Miller Re Limited
(formerly Alston Gayler & Co Limited)

Annual report and financial statements for the year ended 31 December 2021

Registered Number 2258855

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Contents

Miller Re Limited

Company information for the year ended 31 December 2021

Directors:

R.J. Alexander
K.S. MacDonald
N.S.L. Lyons (appointed 1/3/21)
I.M. Buckley (resigned 1/3/21)
M.J. Davison (resigned 31/12/21)

Secretary:

J. D. Fussell
B. Reid (resigned 1/6/21)

Registered office:

70 Mark Lane
London
EC3R 7NQ

Independent auditor:

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Bankers:

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Barclays Bank plc
One Churchill Place
London
E14 5HP

Registered number:

2258855

Miller Re Limited
(formerly Alston Gayler & Co Limited)

Strategic report for the year ended 31 December 2021

1. Change of name

On the 2nd March 2021 the company changed its name from Alston Gayler & Co Limited to Miller Re Limited.

2. Business development

Miller Re Limited ('company') had a challenging year of trading principally due to being unable to travel impacting acquisition of new business. However, the company has been successful in substantially renewing its book of business.. In March 2021, a new strategy was launched which is underpinned by measurable fast-track growth, and transformative initiatives known as a Value Creation Plan ("VCP"). The strategy was formed around four key areas of focus: growth, people, operations, and clients. Challenging economic conditions, increased competition, further pressure on rates and challenges to the wholesale broking model present both risks to achievement of these objectives and opportunities for Miller to adapt and evolve.

The company has change its reporting accounting framework from Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") to "The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland ("FRS 102"). The financial statements include restated comparatives and note 22 sets out the effect of the change in accounting standards.

Bermuda - An important step this year was the establishment of our Bermudan office. This signalled a major development and continuing commitment to Miller's growth ambitions. Bermuda was an obvious choice of location for our continued expansion given its excellent reputation. Our main focus area is reinsurance, both treaty and facultative. We also plan to expand our wholesale placement options for our North American and international broker partners to access the Bermuda marketplace. Our efforts in that region are being led by Charlie Simpson, as Head of Bermuda. Since Charlie's appointment, we have also recruited Erik Manning as Head of ILS and Francesca Cacace, as well as relocating Sebastian Alexander from our London office.

These financial statements reflect the year from 1 January 2021 to 31 December 2021.

3. Performance during the period

The key financial indicators used to monitor the financial performance of the company and its results for the year to 31 December 2021 are listed below:

- turnover decreased by £3.7m to £2.2m (31 December 2020: £5.9m)
- dividends payable were £0.5m (31 December 2020: £nil)
- loss for the financial year was £22.4m (31 December 2020: profit £1.8m)
- statement of financial position net assets decreased by £22.9m to £5.4m (31 December 2020: £28.3m) principally due to the exceptional item re the inter-company loan Impairment provision of £21.4m.

A number of further performance indicators also used are listed below:

- management profits, which are calculated as earnings before interest and taxation (EBIT), are used to evaluate business unit performance and earnings before interest, taxation, amortisation and depreciation (EBITDA) is used to evaluate the performance of the company and its subsidiaries as a whole;
- statement of financial position strength is measured in terms of the net assets and working capital.
- the adequacy of financial and non-financial resources are monitored against regulatory solvency requirements and using internal models that stress test our financial plans.
- the company's performance is monitored against business plans; and
- other non-financial performance indicators are also used including regulatory and compliance indicators, speed of production of client documentation, contract certainty achievement, market settlement statistics and client, employee satisfaction surveys.

4. Principal risks and uncertainties

Risk management framework

The risk management framework is designed to capture the risks and opportunities associated with the achievement of our strategic and operational objectives. The framework applies to all areas of the company's business. The board is responsible for the design of the overall approach to corporate governance, risk management and internal control. The operation of the risk management framework is delegated to management, with the support of our parent Miller Insurance Services LLP risk management function. Internal audit is responsible for providing independent assurance over the effectiveness of the overall control environment.

4. Principal risks and uncertainties (continued)

Risk register and key risks

Risks and controls are identified, assessed and reported using the risk and control assessment process and risk register. Each risk is assessed on a gross and net basis; the latter taking account of the strength of the control environment. Each risk is allocated a risk owner, who is generally a board member or senior manager, and is responsible for managing the risk and overseeing associated controls. Each risk has a target assessment level and where risks are in excess of target, the risk owner is required to design and document appropriate mitigation activity, which is tracked by management to completion.

The risk register forms the basis of the risk report which is developed by management and reviewed and challenged by the board. The key focus of this report is risks in excess of target or those subject to material changes in the risk and control environment.

COVID-19

Description:

During the course of 2021 the COVID-19 pandemic continued to impact Miller's operations but to a lesser extent than the previous year. The key areas of impact and mitigation were as follows:

- Our offices remained shut until the end of April 2021,but were then only open for essential matters as the government advice was to work from home. The offices were fully opened to staff from September 2021. However, our remote working capabilities have meant that there has been no impact to business operations. It was always our plan to be doing more remote working and the pandemic has accelerated this transition.
- We have not had any material issues with coverage disputes arising out of the pandemic.
- Travel to meet clients continued to be difficult but we have still been able to effectively communicate with clients to enable retention of business although the restriction in travel has impacted acquisition of new business.
- We continued to work closely with key suppliers to ensure no disruption to the services provided.
- We continued to closely monitor our credit control data to identify any issues promptly. There was no deterioration in the collection of debts due.

Strategy

Description:
In March 2021, a new strategy was launched which is underpinned by measurable fast-track growth, and transformative initiatives known as a Value Creation Plan ("VCP"). The strategy was formed around four key areas of focus: growth, people, operations, and clients. Challenging economic conditions, increased competition, further pressure on rates and challenges to the wholesale broking model present both risks to achievement of these objectives and opportunities for Miller to adapt and evolve.

