) |
| Current year | **(1,227,809)** | (1,654,605) |
| **Deferred tax – current year** | | |
| Recognition of losses | **(1,450,337)** | (2,041,579) |
| Fixed asset timing differences | **(2,723)** | - |
| **Tax credit** | **(2,680,869)** | (3,696,184) |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

**5. Income tax credit (continued)**

| | **2021** | 2020 |
|---|---|---|
| | **£** | £ |
| | | (Restated) |
| Loss before taxation | **(6,074,076)** | (6,556,206) |
| Tax credit at standard UK corporation tax rate of 19% (2020:19%) | **(1,154,074)** | (1,245,679) |
| *Effects of:* | | |
| Expenses not deductible for tax purposes | **163,468** | 28,455 |
| Transfer pricing interest adjustment | **(229,857)** | (261,648) |
| Non-taxable dividend income | **(7,346)** | (12,082) |
| Recognition of losses | **(1,450,337)** | (2,220,418) |
| Depreciation disallowed as a tax deduction | **1,840** | 1,765 |
| Capital allowances in excess of depreciation | **(4,563)** | 9,238 |
| Tax on profits outside of UK jurisdiction | **-** | 4,185 |
| **Total tax credit** | **(2,680,869)** | (3,696,184) |

**Factors that may affect future tax changes**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposal to increase the rate to 25% has been substantively enacted at the end of the reporting period and its effects are included in these Financial Statements.

**6. Goodwill**

| | **Value of goodwill at 1 January and 31 December 2021** | Value of goodwill at 1 January and 31 December 2020 |
|---|---|---|
| | **£** | £ |
| **Cost and Net Book Value** | **230,911** | 230,911 |

The Directors are satisfied that there are no indicators of impairment.

## 7. Tangible fixed assets

| | Computer equipment | Office equipment | Short leasehold improvements | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost** | | | | |
| At 1 January 2021 | 44,826 | 174,075 | 93,265 | 312,166 |
| Additions | - | 608 | - | 608 |
| Currency translation difference | - | (243) | - | (243) |
| **At 31 December 2021** | **44,826** | **174,440** | **93,265** | **312,531** |
| **Accumulated depreciation** | | | | |
| At 1 January 2021 | (44,397) | (158,948) | (77,068) | (280,413) |
| Charge for the year | (429) | (8,933) | (9,256) | (18,618) |
| Currency translation difference | - | 208 | - | 208 |
| **At 31 December 2021** | **(44,826)** | **(167,673)** | **(86,324)** | **(298,823)** |
| **Net book value** | | | | |
| **At 31 December 2021** | **-** | **6,767** | **6,941** | **13,708** |
| At 31 December 2020 | 429 | 15,127 | 16,197 | 31,753 |

## 8. Right of use assets

| | Leased Property |
|---|---|
| **Cost** | £ |
| At 1 January 2021 | 179,387 |
| Additions | 15,280 |
| Disposals | (14,417) |
| Currency translation difference | (1,171) |
| **At 31 December 2021** | **179,079** |
| **Accumulated depreciation** | |
| At 1 January 2021 | (83,154) |
| Charge for the year | (49,115) |
| Disposals | 14,417 |
| Currency translation difference | 1,351 |
| **At 31 December 2021** | **(116,501)** |
| **Net book value** | |
| **At 31 December 2021** | **62,578** |
| At 31 December 2020 | 96,233 |

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

**9. Investments**

| | **2021** | 2020 |
|---|---|---|
| **Cost** | **£** | £ |
| | | (Restated) |
| As at 1 January | **47,118,170** | 47,118,170 |
| Additions | **5,685,808** | - |
| At 31 December | **52,803,978** | 47,118,170 |

**Prior year restatement**

**Investment**
Investment balance in 2020 have been restated to reflect an adjustment of £1,844,933 in respect of the repayment of accrual earnout should not include in the additional of investment during the financial year of 2020. The net impact of the restatement on the 2020 statement of financial position is a reduction in total non-current assets reported in 2020 of £1,844,933.

Additions in the current year related to increased investment in Charles Taylor Adjusting Italy SRL, Criterion Adjusters Limited and Charles Taylor Chile S.A.

Income from shares in Group undertakings of £0.06m were received from Korhi Average Adjusters & Surveyors Limited and £0.04m from Charles Taylor Adjusting – Qatar LLP (2020: £0.06m from Korhi Average Adjusters & Surveyors Limited).

