
ALEXANDER FORBES INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



ALEXANDER FORBES INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors

The directors who served during the year were:

P M Elliott
R M Head

Qualifying third party indemnity provisions

The company is party to a group wide indemnity policy which benefits its current directors and is a Qualifying Third Party Indemnity provision for the purposes of the Companies Act 2006.

The indemnity was in force during the year and at the date of signing.

Disclosure of information to auditor

Post balance sheet events

Since the year end, and to until 30 June 2023, no further (2022: £822,766) ETV claims as disclosed in note 12 have been settled. These claims have been fully covered by funds received from Group Companies under warranties received (note 8).

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



R M Head
Director

Date: 30 June 2023

ALEXANDER FORBES INTERNATIONAL LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

ALEXANDER FORBES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER FORBES INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Alexander Forbes International Limited (the 'company') for the year ended 31 March 2023, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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 United Kingdom, including the Financial Reporting Council'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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ALEXANDER FORBES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER FORBES INTERNATIONAL LIMITED (CONTINUED)

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

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 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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.

ALEXANDER FORBES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER FORBES INTERNATIONAL LIMITED (CONTINUED)

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.

Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the company and industry, discussions with management and directors we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management, about litigations and claims and inspection of relevant correspondence
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates, including the carrying value of accruals, the ETV claim provision, the recoverability of debtors and the revenue recognition;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

ALEXANDER FORBES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEXANDER FORBES INTERNATIONAL LIMITED (CONTINUED)

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

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.



Nigel Bostock (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

30 June 2023

ALEXANDER FORBES INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Administrative expenses		(94,424)	(96,374)
Operating loss		(94,424)	(96,374)
Interest receivable and similar income	6	3,016	129
Loss before tax		(91,408)	(96,245)
Tax on loss		-	-
Loss for the financial year		(91,408)	(96,245)

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 10 to 19 form part of these financial statements.

ALEXANDER FORBES INTERNATIONAL LIMITED
REGISTERED NUMBER: 02265613

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Current assets			
Debtors: amounts falling due within one year	8	1,805,218	2,451,654
Cash at bank and in hand	9	507,461	593,849
		<u>2,312,679</u>	<u>3,045,503</u>
Creditors: amounts falling due within one year	10	(40,763)	(505,872)
Net current assets		<u>2,271,916</u>	<u>2,539,631</u>
Total assets less current liabilities		<u>2,271,916</u>	<u>2,539,631</u>
Provisions for liabilities			
Other provisions	12	(1,855,218)	(2,031,525)
		<u>(1,855,218)</u>	<u>(2,031,525)</u>
Net assets excluding pension asset		<u>416,698</u>	<u>508,106</u>
Net assets		<u><u>416,698</u></u>	<u><u>508,106</u></u>
Capital and reserves			
Called up share capital	13	100	100
Foreign exchange reserve		51,358	51,358
Profit and loss account		365,240	456,648
		<u>416,698</u>	<u>508,106</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R M Head
Director



P M Elliott
Director

Date: 30 June 2023

The notes on pages 10 to 19 form part of these financial statements.

ALEXANDER FORBES INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 April 2021	100	51,358	552,893	604,351
Comprehensive income for the year				
Loss for the year	-	-	(96,245)	(96,245)
Total comprehensive income for the year	-	-	(96,245)	(96,245)
Total transactions with owners	-	-	-	-
At 1 April 2022	100	51,358	456,648	508,106
Comprehensive income for the year				
Loss for the year	-	-	(91,408)	(91,408)
Total comprehensive income for the year	-	-	(91,408)	(91,408)
Total transactions with owners	-	-	-	-
At 31 March 2023	100	51,358	365,240	416,698

The notes on pages 10 to 19 form part of these financial statements.

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The company is a private limited company (limited by shares), which is incorporated and domiciled in England and Wales.

The company's registered office is Warren House, 92 High Street, Cranleigh, Surrey GU6 8AJ.

The principal activity of the company is the provision of administrative support to other companies within the Alexander Forbes Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Going concern

The directors have assessed the company's financial position, forecasts, anticipated cash flows and future plans, including the recoverability of the warranty claim and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In making this assessment the directors have considered each of the following:

(i) The company has retained liabilities under a warranty provided in the sale of a subsidiary business in the prior years. A provision for an estimate of these liabilities limited by the warranty claims in the transaction (see note 12) has been made in these financial statements.

(ii) The estimated provision made, together with any potential additional provisions that may be required are fully covered by support provided by group companies to settle any ETV related liabilities that may arise, in the event, that any such liabilities are not recovered from Group Insurance policies. The Company has warranties from its parent company that all liabilities will be covered in full.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the annual report and financial statements.

The financial statements do not include any adjustments that may be result from any significant changes in the assumptions noted above in preparing the financial statements on a going concern basis.

2.4 Impact of new international reporting standards, amendments and interpretations

There are no new IFRS that are effective for the first time for the financial year beginning on or after 1 April 2022 that have been adopted or have an impact on the financial statements of the company.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Insurance receivable and warranty receivable

The company benefits from being insured under the Alexander Forbes Group insurance policies. An insurance receivable is recognised to the extent it is recoverable under the Group insurance policies in the event of claims made under warranties and indemnities provided by the company.

The company benefits from having a warranty from Group Companies to the extent any liabilities arising from the legacy ETV claims are not covered by Group Insurance Policies. These amounts are recognised to the extent a liability is recognised and the warranty from Group Companies is considered recoverable from such companies.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without a penalty on notice of not more than 30 days.