During 2021 the implementation of solutions to ensure a continuity of service post Brexit was a key strategic issue. The London branch of Miller Europe, a subsidiary of the LLP, was successfully established, commencing broking activities from 1st January 2021. The risks associated with Brexit continue to be monitored.

The partnership between Cinven, GIC and independent Miller equity holders supports plans for significant growth, achieved both organically and inorganically; through the targeted recruitment of new people, focusing on key lines of business and target geographies via selected investments. During 2021 Miller successfully opened new offices in both Switzerland and Bermuda, and launched a Private Clients offering; supporting ambitious growth plans, enhancing the depth of broking capability and establishing a wider international reach.

Mitigation:
- Board and management maintain close oversight of strategic growth plans
- Significant investment by parent company in transformation office, people and capability
- Board level metrics developed by parent to support ongoing business oversight and ESG (Environmental, Social and Governance) and VCP (Value Creation Plan) programmes
- Robust business planning processes
- Focus on long term client/market relationships and high quality customer service
- Risk assessment and due diligence in respect of strategic projects
- Investment in business change expertise to respond to technological developments
- Active support of owners in growing business organically and through acquisition

Change Management

Description:
The company has experienced an unprecedented period of change over recent years, and this continues with a variety of initiatives aimed at accelerating growth and modernising the platform to support that growth. These initiatives support the achievement of strategic objectives set out in March 2021 and have been undertaken enhance the ability to respond to future operational and strategic challenges.

4. Principal risks and uncertainties (continued)

Mitigation:
- Comprehensive approach to allocation of resources, managing innovation and the implementation of key projects
- Close oversight for all material projects with cross functional expertise appropriate to each initiative
- Access to parent's experienced, skilled and well-resourced Technology and Innovation function
- Robust strategic and business planning processes ensuring co-ordinated approach to projects and alignment to business-as-usual activity
- Strong corporate governance structure supporting appropriate oversight of projects by key individual, committees and functions.

Reputation

Description:
Miller has established itself as an independent broker, acting with integrity in the interests of it clients, employees and the Market as a whole. Failure to maintain appropriate controls over reputation and conduct is considered to be a material and fundamental operational and potentially existential threat.

Mitigation:
- New bespoke FCA conduct rules training delivered to all Miller employees
- Independence clearly articulated within employee and client value propositions
- Regular employee engagement surveys conducted
- Control framework designed to operate in Miller's clients' best interests and provide service excellence
- Proactive management of press engagement and promotion of Miller brand values.

Regulation

Description:
The company is subject to regulation under the supervision of the Financial Conduct Authority (FCA) in relation to its insurance mediation activities. The FCA has prescribed principles for business and rules by which the company's insurance operations are to conduct business, including the rules governing how the company holds client assets. The company's failure or that of its employees, to satisfy the FCA that it is in compliance with their requirements or the legal requirements governing its activities can result in disciplinary actions, fines, reputational damage and financial harm.

Mitigation:
- Embedded FCA Senior Management and Certification Regime.
- Comprehensive compliance monitoring
- Regular and robust compliance committee oversight
- Compliance and operational support structure in place across entire business
- Employee training from induction and throughout career.
- Use of specialist software and external suppliers in specialist areas such as sanction monitoring
- Robust links between compliance breaches, performance review process and reward structure.

Errors and omissions (E&O)

Description:

Failure to establish and enforce effective broking procedures and a robust risk culture may result in operational errors and negligence claims being made against Miller Re Limited, causing material financial and reputational damage.

Mitigation:

- E&O training, utilising internal and external expertise and experience, conducted for broking and claims teams
- Robust policies, procedures and controls enforcing consistent approach to broking and claims
- Strong compliance culture, with particular focus on E&O reporting
- Coordinated first, second and third lines of defence control framework – with a particular focus on independent sign-off and file reviews
- E&O insurance programme.

4. **Principal risks and uncertainties (continued)**

People

Description:
Miller is a people based business and the ability to recruit, develop and retain high quality staff is central to the achievement of our strategic goals. The effective management of people is considered to be a risk but also a potential catalyst for success.

Mitigation:
- Robust recruitment and selection policies and processes
- Robust employment contracts
- Performance review process supported by competency model and career framework
- Comprehensive approach to training and development
- Succession plans and talent management
- Access to parent's bespoke management, leadership and diversity and inclusion programmes
- Regular employee engagement surveys conducted.

Foreign currency

Description:
Miller Re Limited carries out a significant proportion of its business in foreign currencies and hence is exposed to currency risk arising from fluctuation in exchange rates.

Mitigation:
- Proactive hedging programme in place to manage material currency risks
- Robust budgeting, cash flow forecasting and monitoring in place to support effective hedging decisions.

Cyber-security

Description:
Failure to protect, and prevent theft of, corporate intellectual property and client data from cyber security breaches through inadequate control environment, staff training, poor electronic data management and/or insufficient expertise or resource.

Mitigation:
- Email threat protection for all staff regarding phishing, spoofing and malware prevention.
- Virus protection software installed on all laptops and firewall in place.
- Various data back-ups carried out daily, weekly and monthly. Stored off-site and undergoes regular testing.
- Regular penetration testing and monthly vulnerability scanning.
- Mandatory information security training for all staff across wide range of threats.
- Progressively adopting formal industry information security standards, ISO 27001, across the organisation.

Russia/Ukraine war

Description:
Since the commencement of Russia's military action in Ukraine in Q1 2022 we have monitored the performance of our business to understand the impact of the action itself and the resultant response from Western governments. We have seen no direct impact to date and do not anticipate an impact on business. Our business has no exposure to the region. However, we continue to regularly monitor the situation.