The Company's direct subsidiary undertakings are set out below:

| **Subsidiary** | **Address of registered office** | **Place of incorporation** | **% of equity capital** |
|---|---|---|---|
| Charles Taylor Consultoria Do Brasil Ltda | Praia de Botafogo, No. 228. Centro, Empresarial Rio (Edificio Argentina), Ala A. 16° andar, Sala 1601–parte (escritorio 1626) Botafogo. CEP:22250-906. Rio de Janeiro – RJ – Brasil | Brazil | 100% |
| Charles Taylor Consulting Services (Canada) Inc* | Suite 1010, Bow Valley Square 4, 250 – 6th Avenue SW, Calgary, AB T2P 3H7, Canada | Canada | 100% |
| Charles Taylor Chile S.A. | Hendaya 60, Oficina 402, Las Condes Santiago de Chile | Chile | 100% |
| Charles Taylor Affinity Chile Limitada | Hendaya 60, Oficina 402, Las Condes Santiago de Chile | Chile | 100% |
| Charles Taylor S.A.S. | Calle 59A BIS 5-53 Oficina 306. Bogotá D.C. Colombia | Colombia | 100% |
| Charles Taylor Adjusting SARL | Rue Scribe, Paris 75009, France | France | 100% |
| Charles Taylor Adjusting (Italy) Srl | Piazza di Spagna 51, 00187 Rome, Italy | Italy | 100% |
| Charles Taylor InsureTech Mexico S.A. de C.V.* | Av. Paseo de la Reforma No. 296, Col. Juarez, Alc. Cuauhtemoc, C.p. 06600, Mexico City, Mexico | Mexico | 100% |
| Charles Taylor Consulting Mexico, S.A. de C.V.* | Av. Insurgentes Sur no. 1457, piso15, Col. Insurgentes Mixcoac, Alc. Benito Juarez, C.P. 03920, Mexico City, Mexico | Mexico | 100% |
| Charles Taylor Holdings BV | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | Netherlands | 100% |
| LAD (Aviation) PNG Limited | Deloitte Touche Tohmatsu, Level 12 Deloitte Tower, Section 5, Allotment 16, Douglas Street, Port Moresby, National Capital District, Papua New Guinea | Papua New Guinea | 100% |
| Charles Taylor Ajustadores de Seguros S. A. C.* | Av. Andres Reyes 473, Office 1501, San Isidro, Lima, Peru | Peru | 100% |
| FGR Affinity Peru S.A.C.* | Calle Las Camelias 820, Oficina 501 Lima, Peru | Peru | 100% |
| Charles Taylor Adjusting Saudi Arabia Limited | 2nd Floor, Al Murabihoon Building, Khurais Road, Malaz, Area, Riyadh, Kingdom of Saudi Arabia | Saudi Arabia | 60% |
| Charles Taylor Aviation (Asset Management) Limited | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 100% |

| | | | |
|---|---|---|---|
| Criterion Claims Management Limited | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 100% |
| Criterion Surveyors Limited | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 100% |
| Charles Taylor General Adjusting Services Limited | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 100% |
| Criterion Adjusters Limited | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 100% |

The associate undertakings of the Company are set out below:

| Associate | Address of registered office | Place of incorporation | % of equity capital |
|---|---|---|---|
| Charles Taylor Adjusting – Qatar LLP | 24 Rawdat Al Khail, Ibn Sana 950, Building 66, Doha, Qatar | Qatar | 60% |
| KORHI Average Adjusters & Surveyors Limited | Rm.1201, Le Meilleur Jongno Town (Jongno 1-ga), 19 Jong-ro, Jongno-gu, Seoul 03157, Korea | Republic of Korea | 30% |
| Knowles Motor Claims Services Limited * | The Minster Building, 21 Mincing Lane, London, EC3R 7AG | United Kingdom | 40% |

* Indirect holdings

## 10. Trade and other receivables

| | 2021 | 2020 Restated |
|---|---|---|
| *Amounts falling due within one year:* | £ | £ |
| Trade debtors | **10,699,830** | 11,283,889 |
| Amounts owed by Group undertakings | **84,400,979** | 75,404,992 |
| Contract assets | **11,107,099** | 9,769,478 |
| Prepayments | **65,748** | 49,223 |
| Other debtors | **484,634** | 284,387 |
| | **106,758,290** | 96,791,969 |

Trade debtors are presented net of an expected credit loss provision under IFRS 9 and specific provisions for doubtful debt of £2,015,184 (2020: £2,015,184). Non-current trade and other receivables of £414,874 (2020: £414,874) relates to a loan made to a Director of a subsidiary.

Amounts owed by Group undertakings are repayable on demand and secured. Amounts owed are deemed recoverable. Within amounts owed by Group undertakings there is an intercompany loan receivable of £5.6M, maturing on 5 October 2025 and another intercompany loan receivable of £16.1M, maturing on 29 April 2026, both loans bear interest at 5%. The remaining balances are repayable on demand, interest free and secured.