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.13 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.13 Financial instruments (continued)

The company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in compliance with FRS 101 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimation of the provision for ETV client settlements requires certain assumptions and judgements by management, namely, the number of cases requiring redress and the expected average redress amount per case. Should the number of cases requiring redress or the expected average redress amount be higher than estimated, additional provisions would be required.

Judgement is also made to determine the extent to which the indemnities provided in the original sale and purchase agreement will be invoked to limit the liability on warranty claims in the transaction.

As any additional provisions would be fully covered by either Group warranties or insurance policies a judgment is made to evaluate the recoverability of amounts to be settled by the company from Group warranties or insurance policies.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

	2023 £	2022 £
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	20,000	15,000
Fees payable to the company's auditor and its associates in respect of: Taxation compliance services	5,070	1,850
	<u>25,070</u>	<u>16,850</u>

5. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	63,124	79,049
Social security costs	2,349	5,124
	<u>65,473</u>	<u>84,173</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Management	1	1
Directors	2	2
	<u>3</u>	<u>3</u>

6. Interest receivable

	2023 £	2022 £
Other interest receivable	3,016	129
	<u>3,016</u>	<u>129</u>

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2022	2,281
At 31 March 2023	<u>2,281</u>
Depreciation	
At 1 April 2022	2,281
At 31 March 2023	<u>2,281</u>
Net book value	
At 31 March 2023	<u><u>-</u></u>
At 31 March 2022	<u><u>-</u></u>

8. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	1,805,218	2,451,654
	<u>1,805,218</u>	<u>2,451,654</u>

Amounts owed by group undertakings include receivables relating to support and warranties provided by group companies to settle any ETV related liabilities (note 12) that may arise, in the event, that any such liabilities are not recovered from Group Insurance policies.

9. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	507,461	593,849
	<u>507,461</u>	<u>593,849</u>

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	-	470,130
Other taxation and social security	1,313	1,481
Accruals and deferred income	39,450	34,261
	<u>40,763</u>	<u>505,872</u>

11. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	507,461	593,849
Financial assets that are debt instruments measured at amortised cost	1,805,218	2,451,654
	<u>2,312,679</u>	<u>3,045,503</u>
Financial liabilities		
Financial liabilities measured at amortised cost	39,450	504,391

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise other receivables and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Provisions

	Provision for client settlements - ETV £
At 1 April 2022	2,031,525
Utilised in year	(176,307)
At 31 March 2023	<u>1,855,218</u>

The company's previous subsidiaries were subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions arising in their operations. Under certain disposals, the company retained the liability for certain of these errors and omissions via indemnities provided to the purchasers. Although all claims are strenuously defended, a provision is made for financial liabilities, including expenses, that are deemed more likely than not to arise in respect of potential claims notified to the company and in excess of the retention payable by the subsidiaries or former subsidiaries, at the date of these financial statements. Claims may arise several years after the original events which are the subject of dispute.

There is a matter (ETV) in respect of a legacy subsidiary business that had been sold inclusive of certain warranties. As a result of the material increase in liability and the value of insurance that is being challenged by the insurers, the indemnities provided in the original sale and purchase agreement will be invoked. The liability on warranty claims in the transaction was limited to around £18.5m (excluding certain costs), this limitation excludes recoveries of any claim received from any third party insurer. The company has paid a total of £18.4m (2022: £18.2m) (including costs) on the claim including payments through a Group's cell-captive insurance facilities which has the effect of reducing the potential future liability of the company to approximately £1.8m (2022: £2.0m). Details of further amounts settled post year end are summarised in note 14.

The provision for the outstanding liability at 31 March 2023 is £1,855,218 (2021: £2,031,525) which is covered by support provided by group companies to settle any ETV related liabilities that may arise, in the event, that any such liabilities are not recovered from Group Insurance policies. The company has warranties from its parent company that all liabilities will be covered in full.

As all liabilities in respect of this matter are covered by either Group warranties or insurance, it is virtually certain that an inflow of economic benefits will arise to cover the provision for liabilities. Accordingly, there is nil net impact to the income statement.

Sensitivity analysis

Key assumptions used in estimating the year-end provision consist of the expected number of cases requiring redress and the expected average redress cost per case. A sensitivity analysis has been performed on the key assumptions based on best and worst case scenarios. However, as the current provision recognised is limited by the liability on warranty claims in the transaction, it is determined that no further liability will arise for the company in the event the estimate for the settlement of the ETV cases increases.

As outlined above, as all liabilities in respect of this matter are covered by Group warranties or insurance, any future adjustment arising from the matters noted within this sensitivity analysis will have a nil net impact to the income statement.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1 each	100	100

14. Post balance sheet events

Since the year end and up to 30 June 2023, no further (2022: £1,346,139) ETV claims as disclosed in note 12 have been settled. These claims have been fully covered by funds received from Group Companies under warranties received (note 8).

15. Parent undertakings and ultimate controlling party

The company's immediate parent undertaking is Alexander Forbes Acquisition (Pty) Limited, which is registered in South Africa.

The company's ultimate parent undertaking and controlling party is Alexander Forbes Group Holdings Limited ("AFGH"), a company registered in South Africa.

Copies of AFGH's consolidated financial statements can be obtained from 115 West Street, Sandown 2196, South Africa.