Mitigation:
- Regular and robust compliance committee oversight
- Keeping staff updated as regards new Russia sanctions
- Referral process to the 2nd Line Financial Crime team for all high-risk business, including any business with a Russian nexus
- Overnight sanctions screening

Inflation

Description:
Our revenues are materially tied to the insurance premiums that are set by the insurers we place business with. There are several factors, including inflation, that can impact insurance premiums and thus have an impact on our revenues. In addition, there is an element of our revenue that is negotiated fees instead of brokerage and can come under downward pressure from clients who are experiencing their own inflation issues. To date we are not experiencing any material inflationary impact on our negotiated fees. As regards costs inflation our main costs are the remuneration of our staff, which to date we have been able to keep inflationary increases in line with prior years and going forward we believe this pattern will continue. Lastly, we have not experienced any abnormal inflationary pressure as regards costs from our external suppliers and we anticipate this pattern will continue going forward.

4. Principal risks and uncertainties (continued)

Mitigation:

- Miller Board and management maintain close oversight of strategic growth plans
- Board level metrics developed to support ongoing business oversight
- Robust business planning and cost control processes
- Diversified business portfolio supported by strong brand and platform
- Focus on long term client/market relationships and high quality customer service
- Monthly financial reporting to closely monitor actual performance against budget

Risk appetite

The Partnership Board expresses its risk appetite across four dimensions – "capital and liquidity", "growth and profitability", "operations and people" and "regulation and reputation". In respect of each of these dimensions a number of narrative risk appetite statements are articulated and metrics are established to monitor ongoing performance against appetite. The Partnership Board's risk appetite is intended to have been a stable but dynamic expression of Miller's attitude to risk with the purpose of enhancing communication of their tolerance for risk, encouraging consistent behaviours, providing a link between risk and decision-making and promoting a focus on optimum risk taking.

Financial and non-financial resources assessment

To further examine the risks facing the organisation, risk management conducts an annual review of the appropriateness of Miller's financial and non-financial resources, the vulnerabilities of its business model and consideration of the implications were the business to fail. This process is undertaken as a risk management tool and to satisfy the requirements of the Financial Conduct Authority (FCA).

The resources assessment consists of four elements:

- **Non-financial resources**: A review of Miller's non-financial resources and whether they are appropriate to meet the on-going needs of the business and its stakeholders, which includes assessment of key processes, structures and controls including governance framework, risk management, planning, internal audit and management information.
- **Financial resources**: A review of Miller's financial resources and whether they are appropriate to meet the on-going needs of the business and its stakeholders, which includes assessment of regulatory capital, financial planning and monitoring, cashflow forecasting, budgeting, exchange rate hedging, insurance programme and external audit.
- **Reverse stress testing**: A risk management tool used to examine scenarios that might render Miller's business model unviable, thereby enabling the identification and assessment of potential business model vulnerabilities and existential threats.
- **Wind-down planning**: An assessment of the key risks impacting Miller's ability to cease its regulated activities and achieve cancellation of its permission with minimal adverse impact on its clients, counterparties or the wider market.

5. Prospects

The company has plans for sustainable growth which will be achieved organically, through an increased focus on sales, cross-sell with Miller Insurance Services LLP ("LLP"), selective recruitment of key talent and a geographical focus. Inorganic growth may include investment in new areas of business or through acquisitions of businesses. Recruitment/an acquisition in both our core and new business areas will support our ambitious plans.

Approved by the board on 26 October 2022 and signed on their behalf by:

Ken MacDonald

K.S. MacDonald

Director

Directors' report for the year ended 31 December 2021

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

1. Principal business activities

During the year the principal activity of Miller Re Limited or ('Miller Re') was reinsurance broking.

The financial statements of the company are drawn up to 31 December each year.

The company made no political contributions during the year (31 December 2020: nil).

2. Strategic report

In accordance with Section 414C (11) the strategic report on pages 2 to 8 contains corporate activities, risk management, prospects, performance and business development.

3. Future developments

The directors expect the activities as detailed in note 1 of the Director's report to continue in the foreseeable future.

4. Post balance sheet events

On 24 February 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions being imposed by the United Kingdom, the European Union, the United States, and other jurisdictions. The Company have little or no exposure to the region.

As at the date of an approval of these financial statements, the impact of the military conflict between Russia and Ukraine has had little direct impact on the Company's operations.

Other than the above, the directors expect the activities as detailed in note 1 of the Director's report to continue in the foreseeable future.

5. Dividends

On 31 December 2021 £0.5m dividends were paid and during the period to 1 January 2020 to 31 December 2020, no dividends were proposed or paid.

6. Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R.J. Alexander
K.S. MacDonald
N.S.L. Lyons (appointed 1/3/21)
I.M. Buckley (resigned 1/3/21)
M.J. Davison (resigned 31/12/21)

7. Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "Reduced Disclosure Framework". The financial statements are required by law to 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provide relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

7. Directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations.

8. Going concern

The directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Company's ability to continue as a going concern for the period up to 31 December 2023. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

The COVID-19 pandemic ('COVID-19') continued to have an adverse impact on global commercial activity, including the global supply chain; and has contributed to significant volatility in financial markets, including, among others, a decline in equity markets, changes in interest rates and reduced liquidity. It has also resulted in increased travel restrictions and extended shutdowns of businesses in various industries including, among others, travel, trade, tourism, health systems and food supply, and significantly reduced overall economic output.

Having assessed the responses to their enquiries, including those related to COVID-19, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern or its ability to repay its obligations due from time to time. As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for the period up to 31 December 2023. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

9. Corporate governance

During the year to 31 December 2021, the principal governance functions of the company were conducted by the board.

The company follows best practice corporate governance principles. The board normally meets four times a year to review the performance of the company and to approve its business plans, budgets and any other matters referred to it.

The board meetings receive regular reports on key areas of operation. The company operates under the three lines of defence model:

- The first line of defence is the business. The business is responsible for the identification and management of risks and establishing appropriate internal controls.
- The second line of defence is the risk function and compliance monitoring function, who are responsible for risk oversight and providing challenge to the business.
- The third line of defence is internal audit, who are responsible for providing independent assurance over internal controls and risk management.