## 11. Trade and other payables

| | 2021 | 2020 Restated |
|---|---|---|
| *Amounts falling due within one year:* | **£** | £ |
| Trade creditors | **690,140** | 977,887 |
| Amounts owed to Group undertakings | **153,254,404** | 144,019,151 |
| Other taxation and social security | **533,869** | 694,535 |
| Other creditors | **2,879,252** | 1,954,077 |
| Accruals | **3,443,504** | 6,196,117 |
| Contract liabilities | **852,046** | 60,175 |
| Accrued NI on Bonus | **88,658** | 89,195 |
| Lease liabilities | **836** | 8,205 |
| | **161,742,709** | 153,999,342 |
| *Amounts falling due after more than one year:* | | |
| Lease liabilities | **64,892** | 91,833 |
| Accruals | **-** | 703,226 |
| | **64,892** | 795,059 |

Amounts owed to Group undertakings are repayable on demand and unsecured.

**Prior year restatement**
**Trade and other payables**
The Company's accrual of earnout were disclosed under trade and other payables in the financial statements at 31 December 2020. It has since been determined that the Company did not record an accrual of the earn-out which was payable as a part of the acquisiton of Chile and Criterion. The Company has restated is accumulated losses as at 1 January 2020 to reflect the remuneration expense accrued up to 31 December 2019 amounting to £3,554,700. Further, operating expenses for the year ended 31 December 2020, were restated to show an incremental expense of £2,104,665 reflecting the earn-out accrual for the year. This total amount was recorded as an accrual within trade and other payables.

## 12. Deferred tax

| | 2021 | 2020 |
|---|---|---|
| | **£** | £ |
| At 1 January | **2,735,787** | 694,208 |
| Credited to the profit or loss | **1,453,060** | 2,041,579 |
| At 31 December | **4,188,847** | 2,735,787 |

The deferred tax asset is made up as follows:

| | 2021 | 2020 |
|---|---|---|
| | **£** | £ |
| Fixed asset timing differences | **55,276** | 47,990 |
| Trade losses utilised | **4,133,571** | 2,687,797 |
| Deferred tax at 31 December | **4,188,847** | 2,735,787 |

## Charles Taylor Adjusting Limited

## Notes to the financial statements
## Year ended 31 December 2021

### 13. Called up share capital

| | **2021** | 2020 |
|---|---|---|
| **Issued and fully paid:** | **£** | £ |
| 350,002 (2020: 350,000) ordinary shares of £1 each | **350,002** | 350,000 |

On 22 July 2021, a further 2 £1 shares were allotted.

The Company has one class of ordinary shares which carry no right to fixed income and carry equal voting rights.

### 14. Share premium

| | **2021** | 2020 |
|---|---|---|
| | **£** | £ |
| Share premium | **12,466,118** | - |

On 22 July 2021, 2 £1 shares were allotted for a value of £12,466,120, including £12,466,118 of Share premium.

### 15. Contingent liabilities

In common with comparable professional service practises, from time to time the Company is involved in disputes in the ordinary course of business which may give rise to claims against the Company. The Company defends such claims where appropriate and where costs are likely to be incurred in defending and concluding such and can be measured reliably they are provided for in the Financial Statements. Amounts provided for are based on management's assessment of the specific circumstances in each case and after considering any insurance cover, where deemed recoverable. The Company carries professional indemnity insurance and no separate disclosure is made of the detail of such claims or proceedings, or the cost recovered by insurance, as to do so would seriously prejudice the position of the Company. Claims are assessed as being settled in full within the next five years.

The Company is a guarantor under the Group's Senior Facilities Agreement. Details of the facilities and financial covenants can be found in the consolidated Financial Statements of Jewel ParentCo limited.

### 16. Ultimate parent company and controlling party

The immediate parent company is Charles Taylor Limited, a Company registered in England, United Kingdom. At 31 December 2021, the ultimate parent of the Group and controlling company is Lovell Minnick Partners Inc., a company registered in the United States of America. Jewel ParentCo Limited is the parent undertaking of the largest and Jewel MidCo Limited is the parent undertaking of the smallest Group of undertakings of which the Company is a member and for which consolidated Financial Statements are produced. Copies of the consolidated Financial Statements of Jewel ParentCo Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### 17. Events after the end of the reporting period

On 8 June 2022, the Company acquired Herrera D.K.P Sociedad Civil de Responsabilidad Limitada Ajustadores de Seguros for \$6m, an adjusting business based in Peru.

On 1 July 2022, Charles Taylor (Netherlands) BV, a subsidiary company, acquired Verschoor & Bras B.V, for £3.4m (€3.9m). V&B Group are a Dutch marine surveying business with three core revenues. The main business focuses on hull and machinery damages, whilst the other two provide inspections and examinations of seagoing and inland navigation vessels and claims investigations, claims handling and limitation of losses.