10. Employee involvement

The company's policy is to provide equal opportunities of employment, irrespective of gender, religion, race, age, marital status, sexual orientation or disability. Accordingly, the company will give due consideration to applications for employment by disabled persons and to the continued employment and training of persons who become disabled during their period of employment by the company.

Employees are kept informed of the performance of the business and matters affecting them as employees by means of weekly news bulletins and regular briefings.

11. Liability of directors and officers

The company has qualifying third party indemnity insurance for its directors and officers against liability as permitted by Section 233 of the Companies Act 2006.

Directors' report for the year ended 31 December 2021 (continued)

12. Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

During the year the company put the audit out for tender. Following a thorough tender process Ernst & Young LLP were appointed as auditors replacing Deloitte LLP. Ernst & Young LLP has indicated its willingness to be reappointed for another term as auditor and appropriate arrangements are being made to effect the reappointment.

13. Section 172(1) statement

In the course of the year, the Board of Directors complied with Section 172 of the Companies Act 2006 ('S172') by having regard to the following in all its principal decision making:
(a) the long-term consequences of any of its decisions (Strategy section in the Strategic Report above);
(b) the interests of its employees (People section in the Strategic Report above);
(c) the Company's business relationships with its suppliers, customers and others ;
(d) the impact of the Company's operations on the community and the environment ; and
(e) maintaining a reputation for high standards of business conduct (Regulation section in the Strategic Report above).
(f) the need to act fairly between members of the company.

In making decisions, the Board takes these considerations into account as appropriate, discusses the issues and challenges management.

Management's key recommendations to the Board were, in the course of the year, escalated having been passed through a process of review and challenge. Decisions about the operations of the Company, its strategy and its governance arrangements continue to be aligned with those of the parent, Miller Insurance Services LLP. Three Miller personnel, including a non-executive member of Miller's Partnership Board, as Chairman, and two others, as Directors, remained on the board of the Company throughout the financial year. However, one of the two Directors, then resigned on 31 December 2021, and the non-executive member of the Miller Partnership board resigned on the 1 March 2021.The Company's operations remain focused on reinsurance activities and the Company falls within scope of the various governance committees of the Miller group.

In the course of the year, the Board of Directors engaged with employees and other stakeholders in various ways, details of which are included in the Employee involvement section above. Also during the course of the year, the executive Directors received and undertook training on a variety of subjects including: conflicts of interest, complaints, Criminal Finances Act, sanctions and the FCA's Conduct Rules.

Board packs for the Company have been aligned with Miller group standards and are issued to the Directors a few days in advance of Board meetings in order to provide adequate time for review. These Board papers address Section 172 factors in their content where appropriate and needed to facilitate decision making.

Approved by the board on 26 October 2022 and signed on their behalf by:

Ken MacDonald

K.S. MacDonald

Director

Independent auditor's report for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER RE LIMITED (formerly Alston Gayler & Co Limited)

Opinion

We have audited the financial statements of Miller Re Limited for the year ended 31 December 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Independent auditor's report for the year ended 31 December 2021 (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the relevant laws and regulations related to elements of company law, tax legislation and the financial reporting framework. Our considerations of other laws that may have a material effect on the financial statements included permissions and supervisory requirements of the Financial Conduct Authority ('FCA')
- We understood how Miller Re Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed correspondence between the Company and regulatory bodies, reviewed minutes of the Board of Directors and Audit Committee and gained an understanding of the Company's approach to governance demonstrated by the Board's approval of the governance framework.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. We consider the fraud risk is greatest in revenue recognition subject to judgement and estimation (Accrued revenue, cut-off/multi-year policies, and deferred revenue).
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
    - Considering the effectiveness of management's controls designed to address the risk of fraud;
    - Testing of journal entries and other adjustments in the preparation of the financial statements;
    - Assessing accounting estimates for evidence of management bias
    - Evaluating the business rationale for significant and/or unusual transactions
    - We reviewed the company's regulatory permissions as disclosed on the FCA register and considered whether these were aligned to our understanding of the company's current activities and the scope of its authorisations.

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

Independent auditor's report for the year ended 31 December 2021 (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
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Neeta Ramudaram (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 October 2022

Miller Re Limited
(formerly Alston Gayler & Co Limited)

Statement of comprehensive income for the year ended 31 December 2021

	Notes	31 December 2021 £'000s	31 December 2020 (Restated as per note 24) £'000s
Turnover	4	2,174	5,867
Administrative expenses		(3,356)	(4,747)
Exceptional items – inter-company receivable impairment provision	5	(21,386)	
Other operating income	6	-	322
Other losses	7	-	(29)
Operating (loss)/profit	**8**	**(22,568)**	**1,413**
Interest receivable and similar income	11	203	237
(Loss)/Profit on ordinary activities before income tax		**(22,365)**	**1,650**
Tax (charge)/credit	12	(57)	137
Total comprehensive (loss)/income for the year		**(22,422)**	**1,787**

The Company has no other comprehensive income other than the loss for the financial year.

The notes on pages 16 to 29 are an integral part of these financial statements.

Miller Re Limited
(formerly Alston Gayler & Co Limited)

Statement of financial position as at 31 December 2021

	Notes	31 December 2021 £'000s	31 December 2020 (Restated as per note 24) £'000s
Fixed assets			
Tangible assets	13	-	-
		-	-
Current assets			
Debtors	15	4,223	28,161
Investments	16	1,000	1,000
Cash at bank and in hand	17	14,151	4,600
		19,374	**33,761**
Creditors – amounts falling due within one year	18	(14,008)	(5,473)
Net current assets		**5,366**	**28,288**
Total assets less current liabilities		**5,366**	**28,288**
Net assets		**5,366**	**28,288**
Equity			
Share capital	20	1,300	1,300
Retained earnings		3,773	26,695
Capital contribution		293	293
Total shareholder's funds		**5,366**	**28,288**

The financial statements of Miller Re Limited, on pages 13 and 14 were approved by the directors on 26 October 2022 and signed on their behalf by

Ken MacDonald
Director ....
K.S. MacDonald

Registered Number 2258855

Miller Re Limited
(formerly Alston Gayler & Co Limited)

Statement of changes in equity for the year ended 31 December 2021

	Notes	Share capital	Retained earnings	Capital contribution	Total
		£'000s	£'000s	£'000s	£'000s
Restated Balance at 1 January 2020 (Restated per Note 24)		**1,300**	**24,908**	**293**	**26,501**
Total comprehensive income for the period (Restated per Note 24)		-	1,787	-	1,787
Balance at 31 December 2020 (Restated per Note 24)		**1,300**	**26,695**	**293**	**28,288**
Balance at 1 January 2021		**1,300**	**26,695**	**293**	**28,288**
Total comprehensive loss		-	(22,422)	-	(22,422)
Dividend		-	(500)	-	(500)
Balance at 31 December 2021		**1,300**	**3,772**	**293**	**5,366**

Retained earnings represent accumulated comprehensive income for the year and prior years less dividends paid.

Dividends in the year to 31 December 2021 were £0.5m and the year to 31 December 2020 were £nil.

Notes to the financial statements for the year ended 31 December 2021

1. General information

The principal activity of the company is the provision of reinsurance broking services.

The company is a private company, limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 70 Mark Lane, London EC3R 7NQ.

These financial statements are separate financial statements. The Miller Re results are consolidated in group financial statements of Willis Towers Watson plc for the first two months of 2021 and Ben Nevis Cleanco Limited for the remainder of 2021. The company has taken advantage of Section 400 of the Companies Act 2016 in not preparing consolidated financial statements on the basis that it is included in the group accounts of Ben Nevis Cleanco Limited – the group accounts of Ben Nevis Cleanco Limited are available as set out in note 22. The registered office address of the parent Company preparing consolidated accounts is Company Secretary, C/O TMF Group, 8th Floor, 20 Farringdon Street, London EC4A 4AB. The company has applied Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC).

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The financial statements of the Company were previously prepared in conformity with Financial Reporting Standard 101 (FRS 101) on the historical cost basis, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRS 101. Consequently, the company's board have amended the accounting policies; to derecognise operating leases and no longer capitalising costs to obtain or fulfil contracts which it would not incur if a contract with a customer was not executed, to comply with FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on total comprehensive income, statement of financial position and statement of shareholders equity, previously reported under FRS101 are given in note 24.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Period of account and comparative period of account

These financial statements cover the year from 1 January 2021 to 31 December 2021.

The comparative period of these financial statements is the year from 1 January 2020 to 31 December 2020.

2.3 Going concern

The company meets its day-to-day working capital requirements through its cash reserves. The company's forecasts and projections, taking account of reasonably possible changes in performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the period up to 31 December 2023. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The COVID-19 pandemic ('COVID-19') continued to impact global commercial activity, including the global supply chain; and has contributed to significant volatility in financial markets, including, among others, a decline in equity markets, changes in interest rates and reduced liquidity. It has also resulted in increased travel restrictions and extended shutdowns of businesses in various industries including, among others, travel, trade, tourism, health systems and food supply, and significantly reduced overall economic output.

Having assessed the responses to their enquiries, including those related to COVID-19, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt upon the ability of the Company to continue as a going concern or its ability to repay its obligations due from time to time. As a consequence of the enquiries the Directors have a reasonable expectation that the Company has appropriate resources to continue in operational existence for the period up to 31 December 2023. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Summary of significant accounting policies (continued)

2.4 Foreign currencies

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'pounds sterling' (£000s), which is also the company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

2.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate the cost less residual values over the useful economic lives as follows.

- Leasehold improvements — over period of lease
- Fixtures, fittings and equipment — 7% to 33% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.6 Financial assets

Classification

The company classifies its financial assets in the following categories, as per FRS102 sections 11 and 12: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables include 'trade debtors and other debtors' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group/company has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other gains/(losses)' (net) in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as other income when the company's right to receive payments is established.

Loans and other receivables are recognised initially at fair value and subsequently measured using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the financial statements for the year ended 31 December 2021 (continued)

2. Summary of significant accounting policies (continued)

2.7 Financial liabilities

Miller Re classifies its financial liabilities as per sections 11 and 12 of FRS 102.

The company's financial liabilities include trade and other payables, borrowings and insurance payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Trade and other payables and loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the effective interest rate (EIR) method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the income statement.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.9 Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.10 Insurance broking debtors and creditors

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. In recognition of this relationship, unrealised debtors and associated creditors from insurance broking transactions are not included as an asset or liability of the company. Other than the receivable for revenue not yet received for fees and commissions earned on a transaction ('Uncollected Brokerage') and fiduciary cash received together with the matching obligations included as a fiduciary creditor, no recognition of the insurance transactions occurs. This recognises that the insurance broker is entitled to retain the investment income on any cash flows arising from these transactions.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and fiduciary (client) funds. Restricted funds are those that are held in the bank accounts of the company on behalf of clients, but which cannot be used by the company for its own benefit or for any other purpose. However, the company has the right to receive investment income earned on the cash held on these fiduciary funds.

2.12 Creditors

Creditors that are financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

2.13 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Summary of significant accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet 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 only 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 taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Employee benefits

A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods.

The costs of the defined contribution scheme in which the company participates are charged to the profit and loss account as part of employee costs in the period in which they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2.15 Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2.16 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for brokerage services completed, stated net of discounts, returns and value added taxes. Revenue is recognised when placement is completed or at the inception date of the policy, whichever is later. In addition, an element of income is deferred to take account of future servicing obligations, as included in 'Creditors- Accruals and deferred income'. Alterations to brokerage arising from return and additional premiums and other adjustments are taken into account as and when they occur.

2.17 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.18 Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

2.19 Dividend distribution

Distributions to equity holders are not recognised in the Statement of Comprehensive Income under FRS 102 but are disclosed as a component of the movement in shareholders' equity. A liability is recorded for a dividend when the dividend is approved by the Company's shareholders. Interim dividends are recognised when a dividend is paid.

2.20 Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.21 Exemptions for qualifying entities under FRS 102:

FRS 102 allows a qualifying entity certain disclosure exemption if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepare publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Ben Nevis Cleanco Limited (BNC), which are available on the Companies House website. As a qualifying entity, the Company has taken advantage of the following disclosure exemptions:

- from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimation uncertainty

Impairment of loans and receivables

Management judgement is required to assess at the end of each reporting period whether there is any objective evidence that loans and receivables are impaired and, if so, to determine the amount of any impairment loss. No impairment loss was recognised in 31 December 2021 or 31 December 2020.

Critical judgements

Deferred revenue

An element of income is deferred to take account of future servicing obligations. There is a level of subjectivity in the calculation method that is adopted. The calculation is based on claims and post placement production activity.

4. Turnover

	31 December 2021	31 December 2020
	£'000s	£'000s
Analysis of turnover:		
Insurance intermediary services	2,174	5,867

The analysis of turnover by geographical market required by paragraph 68(2) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 has not been provided as, in the opinion of the Directors' such disclosure would be seriously prejudicial to the interests of the company.

5. Exceptional item – inter-company loan impairment provision

	31 December 2021	31 December 2020
	£'000s	£'000s
Analysis of exceptional items:		
Exceptional item – inter-company receivable provision	(21,386)	-

Following a review of inter-company balances, Miller Re concluded that its receivable from Miller Insurance Holdings Limited, Nelson Holdings Limited and AG Broking Services Limited, should have an impairment provision against it.

6. Other operating income

	31 December 2021	31 December 2020
	£'000s	£'000s
Analysis of other operating income:		
Rental income	-	322

The lease of the first floor of 100 Leadenhall Street was surrendered in December 2020 and there will be no further income from it.

Notes to the financial statements for the year ended 31 December 2021 (continued)

7. Other losses

	31 December 2021	31 December 2020
	£'000s	£'000s
Analysis of other losses:		
Loss on disposal of fixed assets	-	(29)

8. Operating (loss)/profit

	31 December 2021	31 December 2020
	£'000s	£'000s
Operating profit is stated after charging		
Staff Costs (note 9)	2,065	2,097
Depreciation of tangible assets	-	189
Auditor's remuneration:		
- Audit of the financial statements	24	20
- Non audit services		
- Other assurance services	36	35

9. Employees

The average number, per month, of persons employed by the company during the year was:

	31 December 2021	31 December 2020
	No.	No.
Insurance Broking	6	7
	6	7

Staff costs for the above persons:

	31 December 2021	31 December 2020
	£'000s	£'000s
Salaries and incentives	1,725	1,684
Social security	245	228
Pension costs	95	185
	2,065	2,097

Notes to the financial statements for the year ended 31 December 2021 (continued)

10. Directors' remuneration

	31 December 2021	31 December 2020
	No.	No.
The following number of directors served during the year:		
Number of Directors	4	5

Remuneration for the above directors are shown below:

	31 December 2021	31 December 2020
	£'000s	£'000s
Emoluments	754	711
Pension contributions	-	1
	754	**712**
Highest paid director:		
Emoluments	708	706

The pension contribution for the highest paid director is nil in 2021 (31 December 2020: nil).

The highest paid director is not entitled to receive any benefits under a defined benefit scheme in respect of their qualifying service.

The disclosure of the director's remuneration above is in respect of their qualifying services as directors. This cost is borne by the Company.

11. Interest receivable and similar income

	31 December 2021	31 December 2020
	£'000s	£'000s
Bank interest income	-	29
Interest income on amounts owed by group undertakings	203	208
	203	237

Notes to the financial statements for the year ended 31 December 2021 (continued)

12. Income tax

Tax expense/(credit) included in the income statement

	31 December 2021	31 December 2020 (Restated as per note 24)
	£'000s	£'000s
Current tax:		
UK Corporation tax on profits for the period	-	67
Adjustments in respect of prior periods	(2)	(201)
Total current tax	(2)	(134)
Deferred tax		
Origination and reversal or timing differences	3	-
Impact of changes in tax rates	(5)	-
Adjustments in respect of prior periods	(8)	-
Tax on transition to FRS102 (deferred costs to match against income- cost capitalisation)	69	(3)
Total deferred tax	59	(3)
Tax expense/(credit) on ordinary activities	57	(137)

Tax expense for the year is lower (31 December 2020: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19.00% (31 December 2020: 19.00%). The differences are explained below:

	31 December 2021	31 December 2020 (Restated as per note 24)
	£'000s	£'000s
(Loss)/Profit on ordinary activities before tax	(22,365)	1,650
(Loss)/Profit multiplied by the standard rate of tax in the UK of 19% (31 December 2020: 19.00%)	(4,249)	314
Effects of:		
Dividend - exempt	-	-
- Expenses not deductible for tax purposes	4,067	135
- Group relief surrendered for nil consideration	185	(225)
- Deferred tax over/under provision for prior years	(8)	(204)
- Effects of changes in tax rate	(5)	-
- Current tax over/under provision for prior years	(2)	(69)
- Other	-	(85)
- Tax on transition to FRS102 (deferred costs to match against income- cost capitalisation)	69	(3)
(Tax credit)/Tax charge	57	(137)

Notes to the financial statements for the year ended 31 December 2021 (continued)

12. Income Tax (continued)

a.) Deferred tax included in the Statement of Financial Position

	31 December 2021	31 December 2020
	£'000s	£'000s
Included in Other Debtors and prepayments (note 15)	23	92
Total recognised deferred tax asset	**23**	**92**
Fixed asset timing differences	23	13
Other timing differences	-	9
Tax on transition to FRS102 (deferred costs to match against income- cost capitalisation)	-	70
Total recognised deferred tax asset	**23**	**92**
Presented in the balance sheet		
Deferred tax asset	23	92
Deferred tax liability	-	-
Deferred tax asset at the end of the year	**23**	**92**

Deferred taxation is measured at tax rates that are expected to apply in the periods in which timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. As noted below, on May 24 2021 the amendment to the change in the UK corporation tax rate to 25% from 1 April 2023 received substantive enactment, and therefore deferred tax has been measured at the appropriate rate between 19% and 25% at 31 December 2021 based on the expected unwind.

Deferred tax assets have been recognised to the extent they are regarded as more likely than not at being recoverable either against the Company's own future profits or by way of group relief against future profits of fellow UK companies.

Change in corporation tax rate

The UK corporation tax rate for the period was 19%. On 24 May 2021, the UK Government substantively enacted a further change in the corporation tax rate to increase the main rate of UK corporation tax to 25% from 1 April 2023. Subsequently, on 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing the previously enacted measure to increase the rate to 25%. The reversal in the tax rate from 1 April 2023 has yet to be enacted or substantively enacted and accordingly has no impact on the tax balances within these financial statements. The potential impact of this change on the deferred tax balances would be £5k.

13. Tangible fixed assets

	Leasehold improvements
	£'000s
Cost	
At 1 January 2021	610
At 31 December 2021	610
Accumulated depreciation	
At 1 January 2021	610
At 31 December 2021	610
Net book value	
At 31 December 2020	-
At 31 December 2021	-

Notes to the financial statements for the year ended 31 December 2021 (continued)

14. Dividend

	31 December 2021	31 December 2020
	£'000s	£'000s
Dividend Payable	500	-
	500	-

15. Debtors

	31 December 2021	31 December 2020 (Restated as per note 24)
	£'000s	£'000s
Amounts owed by holding company	-	4,618
Amounts owed by group undertakings	3,803	22,327
Trade debtors	78	866
Corporation tax – current year	30	-
Other debtors and prepayments	312	350
	4,223	28,161

Amounts owed by group undertakings are unsecured and payable on demand. Interest is charged on non-trade amounts due from group undertakings at a rate of 1.60% (31 December 2020: 1.60%).

No amounts included in debtors fall due after more than one year.

In recognition of insurance brokers acting as agents in placing the insurable risks of their clients with insurers, uncollected debtors of £11.6m (31 December 2020: £13.5m) from insurance broking transactions are not included as an asset of the company.

Note 15a

	31 December 2021
	£'000s
Amounts owed by group undertakings - gross	25,189
Impairment provision (note 5)	(21,386)
Amounts owed by group undertakings – net	3,803

16. Investments

	31 December 2021	31 December 2020
	£'000s	£'000s
Goldman Sachs fund	1,000	1,000

The money market fund held with Goldman Sachs Asset Management Global Services Limited, holds the Miller Re regulatory cash requirement. The funds are available on demand and return a variable rate of interest. The average interest rate was 0.00% (31 December 2020: 0.69%) per annum.

17. Cash and cash equivalents

	31 December 2021	31 December 2020
	£'000s	£'000s
Restricted cash – fiduciary funds	13,846	4,380
Cash at bank	305	1,220
	14,151	5,600

Notes to the financial statements for the year ended 31 December 2021 (continued)

18. Creditors

	31 December 2021	31 December 2020
	£'000s	£'000s
Trade creditors- fiduciary funds	13,796	4,380
Corporation tax- current year	-	68
Amounts owed to group undertakings	-	344
Accruals and deferred income	212	681
	14,008	5,473

Amounts owed to group undertakings are unsecured and payable on demand. Interest on non-trade amounts owed to group undertakings is charged at a rate of 1.60% (31 December 2020: 1.60%).

No amounts included in creditors fall due after more than one year.

In recognition of insurance brokers acting as agents in placing the insurable risks of their clients with insurers, uncollected debtors and associated creditors of £11.6m (31 December 2020: £13.5m) from insurance broking transactions are not included as an asset of the company.

19. Defined contribution scheme

The amount recognised as an expense for the defined contribution scheme was:

	31 December 2021	31 December 2020
	£'000s	£'000s
Current year contributions	95	185

Expected contributions to post employment benefit plans for the year ended 31 December 2022 are £126k.

20. Share capital

	31 December 2021	31 December 2020
Authorised, allotted, issued and fully paid	£	£
Authorised:		
Ordinary shares of £1 each	1,500,000	1,500,000
Called up, allotted, issued and fully paid:		
Ordinary shares of £1 each	1,300,001	1,300,001

The Company only has one class of shares. All shares rank equally for the purposes of voting and for distributions.

21. Related party transactions

Amounts owed by/(to) group undertakings	31 December 2021	31 December 2020
	£'000s	£'000s
	Debtor/(Creditor)	Debtor/(Creditor)
Nelson Holdings Limited	-	-
Miller Insurance Holdings Limited	-	4,142
Miller Insurance Services LLP	3,588	5,171
Miller Europe Limited	215	-
AG Broking Services Limited	-	13,014
	3,803	22,327

21. Related party transactions (continued)

Amounts owed by/(to) group undertakings are unsecured and will be settled in cash. The amounts are payable on demand or repayment date, whichever is earlier. Repayment dates are between December 2023 and April 2025. Interest is charged on amounts due from/to group undertakings at a rate of 1.60% (31 December 2020: 1.60%). No guarantees have been given or received. Following a review of inter-company balances, Miller Re concluded that its loan to Miller Insurance Holdings Limited, Nelson Holdings Limited and AG Broking Services Limited, should have an impairment provision (£21,386k) against it in the current year (note 5). No expense has been recognised in the current year or prior year in respect of bad or doubtful debts due from related parties. These receivables may be used by the respective borrower for their general corporate purposes.

22. Controlling party & ultimate parent

In the opinion of the Company's directors, the Company's ultimate parent company and ultimate controlling party is Ben Nevis Feederco Limited, a company incorporated in Jersey and owned jointly by: Cinven Strategic Financials Fund Limited Partnership, incorporated in Guernsey; SFF Cinven Co-investment SCSp, incorporated in Luxembourg; Cinven Strategic Financials Co-Investment Fund Limited Partnership, incorporated in Guernsey; Raffles Private Holdings Limited, incorporated in England and Wales and owned by GIC, as well as various employees of the Miller group. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Ben Nevis Cleanco Limited, a company incorporated in England and Wales. Copies of the group financial statements of Ben Nevis Cleanco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company's immediate holding company is Nelson Holdings Limited, incorporated in England and Wales.

23. Post balance sheet events

On 24 February 2022, the Russian Federation commenced a military invasion of Ukraine. Russian actions with respect to Ukraine have resulted in certain sanctions being imposed by the United Kingdom, the European Union, the United States, and other jurisdictions. The Company have little or no exposure to the region.

As at the date of an approval of these financial statements, the impact of the military conflict between Russia and Ukraine has had little direct impact on the Company's operations.

Other than the above, the directors are not aware of any post balance sheet events prior to the financial statements being signed that need to be disclosed or adjusted.

24. Reconciliation on adoption of FRS 102

	31 December 2020		
	As previously stated	**Effect of transition**	**FRS 102 (as restated)**
	£'000s	£'000s	£'000s
Turnover	5,867	-	5,867
Administrative expenses (Note 1)	(4,725)	(22)	(4,747)
Other operating income	322	-	322
Other gains	(29)	-	(29)
Operating profit	**1,435**	**(22)**	**1,413**
Interest receivable and similar income	237	-	237
Interest payable and similar costs (Note 2)	(3)	3	-
Profit on ordinary activities before income tax	**1,669**	**(19)**	**1,650**
Tax (expense)/credit on ordinary activities (Note3)	134	3	137
Profit for the financial year	**1,803**	**(16)**	**1,787**
Total comprehensive income for the year	1,803	(16)	1,787

Notes to the financial statements for the year ended 31 December 2021 (continued)

24. Reconciliation on adoption of FRS 102 (continued)

	31 December 2019			31 December 2020		
	As previously stated	Effect of transaction	FRS 102 (as restated)	As previously stated	Effect of transaction	FRS 102 (as restated)
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed Assets						
Tangible assets	218	-	218	-	-	-
Right-of-use asset (Note 4)	232	(232)	-	-	-	-
	450	(232)	218	-	-	-
Current assets						
Debtors (Note 5)	30,156	(288)	29,868	28,455	(294)	28,161
Cash at bank and in hand	11,099	-	11,099	5,600	-	5,600
	41,255	(288)	40,967	34,055	(294)	33,761
Creditors: amounts falling due within one year (Note 6)	(14,223)	(371)	(14,594)	(5,473)	-	(5,473)
Lease liabilities due within one year	(613)	613	-	-	-	-
Net current assets	26,419	(46)	26,373	28,582	(294)	28,288
Total assets less current liabilities	26,869	(278)	26,601	28,582	(294)	28,288
Provisions for liabilities	(90)	-	(90)	-	-	-
Net assets	26,329	(278)	26,501	28,582	(294)	28,288
Equity						
Share capital	1,300	-	1,300	1,300	-	1,300
Retained earnings	25,186	(278)	24,908	26,989	(294)	26,695
Capital contribution	293	-	293	293	-	293
Total shareholder's funds	26,779	(278)	26,501	28,582	(294)	28,288

Reconciliation on adoption of FRS 102

	Notes	Share capital	Retained earnings	Capital contribution	Total
		£'000s	£'000s	£'000s	£'000s
Balance as at 1 January 2020 (As previously stated)		**1,300**	**25,186**	**293**	**26,779**
Effect of transition					
Deferred costs to match against income - cost capitalisation			(278)	-	(278)
Balance as at 1 January 2020 (FRS 102 as restated)		**1,300**	**24,908**	**293**	**26,501**
Restated Balance at 1 January 2020 (Restated per Note 24)		**1,300**	**24,908**	**293**	**26,501**
Total comprehensive income for the period (Restated per Note 24)		-	1,787	-	1,787
Balance at 31 December 2020 (Restated per Note 24)		**1,300**	**26,695**	**293**	**28,288**

24. Reconciliation on adoption of FRS 102 (continued)

The transition to FRS 102 has resulted in the above adjustments, which relate to the following:

Note 1 - The reversal deferred cost charge of £22k which were incurred under FRS 101.

Note 2- The reversal of the operating lease liability interest expense of £3k previously charged under FRS101.

Note 3 – Derecognition of deferred tax expense on deferred cost of £3k incurred under FRS101.

Note 4 - Leases (lessee accounting) being taken off balance sheet, resulting in the derecognition of the right of use asset (31 December 2020: nil, 31 December 2019: -£232k) and lease liability (31 December 2020: nil, 31 December 2019: £613k) as a result of transitioning from FRS101 to FRS102.

Note 5 - The practice of deferring costs to match against income under FRS101 is no longer being carried out, resulting in the derecognition of deferred costs asset in the statement of financial position (31 December 2020: -£363k, 31 December 2019: -£354k) net of deferred taxes recognised (31 December 2020: £69k, 31 December 2019: £66k)

Note 6 - The recognition of operating lease rent accrual (31 December 2020: nil, 31 December 2019: -£371k) under FRS102.